

Customs Fines in Ukraine

Our Principals and their Members may be aware from our previous notifications about sad practice, prevailing in many Ukrainians ports, of unjustified huge fines being imposed on foreign-flagged ships by Customs and other Authorities. In particular, we have repeatedly reported on outrageous Customs' "activities" in Nikolaev sea port. In the last 7- 10 days they have shown themselves to be especially aggressive and prejudiced – during this short period we've dealt with already two cases of heavy fines levied on foreign ships for alleged contraband.

The matter is that the Customs' officers do the sounding of the ship's bunker tanks, i.e actually perform a bunker survey of fuel and diesel oil during the vessels' inward clearance or right after it. At that almost always the results of their calculations show that the actual quantity of fuel oil or diesel oil on board the ship is different, usually bigger, from the one declared by the Master or the Chief Engineer. The difference of, for example, 30 – 140 tons results in rather considerable fines (varying from USD 50,000 to USD 300,000) for allegedly smuggled oil.

Generally, it is the ship's agents who should inform and warn the shipowners about the local port authorities' requirements and general practice. When we wrote our notifications on this subject about 4 years ago we had grounds to suspect that not always and not any ship's agents duly provided this information to their clients - Shipowners. However, now we have absolutely no doubts that the agents diligently inform the Masters and the Shipowners about the situation in the Ukrainian ports and submit a detailed list of the items on board the vessel which shall be scrupulously and accurately inserted into the Customs' declaration. But for some reason very often this warning and information is not taken into account by the ships' Masters which leads to huge fines. At that please. note that as practice shows it's impossible to successfully dispute these fines and in order to lift the detention from the ship it's necessary to transfer the sum of the fine on a court's deposit account, and then, after the vessel's departure the shipowners have to engage lawyers for litigation in court.

We believe that the much more advisable and less costly option is to avoid such situations and adhere closely to the ship's agents' recommendations/instructions to declare almost everything on board the ships (as per the provided lists) to comply with strict requirements of the Ukrainian Customs.

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