

Customs Monthly Digest

No8

May 2025

Key updates



The State Customs Service's Work Plan for 2025 has been approved — albeit with a significant delay.

The plan includes the development of a new Customs Code based on the EU Customs Code, further digitalisation of customs operations, and the drafting of legislation to grant customs authorities operational and investigative powers.



The State Customs Service has undertaken a number of measures to implement Law No. 3926, which came into force in April. The law introduces new regulatory requirements for businesses.

As part of the implementation:

- The official website now [features guidance](#) on how to obtain authorisations for the use of specific customs procedures and to conduct certain types of customs-related activities.
- Information has been published on [common errors](#) when submitting authorisation applications.
- Application forms for obtaining authorisations [have been updated](#).



Digital transformation of customs.

The functional module "Border Crossing Point Log" is being optimised for maritime transport. The improvements aim to streamline customs control processes for goods transported by sea through ports.

European integration

Key updates in customs-related EU integration:

As of 23 May 2025, the law introducing a one-year transition period for the updated rules of origin under the Pan-Euro-Mediterranean (PEM) Convention has entered into force. Ukraine joined the revised PEM rules on 1 January 2025, opening up new opportunities for duty-free exports to the EU.

The law establishes a transitional period until 1 January 2026, during which origin certificates issued under the previous version of the rules (prior to 1 January 2025) remain valid. This allows businesses time to adapt to the new rules of origin, including the use of cumulation when producing goods using materials originating in other PEM Convention countries.

Customs Administration Reform

On 23 May 2025, the Cabinet of Ministers adopted Resolution No. 618 **"Certain Issues Related to the Remuneration of Officials and Employees of Customs Authorities."**

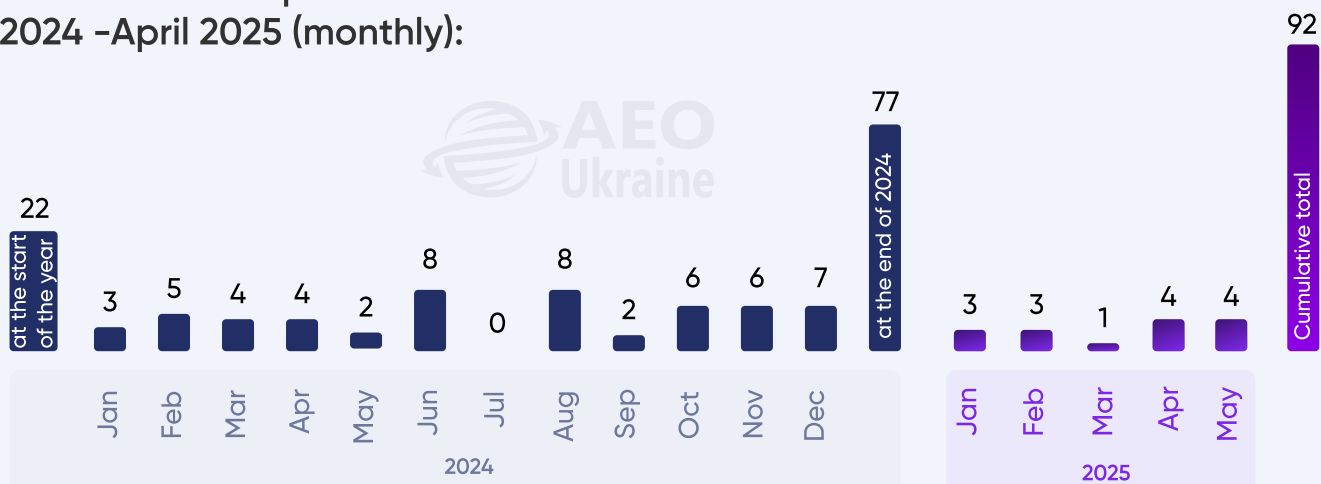
Under the new approach, salaries will no longer be determined by job title or department, but by professional knowledge, experience, and the complexity of the work performed. The base salary of a customs officer will depend on the functional area in which their competencies are applied, such as leadership, audit, control, or IT. The more complex the tasks and the higher the level of required competencies, the higher the salary.

The new pay structure links remuneration to the scope of job requirements rather than affiliation with a specific organisational unit.

It remains to be seen how effectively the provisions of the resolution will be implemented in practice.

Fostering trade

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



In May 2025, four companies were granted AEO status (AEO-C). No AEO-B status was granted during the month.

The number of applications for AEO status slightly decreased, with only two submitted in May.

As of early June, a total of 92 companies in Ukraine had been granted AEO status (89 with AEO-C status and 3 with both AEO-C and AEO-B status).

