

Key updates of the month



MPs propose to extend benefits for the aircraft industry.

Members of Parliament Propose to Extend Benefits for Aircraft Industry
In February, two members of the Servant of the People legislature faction, elected in majority constituencies in the Zaporizhzhia region, registered draft law [law №13017](#) with amendments to the Customs Code of Ukraine to support the aircraft industry. The draft law proposes:

- Exemption from value-added tax and customs duties on goods imported for the aircraft industry.
- Exemption from corporate income tax for aircraft manufacturers.
- Exemption from land tax.

According to the current Customs Code, these benefits are valid until Jan. 1, 2025. As of Feb. 24, 2025, the relevant committee has not considered the draft law.



State Market Supervision Resumed

As of Jan. 1, 2025, state market supervision and control of non-food products has resumed. This applies to all non-food products defined by the Law of Ukraine "On State Market Supervision and Control of Non-Food Products."

Customs authorities will once again oversee non-food products upon import into Ukraine, conducting quality and safety checks, document reviews, and random sample inspections. This may cause delays for unprepared importers.

European integration

- On Feb. 13, the first simulation session on Title 29, Customs Union, was held in preparation for Ukraine's EU membership negotiations. **A screening session on Chapter 29 is expected on Apr. 10-11.**

Simulation sessions help Ukraine's representatives practice negotiation scenarios and refine strategies. Screening sessions assess whether the country's legislation aligns with EU standards and identify areas for improvement.

The screening allows you to check whether the legislation and regulatory framework of the EU accession country comply with European requirements and standards. The screening process can identify problem areas or discrepancies between legislation. Based on the results of the screening, the country can develop specific plans and strategies to bring its legislation in line with EU requirements.

- **Starting Jan. 21, 2025, all countries participating in the Convention on a Common Transit Procedure switched to NCTS Phase 5.**

Ukraine adopted NCTS Phase 5 in Apr. 2024.

Fostering trade

Number of enterprises obtained AEO status in 2024 - January 2025 (monthly):



In Jan. 2025, three companies received Authorized Economic Operator (AEO) status, matching Jan. 2024.

As of early Feb. 2025, 80 enterprises hold AEO status (77 AEO-C and 3 both AEO-C and AEO-B). (For more on AEO types, see [Customs Digest No. 1](#)).

Authorizations for simplifications

(including transit ones, Jan'25)

Number of businesses authorized for specific simplifications

14

number of issued authorization

31

in particular transition authorization

7

The number of companies granted customs simplifications in Jan. 2025 dropped by one-third from Dec. 2024, with 14 companies receiving simplifications. The most popular is the **"release procedure at the location"** (12 approvals), enabling companies to clear goods on-site, saving time and costs.

The State Customs Service received 27 applications for simplified procedures in Jan. 2025, indicating steady business interest.

Number of completed common transit operations at destination customs (monthly/year-to-date)

Import of goods



Export of goods

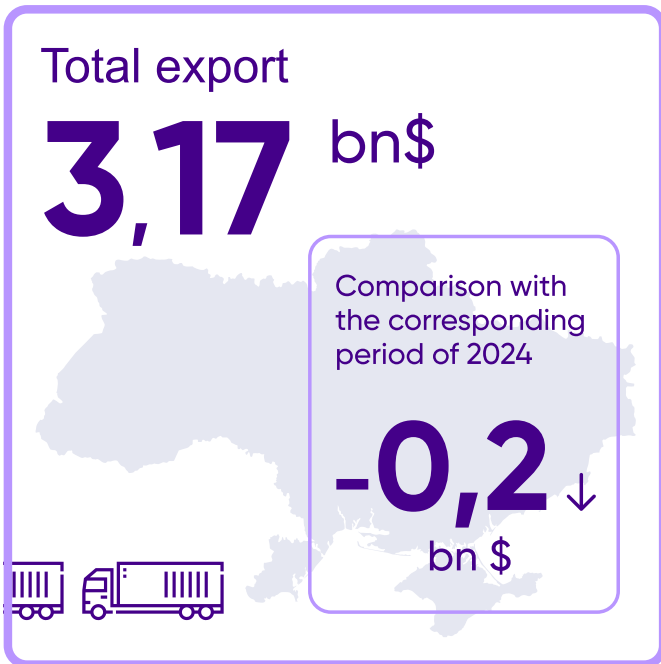


In Jan. 2025, common transit operations (NCTS) for imports to Ukraine decreased by 10 percent compared to Dec. 2024. However, compared to Jan. 2024, the number increased by 60 percent.

