

Implementation of WTO Trade Facilitation Agreement

(needs assessment for provision of technical assistance and capacity building by the donor organizations)

Ukraine's commitments under TFA Category A*	Readiness to implementation	Challenges associated with implementation	Technical assistance and aid needed and form of its provision to solve the challenges
The State Veterinary and Phytosanitary Service of Ukraine			
<i>Veterinary commitments</i>			
Article 1.1 Publication	Implemented in full force and effect	N/A	
Article 1.2 Information Available Through Internet	Partially implemented		
Article 7.1 Pre-arrival Processing	Partially implemented	Despite the advance lodging of documents in electronic format, customs start processing documents only after the goods arrive.	
Article 7.4 Risk Management (except for Items 7.4.1, 7.4.2, 7.4.3)	Partially implemented	The State Veterinary and Phytosanitary Service of Ukraine shall conduct training for its customs officers so that they can operate this system at border posts and encourage them to act, according to an automated risk assessment.	
Article 7.7 Trade Facilitation Measures for Authorized Operators	Partially implemented		
Article 7.8 Expedited Shipments	Implemented in full force and effect	N/A	
Article 7.9 Perishable Goods (except for Items 7.9.1, 7.9.2)	Partially implemented	The provisions of the Customs Code, relating to the time period, during which the goods should be exempt from customs duties or reject the exemption from	

		<p>customs duties, should be reviewed and, if necessary, revised to ensure that the importer is entitled to a written explanation in all cases where the goods are not be exempt from duty in time.</p> <p>Legislation of Ukraine on sanitary and phytosanitary provisions adequately covers the handling of perishable goods. However, the practice of Veterinary and Phytosanitary Service is ambiguous. Significant delays, which traders usually face, are the result of unnecessary and complicated procedures, sampling and testing at the border.</p>	
Article 8 Border Agency Cooperation	<p>Article 8.1: Implemented in full force and effect</p> <p>Article 8.2 Partially implemented</p>	<p>Regarding Article 8.2, the time of border operations is aligned with the neighboring countries. The procedures and formalities are agreed to some extent. The joint control at some checkpoints with Moldova, Ukraine and Poland is implemented. There is no sharing of common facilities or one stop border post control with any of the neighboring countries.</p>	
Article 9 Moving of Goods Under Customs Control Intended for Import	Implemented in full force and effect	N/A	
Article 10.8 Rejected Goods (except for Item 10.8.2)	Partially implemented	<p>To amend the following three laws to allow the importer to re-send the defective product or return it to the exporter or another person designated by exporter:</p>	

		<p>Law of Ukraine "On the Safety and Quality of Food Products" No 771/97 as of 23 December 1997</p> <p>Law of Ukraine "On Plant Quarantine" No 33/48-XII as of June 30, 1993</p> <p>Law of Ukraine "On State Market Surveillance and Control of Non-Food Products" No 2735-IV as of December 2, 2010</p>	
Article 10.9 Temporary Admission of Goods/Inward and Outward Processing	Implemented in full force and effect	N/A	
Article 11 Freedom of Transit (except for Items 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.10)	Substantially implemented	There is no national transit coordinator to provide requests and suggestions of other members on the proper functioning of the transit.	
<i>Phytosanitary commitments</i>			
Article 1.2 Information Available Through Internet	Information is available at the official website of the State Veterinary and Phytosanitary Service of Ukraine www.vet.gov.ua	Translation of documents into one of the WTO working languages.	
Article 7.4 Risk Management (except for Items 7.4.1, 7.4.2, 7.4.3)	<p>Phytosanitary control at checkpoints is performed in the form of PDC (preliminary documentary control) by revenue and tax agencies.</p> <p>As part of the signed Information Agreement on Cooperation, State Veterinary and Phytosanitary Service of Ukraine provides information to customs authorities on existing ban on import of plants</p>		

