Flash Report

Ukraine • Issue#17 /2016 • 12 July 2016





Contacts:

Camiel van der Meij

Partner & TLS Leader, Tax and Legal Services camiel.van.der.meij@ua.pwc.com

Slava Vlasov

Partner, Tax and Legal Services slava.vlasov@ua.pwc.com

Andrey Pronchenko

Partner, Tax and Legal Services andrey.pronchenko@ua.pwc.com

Denis Shendryk

Senior Manager Customs and International Trade Leader Tax and Legal Services

denis.shendryk@ua.pwc.com

PwC Ukraine

75 Zhylyanska Street, Kyiv, 01032 Tel: +380 44 354 0404

Fax: +380 44 354 0790

www.pwc.com/ua

This flash report is produced by PricewaterhouseCoopers' tax and legal services department. The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

©2016 Limited liability company «PricewaterhouseCoopers». All rights reserved. PwC refers to the Ukrainian member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.



Russian Federation introduces additional restrictions for transit from Ukraine

On 1 July 2016, the President of Russian Federation adopted Decree N^{o} 319*, expanding previously established transit restrictions** on shipments from Ukraine moved across Russian territory.

In particular, the Decree introduced a ban on transportation of the following goods to Kazakhstan and Kyrgyz Republic through the territory of Russian Federation:

- agricultural products banned for import into Russian Federation***,
- any goods which are subject to customs duty (i.e. customs duty rate which is above 0%) in the Eurasian Economic Union.

Any other goods coming from Ukraine to Kazakhstan and Kyrgyz Republic are allowed for transit through Russian Federation but should enter its territory through designated check points at the Belarus border and accompanied with GLONASS seals.

At the same time the wording of the Decree is vague and there is a risk that the ban will apply to goods, which are shipped from Ukraine and designated for any other third country.

The above restrictions will be into force till 31 December 2017.

As a "mirror" sanction, Ukraine has prolonged the ban on import of some goods originating in Russian Federation till 31 December 2017**** as well.

^{*} http://publication.pravo.gov.ru/Document/View/0001201607030001?index=0&rangeSize=1

^{**}http://publication.pravo.gov.ru/Document/View/0001201601010001?index=0&rangeSize=1

^{***}http://publication.pravo.gov.ru/Document/View/0001201408070021?index=2&rangeSize=1

^{****} The Decree of the Cabinet of Ministers of Ukraine No 417 of 6 July 2016