

LAW OF UKRAINE

"On Introducing Changes to Some Legislative Acts of Ukraine (Regarding License Fees and the Excise Duty on the Manufacture of Spirits, Alcoholic Beverages and Tobacco Products)"

The Verkhovna Rada of Ukraine hereby **r e s o l v e s**:

To introduce changes to the following legislative acts of Ukraine:

1. In the Law of Ukraine "On State Regulation of the Manufacture and Circulation of Ethyl, Cognac and Fruit Spirits, Alcoholic Beverages and Tobacco Products" (Bulletin of the Verkhovna Rada of Ukraine, 1995, No. 46, Article 345; 2002, No. 26, Article 175, No. 50, Article 365).

1) Article 4 shall be worded as follows:

„To establish a license fee on the manufacture of:

ethyl, cognac and fruit spirits, rectified ethyl grape spirits, rectified ethyl fruit spirits, alcoholic beverages, tobacco products, crude ethyl grape spirits, crude ethyl fruit spirits and on primary wineries – UAH 780.

Licenses shall be issued for a term of 5 years.

License fees in amounts established by this Law shall be levied by the licensing body before beginning the manufacture of the said products and shall be transferred to the State Budget.

For the issuance of a duplicate license a fee in the amount of UAH 390 shall be levied and transferred to the budget in accordance with current legislation.”

2) Part six of Article 14 shall be worded as follows:

“The license fee to import, export or engage in wholesale trade in ethyl, cognac and fruit spirits, rectified ethyl grape spirits, and rectified ethyl fruit

spirits shall be UAH 780. Licenses shall be issued by a body authorized by the Cabinet of Ministers of Ukraine for a term of 5 years and license fees shall be transferred to the State Budget of Ukraine.”

3) Parts seven and eight shall be deleted.

4) In Article 15:

a) part two shall be worded as follows:

„The license fee to import, export and engage in wholesale trade in these products shall be UAH 780.”

b) part three shall be worded as follows:

„Licenses to import, export alcoholic beverages and tobacco products shall be issued for a term of 5 year by an executive body authorized by the Cabinet of Ministers of Ukraine. The license fee shall be in the amount established by this Law, it shall be levied by the licensing body and transferred to the State Budget.”

c) part four shall be worded as follows:

„Licenses to engage in wholesale trade shall be issued for a term of 5 years by executive bodies authorized by the Cabinet of Ministers of Ukraine in the Autonomous Republic of Crimea, oblasts, the cities of Kyiv and Sevastopol.

License fees shall be paid in amounts established by this Law, levied by the licensing body and transferred to the State Budget.”

d) parts five and six shall be deleted.

e) part ten shall be worded as follows:

“The license fee to engage in retail trade in alcoholic beverages shall be UAH 8,000 per each separate electronic cash register specified in the license (an accounting book for settlement transactions) located at the trade outlet; retail trade in tobacco products per each trade outlet – UAH 2,000; and in the territory of villages and settlements except for those located within city boundaries – UAH 500 for retail trade in alcoholic beverages per each separate electronic cash register specified in the license (an accounting book for settlement transactions) located at the trade outlet; and UAH 250 for retail trade in tobacco products per each trade outlet.”

e) part eleven shall be worded as follows:

“For trade outlets located up to 50 km away from the territory of oblast subordination cities and the cities of Kyiv and Sevastopol having salesrooms whose space is over 500 square meters, the license fee to engage in retail trade in alcoholic beverages shall be UAH 8,000 per each separate electronic cash register specified in the license (an accounting book for settlement transactions)

located at the trade outlet and UAH 2,000 – for retail trade in tobacco products per each trade outlet.”

2. In the Law of Ukraine “On Excise Duty Rates on Ethyl Spirits and Alcoholic Beverages” (Bulletin of the Verkhovna Rada of Ukraine, 1996, No. 28 (09.07.96), Article 131).