Outbound transit movements rose by 3.6 percent from Dec. 2024 but fell 9 percent year-over-year.

As a reminder, NCTS allows businesses to use a single customs declaration and guarantee for shipments between the 36 member countries of the Convention on a Common Transit Procedure. About a third of Ukraine's import transit operations use NCTS for national transit, where the procedure begins and ends within Ukraine.

Statistics on foreign trade





In Jan. 2025, Ukraine exported goods worth **\$3.17 billion**, a 7 percent (\$0.2 billion) decrease from Jan. 2024.


Top exports:

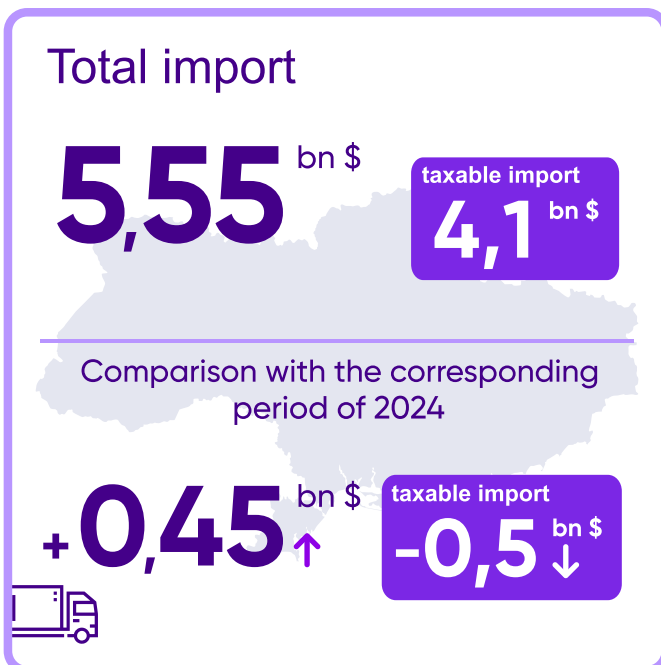
- corn - \$0.52 billion;
- sunflower, safflower or cottonseed oil - \$0.43 billion;
- Iron ore and concentrates — \$0.25 billion

Main export destinations:

 Poland — **\$0,35 billion**

 Italy — **\$0,2 billion**

 Spain — **\$0,2 billion**




Ukraine imported **\$5.55 billion** worth of goods in Jan. 2025, up \$0.45 billion from Jan. 2024.

Taxable imports totaled \$4.1 billion (74 percent of total imports), compared to \$4.6 billion in Jan. 2024.

The tax burden per unit weight of taxable imports fell by 1.3 percent (from \$0.493/kg to \$0.487/kg).

Top import origins:

 China — **\$1,4 billion**

 Poland — **\$0,49 billion**

 Turkey — **\$0,39 billion**

Meeting targets

Status of indicative target achievement

Actual customs duty revenues

47,5

bn UAH

Planned revenues

47,1 UAH billion

Percentage of achievement

100,8%

In Jan. 2025, customs authorities transferred UAH 47.5 billion to the state budget, achieving 100.8 percent of the target. This was UAH 206.5 million more than in Jan. 2024.

