

“PANALPINA WORLD TRANSPORT LTD”

Instructions on Exhibition Cargo Customs Processing in Ukraine

The present instructions are made in accordance with the current customs regulations in Ukraine. If you precisely follow all our recommendations you will succeed in taking part in the international exhibitions held in Ukraine, and it will guarantee duly arrival and customs processing of your exhibits.

1. GENERAL PROVISIONS

The customs legislation of Ukraine is now at a stage of constant improvement, reforming and adaptation to the requirements of the European Union, thereby it is a subject to frequent structural changes. That's why we advise you to pay attention to all the paragraphs of these instructions to avoid problems during the customs clearance.

All exhibition goods, which are imported in Ukraine, can be nominally divided into four groups:

- Exhibits (temporary importation/ not subject for taxation);
- Exhibition stand goods (temporary importation/ not subject for taxation);
- Promotional material (permanent importation/ subject to all expenses and taxes);
- Consumption materials (permanent importation for own use at stand / subject to all expenses and taxes).

2. PRO FORMA - INVOICE / INVOICE / PACKING SLIP

One of the most important documents is the cargo invoice / pro forma - invoice.

All the temporary and permanently imported goods must be accompanied with Pro Forma - Invoice in not less than six copies, and at least one of these copies must be sealed by the Ukrainian border customs. All the copies must be signed and have the original seal of the Company-Consignor of the cargo.

Attention! Please be very careful when you specify whether the goods are imported temporarily or permanently. If it happens so, that during the exhibition you would like to change your mind, for example to save on expenses for transportation you will decide not to export your low-cost temporary imported goods, we will have to re-export your goods declared as “temporary importation” at your own expense, because there is no possibility to change the import regime when the Import Customs Declaration is made already. Be also attentive when deciding what amount of promotional materials and souvenir products you will need because if your cargo is cleared in customs as permanently imported goods, there will be no possibility to re-export these goods from the territory of Ukraine.

Every kind of goods stated in the Invoice must have the special customs code in accordance with the Brussels Tariff Nomenclature Number of Goods (BTN); the price, net/gross weight must be specified. In case of any doubts concerning the customs code or the stated value, the customs authority has the right to ask the Chamber of Commerce to confirm the code, and the cost by the corresponding customs authority. There must be specified the Country of Consignment in the separate line of the invoice.

We turn your attention to the fact that you must specify the terms of delivery “DDU – Kiev / Exhibition Stand” in the bottom-left corner of the invoice.

Our Company must be specified as the Consignee in all shipping documents (AWB, CMR, Bill of Lading) and Pro Forma – Invoices, (see the example):

Foreign enterprise «SCHERP ILS»,

Zhukovskogo str., 13/16

03022 Kiev Ukraine.

Exhibition _____

Stand of _____ (the Exhibitor's name)

A copy of a Contract between the Exhibitor and an Organizer of an Exhibition is to be sent by e-mail to PANALPINA responsible person before customs clearance.

If the same carrier vehicle carries the goods for different participants of an exhibition, it is necessary to have the separate Cargo Invoice and the separate CMR / Bill of Lading for each participant.

3. IMPORT RESTRICTIONS

Such cargo as food, medical products and medical equipment, cosmetics, weapons, operating measuring, control and test equipment, laboratory equipment, irradiating/beaming equipment, etc., is not authorized to be imported without special import licenses, certificates, and allowances, issued by the corresponding Ukrainian state authorities. The permit procedure for single temporary importation takes approximately from 15 to 30 calendar days. Taking the above into consideration we would like to draw your attention to the fact, that if your cargo corresponds the above named criteria you have to prepare all the necessary documents in advance to let us obtain the permit in time.

If you take part in the jewelry exhibition and you are exhibiting pieces of jewelry, please, be very attentive filling in the transportation documents such as Pro Forma - Invoice and the packing list. These documents shall contain the full information about the jewelry – the precise names, quantity, net weight / gross, hallmarks, the names, quantity, and carats of the gems and semiprecious stones if any. Every jewel must have labels with the stock number, article number to enable the precise

identification of products. The packing list must contain the same information as in the articles. Please use the hard kinds of packing only, such as wood, metal, or plastic to avoid damage and theft during transportation. It is your responsibility to lock the package with the locker.

