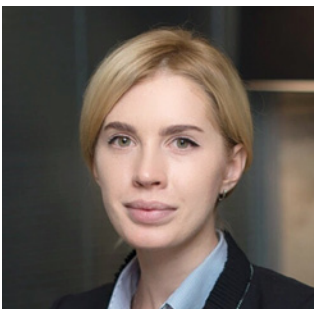


Legal Digest

A new portion of legislative novelties were submitted by the Ukrainian Parliament and Cabinet of Ministers last month, which leave many questions to consider. We asked a handful of experts to share their views on the Draft Law *On the Regime of Common Transit*; the idea of mid-term or multi-annual budgetary planning; prolonging of the moratorium on the sale of agricultural land; Agreement *On the General Terms and Conditions of Supply of Goods between Organizations of the CIS Member States* as well as Draft Law No. 6746 providing for more certainty in a number of procedural rules of the Law of Ukraine *On Protection of Economic Competition* and lots of other issues.



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The Cabinet of Ministers of Ukraine has approved the Draft Law *On the Regime of Common Transit* developed by the Ministry of Finance of Ukraine on the basis of European legislation in the field of customs. The Draft Law provides for the simplification of customs formalities in the application of the common transit regime. In order to achieve those goals, it is planned to introduce mechanisms for the use of the electronic transit system and the

The Cabinet of Ministers of Ukraine recently approved Draft Law No. 9532 *On the Regime of Common Transit*. What will be the consequences of changes to Ukrainian Customs law, and what are its benefits compared to the system in place now?

electronic guarantee management system subject to the provisions of the *Convention on a Common Transit Procedure* of 20 May 1987.

The document provides for the simplification of customs procedures and formalities, determines the features of guaranteeing the payment of customs debt and the conditions for the application of special transit simplifications. In general, the adoption of the law contributes to improving the quality and competitiveness of carrier services. It should be noted that the introduction of the electronic transit system and the electronic guarantee management system opens up new opportunities for controlling risks. Thus, the electronic system provides access to information about movement of goods from European

countries to a destination point in Ukraine. Such a mechanism makes it possible to determine the form of customs control in advance and accelerates the process of customs clearance. The Draft also envisages the use of special transit simplifications for those companies that comply with the requirements of law and are solvent. Such simplifications include: general financial guarantee, self-applied seals, authorized consignor/consignee, limited data customs declaration. Thus, the Draft Law provides for a system of motivation and provides additional opportunities for reliable enterprises.

In addition, the adoption of the law will help to resolve certain long-overdue issues present in the customs system. These include cases of lost cargo, dual packets of documents,

failure to comply with delivery terms and to pay customs duties. Thus, the existing transit system needs to be changed. Therefore, the introduction of European mechanisms will have a positive effect on the development of customs services and movement of goods.

Thus, the adoption of the Draft *On the Regime of Common Transit* contributes to the development of a system of customs clearance of goods in transit. The proposed Draft envisages the introduction of mechanisms for cutting the time for clearance and simplification of customs formalities. In addition, the use of the electronic transit system and introduction of special simplifications contribute to improving of the quality of services of carriers and forwarders in general.