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Working Party on the Accession of the Russian Federation

REPORT OF THE WORKING PARTY ON THE ACCESSION OF THE RUSSIAN FEDERATION TO THE WORLD TRADE ORGANIZATION

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Introduction

1. The Government of the Russian Federation applied for accession to the General Agreement on Tariffs and Trade (GATT 1947) in June 1993 (see document: L/7243 of 14 June 1993). At its meeting on 16-17 June 1993 the GATT Council of Representatives established a Working Party (see Minutes of Meeting of GATT Council, document: C/M/264 of 14 July 1993), to examine the application of the Government of the Russian Federation to accede to the GATT 1947 under Article XXXIII of the General Agreement. Following the entry into force of the WTO Agreement on 1 January 1995, and in pursuance of the decision adopted by the WTO General Council on 31 January 1995, the GATT 1947 Working Party was transformed into a WTO Accession Working Party under Article XII of the Marrakesh Agreement Establishing the WTO. The terms of reference and the membership of the Working Party are reproduced in document WT/ACC/RUS/1/Rev.30.

2. The Working Party met on 17-19 July 1995, 4-6 December 1995, 30-31 May 1996, 15 October 1996, 15 April 1997, 22-23 July 1997, 9-11 December 1997, 29 July 1998, 16-17 December 1998, and 25 May 2000 under the Chairmanship of H.E. Mr. W. Rossier (Switzerland), on 18 December 2000, 26-27 June 2001, 23-24 January 2002, 25 April 2002, 20 June 2002, 18 December 2002, 30 January 2003, 6 March 2003, 10 April 2003, 10 July 2003 and 30 October 2003, under the Chairmanship of H.E. Mr. K. Bryn (Norway), and on 5 February 2004, 2 April 2004, 16 July 2004, 23 March 2006 and 10 November 2011 under the Chairmanship of H.E. Mr. S. Jóhannesson (Iceland).

Documentation Provided

3. The Working Party had before it, to serve as a basis for its discussions, a Memorandum on the Foreign Trade Regime of the Russian Federation (L/7410), supplements to the Memorandum on the regime in the areas of Trade-Related Investment Measures (WT/ACC/RUS/5), Trade in Services (WT/ACC/RUS/6), Trade-Related Aspects of Intellectual Property Rights (WT/ACC/RUS/7), as well as questions submitted by Members of the Working Party on the foreign trade regime of the Russian Federation together with replies thereto and other information provided by the Russian authorities listed in documents WT/ACC/RUS/2; WT/ACC/RUS/4 and Addendum 1; WT/ACC/RUS/9 and Addenda 1, 2 and 3; WT/ACC/RUS/11/Rev.15; WT/ACC/RUS/13 and Addendum 1; WT/ACC/RUS/14; WT/ACC/RUS/17 and Addendum 1; WT/ACC/RUS/23 and Addendum 1; WT/ACC/RUS/25; WT/ACC/RUS/30 and Addendum 1; WT/ACC/RUS/38 and WT/ACC/RUS/46 and legislative texts and other documentation listed in Annex 1. From March 2006 to 10 November 2011, the Working Party on the Accession of the Russian Federation functioned informally. In this period, working documentation was circulated informally under the JOB document symbol. The complete list of these JOB numbered documents is contained in Annex 5.

Introductory Statements

4. The representative of the Russian Federation recalled that his Government had been an observer to GATT 1947 since January 1992 when the Russian Federation continued the former USSR observer status. In this capacity, the Russian Federation had witnessed the successful conclusion of the Uruguay Round and followed its implementation.

5. In this context, he noted that his Government was confronted with a number of important tasks in the social, institutional, macroeconomic and investment fields. In particular, the Russian Federation had to overcome the decline in the standards of living of its population resulting from the economic and financial crisis of 1998. This could be achieved only through policies aimed at stimulating growth in the GDP of the country by improving economic productivity, and expanding sources of investments. In the view of his Government, this would also require the maintenance of a

set of policies which could adequately develop competitive domestic markets for goods, services and capitals and enhance the role of smaller and medium size enterprises. Accordingly, since requesting accession to the GATT and afterwards to the WTO, the Russian Federation had undertaken an unprecedented process of reform of its economy, progressively adopting laws and regulations consistent with WTO multilateral rules and disciplines. This process was primarily aimed at establishing the conditions for a dynamic market economy in the Russian Federation based on a stable and predictable legislative framework capable of sustaining long term economic growth and ensuring improvements in the standards of living and welfare of the Russian population as well as in the modernization of the production capacity of the Russian Federation, and its international competitiveness. The Government of the Russian Federation had set a clear list of programmes, policies and priorities that had, as their central goal, rendering the Russian Federation a better, more competitive and rewarding place in which to work and do business. It was clear that the growing interdependence of national economies, global integration of markets and linkage between trade flows and investment, required the Russian Federation to adjust its trade, financial and investment legislation to WTO rules and disciplines.

6. Members of the Working Party welcomed the application for accession to the WTO of the Russian Federation and underscored the importance of a rapid integration of the Russian Federation into the multilateral trading system, both for the benefit of the Russian Federation and the world trading system as a whole. To this end, Members considered that the enactment of relevant legislation, consistent with WTO requirements, and of provisions for its implementation was essential to the accession of the Russian Federation to the WTO, in order to ensure that the Russian Federation could be an effective participant in the WTO from the first day of its membership. Members of the Working Party equally stressed the need for completing the negotiations on commercially viable terms which should be mutually beneficial to the Russian Federation and WTO Members.

7. The Working Party reviewed the economic policies and foreign trade regime of the Russian Federation and the terms of a Protocol of Accession to the WTO. The views expressed by Members of the Working Party on the various aspects of the foreign trade regime of the Russian Federation, and on the terms and conditions of the accession of the Russian Federation to the WTO are summarized below in paragraphs 8 to 1449.

ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE

- Fiscal and Monetary Policies

8. The representative of the Russian Federation said that current economic policies in the Russian Federation were aimed, *inter alia*, at "de-bureaucratization" of the economy, including elimination of unnecessary and burdensome administrative barriers, improvement of competition and investment attractiveness of the country, as well as at the achievement of its fiscal and monetary stability. The monetary policy of the Russian Federation was intended, in particular, to achieve a balanced monetary system, free of unnecessary restrictions and constraints for domestic and foreign economic operators, and to create favourable preconditions for sustainable long-term economic development. This objective was being achieved by reducing inflation to the projected level, as the fundamental monetary policy target, and implementing a policy of managed floating exchange rate of the national currency. All these activities were accompanied by measures to liberalize foreign exchange regulations.

9. Pursuant to the legislation of the Russian Federation, the Central Bank of the Russian Federation (Bank of Russia or CBR) was responsible for developing and conducting a uniform monetary and credit policy in co-operation with the Government of the Russian Federation. The status, purposes, functions, and powers of the Bank of Russia were regulated by Federal Law

No. 86-FZ of 10 July 2002 "On the Central Bank of the Russian Federation (Bank of Russia)" (as last amended on 25 November 2009). Decisions on the issues of monetary and credit policy were taken by the Board of Directors and the Monetary and Credit Policy Committee of the Bank of Russia. In addition, the consideration of a number of topics related to the activities of the Bank of Russia was included in the competence of the National Banking Council, particularly, the examination of the draft "Monetary Policy Guidelines" for the next calendar year. The representatives of the Government of the Russian Federation were Members of the National Banking Council and they participated in meetings of the Board of Directors of the Bank of Russia with a right of advisory vote. The Chairman of the Bank of Russia, or one of his deputies, on his behalf, participated in meetings of the Government of the Russian Federation. Pursuant to legislation of the Russian Federation, the Bank of Russia and the Government of the Russian Federation were required to inform each other about intended actions of national importance; they coordinated their policy and held regular consultations. For matters related to the issuance of Government notes and the repayment of debt of the Russian Federation, the Bank of Russia consulted the Ministry of Finance.

