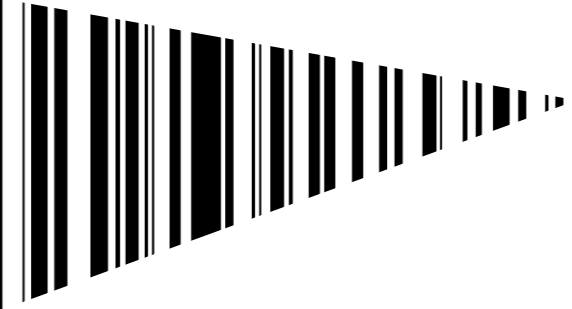


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Newsletter



Customs and International Trade Newsletter

Contacts at Ernst & Young:

Tel: +380 (44) 490 3000

Email: kyiv@ua.ey.com

No penalties upon true-up payments of import taxes, if before actual payment of royalties or tax deduction of these

Customs valuation of goods: royalties

On 29 January 2010, the State Customs Service of Ukraine adopted a long-awaited generalized tax clarification on applicability of penalties upon post-clearance payment of import taxes (Order No.58).

The clarification deals with true-up payments of import taxes when actual amount of dutiable royalties or license fees exceeded approximate values included as part of customs value upon customs clearance.

The Generalized clarification says that no penalties should apply if the taxpayer pays true-up import taxes before paying royalties or license fees, or before deducting these for income tax purposes.

Clarification also applies to dutiable value of any part of the proceeds of any subsequent resale, which accrues directly or indirectly to the seller of imported goods.