Authorizations for simplifications

(including transit ones, May'25)

Number of businesses authorized for specific simplifications:

14

number of issued authorization

28

in particular transition authorization

8

In May 2025, the number of companies granted customs simplifications remained the same as in April. However, compared to the same period last year (35 companies), the number of authorised companies decreased significantly, to just 14.

At the same time, the number of applications for simplifications in May 2025 increased compared to May 2024 (48 vs. 32), indicating growing business interest in using customs facilitation tools.

The most popular simplification granted in May was the — **comprehensive guarantee** (6 authorisations issued). This simplification allows businesses to secure the payment of import duties for multiple external economic operations under a single guarantee. It is considered a first step toward obtaining a reduced guarantee amount, or even full exemption, and helps businesses save both time and money on guarantees.



In May 2025, the upward trend in the number of common transit operations continued in both directions.

A total of **5,297 common transit declarations** were processed for **imports**, and **7,714 transit operations** were recorded for **exports**.

As a reminder, NCTS is an IT tool that technically enables businesses to use a single customs declaration with a single guarantee for movements between the 36 member countries of the Common Transit Convention.

Statistics on foreign trade






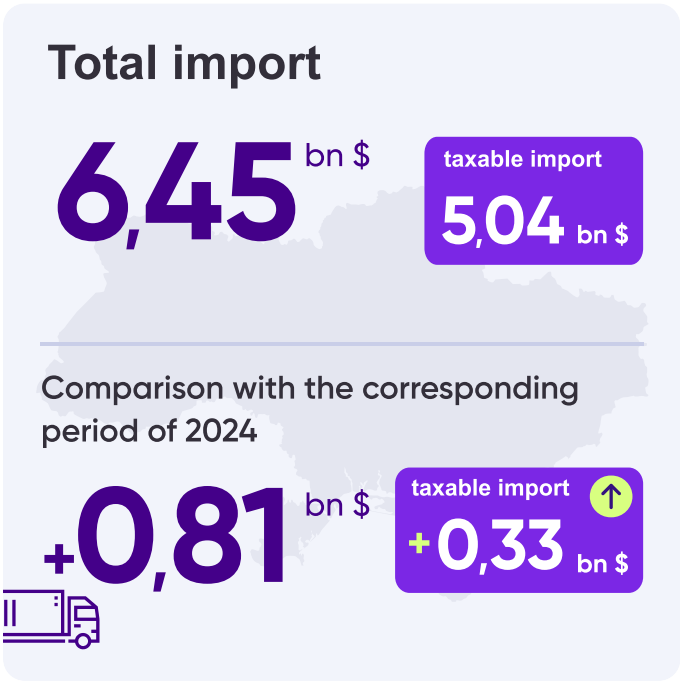
In May 2025, Ukraine exported goods worth **\$3.63 billion**, which is \$0.04 billion more than in May 2024.

The top exports in May 2025 were:

- Sunflower oil – \$0.55 billion
- Maize – \$0.46 billion
- Wheat – \$0.22 billion

The main importers of Ukrainian goods were:

 Poland — \$0,47 billion  Turkey — \$0,46 billion  Germany — \$0,21 billion



In May 2025, Ukraine imported goods worth a total of **\$6.45 billion**, which is **\$0.81 billion more** than in May 2024 (\$5.64 billion).

Taxable imports amounted to **\$5.04 billion** (78% of total imports), compared to **\$4.71 billion** in May 2024.

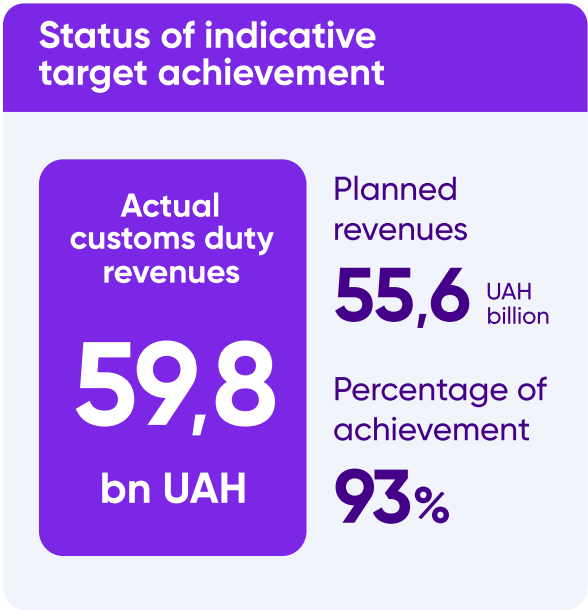
The **tax burden per kilogram of taxable imports** increased by 2.5% — from \$0.500/kg in January–May 2024 to \$0.512/kg in January–May 2025.

The **trade balance** worsened from **–\$2.07 billion** in May 2024 to **–\$2.82 billion** in May 2025.