	into Ukraine.		
Article 7.9 Perishable Goods (except for Items 7.9.1, 7.9.2)	<p>Phytosanitary control at checkpoints is performed in the form of PDC (preliminary documentary control) by revenue and tax agencies.</p> <p>Customs handles perishable goods first. The Order of the review, examination, analysis, fumigation (disinfection) and inspection (phytosanitary and quarantine clearance certificate) of controlled plants in plant quarantine, which is adopted by the Cabinet of Ministers on 12.05.2007 No 705, was amended, in particular - the duration of the phytosanitary examination for controlled plants, the results of which are provided based on the results of the analysis of pests, is currently performed within 24 hours from the moment the controlled plant sample was submitted for analysis.</p>		
Article 8 Border Agency Cooperation	<p>Phytosanitary control at checkpoints is performed in the form of PDC (preliminary documentary control) by revenue and tax agencies.</p> <p>The coordination of actions is performed by revenue and tax agencies under the Article 319 of the Customs Code.</p> <p>Phytosanitary control of controlled</p>		

	<p>plants is performed by state phytosanitary inspectors in the case of termination of PDC pursuant to grounds specified in the Procedure of Preliminary Documentary Control at Checkpoints across the State Border of Ukraine according to the CMU Decree as of 05.10.2011 No 1030 "Some Issues of Preliminary Documentary Control at Checkpoints across the State Border of Ukraine." The list of goods subject to state control (including in the form of a preliminary documentary control), when moving through the customs border of Ukraine, is adopted by the Cabinet of Ministers Decree as of 05.10.2011 No 1031 "Some Issues of State Control of Goods Crossing the Customs Border of Ukraine."</p>		
<p>Article 10.8 Rejected Goods (except for Item 10.8.2)</p>	<p>According to Article 42 of the Law of Ukraine "On Plant Quarantine" all possible phytosanitary procedures shall apply to the consignments infected by quarantine organisms, which will allow the import of controlled plants, under the agreement and at the expense of the owner. If no phytosanitary procedures may be applied to the consignment, the central executive agency that</p>		

	<p>implements the state policy in the field of plant quarantine, informs the foreign national plant protection organization of the country of origin or re-export or the cargo owner on the return of goods. If the nature of the quarantine organism, infected the controlled plant, does not allow to postpone the necessary phytosanitary procedures and leads to undue level of phytosanitary protection (i.e. there is a high risk a quarantine organism may enter Ukraine), the goods can be utilized in a safe manner without any consultations with foreign national plant protection organization of the country of origin or re-export or the cargo owner.</p>		
State Ecological Inspection of Ukraine			
<p>Article 8 Border Agency Cooperation</p>		<p>According to the referenced Article of the Agreement, each member shall cooperate on mutually agreed terms with other Members with whom it shares a common border with a view to coordinating procedures at border crossings to facilitate cross-border trade. Such cooperation and coordination may include:</p> <ul style="list-style-type: none"> (a) alignment of working days and hours; (b) alignment of procedures and formalities; 	<p>Establishment of a joint working group to:</p> <ul style="list-style-type: none"> - review the accompanying documents for goods; - develop and harmonize the uniform criteria for environmental and nuclear safety; - list the border crossing points of joint control.

- (c) development and sharing of common facilities;
- (d) joint controls;
- (e) establishment of one stop border post control.

Sub-item (b) provides for alignment of procedures and formalities of ecological and radiological control, in this context.

Item 5.3. of "Regulation on ecological control at checkpoints across the state border and in the area of regional customs and customs" adopted by the Ministry of Environmental Protection and Nuclear Safety of Ukraine as of 08.09.1999 No 204 and registered with the Ministry of Justice of Ukraine on 15.11.1999 No 787/4080, contains a list of documents to be checked. As the above provision was adopted in 1999, the list of documents to be checked shall be adjusted in compliance with the standards and requirements of the EU and countries Ukraine shares border with.

Sub-item (d) provides for joint controls. For the implementation of the above provision, it is necessary to develop and agree on the same criteria for environmental and radiation safety, for the decision to release or prohibit the movement of goods and vehicles.