Increased customs revenues were driven by imports of:



petroleum gases
(comm. item 2711 according to UCGFEA)

1,3 billion UAH

↑ up UAH 737.2 million (+136.5 percent)



Electricity
(commodity item 2716 according to UCGFEA)

897,2 million UAH

↑ up UAH 638.0 million (+246.1 percent)



nitrogen fertilizers
(heading 3102 according to UKTVED)

770,7 million UAH

↑ up UAH 494.9 million (+179.4 percent)



Multi-nutrient fertilizers
(heading 3105 according to UCGFEA)

634,3 million UAH

↑ up UAH 428.9 million (+208.8 percent)



Pesticides
(heading 3808 according to UCGFEA)

814,9 million UAH

↑ up UAH 400.4 million (+96.6 percent)

Status of indicative tax revenues achievement

Import duty

4,2 bn UAH

103,8%
of the plan

VAT on imported goods

36,6 bn UAH

100,8%
of the plan

Excise tax on imported goods

6,7 bn UAH

98,6%
of the plan

Export duty

0,03 bn UAH

111%
of the plan

In January 2025, customs revenues minimally exceeded the indicative figures for all payments, except for the excise tax on imported goods.

In particular, the largest overperformance in January 2025 was recorded for export duties - 111% of the plan.

Customs duty exemptions in Jan. 2025 totaled UAH 20.7 billion, up 50 percent from Jan. 2024. Factors affecting revenue collection included:

- Duty exemptions totaling UAH 20.7 billion.
- Gradual reduction of import duty rates under free trade agreements.
- Periodic border checkpoint blockages.
- Shelling of port infrastructure.
- Exchange rate fluctuations (projected: 45 UAH/USD, actual: 42.11 UAH/USD).

Customs exemptions (UAH)

→  Import duty **4,3** bn

 VAT on imported goods **11,5** bn

 Excise tax on imported goods **4,6** bn

←  Export duty **0,2** bn

In January, the volume of customs duty exemptions decreased to UAH 20.6 billion (- UAH 6.7 billion compared to December 2024).

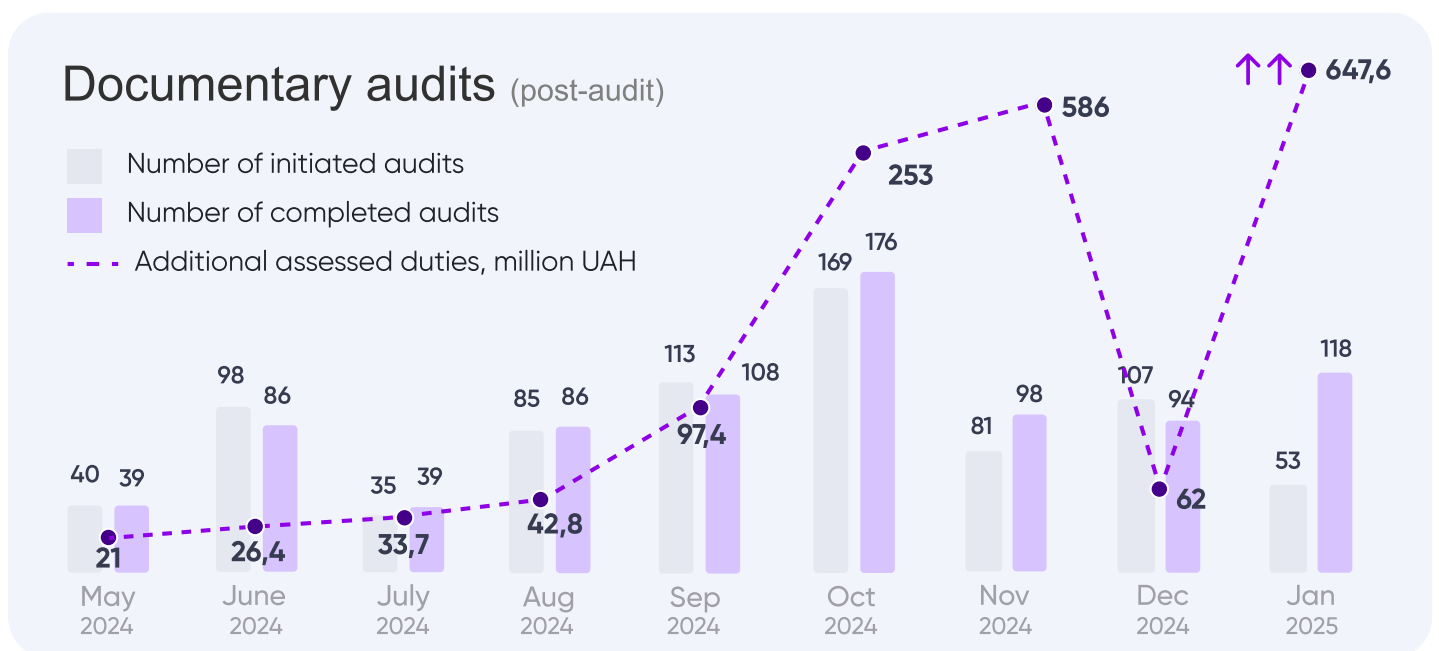
The largest amounts of benefits were granted in January 2025:

