

**LAW OF UKRAINE**  
**“On Amendment of Some Legislative Acts of Ukraine on Regulation of Car**  
**Market in Ukraine”**

For the purpose of encouraging the cars production in Ukraine and preventing the cases of avoiding from taxation while importing or selling the cars the Supreme Rada of Ukraine resolves:

1. To introduce amendments to the following legislative documents of Ukraine:

1. Article 71 of the Customs Code of Ukraine (Vidomosli Verhovnoyi Rady Ukrainy, 1992, No. 16, p. 203):

1 ) The first part after the words "goods and other things" is to be supplemented with the words "except the vehicles, procedure of temporary import of which is regulated by the parts six - thirteen of this Article";

2) The Article is to be supplemented with the parts six - thirteen of the following content: "Temporary import of vehicles to the customs territory of Ukraine by physical persons and legal entities-residents is not permitted.

Temporary import of a vehicle according to one of the codes of Harmonized System of Goods' Description and Coding 87.02, 87.03, 87.04 or 87.05 is permitted to non-residents - entities of economic activity (including representations of foreign entities of economic activity regardless of the number of affiliates) and to non-residents - physical persons or members of their families (wife, husband, children, parents, who are non-residents of Ukraine), which are determined as owners of such vehicles at the moment of crossing the customs border of Ukraine, for personal needs once in three years for the period not exceeding one year.

The term of temporary import of the vehicle to the customs territory of Ukraine is determined by the customs body from the day of the first crossing of the passing post by this vehicle.

The vehicles, temporary imported against written obligation of back export, can not be transferred for ownership or use to other persons.

Temporary import of the vehicles according to the codes of Harmonized System of Goods' Description and Coding 87.02, 87.03, 87.04 or 87.05 is permitted when the document, proving their registration outside Ukraine, is available. If this condition is not observed, the above mentioned vehicles are subject to customs formalization according to the procedure, established by legislation of Ukraine.

The basis for giving the permission by customs body for the right of registering the vehicle in the body of State Automobile Inspection of the Ministry of Internal Affairs of Ukraine is the reference, issued by this body, that the person - non-resident does not have the vehicle, which was temporary imported during the last three years.

The vehicles, temporary imported by non-residents to the customs territory of Ukraine for personal use for the period, exceeding 2 months, are subject to registration in the bodies of State Automobile Inspection of the Ministry of Internal Affairs of Ukraine.

Validity of parts six - eight, ten - twelve of this Article is not applied to the vehicles, which belong to diplomatic representations of Ukraine and foreign countries, international, inter-governmental organizations and representations of foreign countries at these organizations, as well as to their personnel - non-residents of Ukraine".

2. To introduce the following amendments to the Decree of the Cabinet of

Ministers of Ukraine No. 46-93, did. May 10, 1993, "On standardization and certification" (Vidomosti Verhovnoyi Rady Ukrainy, 1993, No. 27, p. 289; 2000, No. 5, p. 34):

1) In Article 1:

The words "entities of business activities" in the first part should be deleted; To supplement with part two of the following content:

"Requirement regarding obligatory certification of goods being imported, is not applied to individuals (citizens) while importing the goods for own use in the volumes, exempted from taxation in accordance with valid legislation";

2) The words "by entities of business activities" and "entities of business activities" in paragraph I, pan 3, Article 5 and in Article 8 respectively should be deleted.

3. Article 11 of the Law of Ukraine "On value added tax" ("Vidoniosti Verkhovnoi Rady Okrainy", 1997, No. 21, p. 156, No. 37, p. 239, No. 38, p. 250, No. 47, p. 294, No. 51, p. 305, p. 307; 1998, No. 10, p. 37, No. 17, p. 83, No. 18, p. 95, No. 20, p. 100, No. 33, p. 224; 1999, No. 4, p. 33, No. 7, p. 53, p. 54, No. 15, p. 83, p. 88, No. 18, p. 140, p. 142, No. 26, p. 214, p. 216, No. 31, p. 250, No. 32, p. 264, No. 35, p. 302, No. 38, p. 338, p. 341, p. 343, p. 352, No. 39, p. 356, p. 357, No. 51, p. 446; 2000, No. 2, p. 16, No. 3, p. 20, No. 10, p. 78, No. 22, p. 172, with amendments, introduced by the Laws of Ukraine No. 1874-111, did. July 13, 2000, and No. 1991-111. did. September 21, 2000) should be supplemented with item 1 1.31 of the following content:

"11.31. To establish that the taxation basis on value added tax for passenger cars (code 87.03), being imported to Ukraine, shall be determined in accordance with provisions of this Law, but it cannot be less than normal price, which is determined (established) in accordance with the procedure, defined by the Cabinet of Ministers of Ukraine or by the body authorized by it, proceeding from market prices on similar goods in the countries of their origin, increased for the amount of excise tax and import duly".