Sub-item (e) provides for establishment of one stop border post control. For the implementation of this provision, it is necessary to develop and agree on a list of

		border posts Ukraine shares border with.	
State Sanitary and Epidemiological Service of Ukraine			
Article 1.1 Publication	Implemented Information is submitted to the WTO Central Registry of Notifications		
Article 1.2 Information Available Through Internet	Implemented partially. The information referred to in sub-items (a), (b), (c) is occasionally submitted to the relevant agency under the Ministry of Economy in paper and electronic forms (to the relevant structural subdivision on the WTO)	Inadequate provision of means of information exchange (computers, servers, licensed software and trained staff)	Assist in ensuring border and internal customs offices are equipped with licensed software and technical means of information exchange.
Article 7.1 Pre-arrival Processing	NOT implemented	NOT regulated by legislation. Customs Code of Ukraine does not provide for the processing of documents before the arrival of goods. No single integrated in the international system, available to all control agencies, database on goods coming to Ukraine.	As part of medical and sanitary control. <u>Technical assistance on:</u> Providing integration into RASF, WHO, FDA, EPA databases, etc. Development of application software on simultaneous translation of documents and databases of these institutions.
Article 7.4 Risk Management (except for Items 7.4.1, 7.4.2, 7.4.3)	Implemented partially Today risk management is performed according to the Decree of the Chief State Sanitary Doctor of Ukraine as of 30.12.2013 No 28 "On the Implementation of Articles 6, 44 and 46 of the Law of Ukraine "On the Safety and Quality of Food Products"- expires - which outlines the multiplicity of products expertise depending on	The system of competent authorities in charge for production and import of processed food products, plants, live animals, products of animal origin and feeds, conformity certification, sanitary and hygiene regulations was replaced by the single competent authority – State Service on Safety of Food Products and Consumer Protection (SSSFPC). The agency was created by the Government of Ukraine Resolution No 442 adopted on	As part of medical and sanitary control. <u>Technical assistance on</u> developing a new system and relevant information base for control of <i>food products</i> and the establishment of border inspection posts; development and approval of the relevant regulations is envisaged. It is necessary to analyze

	the risks degree. Expires on 20.09 2015.	September 10th, 2014. Moreover, the Law of Ukraine “On General Principles and Requirements to Safety and Quality of Food Products”, entered into force on 20.09.2015. It introduces significant changes into state food safety regulatory system, including new system of risk assessment and control of consignment with food products.	international practices and translate relevant guidance materials of WTO members.
Article 7.7 Trade Facilitation Measures for Authorized Operators	Implemented partially International health certificates and operational permit for export facilities, ensuring proof of safety and quality of domestic products. Results of State Sanitary and Epidemiological Expertise of domestic and imported goods confirm product compliance to sanitary legislation. On 20.09.2015 the procedure for food products would be changed.	Law of Ukraine “On General Principles and Requirements to Safety and Quality of Food Products” changed the procedure for issuing documents to confirm the quality and safety of food for import and export.	As part of medical and sanitary control. <u>Technical assistance</u> (for nonfood products - <i>children's assortment, chemicals, biocides, pesticides, perfume and cosmetic products, household chemicals</i>) Revision of documents that determine health safety requirements for these types of products for their harmonization with EU legislation. <u>Financial aid</u> (for food products) Creation and improvement of border inspection posts. (For both types of products) <u>Financial Aid</u> Creating a unified database on goods coming to Ukraine with access to all of the control agencies defined by the laws of Ukraine. Technical support
Article 7.9 Perishable	Implemented partially as		<u>Technical assistance</u> to develop

<p>Goods (except for Items 7.9.1, 7.9.2)</p>	<p>regards the food products handling. On September 20, 2015 the Law of Ukraine "On General Principles and Requirements to Safety and Quality of Food Products" came into force. Its Article VIII specifies approaches to international trade.</p>		<p>regulations and guidance materials <u>Financial Aid</u> Establishment and equipping of border inspection posts, at checkpoints across the state border</p>
<p>Article 8 Border Agency Cooperation</p>	<p>Implemented partially Governed by Government's Regulations: as of October 5, 2011 No 1030; October 5, 2011 No 1031; 22.08.2011 No 893; 02.04.2009 No 320; 18.08.2010 No 751; 21.05.2012 No 451 et al., as well as by interagency agreements.</p>	<p>The International Health Regulations 2005 provide for medical and sanitary inspection of passengers, cargo and vehicles at the border. To this end, a network of SCCP (sanitary and quarantine (control) checkpoints) should be established (50 are operated, 132 should be operated). In case, control of goods is made at internal customs (inward), inspection of passengers and vehicles should be made at the border. This approach is contrary to the provisions of section VIII of the Law "On General Principles and Requirements to Safety and Quality of Food Products", which provides control of goods at the border (types of goods are specified by this law)</p>	<p>In case medical and sanitary control of goods is made not at the border: <u>Technical assistance</u> Development and adjustment of the Cabinet of Ministers Decree as of 22.08.2011 No 893 "On Approval of Rules of Sanitary Protection of the Territory of Ukraine" with international standards. Translation is required. Medical and sanitary control of goods is made at the border: <u>Technical assistance</u> Development of the Law "On IHR 2005" OR ratification of the WHO document in due course. <u>Financial Aid</u> Providing modern laboratory equipment and transport for laboratory network to be involved in the control procedures of goods, vehicles and persons accompanying them. Personnel training</p>