- Defense goods - UAH 8.3 billion;
- excisable goods imported as raw materials (mainly tobacco) - UAH 4.6 billion;
- imports under free trade agreements - UAH 2.3 billion,
- power generators and other power generating equipment) - UAH 1.9 billion;

- electric vehicles - UAH 0.9 billion.

The current import duty and VAT exemptions are not in line with European legislation. As part of the Association Agreement with the EU, Ukraine has committed to gradually approximating its legislation to EU legislation, in particular Regulation (EC) No. 1186/2009 and Council Directive 112/2006 regulating import duties and VAT. The National Revenue Strategy until 2030 also envisages harmonization of preferential taxation with EU requirements in 2024-2026.

Implementation of customs control functions



Since the lifting of the moratorium on documentary customs inspections in May 2024, 118 inspections were completed in Jan. 2025, resulting in UAH 647.6 million in additional customs duties. However, only UAH 8.3 million was collected.

Voluntary payments totaled UAH 27.8 million, highlighting challenges in debt collection.

Number of decisions on customs value adjustments

Year-to-date:

1 261
(+ 1 261)

Amount, (UAH):

0,3 bn
(+263 mln)

Number of decisions on goods classification

Year-to-date:

113
(+113)

Amount, (UAH):

0,03 bn
(+33 mln)

In January 2025, customs made 113 **decisions on goods classification** (13 fewer than Jan. 2024) but collected 1.6 times more in additional payments.

Decisions on customs value adjustments increased by 44 cases, raising additional charges by 1.4 times.

Despite these efforts, only 0.6 percent of total customs payments came from value adjustments, with many decisions under appeal, limiting actual collections.

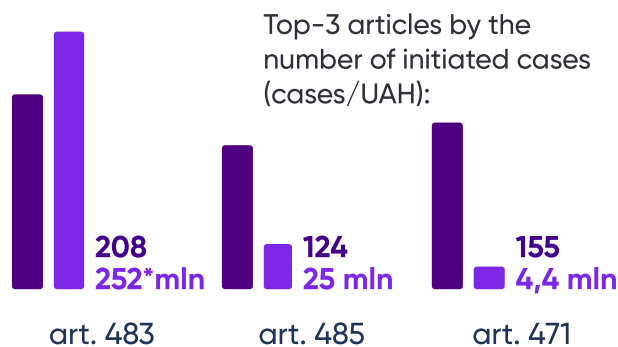
This means that the vast majority of customs duties in Ukraine are paid voluntarily by taxpayers, and the financial result of customs control measures does not always justify the complications of export and import operations caused by them.

Number of initiated cases

741

by amount of

260,6 million UAH



* the amount of unpaid customs duties is indicated

Customs recorded **741 violations of customs regulations worth UAH 260.6 million**, mostly due to concealed goods (UAH 252 million). Fines imposed totaled UAH 4.8 million, with UAH 3.7 million paid. Despite billions of dollars of violations detected, budget revenues remain insignificant. As of January 2025, fines amounting to UAH 4.8 million were imposed in 741 cases, of which UAH 3.7 million were paid.