10. In response to a Member who noted that in its conduct of monetary policy the CBR continued to rely unduly on management of the exchange rate and foreign reserves and on depository operations rather than on more standard monetary instruments, such as refinancing and interest rate management, the representative of the Russian Federation said that the CBR used all available monetary instruments and methods apart from those mentioned by some Members. To achieve the monetary policy objectives and to respond more quickly and effectively to any changes in money and credit, including inter-bank interest rates fluctuations, the CBR actively used market instruments, combining operations of medium and long-term sterilisation of temporarily free funds, with operations to provide, when necessary, liquidity to banks which helped the CBR to maintain balanced and relatively stable conditions on the money market. The application of instruments and methods of monetary regulation was based on the combination of regular market-based auctions and operations with standing facilities. Monetary instruments and methods were adjusted depending on the economic situation, in compliance with the legal framework. In accordance with Federal Law No. 86-FZ of 10 July 2002, the principal instruments and methods of the monetary policy of the CBR were the following:

- interest rates on the operations of the CBR;
- ratios of the required reserves deposited with the CBR (the reserve requirements);
- open market operations;
- refinancing of credit institutions;
- currency interventions;
- the issue of bonds on its own behalf; and
- setting targets for money supply growth.

11. Taking into consideration the predictable situation of liquidity in the banking sector, the CBR was seeking to use an optimum set of instruments for providing and absorbing liquidity and for enhancing their availability to the credit organizations throughout all regions of the Russian Federation. To absorb free banking liquidity, the CBR held regular deposit auctions to attract funds from credit institutions for four weeks and three months. To absorb free funds of credit organizations for a longer period, the CBR held auctions on issuing its own bonds for a term of seven months and six month put options. For the purpose of absorbing excess liquidity, the CBR also used outright sales of government bonds from its portfolio at market yields without an obligation of reverse re-purchase.

12. In addition to using market instruments to sterilize liquidity, the CBR preserved permanent access windows for credit institutions to place their free funds on deposit with the CBR. The CBR conducted deposit operations on standard terms and conditions at a fixed interest rate through the

Reuters Dealing System and MICEX (Moscow Interbank Currency Exchange) System of electronic lot trading (SELT). Interest rate policy of the Bank of Russia was aimed at narrowing the spread of interest rates on its operations in the monetary market. The upper limit of interest rate was being progressively lowered as inflation was slowing down. To reduce the high level of excess banking sector liquidity, the Bank of Russia took steps to control money supply growth by more actively using sterilisation instruments. At times, banks were in need of additional liquidity. Under these circumstances, the CBR provided funds to credit institutions on a market basis through direct repo and Lombard auctions for two weeks. In addition, the CBR extended to banks intra-day overnight settlement loans and Lombard loans at fixed interest rate for seven days, backed by federal government and local government securities, bonds issued by corporate entities, residents of the Russian Federation, mortgage bonds, CBR obligations (OBR) and obligations of international financial organizations. Credit institutions also had the opportunity to receive liquidity through foreign exchange swaps arranged with the CBR. An important monetary policy instrument used by the CBR was currency interventions (foreign exchange outright sales and purchases) in the exchange and over-the-counter segment of the domestic foreign exchange market. To manage their own liquidity, credit institutions actively used averaging of required reserves.

13. Under the Federal Law No. 86-FZ of 10 July 2002, the CBR was required to annually submit to the State Duma draft "Guidelines for the Common State Monetary Policy for the coming year" no later than 26 August, and the same but approved document, no later than 1 December. He added that pursuant to The Monetary Policy Guidelines for 2010 the ultimate aim of the monetary policy implemented by the CBR was the reduction of inflation. The CBR had developed a monetary programme with the objective to monitor monetary indicators on their compliance with the projected inflation level. The Monetary Policy Guidelines for 2010 could be found on the website of the CBR (www.cbr.ru).

14. Turning to the question of budgetary policy, the representative of the Russian Federation noted that, by its Order No. 38-R of 19 January 2006, the Government of the Russian Federation adopted the Medium-term Program of Economic and Social Development of the Russian Federation (2006-2008), which established key directions of activities of the Government of the Russian Federation for that period, aimed at ensuring the realization of strategic goals such as the enhancing of well-being of population and the reduction of poverty on the basis of dynamic and sound economic growth and improved competitiveness. According to the aforementioned document, during that period, the Government of the Russian Federation would carry out well-balanced budgetary policy, maintain substantial international reserves, as well as ensure the formation of the Stabilization Fund of the Russian Federation. The document also acknowledged the need for the implementation of measures of conservative budgetary and monetary policy. It was noted that, in the mid-term period reduction of the positive balance of the current accounts of balance of payments was expected.

15. With regard to the fiscal policy of the Russian Federation, he noted that the main Federal bodies responsible for defining and conducting the fiscal policy of the Russian Federation were the Ministry of Economic Development of the Russian Federation (MED) and the Ministry of Finance of the Russian Federation. The Federal Tax Service was under the jurisdiction of the Ministry of Finance of the Russian Federation. Pursuant to the Resolution of the Government of the Russian Federation No. 506 of 30 September 2004 (as last amended on 15 June 2010), the Federal Tax Service was the federal executive body in charge of overseeing the proper implementation of legislation related to taxes and fees (monitoring of proper calculation, fullness and timeliness of obligatory payments to the relevant budget; of manufacturing and turnover of ethyl alcohol, alcohol and tobacco products; and observance of monetary legislation within the competence of the tax bodies). In its activities, the Federal Tax Service of the Russian Federation was guided by the Constitution of the Russian Federation, Customs Code of the Russian Federation (Federal Law No. 61-FZ of 28 May 2003, as last amended on 28 July 2008), Tax Code of the Russian Federation

(as last amended on 30 July 2010), Federal constitutional laws, Federal laws, Acts of the President of the Russian Federation and the Government of the Russian Federation, international agreements of the Russian Federation, normative acts of the Ministry of Finance of the Russian Federation and the Statute of the Federal Tax Service approved by the Resolution of the Government of the Russian Federation No. 506 of 30 September 2004 (as last amended on 15 June 2010).

16. He added that the current forms of taxation in the Russian Federation were established by the Tax Code of the Russian Federation. That Code distinguished between federal taxes, regional taxes, and local taxes. He noted that Federal taxes comprised: the value-added tax; excise tax; royalty tax for use of natural resources and extraction of minerals; profit tax imposed on legal persons; income tax imposed on natural persons; State duties; fees for the use of fauna objects and objects of water bio-resources; and, water use tax. Pursuant to the Tax Code, regional taxes comprised: the property tax imposed on organizations; transport tax; and, gambling tax. Local taxes and fees comprised: the land tax; and, property tax imposed on individuals.