<p>Article 9 Movement of Goods under Customs Control Intended for Import</p>	<p>Implemented partially For customs clearance the certificate from State Sanitary and Epidemiological Expertise is required, which is included into a list of documents to be submitted for clearance. This certificate is attached to the Ukrainian Nomenclature Code. Information on the findings at the crossing points and customs is submitted unilaterally under Interagency Agreement of 31.10.2011 No 1372 on Information Cooperation between the State Customs Service of Ukraine and the State Sanitary and Epidemiological Service of Ukraine.</p>	<p>If the goods are not inspected at the border, all the medical and sanitary control of goods is made at the internal customs and clearance checkpoints. They should be equipped with electronic communication systems to connect the customs and the officer, carrying out medical and sanitary control from his workplace. Otherwise, he should be physically present at customs. In any case, there should be electronic documents, electronic signature, databases on cargo available to all relevant authorities and state officials. The only difference is the ratio of costs to be allocated for organizing of one or the other system.</p>	<p><u>Financial Aid</u> Automated work places for officials who carry out health control; Software products, including electronic translators and analytical systems; Personnel training; Technical maintenance of electronic communications;</p>
<p>Article 10.8 Rejected Goods (except for Item 10.8.2)</p>	<p>Implemented partially only for food products. On September 20, 2015 the Law of Ukraine "On General Principles and Requirements to Safety and Quality of Food Products" came into force. Its Article VIII specifies approaches to international trade, including the procedure to return rejected goods.</p>	<p>There is a comprehensive problem: a procedure for return of rejected goods. In Ukraine, all kinds of rejected goods have been recycled, which was mostly funded by the state, as the owner of the cargo had often "disappeared".</p>	<p><u>Technical assistance</u> for the development of effective procedure to return rejected goods before the import of goods, which will be determined by the countries where the goods are returning or transiting. Analysis of international practice. Possible preparation and signing of the relevant Annex to the Agreement.</p>
<p>Article 10.9 Temporary Admission of Goods/Inward and Outward Processing</p>	<p>NOT implemented</p>	<p>The procedure of processing of goods under customs control is not available. Article 58 (Handling of goods, rejected for import) of the Law of Ukraine "On</p>	<p><u>Technical assistance.</u> Development of a procedure based on the EU experience including the translation of guidance</p>

		General Principles and Requirements for Safety and Quality of Food Products" provides change of goods destination with an appropriate label but does not determine inward or outward processing.	materials.
Article 11 Freedom of Transit (except for Items 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.10)	No medical and sanitary control for goods in transit.		
State Fiscal Service of Ukraine			
Article 7.4 Risk Management (except for Items 7.4.1, 7.4.2, 7.4.3)			
4.1. Each Member shall, to the extent possible, adopt or maintain a risk management system for customs control.	Category B	Application of risk management to determine the form of customs control, performed in each case the goods and vehicles cross the national border, is enshrined in the Customs Code of Ukraine. In particular, Article 320 of the Customs Code of Ukraine stipulates that the form and scope of control, sufficient to ensure compliance with legislation on public customs and international treaties of Ukraine for customs clearance, is decided by customs (customs post) on the basis of the results of the risk management system. Automated system for analysis and risk management (ASAUR) is used during customs control since 2007 and is constantly being improved, including by updating existing risk profiles (algorithms for automated analysis and assessment of the risks based on information on the	

