Sector: Wine Country: Ukraine



# MARKET ACCESSIBILITY SPECIFIC REQUIREMENTS

January 2021



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# Report's Info

### Introduction

This report contains an examination of the specific administrative requirements for accessibility to the Ukrainian market for the Wine sector.

The obligations indicated concern not only those of the exporter, but also all those particular conditions which are inherent to the goods in question and which the exporter should know so that the analysis of the accessibility of the market is as complete as possible.

### Date

This report was drawn up on 18 January 2021, therefore all the regulations cited are deemed to be up to date on that date.

## Sources

The following sources were consulted for the preparation of this document:

#### Access2 Markets:

https://bit.ly/32Mv5yz;

#### Market Access Database :

https://bit.ly/2ViGZvW.

# General Requirements

# EU-Ukraine Deep and Comprehensive Free Trade Area

On 1 January 2016, the European Union (EU) and Ukraine will start implementing the Deep and Comprehensive Free Trade Area (DCFTA), which is part of the Association Agreement signed in June 2014. The rest of the Association Agreement, containing policy and cooperation provisions has already been applied provisionally since November 2014. With the entry into force of the DCFTA both sides will ensure the mutual opening of markets for goods and services on the basis of predictable and enforceable trade rules, so as to create new opportunities for Businesses, investors, consumers and citizens of the EU and Ukraine.

The implementation of the DCFTA of the EU-Ukraine Association Agreement is a milestone in bilateral relations as it will bring new economic benefits to both sides. Ukrainian companies will receive stable and predictable preferential access, while EU companies will benefit from easier access to the Ukrainian market and build new relationships with Ukrainian suppliers and cooperation partners.

With its ambitious objectives of approximation to EU legislation in areas such as competition, public procurement and protection of intellectual property rights, the agreement will contribute to the modernisation and diversification of the Ukrainian economy

and create additional incentives for reforms, in particular in the fight against corruption. The DCFTA is expected to be implemented over several years, allowing for gradual legislative alignment and time for all relevant stakeholders to adjust.

#### The agreement:

- allows EU companies to import and export from Ukraine more easily and at more affordable prices;
- introduces a number of benefits for EU business, such as elimination of customs tariffs and efficient and rapid facilitation of traffic through customs at international borders [EU: 98.1% and Ukraine: 99.1%].

The DCFTA SME instrument will complement existing EU programmes (EU SURE, SME Flagship) by enabling SMEs to be better equipped for changes in the national business environment: https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/neighbourhood/pdf/riga/20150518\_flagship\_sme.pdf.

The DCFTA will affect not only exporters to the EU, but all companies: the domestic business environment will also be progressively aligned with EU standards.

# Rules of origin and proof of origin

To benefit from the preferential tariff entrepreneurs must provide proof of origin - either by means of a movement certificate EUR.1 or EUR-MED or by a declaration of origin or a declaration of origin EUR-MED or the product must comply with certain

rules of origin in order to benefit from the preferential tariff.

The rules of origin applicable under the Association Agreement with Ukraine are those of the PEM Convention (the regional Convention on pan-Euro-Mediterranean preferential rules of origin). These rules are being revised and a new set of alternative rules of origin should be applicable in mid-2021, including provisions on cumulation, duty drawback, tolerance and the non-modification rule which will be relaxed.

The PEM Convention on Rules of Origin aims to establish common rules of origin and cumulation between 25 contracting parties (EU, EFTA, Balkan countries and FTA partners in the EU Southern and Eastern Neighbourhood region) and the EU in order to facilitate trade and integrate supply chains within the area.

The product is "originating" if:

- Wholly obtained in the EU or Ukraine
- Manufactured in the EU or Ukraine from non-originating materials, provided that the non-originating materials have been sufficiently worked or processed in accordance with the specific rules per product (RDP) referred to in Annex II of Appendix I of the PEM Convention.

Under the terms of the PEM Convention in trade between the EU and Ukraine, no drawback can be obtained on duties previously paid on non-originating materials used in the manufacture of a product exported under a preferential tariff.

# Health and Safety Requirements - SPS

In order to be able to easily export or import into the EU from Ukraine or vice versa, there are certain health and safety regulations between Ukraine and the EU that you need to be aware of. The EU-Ukraine Association Agreement harmonised many SPS rules and prohibited the parties from introducing unjustified barriers. The government exercises types of border control: sanitary and epidemiological control, veterinary and sanitary control and phytosanitary control.

# Procedures and formalities (Specification for codes 2204 - 2205)

# Registration of premises for food and fodder

A document certifying that the premises or facilities for sale, storage, processing or purchase for sale of imported foodstuffs of plant origin and processed foodstuffs of animal origin and fodder have been registered with the responsible authority.

Ukrainian name of the document = Deržavna reestatsiya potuzhnostey

Registration must be applied for by the importer/distributor or his legal representative at the Regional Office of the State Service of Ukraine for Food Safety and Consumer Protection (SSUFSCP) = Deržavna služba Ukrayiny z pytani bezpechnosti harchovyh productiv ta zahystu spozhyvachiv, vulytsya Grincenka 1, UA-01001 Kiev, telephone number: +380 44 2791270, fax number: +380 44 2794883.