17. In 2009, the activity of the CBR was aimed mostly at minimizing the negative effect of the world economic crisis on the Russian economy. The crisis had led to the sharp drop of the GDP (7.9 per cent in 2009), considerable devaluation of the national currency and significant capital outflow (US$57 billion in 2009). The CBR managed to suppress the devaluation of the ruble through the large-scale currency interventions and interest rates policy. Stability of the banking sector was supported by the measures aimed at increasing its capitalization and liquidity, as well as readjusting the credit institutions facing financial difficulties. In 2010, as the critical phase of the crisis was coming to the end and the Russian economy was recovering, the use of special anti-crisis measures was being reduced. The reduction of CBR interventions and increase of the ruble exchange rate flexibility were expected to contribute to increasing the role of the interest rate policy of the CBR. Based on the experience gained during the crisis period, the CBR was going to strengthen financial stability including, *inter alia*, through improving the requirements with respect to risk management of the credit organizations.

- Foreign Exchange and Payments System

18. The representative of the Russian Federation recalled that his country had been a Member of the International Monetary Fund (IMF), since 1992. The national currency, the ruble (RUB, equal to 100 Kopeks), was convertible to foreign currencies on the basis of current market rates.

19. Members of the Working Party noted their concerns in relation to certain foreign exchange control and regulatory measures in force, including restrictions on foreign exchange retention, restrictions on the rights of residents to acquire and hold foreign exchange and to have accounts in foreign banks, pre-payment requirements for imports, and the 1 per cent tax levied on the purchase of foreign currency by natural persons. They requested information on the nature of the requirements in place, their legal basis, their purpose and WTO justification, the circumstances that led to their introduction and whether these circumstances still existed, and the plans of the Russian Federation to eliminate restrictions which were still in place.

20. In response, the representative of the Russian Federation stated that the CBR exercised control over timely and full transfer of export earnings to the country and over making payments for goods imported to the territory of the Russian Federation under pre-payment terms. The CBR also exercised control to enable the detection of fictitious foreign exchange operations by residents in off-shore zones. Enhanced requirements in respect of establishing correspondent relations and forming reserves were imposed on operations performed by authorised banks with resident banks registered in off-shore zones. The requirements differed depending on the group and the off-shore zone they related to. Relevant requirements and the classification of off-shore zones were defined in

the Instructions of the CBR No. 1317-y of 7 August 2003 "On the Procedure for Establishing Correspondent Relations Between Authorised Banks and Non-Resident Banks Registered in the States and in the Territories Granting Preferential Taxation Treatment and (or) not Envisaging Disclosure and Provision of Information in Performing Financial Operations (in Off-Shore Zones)" (as last amended on 8 February 2010) and No. 1584-y of 22 June 2005 "On Establishing and the Amount of the Reserve for Operations Performed by Crediting Organizations with Residents of Off-Shore Zones".

21. The representative of the Russian Federation further explained some of the main characteristics of the new currency regulation enacted by Federal Law No. 173-FZ of 10 December 2003 "On Currency Regulation and Currency Control" (Federal Law No. 173-FZ).

22. Federal Law No. 173-FZ, which had entered into force on 18 June 2004 (as last amended on 22 July 2008), aimed at the implementation of the single State currency policy and stability of the currency of the Russian Federation, while at the same time ensuring the progressive liberalization of the foreign exchange legislation of the Russian Federation. One of the main features of the regulation had been a shift from the previous principle "everything is forbidden except what is permitted by law" to "everything is permitted except what is forbidden by law". This trend had been reflected in Articles 7 and 8 of Federal Law No. 173-FZ, which had established a closed list of currency operations pertaining to capital movement subject to special regulation. Outside this list, all currency transactions had been conducted without restrictions. At the same time, Federal Law No. 173-FZ had provided for a clear and balanced distribution of powers between the Government of the Russian Federation and the CBR in the field of regulation of currency transactions pertaining to capital movement. Pursuant to Article 7 (which had been in force until 1 July 2006) of Federal Law No. 173-FZ, the Government of the Russian Federation had been responsible for regulating currency transactions pertaining to capital movement connected with foreign trade operations. The joint competence of the Government of the Russian Federation and the Bank of Russia had covered transactions connected with the purchase by residents of share fractions, deposits, shares in legal entities' property (authorised or ownership capital, share fund of cooperative society) from non-residents or with entering deposits under simple partnership contracts signed with non-residents. The powers of the CBR in the sphere of regulation of currency transactions pertaining to capital movement had been extended to operations related to granting and raising of credits and loans; operations with securities denominated in Russian or foreign currency (including related payments, transfers and performance of obligations), and operations of credit organizations. Article 8 of Federal Law No. 173-FZ had been in force until 1 January 2007.

23. Federal Law No. 173-FZ had also established an exhaustive set of instruments which could have been used by the Government of the Russian Federation and the Central Bank to regulate currency transactions pertaining to capital movement: (a) temporary reservation of a part of the currency transaction amount; and, (b) requirement to use special bank accounts in authorised banks.

24. The representative of the Russian Federation further stated that currency transactions pertaining to capital movement listed in Articles 7 and 8 of Federal Law No. 173-FZ had been subject to restrictions only for the purpose of preventing substantial reductions in gold and foreign currency reserves; addressing sharp fluctuations of exchange rate of currency of the Russian Federation, as well as for maintaining the stability of balance of payments (Article 6 of Federal Law No. 173-FZ).

25. He further noted that Federal Law No. 173-FZ had introduced a "negative list" approach: if the procedures for currency transactions and for using bank accounts (including the requirement of special bank accounts) were not established by the State bodies for currency regulation (the Government of the Russian Federation and the Bank of Russia) within the scope of this Federal

Law, currency transactions could be carried out, accounts could be opened and transactions through the accounts could be carried out without restrictions.

26. Federal Law No. 173-FZ had also stipulated that State bodies for currency regulation were not to introduce more than one reservation requirement with respect to each particular type of currency transactions simultaneously. The CBR established the procedures for the reservation and return of the reservation amount. The amount of reservation was required to be deposited in Russian currency. Residents and non-residents calculated the amount of the reservation themselves. The reservation amount for a foreign currency transaction was calculated at the official CBR rate as of the date the amount of the reservation was entered. Early return of the total or part of the reservation amount had been authorised in cases stipulated by Federal Law No. 173-FZ. Interest had not been charged for the amounts of reservation deposited in accounts of authorised banks or the CBR. According to Federal Law No. 173-FZ, reservation requirements and use of special bank accounts had been in force until 1 January 2007.