Only such famous, reliable and experienced airlines as KLM, Lufthansa, AIR France, Austrian Airlines can guarantee you fast and quality delivery of your cargo to our airport. Please avoid services of unknown and small air carriers; their service is usually cheap but not sustainable. We advise you not to transport jewelry products as a hand-luggage, because we can not offer you our assistance in full during customs control, and the cargo can be regarded as personal goods, so you will have to pay taxes and other customs expenses, the total amount of which can be up to 50% of the cargo value, according to customs inspector estimation.

The cargo should arrive to the Kiev international airport 5 days before the date of delivery to the exhibition stand. The cargo should not arrive during weekends!

4. PRELIMINARY CARGO DECLARATION

Beginning from May 17, 1999 the procedure of **Preliminary Notification (PP – UA)** and **Preliminary Customs Declaration (PD – UA)** is regulated by the Order of the State Customs Service of Ukraine depending on customs tariff numbers. During the processing of the Preliminary Notification the customs deposit is not collected that differs from the registration of Preliminary Customs Declaration.

No cargo vehicle can be cleared through the Customs border of Ukraine if the Company-Consignee (PANALPINA) does not prepare the Preliminary Notification or the Preliminary Declaration beforehand.

The number of Preliminary Notification or the Preliminary Declaration is to be placed in the carrier's documents or to be told to the driver of a vehicle by phone.

To settle the Preliminary Notification or the Preliminary Declaration in time we should receive in advance the following copies of the documents from the Consignor:

- 1) Pro Forma - Invoice;
- 2) Export Customs Declarations of the country of the Consignor;
- 3) Carrier's document (AWB/CMR/CARNET TIR/BILL OF LADING);
- 4) Name of Ukrainian border crossing.

All the documents stated above can be sent by fax or e-mail.

Please consider that the idle time of the vehicle on the Ukrainian border can take one to two business days.

The above information does not include all details. Do not send a cargo without primary consultation with our Company in order to prevent idle time and untimely cargo's arrival on an exhibition.

5. CUSTOMS TAXES

For each imported cargo category the separate **Cargo Customs Declaration (ГТД – UA)** is filled in accordance with the customs codes corresponding to every item. For the temporary imported property the following so-called customs processing is arranged:

- **30 US dollars** for the first page of Customs Declaration (one code);
- **15 US dollars** for each additional page of Customs Declaration (three codes).

The same fees are charged during re-export of the exhibit items.

If it is a permanent importation the customs duties are **0,2 %** of the customs value, but not less than **5 US dollars** and no more than **1,000 US dollars** for every Cargo Customs Declaration + the **Custom duties** (0 - 30 % of the cargo cost) + the **VAT of 20 %** (accounting basis - customs cargo cost + the duty). The excise duty is charged on some goods. Thus, the amount of customs duties on the consumption materials can be more than the customs value of the cargo, however usually it does not exceed 50 % of the cargo value.

6. ARRIVAL DEADLINES

Please consider that PANALPINA does not take the responsibility for the delivery of cargoes to the stand behind in case if any conditions stated above are not fulfilled or are not fulfilled properly.

There is a complicated customs clearance procedure of import or export of the cargoes arriving to the international exhibitions by vehicle or by air, which has a number of certain registration steps, including the customs inspection on the customs terminal.

- Transit time of customs clearance for **airfreight shpts** is approx. **4 business days** from the moment of the arrival to International airport "BORISPOL" to the date of delivery to the exhibition.
- Transit time of customs clearance for **automobile shpts** is approx. **2 business days** from the moment of its arrival on the address of the Company "PANALPINA" to the date of delivery to the exhibition stand.

Please take into consideration that "Arrival deadline" for airfreight shpts is approx. **5 business days** and for vehicle shpts is approx. **3 business days** before the date of delivery to the exhibition stand.