The main countries exporting goods to Ukraine in May 2025 were:

 China — \$1,38 billion  Poland — \$0,6 billion  Germany — \$0,54 billion

Meeting targets



in May 2025, customs authorities administered the transfer of **UAH 55.6 billion** to the state budget — **93% of the assigned target**.

Compared to May 2024 (UAH 48.4 billion), actual revenues in May 2025 increased by **UAH 7.2 billion**.

According to the State Customs Service, customs revenue for January–May 2025 increased compared to the same period in 2024 due to imports of:



Petroleum products

up by **6,9** billion UAH

↑ or 23,2%



Passenger cars

up by **2** million UAH

↑ or 10,3%



Natural gas

up by **4** billion UAH

↑ or 106,8%



Insecti-, rodenti-,
fungi-, herbicides

up by **1** million UAH

↑ or 23,2%



Fertilisers

up by **1,1** million UAH

↑ or 52,4%

Status of indicative tax revenues achievement

Import duty

4,2 bn UAH

92,6%
of the plan

VAT on imported goods

42,3 bn UAH

92,1%
of the plan

Excise tax on imported goods

8,9 bn UAH

97,3%
of the plan

Export duty

0,015 bn UAH

49,4%
of the plan

In May 2025, **customs revenue again fell short of the indicative targets set by the Ministry of Finance across all tax categories.**

It is evident that the revenue planning assumptions did not fully materialize. The State Customs Service attributes the deviation primarily to the discrepancy between the exchange rate assumed in the budget (UAH 45/USD) and the actual exchange rate (UAH 41.64/USD).

This alone accounts for an estimated **UAH 19.6 billion shortfall.**

The highest rate of target execution was observed for **excise tax on imported goods** — **97.3%**. Import duties reached 92.6% of the target, and import VAT — 92.1%. The lowest performance was in export duties, which reached only 49.4% of the planned amount.

Customs exemptions (UAH)

→ 	Import duty	5,6 bn
	VAT on imported goods	12,7 bn
	Excise tax on imported goods	5,4 bn
← 	Export duty	0,24 bn

In May 2025, the total amount of customs duty exemptions decreased to UAH 24 billion, down UAH 0.39 billion compared to April 2025.

The largest volumes of exemptions granted in May 2025 were for:

- Excise goods imported as raw materials (mainly tobacco) – UAH 5.4 billion;
- Defense-related goods – UAH 11.2 billion
- Imports under free trade agreements – UAH 3 billion
- Electric generators and other energy-producing equipment – UAH 1.4 billion
- Electric vehicles – UAH 1.4 billion

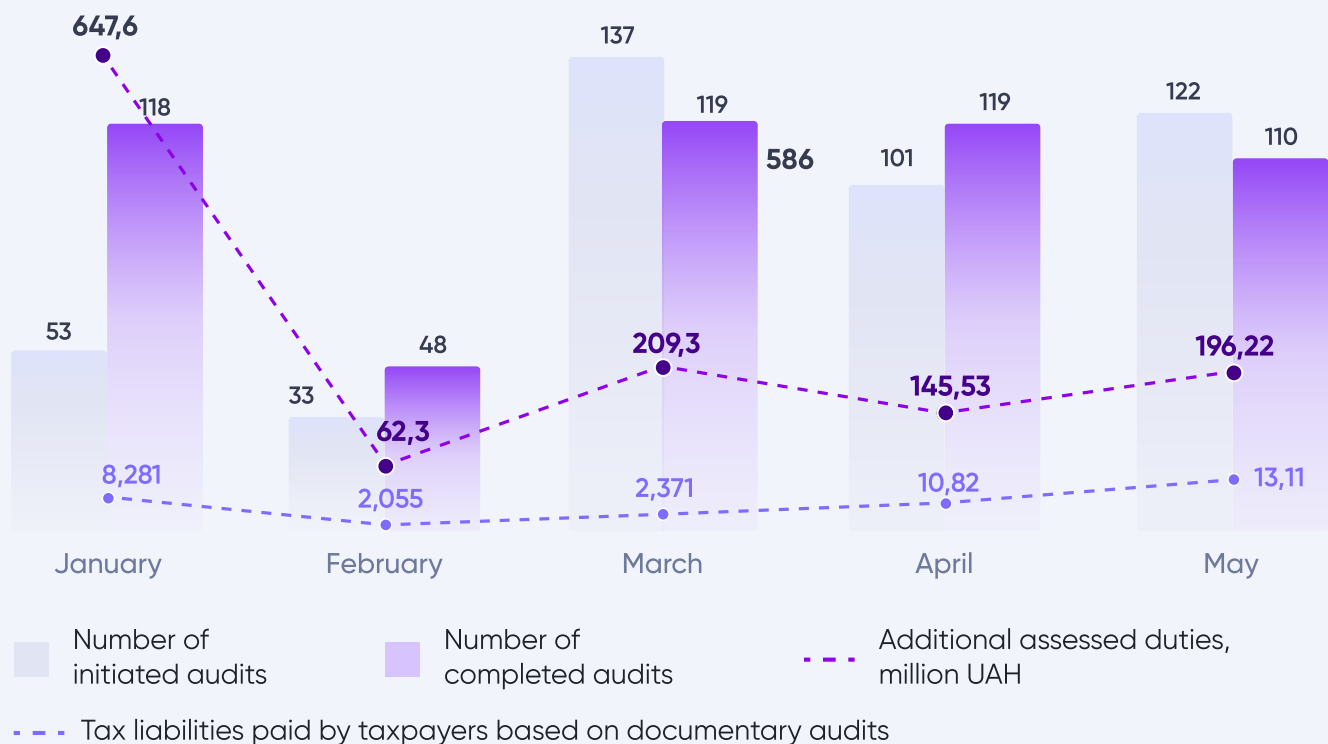
The current exemptions from import duty and VAT do not fully comply with EU legislation.