4. To write down Article I of the Law of Ukraine "On the rates of excise tax and import duty lor some vehicles" (Vidomosti Verhovnoyi Rady Ukrainy, 1996. No. 32, p. 151; 1999, No. 52, p.464) in the following wording:

Code of the (Goods according to the Harmonized System of Goods' Description and Coding	Goods' description in accordance with (the System of Goods' Description and Coding	Rates of the excise tax, indicated in the fixed amounts per unit of the Goods (products)	Rates of specific import duty (privileged, full)
	Vehicles with reciprocating combustion engine, spark ignition, crank mechanism:		
87.0321 100	- with engine displacement not more than 1000 cub.cm., new	0.2 EURO per  1 cub.cm	0.05 EURO per  1 cub.cm

87.032190	- with engine displacement not more than 1000 used:		
87.0321901	age up to 5 years inclusive	0.4 EURO per 1 cub.cm	0.1 EURO per 1 cub.cm
87.0321 903	older than 5 years	0.6 EURO per 1 cub.cm	0.15 EURO per 1 cub.cm
87.03 22 110 87.03 22 190	- with engine displacement more than 1000 cub.cm., but not more than 1500 cub.cm., new: vehicles, equipped for dwelling, others	0.2 EURO per 1 cub.cm	0.1 EURO per 1 cub.cm
87.03 22 90	- with engine displacement more than 1000 cub.cm., but not more than 1500 cub.cm., used:		
87.0322901	age up to 5 years inclusive	0.4 EURO per 1 cub.cm	0.2 EURO per 1 cub.cm
87.03 22 903	older than 5 years	0.6 EURO per 1 cub.cm	0.3 EURO per 1 cub.cm
87.0323110 87.03 23 190	- with engine displacement more than 1500 cub.cm., but not more than 2200 cub.cm., new: vehicles, equipped for dwelling; others	0.3 EURO per 1 cub.cm	0.1 EURO per 1 cub.cm
87.0323 110 87.0323 190	- with engine displacement more than 2200 cub.cm., but not more than 3000 cub.cm., new: vehicles, equipped for dwelling; others	0.6 EURO per 1 cub.cm	0.4 EURO per 1 cub.cm
87.U3 23 W	- with engine displacement more than 1500 cub.cm., but not more than 2200 cub.cm., used:		
87.03 23 901	age up to 5 years inclusive	0.6 EURO per 1 cub.cm	0.2 EURO per 1 cub.cm
87.03 23 903	older than 5 years	0.9 EURO per 1 cub.cm	0.3 EURO per 1 cub.cm
87.03 23 90	- with engine displacement more than 2200 cub.cm., but not more than 3000 cub.cm., used:		
87.03 23 901	age up to 5 years inclusive	1.2 EURO per 1 cub.cm	0.8 EURO per 1 cub.cm
87.03 23 903	older than 5 years	1.8 EURO per 1 cub.cm	1.2 EURO per 1 cub.cm
87.03 24 100	with engine displacement not more than 3000 cub.cm.,	1.0 EURO per 1	0.8 EURO per