		<p>movement of goods and vehicles across the border).</p> <p>Maintenance of risk management system is a continuous process, because the system should be constantly updated and improved taking into account the expansion of available sources of information, “modus operandi” changes by unscrupulous entities and individuals, updating the regulatory framework for civil customs, including risk management, etc.</p> <p>Therefore, it is impossible to name a specific date of a possible implementation of this subparagraph, as it will be important as long as proper risk management applied during the customs control.</p>	
<p>4.2. Each Member shall design and apply risk management in a manner as to avoid arbitrary or unjustifiable discrimination, or disguised restrictions to international trade.</p>	<p style="text-align: center;">Category B</p>	<p>The implementation of this measure requires conducting explanatory work among business entities on the main objectives and tasks of the risk management system.</p> <p>The absence of units that would be involved in the coordination of the structural units of customs on risk management negatively affected the situation. Thus, today all major customs units are responsible for risk management within their competence (departments of customs tariff and non-tariff regulation, customs control, customs clearance), but there is no center to coordinate risk management measures, including</p>	

		<p>promotion of risk management during meetings with businesses in regions with no customs.</p> <p>The positive push for the implementation of this paragraph would be to introduce the authorized economic operator, which would greatly reduce the selectivity of the risk management system in terms of generating the need for customs formalities for bona fide entities, confirmed by a relevant certificate.</p>	
<p>4.3. Each Member shall concentrate customs control and, to the extent possible other relevant border controls, on high risk consignments and expedite the release of low risk consignments. Each Member may also select, on a random basis, consignments for such controls as part of its risk management.</p>	<p>Category C</p>	<p>The risk management system, including its automated component - ASOUR, today covers the process of registration of customs declarations and land border crossing points.</p> <p>Now, in order to enable analysis and risk assessment on the preliminary information provided by maritime agents before the arrival of the goods in the containers in the sea ports of Ukraine, they are taking steps to deploy Cargo Targeting System of World Customs Organization - WCO CTS). Financial support for WCO CTS introduction will be performed by the Export Control and Related Border Security program of the US Embassy in Kyiv - EXBS.</p> <p>Thus, in order to ensure the proper functioning of risk management as an integral part of the customs control on the border, it is important to address the following issues:</p> <ul style="list-style-type: none"> - Development of automated tools for 	<ol style="list-style-type: none"> 1. Expert support on risk management, including through training, seminars for customs officials and responsible structural units of SFS. 2. Organization of technical visits for SFS officials to study best practices in risk management during the customs control. 3. Purchase of software to maintain the functioning of the risk management system (maintaining a database of risk profiles, analysis of the risk management system, the collection and storage of data about the risks of violation of the law ("Database of risks"), additional analytical instruments to analyze trade flows, information on identified breaches, trends, etc.). 4. Purchase of server hardware

		<p>analysis and risk assessment at all types of checkpoints and at all stages of customs control;</p> <ul style="list-style-type: none"> - Covering by automated tools to analyze and assess the maximum number of risks; - An effective system of circulation of information in the SFS and maximum automation of data collection, storage and processing; - Establishing electronic exchange of information with other government agencies; - Establishing electronic exchange of information with the customs administrations of other countries; - Adjustment of prior notification of carriers; - The introduction of authorized economic operators, and possibly determination of other entities for simplified procedures; - An efficient system of audit after customs clearance (including to further implement automated customs clearance, customs clearance before the arrival of the goods, etc.); - Building a system of traffic control for imported goods domestically; - Increased IT capacity and expansion of information capacities; - Improving customs material and technical infrastructure. <p>However, implementation of most of the above listed measures is beyond the competence of the structural unit of SFS,</p>	<p>(disk drives) to enable centralized retention, storage and processing of information on the results of customs control (including images that confirm an inspection of goods and vehicles).</p> <p>5. Purchase of PCs and other necessary equipment to strengthen the analytical capacity of customs departments.</p>
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		<p>which coordinates the activities of risk management.</p> <p>This makes implementation of this subparagraph significantly dependent on implementing appropriate measures by SFS responsible structural units.</p>	
<p>4.4. Each Member shall base risk management on assessment of risk through appropriate selectivity criteria. Such selectivity criteria may include, inter alia, HS code, nature and description of the goods, country of origin, country from which the goods were shipped, value of the goods, compliance record of traders, and type of means of transport.</p>	<p>Category A</p>		

* Source: WT/PCTF/N/UKR/1 (Ukraine's notification)