27. The representative of the Russian Federation further explained that, pursuant to Article 7 (which ceased to be effective as of 1 July 2006) of Federal Law No. 173-FZ, the Government of the Russian Federation could use the above-mentioned instruments to regulate currency transactions pertaining to capital movement connected with foreign trade operations in the following situations: (i) delayed payment for exported goods, specified in Sections XVI, XVII and XIX of the Commodity Nomenclature for Foreign Economic Activity for the period exceeding three years (HS Codes 84-89, 93); (ii) delayed payment for the period above five years for building and construction works performed by residents outside the territory of the Russian Federation and also for delivered goods necessary for performance of these works; (iii) delayed payment (due from a non-resident to a resident) for more than 180 calendar days in connection with realization of foreign trade activity; (iv) granting commercial credits by residents to non-residents for more than a 180 calendar day period as an advance payment regarding the realization of foreign trade activity; (v) granting commercial credits by residents to non-residents for a period exceeding three years in the form of advance payment for import of goods, specified in Sections XVI, XVII and XIX of the Commodity Nomenclature for Foreign Economic Activity. In these situations the Government of the Russian Federation had the authority to introduce a temporary reservation requirement of 50 per cent of the currency transaction amount, with such measure in effect for a maximum of two years. In the situations designated in paragraphs 3 and 4 of Article 7 of Federal Law No. 173-FZ (iii and iv respectively in the above list of situations), the currency reservation requirement would not apply, if the payment was guaranteed by an irrevocable letter of credit covered for the account of payer; a bank guarantee issued by a bank situated outside the territory of the Russian Federation, given for the benefit of the resident; an insurance contract; or, a bill drawn by a non-resident for the benefit of the resident and guaranteed by a bank outside the territory of the Russian Federation. In 2005, the Government of the Russian Federation had partially exercised its powers in the field of regulation of currency transactions pertaining to capital movement between residents and non-residents, having established reservation requirements with respect to currency transactions by residents mentioned in paragraphs 4 and 7 of Article 7 of Federal Law No. 173-FZ. It had issued the following acts to that effect:

- Resolution of the Government of the Russian Federation No. 204 of 11 April 2005 "On the Procedure for Making Settlements and Transfers in Acquisition of Stakes, Deposits, Shares in Property (Authorised or Share Capital, Share Fund of Cooperative) of Legal Entities by Residents from Non-Residents, in Entering Contributions by Residents Under Contracts of Simple Partnership with Non-Residents"; and
- Resolution of the Government of the Russian Federation No. 302 of 16 May 2005 "On the Procedure for Making Settlements and Transfers Between Residents and Non-Residents When Granting of Commercial Credits by Residents to Non-Residents for the Term Longer

than 180 Calendar Days as an Advance Payment Regarding Realization of Foreign Trade Activity".

In view of the absence of economic preconditions for further maintenance of the reservation requirements as an instrument of regulation of capital currency transactions, the above-mentioned normative acts of the Government of the Russian Federation had been deemed null and void, effective from 1 July 2006.

28. In response to further questions, the representative of the Russian Federation stated that the CBR had introduced five different categories of special accounts to be used by residents and non-residents while carrying out currency transactions. These related to granting and raising credits and loans and operations with securities denominated in Russian or foreign currency (including related payments, transfers and performance of obligations). Transfers and write-offs from these accounts had been subject to a different temporary reservation rate (varying from 3 per cent of the total transaction amount for 365 calendar days to 50 per cent for 15 calendar days) depending on the category of special account. The procedures for using special accounts and reservation requirements had been set up by normative acts of the CBR (Instructions No. 116-i of 7 June 2004, No. 114-i of 1 June 2004, Directive No. 1465-u of 29 June 2004). These requirements had entered into force on 1 August 2004. By its Directives No. 1540-u of 29 December 2004 and No. 1674-u of 29 March 2006, the CBR further reduced currency reservation rates. The representative of the Russian Federation noted that the prevalent macroeconomic situation in the Russian Federation characterized by a high level of currency reserves, absence of sharp fluctuations of an exchange rate of national currency, and stability of the balance of payments had created an opportunity for cancellation of restrictions stipulated by Federal Law No. 173-FZ (reservation requirements and requirements for using special bank accounts). Norms of Federal Law No. 173-FZ that had enabled the Government of the Russian Federation and the Bank of Russia to introduce reservation requirements had been in force until 1 July 2006. Thereupon, the Bank of Russia had issued the Directive No. 1689-u of 29 May 2006 "On Invalidation of Some Normative Acts of the Bank of Russia" according to which all normative acts of the Bank of Russia pertaining to reservation requirements had been deemed null and void from 1 July 2006. Norms of Federal Law No. 173-FZ regarding the requirement to use special bank accounts had been in force until 1 January 2007 with the view to ensure the smooth transition from the system of special accounts to the use of traditional accounts and to lessen the attendant burden on the authorised banks and their clients. To that effect, by its Directive No. 1688-u of 29 May 2006 "On Cancellation of the Requirement to Use Special Bank Accounts for Some Types of Currency Transactions and on Invalidation of Some Normative Acts of the Bank Of Russia", the Bank of Russia had allowed residents and non-residents to use during the transitional period between 1 July 2006 and 1 January 2007 both types of accounts (special and traditional). Starting from 1 January 2007, all normative acts of the Bank of Russia pertaining to the use of special bank accounts had been deemed null and void (paragraph 3 of the Directive No. 1688-u of 29 May 2006).

29. He added that pursuant to Article 21 (which had been in force until 1 July 2006) of Federal Law No. 173-FZ, residents had been bound to sell a part of their foreign currency earnings at a rate not exceeding 30 per cent of the amount on the internal currency market. The mandatory surrender requirement had been in force until 1 January 2007. The mandatory surrender requirement set by the CBR had been 25 per cent in 2003 (CBR Directive No. 1304-u of 9 July 2003) and had been lowered to 10 per cent in 2004 in an effort to further liberalize foreign exchange (CBR Directive No. 1520-u of 26 November 2004). The CBR had established the list of foreign currencies subject to obligatory sale through the internal currency market of the Russian Federation. Foreign currency revenues not subject to mandatory surrender requirements (established by paragraph 3 of Article 21 which had been valid until 1 January 2007) had included:

- the amount of foreign currency received by the Government of the Russian Federation, federal executive bodies authorised by the latter, by the CBR from transactions and deals being carried out by them (or on their behalf and/or at their expense) within the scope of their competence;
- the amount of foreign currency derived by authorised banks from bank transactions and other bargains with non-residents;
- residents' foreign currency earnings within the limits of the amount necessary to fulfil their obligations under credit and loan contracts signed with non-resident entities acting on behalf of foreign governments as well as with residents of OECD or Financial Action Task Force (FATF) country members for a period exceeding two years; and
- the amount of foreign currency derived from transactions involving the transfer by residents of external emissive securities (rights to external emissive securities).

30. Some Members noted that there had been three specific restrictions on the use of foreign exchange that had had a negative impact upon imports and had engaged WTO obligations. As the application of these restrictions had not been specifically approved by the IMF, these Members asked the Russian Federation to eliminate them by the date of its accession to the WTO and to enter a commitment not to have recourse to these measures after accession:

1. The 1 per cent tax that had been levied on the purchase of cash foreign currency operated as a *de facto* additional charge upon imports and had been inconsistent with the provision of Article III on non-discrimination, Article VIII on charges covering the cost of services rendered, and the requirements of Article XI of the GATT 1994, as well as Article 4 of the WTO Agreement on Agriculture, which envisaged elimination of unjustifiable restrictions to export.
2. The provision that purchase of foreign currency for making advance payments for imports required opening a deposit in the currency of the Russian Federation, as well as all formalities fees and requirements which were to be observed pursuant to the provision, tied up capital of importers that could be used to purchase additional imports. It was inconsistent with the non-discrimination provisions of Article III as well as the provisions of Article XI of the GATT 1994 and Article 4 of the WTO Agreement on Agriculture. They had been discriminatory also in respect of imports from more distant countries, and, thus, had not complied with the provisions of Article I of the GATT 1994. For these reasons, several Members urged the Russian Federation to consider the use of other methods to avoid illicit capital outflow.
3. The mandatory requirement to transfer 25 per cent of the currency earnings to the domestic currency that had applied to exporters of the production from the Russian Federation effectively increased import transaction costs, and had not complied with the requirement of Article XI of the GATT 1994 on the elimination of unjustifiable export restrictions. Furthermore, due to the fact that that requirement hindered the use of the currency earnings for subsequent entry, it had been also inconsistent with non-discrimination requirements of Article 3 of the WTO Agreement on Agriculture. Some Members further noted that the discussed requirement had been especially burdensome for smaller importers and could, thus, make trade payments more difficult.

