

FLASH REPORT

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This flash report is produced by
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department.

Recent interpretation of the “usual price” of goods imported for further resale

The tax authorities have stated that the sale price of imported goods should not be below the declared customs value.

Tax authorities have indicated that if goods are sold at below the declared customs value, an additional VAT assessment may be raised.

Furthermore, the sale price should cover transportation, loading, unloading and other “presale” costs; otherwise input VAT on such costs is not recoverable.

In our view, the letter does not fully comply with legislation, but it does indicate the likely aggressive approach to expect.

(Letter of the State Tax Administration of Ukraine # 7310/7/16-1517, dated 9 April 2008.)

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