Under the EU–Ukraine Association Agreement, Ukraine committed to gradually aligning its legislation with EU law, in particular Regulation No. 1186/2009 and Council Directive 112/2006, which govern import duties and VAT.

The National Revenue Strategy until 2030 also foresees the harmonisation of tax exemptions with EU requirements during the 2024–2026 period.

Implementation

Documentary audits (post-audit)



Documentary customs audits have now been reinstated for a full year.

Since then, the number of initiated audits has tripled — from **40 in May 2024 to 122 in May 2025**.

The amount of additional assessments has increased nearly tenfold, from **UAH 21 million to UAH 196.22 million**.

However, only UAH 13.11 million (or 6.7%) has actually been collected. Separately, businesses **voluntarily paid UAH 9.1 million** in customs liabilities without undergoing audits.

Number of decisions on customs value adjustments

Year-to-date:

5 814
(+ 955)

Amount, (UAH):

1,21 bn
(+ 205 mln)

Number of decisions on goods classification

Year-to-date:

634
(+ 133)

Amount, (UAH):

0,15 bn
(+ 34 mln)

May 2025, customs authorities issued 133 decisions on goods classification — 33 fewer than in May 2024. At the same time, the amount of additional duties assessed based on these decisions increased by 30%.

There were 360 fewer decisions on customs value adjustments compared to May 2024, and the corresponding additional assessments decreased by 12%.

According to the State Customs Service, **value adjustments remain the primary source of additional revenue generated through customs control measures.** However, in May 2025, these adjustments accounted for only 0.37% of the total import duties collected by customs. A significant portion of these decisions is also being challenged in court, which may further reduce actual collections.

This indicates that the vast majority of customs duties in Ukraine are paid voluntarily by importers. As a result, the financial gains from customs control measures do not always justify the administrative burden they impose on import and export operations.

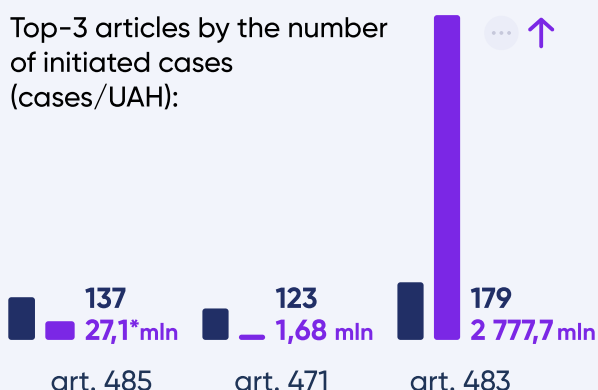
Number of initiated cases

807

by
amount of

2 798 million UAH

Top-3 articles by the number of initiated cases (cases/UAH):



* the amount of unpaid customs duties is indicated

In May 2025, Ukrainian customs authorities recorded 807 customs violations totaling UAH 2.8 billion.

The majority of cases involved smuggling or concealment of goods from customs control (Article 483 of the Customs Code; UAH 2.78 billion), as well as attempts to unlawfully obtain exemptions from customs payments (Article 485; UAH 27.1 million).

Despite the high value of detected violations, **actual revenue recovered for the state budget remains low.** In May, customs


authorities reviewed 142 cases, imposed fines totaling UAH 9 million, and collected UAH **6.4 million** in payments.

A total of 428 cases were referred to court, involving UAH 419 million. Courts imposed fines of UAH 192.7 million, and confiscation was applied in cases worth UAH 81.8 million.



In May 2025, the average customs clearance time for goods decreased by 4 minutes compared to May 2024 (148 minutes vs. 152 minutes).


A more significant reduction was observed for export declarations – 64 minutes in May 2025, compared to 120 minutes in May 2024.



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