31. In addition, Members noted in response to the statement by the representative of the Russian Federation that such measures had been necessary to ensure accumulation of foreign currency reserves, that these measures had been no longer needed. The foreign exchange reserves of the Russian Federation had been at record high levels, equivalent to 50 per cent of external debt and more than six months of import cover. Finally, the balance of payments position of the Russian Federation had improved dramatically since these controls had been imposed in 1998 during the financial crisis.

32. In response to comments by Members, the representative of the Russian Federation stated that the 1 per cent tax levied on the amount of foreign currency in cash purchased by natural persons (not applicable to juridical persons) established by Federal Law No. 120-FZ of 21 July 1997 "On the Tax Levied on Purchase of Foreign Currency Notes and Payment Documents in Foreign Currency" (with subsequent amendments) had been abolished on 1 January 2003 by Federal Law No. 193-FZ of 31 December 2002. As for the prior import deposit requirement, introduced by the CBR Directive No. 1223-u of 17 December 2002, it had been eliminated pursuant to the CBR Directive No. 1394-u of 18 March 2004 and had ceased to exist on 18 April 2004. Concerning the mandatory surrender requirement stipulated by Article 21 of the Law that had authorised the Bank of Russia to establish a maximum 30 per cent rate of obligatory sale of the amount of currency proceeds of residents through the internal currency market, this provision of the Law had ceased to exist on 1 January 2007. Already in 2006, the Bank of Russia had lowered surrender requirements down to zero per cent (Directive of the Bank of Russia No. 1676-u of 29 March 2006 "On Introducing Amendments to the Instruction of the Bank of Russia No. 111-u of 30 March 2004 'On the Mandatory Sale of a Portion of Currency Proceeds on the Domestic Currency Market of the Russian Federation'"). As for concerns expressed earlier by some Members in relation to restrictions on the rights of residents to acquire and hold foreign exchange and to have accounts in foreign banks, the representative of the Russian Federation noted that these concerns had been addressed, since under the current foreign exchange legislation, there were no restrictions on the rights of residents to acquire and hold foreign exchange. The opening of accounts in foreign and national currency by residents and non-residents, on the territory of the Russian Federation, was carried out without any restrictions. As to the accounts of residents in the banks located outside the territory of the Russian Federation, starting from 1 January 2007, they were opened freely in any country, with the subsequent notification to the Federal Tax Service by the holder.

33. Replying to a Member who enquired about the requirement for Russian residents to obtain an advance approval from the Ministry of Finance of the Russian Federation to convert rubles into foreign currency to make related payments of more than US$10,000 to a non-resident under a services contract, the representative of the Russian Federation noted that this measure, which had been introduced by the CBR Directive No. 721-u of 30 December 1999, had been abolished on 11 April 2004 pursuant to the CBR Directive No. 1388-u of 26 February 2004.

34. The representative of the Russian Federation confirmed that if the Russian Federation introduced restrictions on foreign exchange or payments such restrictions would be applied in conformity with WTO requirements. The Working Party took note of these commitments.

- Investment Regime

35. The representative of the Russian Federation stated that the current policy of his Government in this area was directed to creation of conditions to promote the expansion of domestic and foreign investments, and also to the formation of transparent and stable rules in the conduct of economic activities. He added that the MED of the Russian Federation was the authority responsible for formulating and implementing the investment policy of the Russian Federation.

36. The basic legal provisions relating to the activities of investors were set-forth in the Constitution of the Russian Federation adopted on 12 December 1993; the Civil Code Part One No. 51-FZ of 30 November 1994 and Part Two No. 14-FZ of 26 January 1996 (as last amended on 27 July 2010); relevant international treaties to which the Russian Federation was a party, and a number of other legislative acts: Federal Law No. 39-FZ of 25 February 1999 "On Investment Activity in the Russian Federation Pursued in the Form of Capital Investments" (as last amended on 23 July 2010), Federal Law No. 160-FZ of 9 July 1999 "On Foreign Investments in the Russian Federation" (as last amended on 29 April 2008), Federal Law No. 164-FZ of

8 December 2003 "On the Fundamentals of the State Regulation of Foreign Trade Activity" (as last amended on 2 February 2006), which provided guarantees for the protection of investors' rights and interests, and Federal Law No. 57-FZ of 29 April 2008 "On the Order of Investing by Foreign Persons in Companies Having Strategic Importance for the Ensuring of the Defence of the Country and the Security of the State".

37. In response to questions by some Members of the Working Party, he added that, in his view, the Land Code of the Russian Federation (Federal Law No. 136-FZ of 25 October 2001, as last amended on 22 July 2010), together with a number of legislative acts on "de-bureaucratization" (Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (as last amended on 27 July 2010), Federal Law No. 129-FZ of 8 August 2001 "On State Registration of Juridical Persons and Individual Entrepreneurs" (as last amended on 27 July 2010), Federal Law No. 294-FZ of 26 December 2008 "On the Protection of Legal Entities' and Individual Entrepreneurs' Rights in the Case of Exercise of State Control (Supervision) and Municipal Control") and the Tax Code of the Russian Federation had significantly contributed to the formation of a favourable investment climate and facilitated the investment activity of Russian and foreign companies in the Russian market.

38. In response to further questions by some Members of the Working Party concerning conditions for attraction of foreign investors, the representative of the Russian Federation stated that Article 4.1 of Federal Law No. 160-FZ of 9 July 1999 ensured a legal basis for provision of national treatment for foreign investors' activity.

39. He further noted that, in accordance with the Federal Law No. 160-FZ of 9 July 1999, the property of a foreign investor or a commercial legal entity with foreign investment could not be subject to forced seizure, including nationalization, or requisition, except for the cases and reasons determined by a Federal law or international treaty of the Russian Federation. If nationalization of property took place, Article 8 of this Law provided that the value of the nationalized property would be reimbursed to a foreign investor. Foreign investors had the right to freely use the revenues and profits (which had been obtained from the investment made in the Russian Federation) in the territory of the Russian Federation for any purpose, including re-investment, as long as such use did not contradict the legislation of the Russian Federation. A foreign investor could acquire stocks and other securities of Russian commercial organizations and State securities, in accordance with the respective legislation. In some cases, investments and re-investments by foreign investors could be limited or prohibited under the Russian legislation, including in cases mentioned in paragraphs 47 and 49 of this Report.

40. One Member asked what compensation would be available to foreign investors in case of seizure and/or expropriation. The representative of the Russian Federation explained that the details concerning compensation available to foreign investors were provided for in the respective bilateral Agreements for the Promotion and Reciprocal Protection of the Investments referred to in paragraph 45 of this Report.

41. The representative of the Russian Federation further informed Members of the Working Party that foreign investors, other than those investing in non-commercial organizations, could transfer abroad unhampered their profits and other sums of money in foreign currency lawfully gained in connection with previously made investments. He noted that this right to transfer funds abroad did not affect any obligations a foreign investor may have under the relevant legislation of the Russian Federation, including tax legislation, criminal legislation, and legislation on bankruptcy. He also explained that non-commercial organizations could not, by definition, have profit-making as their principal goal, and that such organizations included those described in paragraph 1361 of this Report.