1.Article 1 shall be worded as follows:

2.“Article 1. To approve excise duty rates on ethyl spirits and alcoholic beverages:

| 3. Code of goods in accordance with UCCFEA 4. | 5. Description of goods 6. | 7. Excise duty rates in UAH per unit of goods |
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| 8. 2204 (except 2204 10, 9. 2204 21 10 00, 10. 2204 29 10 00) | 11. Natural grape wines 12. | 13. 0.26 UAH for 1 liter 14. |
| 15. 2204 16. (except 2204 10, 17. 2204 21 10 00, 18. 2204 29 10 00) | 19. Natural wines with added spirits and strong (fortified) | 20. 0.51 UAH for 1 liter 21. |
| 22. 2204 30 23. | 24. Grape wine materials | 25. 0 26. |
| 27. 2204 10, 28. 2204 21 10 00, 29. 2204 29 10 | 30. Sparkling wines 31. Carbonated wines | 32. 1.62 UAH for 1 liter 33. |

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| 00 | | |
| 34. 2205 35. | 36. Vermouths and other grape natural wines with added plant or aromatizing extracts | 37. 2.63 UAH for 1 liter 38. |
| 39. 2206 00 40. | 41. Fermented fruit and berry beverages (cider, perry, etc.) with added spirits, mixed beverages containing spirits and mixes of alcoholic and non-alcoholic beverages (except fermented fruit and berry beverages (cider, perry, etc.) without added spirits) | 42. 0.11 UAH for 1 percent by volume of alcohol in 1 liter 43. |
| 44. 2206 00 45. | 46. Only fermented fruit and berry beverages (cider, perry, etc.) without added spirits | 47. 1.25 UAH for 1 liter 48. |
| 49. 2207 50. | 51. Non-denatured ethyl spirits with the concentration of alcohol at least 80 per cent of the volume, ethyl spirits and other denatured spirits of any concentration | 52. 17.20 UAH for 1 liter 100-proof spirits 53. |
| 54. 2208 55. (except 2208 20) 56. | 57. Non-denatured ethyl spirits with the concentration of alcohol less than 80 per cent of the volume, spirit infusions, liquors and other spirit beverages | 58. 17.20 UAH for 1 liter 100-proof spirits 59. |
| 60. 2208 20 61. (except 2208 20 12 00, 62. 2208 20 29 00 – only brandy, 63. 2208 20 89 00 – only cognac spirits) | 64. Spirit beverages produced by distilling grape wine or husks of grapes | 65. 17.20 UAH for 1 liter 100-proof spirits 66. |
| 67. 2208 20 12 00 | 68. Cognac | 69. 6.15 UAH for 1 liter 100-proof spirits |

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| 70. 2208 20 29 00 71. | 72. Only brandy 73. | 74. 6.15 UAH for 1 liter 100-proof spirits |
| 75. 2208 20 89 00 76. | 77. Only cognac spirits 78. | 79. 16.20 UAH for 1 liter 100-proof spirits. |

80.

3. In the Law of Ukraine “On Excise Duty Rates on Tobacco Products”
(Bulletin of the Verkhovna Rada of Ukraine, 1996, No. 8 (20.02.96), Article 32).

81. In Article 1 the following excise duty rates shall be established:

| 82. Code of goods (products) in accordance with UCCFEA | 85. Description of goods | 88. Excise duty rates in hard amounts per one unit of sold goods (products) | 89. Excise duty rates as a percentage of the goods (products) sales turnover |
|---|---|--|---|
| 83. 84. | 86. (products) in accordance with UCCFEA 87. | | |
| 90. 2401 91. | 92. Tobacco raw materials. Tobacco waste | 93. 0 94. | 95. 0 96. |
| 97. 2402 10 00 00 98. | 99. Cigars including cigars with cut-off tips and cigarillos (slim cigars) containing tobacco | 100. 21 UAH for 100 pieces 101. | 102. 8.5 % 103. |
| 104. 2402 20 90 10 105. | 106. Tobacco cigarettes without filter | 107. 6 UAH for 1000 pieces | 108. 8.5 % 109. |
| 110. 2402 20 90 20 111. | 112. Tobacco filter cigarettes | 113. 12 UAH for 1000 pieces | 114. 8.5 % 115. |
| 116. 2403 (except 2403 99 | 120. Tobacco and tobacco replacement products, other, industrially manufactured; | 121. 0 | 123. 0 |

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| 10 00, 117. 2403 10) 118. 119. | “homogenized” or “restored” tobacco, tobacco extracts and essences | 122. | 124. |
| 125. 2403 10 126. | 127. Smoking tobacco containing or not containing replacements in any proportion | 128. 11 UAH for 1 kg 129. | 130. 8.5 % 131. |
| 132. 2403 99 10 00 133. | 134. Chewing and sniffing tobacco | 135. 11 UAH for 1 kg | 136. 8.5 % 137. |

138.

Final provisions:

1. This Law shall take effect as of the day of its publishing.
2. The Cabinet of Ministers of Ukraine shall:
bring its normative acts into compliance with this Law;
ensure the review and cancellation by ministries and other central
executive authorities of their normative acts contradicting this Law.

President of Ukraine

**V.
Yuschenko**