The application form must be completed in Ukrainian. The sample below is for premises intended to be used for production, distribution and/or storage of food products of plant origin. To be submitted in the original or electronically no later than ten calendar days before the start of the activity.

The processing time is 15 days. The period of validity of the issued registration certificate is unlimited as long as all the data provided in the application remain unchanged.

# Common entry document for foodstuffs

A document certifying that certain foodstuffs have been inspected on arrival and are allowed to enter the Ukrainian market. Required for customs clearance and market access.

Ukrainian name of document = Zagal'nyyy dokument na vvezennya

The document must be requested by the importer from the State Service of Ukraine for Food Safety and Consumer Protection (SSUFSCP) = Deržavna služba Ukrayiny z pytani bezpechnosti harchovyh productiv ta zahystu spozhyvachiv, vulytsya Grincenka 1, UA-01001 Kiev, phone number: +380 44 2791270, fax number: +380 44 2794883 or its representative located at the border inspection point of the customs office of entry.

The entry document must be completed in Ukrainian and English. The name of the consignor (exporter) and the consignee (importer) of the goods, their addresses, the trademark and the name (description) of the product do not have to be indicated in Ukrainian.

To be submitted in original. Processing time is determined by the authority. Processing fee may vary depending on the weight of the shipment. Valid only for a single import.

# Authorisation of foreign food producers

Required only in the case of a first import. A document certifying that processed food producers have been authorised by the competent authority in the country of export and comply with the principles of hazard analysis and critical control points (HAC-CP).

Ukrainian name of the document = Sertyfikat / sertyfikat avtorizatsiyy vyrobnyka pererobleni kharchovykh produktiv.

Authorisation must be applied for by the manufacturer from the responsible authority in his country. The competent national authority is the State Service of Ukraine for Food Safety and Consumer Protection (SSUFSCP) = Deržavna služba Ukrayiny z pytani bezpechnosti harchovyh productiv ta zahystu spozhyvachiv, vulytsya Grincenka 1, UA-01001 Kiev, telephone number: +380 44 2791270, fax number: +380 44 2794883.

The form of the authorisation certificate and its content must correspond to the provisions that have been approved/agreed in advance with the authority for the type of product in question. To be submitted in original in any language. A translation into Ukrainian may be required.

## Declaration of conformity

Required only if the actual alcoholic strength by volume exceeds 8.5%.

A document declaring that imported products comply with the appropriate state standard of Ukraine (DSTU). The declaration of conformity must be drawn up by the importer independently. However,

it must be registered with the Ukrainian authorities before importation.

Ukrainian name of document = Deklaratsiya pro vidpovidnost

Registration of the declaration must be requested by the importer from any institution or laboratory accredited under the State Certification System (i.e. Ukrainian Certification of Products - UkrSEPRO). For a list of accredited laboratories, contact the National Accreditation Agency of Ukraine (NAAU) = Natsionalne Agentsvo z Akreditatsii Ukrayiny, vulytsya Henerala Almazova 18/7, UA-01133 Kiev, telephone and fax number: +380 44 3693470.

The application must be completed in Ukrainian and sent in one copy. The processing time is five days and there are no costs. The period of validity is up to three years.

## Labelling and packaging

In general, European Union measures are valid for all products in the European Economic Area. Since January 2009, wooden packaging materials in use for the import of any type of delivery must be treated and marked in accordance with international standards ISPM No. 15 at a plant approved by the plant protection authority in the exporting country. Wine labelling.

Wine labels must contain the following information:

- Name of the producer
- Country of production
- Vintage
- Alcohol volume in percent
- Content (in centilitres).

In the Ukrainian language according to the Law of Ukraine "On the quality and safety of foodstuffs" of 23.12.97 No. 711/97-VR (Article 38) and the Law "On the state regulation of trade in alcoholic beverages" of 19.12.95 No. 481/95-VR (Article 11).

## Tariff measures

#### 2204: Wines

• Duties: 0%;

- Value Added Tax (VAT) is 20% of the customs value;
- Excise duty:
  - UAH 11.65/I:
    - \* from code CN2204.10.11 to CN2204.10.98
    - \* from code CN2204.21.06 to CN2204.21.10
    - \* CN2204.29.10
  - Natural grape wine is subject to an excise duty rate of UAH 0,01 per litre, while

fortified natural wine is subject to an excise duty rate of UAH 8,02 per litre; for codes:

- \* from code CN2204.21.11 to CN2204.21.98
- \* from code CN2204.22.10 to CN2204.22.98
- \* from code CN2204.29.22 to CN2204.29.98
- Natural grape wine is subject to an excise duty rate of UAH 0,01 per litre, while fortified natural wine is subject to an excise duty rate of UAH 7,16 per litre. Grape wine materials are exempt from excise duty:
  - \* from code CN2204.30.10 to CN2204.30.98.

#### 2205: Vermouth

• Duties: 0%;

- Value Added Tax (VAT): 20% of the customs value;
- Excise duty: 8.02 UAH/I.