42. He also noted that, in accordance with tax and customs legislation of the Russian Federation, foreign investors could be granted certain privileges. Tax privileges, according to Article 150 of the Tax Code, comprised exemption from taxation of technology equipment and parts and spare parts for such equipment, imported into the customs territory of the Russian Federation, as a contribution to the assessed capital of companies. As to customs privileges, they were listed in the Government Resolution No. 883 of 23 July 1996 "On Import Duty and Value Added Tax Exemptions for Goods Imported by Foreign Investors as Contributions to Charter (Pooled) Capital of Enterprises with Foreign Investments" as following:

- Products imported to the customs territory of the Russian Federation as contribution to the assessed capital were free from customs duties under the condition that the products were: not excisable; related to the main productive funds; and, imported within the period defined by the constituent documents for assessed capital foundation.

43. In addition, the possibility of granting other customs and tax privileges to foreign investors performing priority investment projects (more than RUB 100 million) was provided for by Federal Law No. 160-FZ of 9 July 1999. The representative of the Russian Federation also explained that the Russian Federation was pursuing the establishment of special economic zones (SEZs) which were aimed primarily at fostering high technology industries; expanding sources of investments; and, promoting the development of tourism and transportation infrastructure. He noted that the Section of the Report "On Special Economic Zones" (starting at paragraph 1091) provided additional information on the establishment and operation of SEZs in the Russian Federation.

44. In response to further questions, the representative of the Russian Federation said, that some investment privileges had been granted in the field of the car and aircraft industries (those in the sector of aircraft had been abolished) which were described in the Section "Trade-Related Investment Measures" (TRIMs) (see paragraphs 1072 through 1087).

45. In response to other questions, the representative of the Russian Federation added that the Russian Federation accorded protection of foreign investment through international treaties. In particular, up to October 2010 the Russian Federation was a Party to 70 bilateral investment treaties (BITs) (49 of them were in force). In respect of investors and their investments, BITs contained, *inter alia*, provisions on national treatment and MFN treatment with exemptions; guarantees in case of expropriation and rules for compensation of losses; and, on free transfer of revenues and profits and dispute settlement procedures.

46. The representative of the Russian Federation added that a wide range of investment projects was open to foreign investors. Information on investment projects was widely available, *inter alia*, from the Chamber of Commerce of the Russian Federation and the Russian Union of Entrepreneurs and Industrialists (Employers). To obtain detailed information concerning investment projects in the Russian Federation, foreign investors could also make an inquiry to the Federal body of executive power responsible for investment policy (currently, the MED of the Russian Federation), regional bodies of executive power, and also trade representations of the Russian Federation abroad, providing information on the possible fields and scope of investment activity and other terms of possible investment projects.

47. In response to concerns of some Members of the Working Party related to restrictions for foreign investors, the representative of the Russian Federation replied that Article 4.2 of Federal Law No. 160-FZ of 9 July 1999 provided that restrictions of activity of foreign investors could be established only by federal laws and only to the extent, it would be necessary, to achieve the purposes of defending the bases of the constitutional order, moral, health, rights and legal interests of other persons and ensuring the defence and the security of the State. These provisions of Article 4 of the

Federal Law No. 160-FZ of 9 July 1999 were in line with Article 55 of the Constitution of the Russian Federation and Article 1 of the Civil Code of the Russian Federation, which could also serve as a legal basis for establishment of restrictions of activity of all investors, both Russian and foreign. Security-related restrictions were applied, *inter alia*, by virtue of the Law of the Russian Federation No. 3297-1 of 14 July 1992 "On a Closed Administrative-Territorial Area" (as last amended on 27 December 2009), which set-forth certain restrictions including restrictions on entrepreneurial and economic activities; Article 15.3 of the Land Code of the Russian Federation which provided that foreign natural persons and foreign legal entities could not own land within the border territories designated by the President of the Russian Federation pursuant to the federal legislation on State Border of the Russian Federation and in other specially defined territories of the Russian Federation in accordance with Federal laws.

48. Some Members of the Working Party asked about the rules governing investments in sectors considered of strategic importance in the Russian Federation. They requested information about the nature of possible restrictions and the procedures for their implementation. Some Members expressed concerns about the lack of clarity of specific provisions pertaining to investments in the energy sectors and underlined the need to have clear and transparent rules providing stability and clarity.

49. In response, the representative of the Russian Federation explained that the Federal Law No. 57-FZ of 29 April 2008 "On the Order of Investing by Foreign Persons in Companies Having Strategic Importance for the Ensuring of the Defence of the Country and the Security of the State" established the general framework for regulation of foreign persons' participation in the capital of enterprises engaged in activities having strategic importance for national defence and security. This Federal Law covered 42 sectors. The screening procedures, intended to review transactions that may threaten the national security of the Russian Federation and thus not be approved, were applied when a foreign person intended to acquire control over such an enterprise. The thresholds when such control was considered to exist were established at the level of 50 per cent of participation in the capital of such a strategic enterprise or 10 per cent in case an enterprise was engaged in the use of land plots of federal importance. In cases where the intended participation in the capital of such an enterprise was by a foreign State, the thresholds for initiation of a screening review were reduced to 25 per cent and 5 per cent, respectively. The representative of the Russian Federation also explained that to implement this Federal Law, the Government of the Russian Federation had adopted Resolution No. 510 of 6 July 2008 "On the Governmental Commission on the Control of Foreign Investments in the Russian Federation". The Governmental Commission established by this Resolution decided whether a foreign investor shall be granted an authorization for the transaction to be accomplished. By the end of 2009, the Governmental Commission had considered more than 30 applications. Two refusals had been made so far. In accordance with Article 11 of the said Federal Law, the denial of approval by the Commission might be appealed in the Supreme Arbitration Court of the Russian Federation.

50. Subsequently, on 28 April 2008, the Law of the Russian Federation No. 2395-1 of 21 February 1992 "On Subsoil" was amended making foreign investments in the capital of the legal persons, engaged in activities within the subsoil land plots of federal importance, subject to the procedures of authorization established under Federal Law No. 57-FZ.

51. Some Members expressed concern about the potential conflicts between decisions taken as a result of the screening procedure, described above, and the commitments of the Russian Federation under the GATS. These Members asked how the Russian Federation would avoid such conflicts.

52. In response, the representative of the Russian Federation explained that, as followed from Article 15.4 of the Constitution of the Russian Federation, in case of conflict between the provisions of Federal Law No. 57-FZ of 29 April 2008 "On the Order of Investing by Foreign Persons in

Companies Having Strategic Importance for the Ensuring of the Defence of the Country and the Security of the State" and the obligations under an international agreement of the Russian Federation, such as the GATS, the obligations under an international agreement would apply. The representative of the Russian Federation further explained that all legal acts taken pursuant to Federal Law No. 57-FZ, including decisions resulting from the screening process, must be in compliance with this Law and, as described above, with the international obligations of the Russian Federation.

53. The representative of the Russian Federation further explained that this Federal Law regulated issues connected with foreign investors or a group of persons including foreigners making investments in the form of purchasing stocks (shares) constituting the charter capital of companies having strategic importance for ensuring the defence of the country and the security of the State, as well as with making transactions resulting in foreign investors or a group of persons including foreigners establishing control over such companies. However, according to Article 2.6 of Federal Law No. 57-FZ, the Law did not apply to such issues if they were connected with making foreign investments and were covered by duly ratified international agreements with participation of the Russian Federation. The issues connected with making foreign investments in the sphere of technical military cooperation of the Russian Federation with foreign States were regulated in accordance with the legislation of the Russian Federation on technical military cooperation.

