

Flash Report

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Amendments to customs declarations



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Amendments to customs declarations

In accordance with the Tax Code taxpayers are allowed to self-disclose underpayment of taxes and pay 3% or 5% fine on the amount of underpayment. However, until very recently, this procedure was explicitly not applicable in respect of import taxes (customs duty, excise tax and VAT). Therefore, if an importer self-disclosed underpayment of import taxes, fines were applied at regular rates (25%, 50% and 75% of underpayment).

Recent amendments to the Tax Code have removed this restriction with effect from 6 August 2011. Thus, importers may now self-disclose mistakes and underpayment of import taxes subject to filing a corrective declaration and paying a fine of 3% of the underpaid tax. There is currently no specific form for filing a corrective customs declaration but we expect the customs authorities to issue guidance in the coming weeks. Until such guidance is provided businesses are likely to experience difficulties with the application of this rule for customs purposes.

*Source: * The Law of Ukraine "On Amendments to Tax Code of Ukraine and Certain Legislative Acts of Ukraine regarding Improvement of Certain Provisions of Tax Code of Ukraine" No 3609 dated 7 July 2011*