Customs clearance of cargoes during weekends is not available any longer, so to deliver the cargo to the stand on Monday morning, for example, the vehicle should arrive to our address not later than on Friday at 09:00 AM, and air cargo should arrive not later than on Wednesday during the first half of the day.

If the cargo does not arrive in time, our company will charge additional 50 % for the urgent customs cargo clearance.

The arrival of the cargo one day prior to the beginning of an exhibition practically excludes an opportunity of its delivery to the exhibition stand on time. In this case

PANALPINA takes the right to refuse in full from customs clearance and expedition of the cargo.

Notification: in case of arrival of an exhibition cargo by the address of any customs licensed warehouse in Kiev at the discretion of a Carrier, or according to the instructions given by the Consignor, PANALPINA does not take any responsibility for duly cargo delivery to the stand. In this case the time of cargo delivery can take up to **5-7 business days**, because the coordination and the processing of the cargo from a warehouse will take more time and is quite complicated procedure.

Please make sure that the driver of a vehicle gets the seals of ecological, quarantine and hygienic-epidemiological control of the vehicle load in the Consignment Note in the point of entry to Ukraine. Otherwise the documents cannot be accepted for processing by the internal Ukrainian customs. It will take the whole business day and can cause the delay in processing, and the cargo can be delivered to the exhibition stand behind time.

7. CARGO DELIVERY TO THE STAND AND ASSOCIATED SERVICES

The delivery of the cargo directly to the exhibition stand will be made in accordance with the prior agreement of the exact date and the time of delivery with the cargo's owner. The delivery of the cargo and pick-up of empties will be done not later than one day before the beginning of an exhibition. In order to prevent the possible misunderstanding connected with the damage of exhibition stands and carpets, the cargo delivery during the day of an exhibition opening is absolutely excluded.

8. SALE OF EXHIBITS

The sale of exhibits during an exhibition is possible only if the **Sale-and-Purchase Contract** between the cargo's owner and the legal resident of Ukraine accredited on the customs will be signed, and if the actual amount of money will be transferred from the resident's account to non-resident's account. The contract should be made in accordance with the Ukrainian legislation. The signed contract should be presented to customs before an exhibition will be closed. Then the buyer of the cargo will be responsible for the customs clearance of the purchased exhibits. After that the Buyer will receive the cargo from our commercial warehouse where it will be stored till the end of the customs clearance. Either the Seller or the Buyer will be liable for the cargo storage expenses.

PANALPINA declares all temporary imported exhibits to an exhibition on its own name for the period of one month from the moment of the last exhibition day. According to the current Ukrainian legislation the transfer of the temporary importation from one legal party to another is prohibited.

In case of emergency the temporary importation can be prolonged up to one year beginning from the date of the crossing Ukrainian border in the point of entry if

there are strong reasons, for example the participation in the further exhibitions in Kiev (the presence of the contract with the exhibitions organizers is a must), or the sale-and-purchase contract. In case of prolongation of the temporary importation the exhibits are stored exclusively in the commercial warehouse of PANALPINA. If the customs clearance of the cargo is not made on time PANALPINA takes the right to export the exhibits from the customs territory of Ukraine without the written consent of Consignor. In this case the cargo owner is responsible for any costs or expenses.

We hope, this information will help you to understand and undertake the coherent steps to prepare and to send the exhibition cargo to Ukraine, and will help you to participate successfully in Ukrainian exhibitions. Please, do not ignore any articles of the present instruction. Otherwise our professional assistance cannot be effective in full.

*We wish you success on the Ukrainian market,
Your reliable business partner
PAN-FAIRService Ukraine*

You can reach us:

PANALPINA WORLD TRANSPORT LTD.
40-richya Zhovtnya pr., 118-B,
Kiev 03022, Ukraine.

TEL: + 380 44 494 38 38
+ 380 44 494 02 55
FAX: + 380 44 494 02 56

Denis Gelion
E-mail: denis.gelion@panalpina.com.
Mobile + 380 67 465 73 78

Pavel Zakharov
E-mail: pavel.zakharov@panalpina.com
Mobile + 380 67 465 73 80