54. In reply to the questions of some Members of the Working Party, the representative of the Russian Federation added that, in accordance with the provisions of the Law of the Russian Federation No. 4730-1 of 1 April 1993 "On State Border of the Russian Federation" (as last amended on 31 May 2010), the boundary territories were defined within border zones and/or within wards adjacent to them. The border zones were, as a rule, established within the territory of 5 kilometres (within a ward, city) adjacent to the State Border on land, to the sea coast of the Russian Federation, to the Russian banks of the border rivers, lakes and other basins and within the territories of the islands of these basins.

55. Noting that "as a rule", border zones were established within 5 kilometres adjacent to a border, a Member asked if there were any exceptions to this "rule" for determining border zones. In response, the representative of the Russian Federation explained that the bounds of each border zone were established by the Orders of the Federal Security Service of the Russian Federation No. 75-85 of 2 March 2006, No. 149-157 of 14 April 2006, No. 237-250 of 2 June 2006, No. 275-286 of 16 June 2006, No. 193 of 17 April 2007, No. 273 of 27 May 2007, No. 355 of 10 July 2007, and No. 473 of 20 September 2007.

56. In response to the questions of some Members of the Working Party related to rights of foreigners concerning possession of land, the representative of the Russian Federation stated that the Land Code of the Russian Federation (Federal Law No. 136-FZ of 25 October 2001) stipulated conditions of use, purchase and sale of land and provided that foreign nationals and foreign legal entities could acquire property rights and leasehold over land, with the exception of cases established by the land legislation of the Russian Federation (mentioned in paragraph 47 of this Report).

57. In response to further questions, the representative of the Russian Federation noted that, in accordance with Article 35 of the Land Code, owners of buildings, constructions and/or facilities located on a land plot owned by another person or the State, could benefit from a pre-emptive right of purchase or lease in respect of such land plot, unless the Decrees or Resolutions of the President of the Russian Federation prohibited the purchase or lease of those lands. This rule was applied regardless of national identity.

58. Concerning commercial transactions in agricultural land, the representative of the Russian Federation noted that Federal Law No. 101-FZ of 24 July 2002 "On Commercial Transactions in Agricultural Land" (as last amended on 8 May 2009) permitted leasehold by foreign natural persons, foreign legal entities and legal entities with foreign participation exceeding 50 per cent for a period of up to 49 years. He added that, after the end of the 49-year period of the lease of land for agricultural purpose, the lessee could make a new contract for another term. While the contract for a new term was made on standard basis, the lessee had a right of priority in making a contract for a new term.

- **Privatization and Enterprises that are State-Owned or –Controlled, Enterprises with Special or Exclusive Privileges**

- **(a) Privatization**

59. The representative of the Russian Federation informed Members of the Working Party that, since 1993, privatization had been carried out as provided for in legislation on privatization of State and Municipal Property. He also informed Members of the Working Party that the basics of the regulation of privatization in the Russian Federation were established by the Civil Code of the Russian Federation and Federal Law No. 178-FZ of 21 December 2001 "On Privatization of State and Municipal Property" (as last amended on 22 November 2010). Other legal acts, relative to the regulation of privatization, included, *inter alia*, the following:

- Article 217 of the Civil Code of the Russian Federation;
- The Budget Code of the Russian Federation - Federal Law No. 145-FZ of 31 July 1998;
- Federal Law No. 160-FZ of 9 July 1999 "On Foreign Investment in the Russian Federation" (as last amended on 29 April 2008); and
- The Conception of Management of State Property and Privatization in the Russian Federation (approved by Government Resolution No. 1024 of 9 September 1999, as last amended on 29 November 2000).

60. The representative of the Russian Federation explained that, in accordance with the Federal Law No. 178-FZ of 21 December 2001, "privatization of state and municipal property" was a form of alienation of property owned by the Russian Federation (hereinafter: referred to as "federal property"), the regions of the Russian Federation, or municipal entities to natural and/or juridical persons that required payment to the owner of the property being privatized.

61. Some Members of the Working Party expressed concerns regarding the transparency of the privatization process in the Russian Federation, as well as concerns regarding restrictions related to privatization and, specifically, restrictions on foreign participation in privatization provided for in the legislation of the Russian Federation. In response to the questions from Members, the representative of the Russian Federation informed Members that privatization of State and Municipal Property was based on the principles of transparency and predictability of privatization procedures. He further added that privatization for each year was carried out on the basis of a plan. The Government of the Russian Federation annually endorsed the forecast of Federal Property Privatization Plan (Programme) for a respective year. The Forecast Plan (Programme) contained a list of Federal State unitary enterprises, federally-owned shares of open joint-stock companies, and other federal property to be privatized in that year. The programmes of privatization as well as decisions on the conditions

of privatization (as long as they were approved by the normative acts of the relevant executive authorities) were subject to publication in the sources of official information[1].

62. Regarding the prohibitions and restrictions on the privatization process, the representative of the Russian Federation stated, that according to the Federal Law No. 178-FZ of 21 December 2011, some property could not be privatized, because it could be owned only by the State or municipal Governments and federal laws stipulated that some property and objects could not be subject to any form of transaction. Property and objects which could not be privatized consisted, among other things, of mineral wealth, forest fund, water resources, air space, resources of the continental shelf, territorial waters and sea economic zones of the Russian Federation, budgetary and non-budgetary funds, currency and other reserves, objects of historic and cultural heritage of federal value, property passed over to State unitary enterprises (SUEs) and state institutions involved in the turnover of narcotics and psychotropic substances, nuclear stations and enterprises producing special nuclear and radio-nuclear materials, nuclear weapons, as well as property of the enterprises performing scientific research and development works in the above-mentioned areas, and property permanently used to provide social services, including orphanages. The alienation of these types of property to any natural and/or juridical persons was prohibited.

63. In response to the specific questions of some Members in regard to joint-stock companies (JSCs) and enterprises of strategic significance, the representative of the Russian Federation clarified, that shares of "strategic" JSCs and "strategic" enterprises could be offered for privatization and be included in the plan (programme) of privatization by decision of the President (i.e., a Presidential Decree based on a proposal initiated by the Government).

64. "Strategic" enterprises and JSCs were defined as follows:

- Federal State unitary enterprises manufacturing products (performing works, providing services) of strategic importance for ensuring the defensive capability and security of the State, protecting the morals, health, rights and lawful interests of citizens of the Russian Federation (strategic enterprises); and
- Public joint-stock companies whose shares were in federal ownership and the participation of the Russian Federation in the management thereof ensured the strategic interests of the State, the defensive capability and security of the State, protection of the morals, health, rights and lawful interests of citizens of the Russian Federation (strategic JSCs).