Average customs clearance time* (min)

149

Import

76

Export

Vehicle crossings at the border, thousand units:

683

* including refused customs declarations

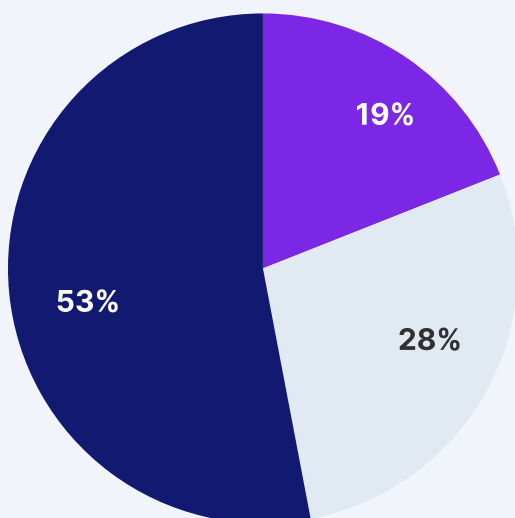
The average customs clearance time in Jan. 2025 decreased to 149 minutes (from 175 minutes in Jan. 2024), with export declaration processing down to 76 minutes (from 118 minutes).

Our business survey

TECHNOLOGY OF PROGRESS

Ukrainian business positively assesses the impact of reforms, but doubts the success of the anti-corruption fight and does not note significant changes in the work of the State Customs Service - these are the key findings of a business survey conducted by the NGO "Technologies of Progress".

A survey by NGO "Technologies of Progress" and Gradus Research polled 75 business leaders on corruption, reforms, and the State Customs Service.



Do you believe corruption decreased in 2024?

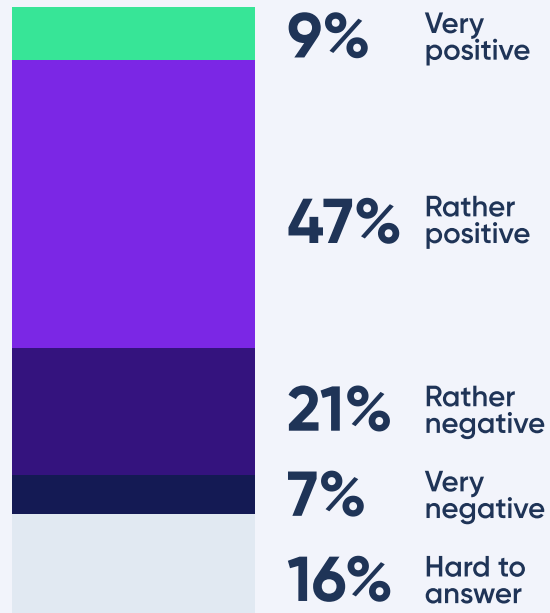
19% Yes

53% No

28% Hard to say

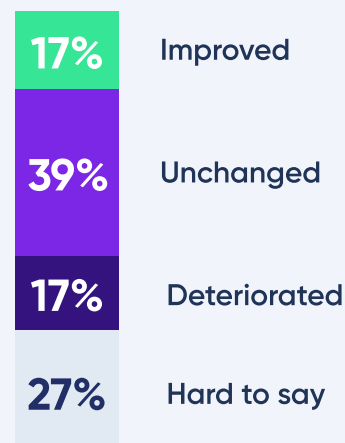
53% of respondents believe that the level of corruption in Ukraine in 2024 has not decreased compared to previous years. At the same time, 28% note positive changes.

How did reforms in 2024 affect your business?



56 percent positively assessed reforms linked to Ukraine’s international commitments (primarily to the EU, IMF, and World Bank). Of these, 47% rate it rather positive, and 9% rate it very positive. A negative assessment of the impact of reforms in general was given by 28% of respondents.

How did the quality of the State Customs Service change?



Customs reform remains a priority, with a new head of the State Customs Service expected to be elected through a transparent process by Jun. 2025, as part of Ukraine’s commitments to the IMF. The full study is available [here](#).

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