	new	cub.cm	1 cub.cm
87.03 24 90	with engine displacement not more than 3000 cub.cm., used		
87.0324901	age up to 5 years inclusive	2.0. EURO per 1 cub.cm	1.6 EURO per 1 cub.cm
87.03 24 903	other than 5 years	3.0 EURO per 1 cub.cm)	2.4 EURO per 1 cub.cm
	Other vehicles with internal combustion engines (diesel and semi-diesel engines, which operate using fuel with low octane level):		
87.0331 100	with engine displacement more than 1500 cub.cm., new:	0.2 EURO per 1 cub.cm	0.1 EURO per 1 cub.cm
87.03 31 W	with engine displacement more than 1500 cub.cm., used:		
87.03 31 901	age up to 5 years inclusive	0.4 EURO per 1 cub.cm	0.2 EURO per 1 cub.cm
87.0331903	older than 5 years	0.6 EURO per 1 cub.cm	0.3 EURO per cub.cm
87.03 32 110 87.03 32 \W	- with engine displacement more than 1500 cub.cm., but no more than 2500 cub.cm., new: vehicles. equipped for dwelling; others:	0.3 EURO per 1 cub.cm	0.15 EURO per 1 cub.cm
87.03 32 90	- with engine displacement more than 1500 cub.cm., but no more than 2500 cub.cm., used:		
87.0332901	age up to 5 years inclusive	0.6 EURO per 1 cub.cm	0.3 EURO per 1 cub.cm
87.03 32903	older than 5 years	0.9 EURO per 1 cub.cm	0.45 EURO per cub.cm
87.03 33 110 87.03 33 190	- with engine displacement more than 2500 cub.cm., new: vehicles, equipped for dwelling; others	0.8 EURO per 1 cub.cm	0.8 EURO per 1 cub.cm
87.03 33 90	- with engine displacement more than 2500 cub.cm., used:		
87.0333901	age up to 5 years inclusive	1.6 EURO per 1 cub.cm	1.6 EURO per 1 cub.cm
87.03 33 903	older than 5 years	2.4 EURO per 1 cub.cm	2.4 EURO per cub.cm
87.03 W	Others (with electric engine, others)	100 EURO per 1	300 EURO per 1

		piece	piece
87.03 10	Vehicles, specially designed for driving on the snow; special vehicles for transporting golf players and other similar vehicles.	0.6 EURO per 1 cub.cm	0.4 EURO per 1 cub.cm

87.1140000	Motor-cycles (including motor bicycles) and bicycles	0.2 EURO per 1	0.4 EURO per 1
87.1150000	with installed auxiliary engine, with buddy seats or	cub.cm	
87.1 1 90 000	without them, with engine displacement more than 500 cub.cm., but no more than 800 cub.cm.; more than 800 cub.cm.; others		
87.16 IOWO	Dwelling trailers and semi-trailers, weight more than 3500 kg	100 EURO per 1 piece	100 EURO per 1 piece

Used vehicles shall be understood as vehicles, which have or had the acts of state registration, issued by authorized bodies of the foreign country, which grants the right to use these vehicles."

5. The write down item 2 of Chapter II "Final provisions" of the Law of Ukraine "On sources of Financing the traffic management" (Vidomosti Verhovnoyi Rady Ukrainy, 1999, No. 40, p. 361) in the following wording:

"2. Driving and operation of the vehicles, imported to the customs territory of Ukraine against the obligation of their back export, until this Law becomes valid is permitted exclusively to non-residents - entities of economic activity (including representations of foreign entities of economic activity regardless of the number of affiliates) and to non-residents - physical persons or members of their families (wife, husband, children, parents), which are determined as owners of such vehicles at the moment of crossing the customs border of Ukraine".

To consider Articles 2 and 3 of the Decree of the Cabinet of Ministers of Ukraine No 2-93, dtd. January 11. 1993, "On the procedure of imposing taxes on the goods, which are imported (sent) by citizens to Ukraine" (Vidomosti Verhovnoyi Rady Ukrayni, 1993, No. 12 p. 105, No.49, p. 460) and the supplement to it, as invalid.

## II. Final provisions

1. The present Law comes into force since the date of its publication.

2. Sales of cars, being imported to Ukraine and confiscated (confiscated forcibly), including on the account of repaying the debt or other obligations according to civil-and-legal agreements, contracts in cases stipulated by the legislation, shall be executed with calculation of taxes and fees, being charged while importing the cars in accordance with the Law, provided that these taxes and fees have not been paid before.

The above mentioned taxes and fees shall be subjected to deduction before or at the moment of selling these cars.

3. In order to prevent pollution of environment, to improve ecological situation in Ukraine, - to prohibit, from the 1-st of January, 2003 to import to the customs territory of Ukraine, and from the 1-st of January, 2005 to use passenger cars, not equipped with the device for neutralization of harmful exhaust gases (catalytic converter).

4. Cabinet of Ministers of Ukraine within one-month term from the date when this Law becomes valid is to draw up and bring its normative-legal documents in conformity with this Law.

**President of Ukraine**

**L. KUCHMA**