65. The current list of strategic enterprises was established by Presidential Decree No. 1009 of 4 August 2004 (as last amended on 26 June 2010). The amended list contained 231 strategic enterprises and 212 JSCs. In response to a question from a Member, the representative of the Russian Federation explained that the specific percentage of state-ownership of shares in a public joint-stock company was not stipulated and currently the percentage of state-ownership varied from 100 per cent to 34 per cent. The representative of the Russian Federation further informed Members that, in accordance with Article 5 of the Federal Law No. 178-FZ of 21 December 2001, the participation of some categories of persons (Russian as well as foreign) could be restricted by other Federal laws for the purposes of defending the constitutional order, morals, health, the rights and legal interests of other persons, and ensuring the defence and security of the State. These provisions were in line with Article 55 of the Constitution of the Russian Federation and Article 1 of the Civil Code of

[1] The source of official information was, *inter alia*, "Rossiiskaya Gazeta" (Russian Gazette) founded by the Government of the Russian Federation. Its right to publish official documents was determined by the Federal Law No. 5-FZ of 14 June 1994 "On the Order of Publishing and Coming into Effect of Federal Constitutional Laws, Federal Laws and Acts of the Chambers of the Federal Assembly" (as amended on 22 October 1999).

the Russian Federation which could also serve as a legal framework for establishing restrictions on ownership by Russian as well as foreign persons. Thus, the Law of the Russian Federation No. 3297-1 of 14 July 1992 "On a Closed Administrative-Territorial Area" (as last amended on 23 December 2003) stipulated that only citizens of the Russian Federation permanently residing in the territory of Closed Administrative-Territorial Area and juridical persons located and registered in that territory, could participate in the privatization of the State or Municipal Property located on that territory and engage in transactions with it. These rules were set with a view to providing a special regime of safe functioning and keeping State secrets in the territory of such areas.

66. In response to further questions of some Members of the Working Party with regard to restrictions on foreign participation in privatization of land, the representative of the Russian Federation added that there were no specific conditions for foreign investors set-out in the legislation on privatization, concerning participation in the privatization programme other than those that applied to domestic investors. Furthermore, Federal Law No. 178-FZ of 21 December 2001 established equality of rights of all customers in the process of privatization. However, certain limitations on foreign ownership were provided for by Russian legislation regulating different areas of economic relations. Such limitations were required to be observed in the process of privatization. The representative of the Russian Federation gave the example of the Land Code of the Russian Federation, providing that foreign citizens, persons without any citizenship, and foreign juridical persons could not own land plots when such land plots were situated in border territories, the list of which was set by the President of the Russian Federation in accordance with the federal legislation on State border of the Russian Federation. Additional information on this issue was discussed in the Section "Investment Regime" of this Report.

67. Some Members of the Working Party requested information on progress achieved in the privatization process and the percentage of trade accounted for by State-owned firms. These Members noted that, in many situations, a shareholding of as low as 25 per cent could amount to effective control, and, accordingly, requested information on the economic activity of companies with 25 per cent or greater Government shareholding. Some Members requested updated information on the current privatization programmes of the Government of the Russian Federation. Responding to this request, the representative of the Russian Federation informed Members that the Privatization Plan (Programme) for the current period was established by the "Forecast Plan (Programme) for Federal Property Privatization and the main directions of the Federal Property Privatization for 2011 and 2013" which had been approved by the Order of the Government of the Russian Federation No. 2102-r of 27 November 2010. This Programme was available on the website of the Government of the Russian Federation (www.gov.ru). The Programme contained a list of 809 JSCs belonging to the Russian Federation for which shares were put up for sale in 2011-2013 as well as 114 Federal State unitary enterprises, planned to be privatized in 2011-2013. It was planned, in particular, to put up for sale 7.58 per cent minus one share of Sberbank, 100 per cent of the United Grain Company (by 2012) and 50 per cent minus one share of Rosagroleasing (but no sooner than in 2013).

68. The representative of the Russian Federation further informed Members that a total of 1,863 enterprises had been privatized between 2005 and 2009 (see Table 1). He also provided additional information concerning privatization by sectors, reflected in Table 2. Regarding recent years, the representative of the Russian Federation provided information contained in Table 3, Table 4 and Table 5. As a result of the privatization process, the number of Federal State unitary enterprises came to 3,765 on 1 January 2009, and the number of JSCs with the participation of the Russian Federation came to 3,337 by the same date. Among these JSCs, 1,858 had 100 per cent of their shares owned by the Russian Federation; 200 JSCs had from 50 to 100 per cent of their shares owned by the Russian Federation; 510 had from 25 to 50 per cent Russian Federation ownership; and 769 JSCs had less than 25 per cent of their shares owned by the Russian Federation.

69. The possibility of the State to use a special right was provided for in Federal Law No. 178-FZ of 21 December 2001. A decision to use/stop using this special right ("golden share") might be adopted by the Government of the Russian Federation or bodies of the Russian regions when the property complexes of unitary enterprises were privatized or when a decision was made to exclude a JSC from the list of strategic JSCs, irrespective of the number of shares owned by the State. When the decision to use the "golden share" had been taken, the Government of the Russian Federation or the bodies of the Russian regions appointed the respective representatives to the board of directors (supervisory board) of a JSC in question. Such representatives had the right to attend the general meeting of shareholders the same as the representatives of ordinary shareholder, with a right of veto when the general meeting voted on the following decisions:

- Amending the statute of the joint-stock company or endorsing the statute of the public JSC in a new wording;
- Re-organizing the open JSC;
- Liquidating the open JSC, appointing a liquidation commission and endorsing interim and final liquidation balance sheets;
- Altering the amount of authorised capital of the open JSC; or
- Accomplishing large-scale transactions and transactions in the accomplishment of which there was an interest (as specified in the Federal Law "On Joint-Stock Companies").

70. As regards the general mechanism of participation of the Russian Federation in the management of State-owned shares of the JSCs, the representative of the Russian Federation informed Members that it continued to be through representatives of the State participating in the managerial bodies of the JSCs. The rules for managing shares of JSCs owned by the State were stipulated by the Resolution of the Government of the Russian Federation No. 738 of 3 December 2004 "On the Management of Federal Owned Shares of Joint-Stock Companies and the Use of the Special Right for Participation of the Russian Federation in Management of Open Joint-Stock Companies (Golden Share)" (as last amended on 1 December 2009).

71. Members of the Working Party invited the Russian Federation to enter into a commitment to report on developments in its programme of privatization as long as the Privatization Programme was in existence and on other issues related to any ongoing economic reforms relevant to its obligations under the WTO.

72. The representative of the Russian Federation confirmed the readiness of the Russian Federation to ensure the transparency of its ongoing Privatization Programme. He stated that his Government would provide annual reports to WTO Members (along the lines of the information provided to the Working Party) on developments in its programme of privatization as long as the Privatization Programme was in existence. The Working Party took note of this commitment.

- **(b) Enterprises that are State-Owned or -Controlled, Enterprises with Special or Exclusive Privileges**

73. In response to the concerns of some Members of the Working Party about the possibility of the Government to control and influence the activity of State-invested JSCs, the representative of the Russian Federation answered that the legislation of the Russian Federation did not provide for the possibility of the Government (State) exercising special control or special management of the activity of those companies, where the Russian Federation or municipal authority-owned shares. As a general rule, when a State or municipal authority held shares of the JSC, it worked as an ordinary shareholder and enjoyed the rights and took the liabilities under the standard rules for shareholders stipulated by the Civil Code of the Russian Federation and Federal Law No. 208-FZ of 26 December 1995

"On Joint-Stock Companies" (as amended on 27 December 2009). Thus, except as explained in paragraph 69 of this Report, State or municipal authorities participated in the management and activity of the JSC along with other shareholders under the same rules irrespective of the share of stock in State ownership.

74. Responding to the questions of some Members, the representative of the Russian Federation also clarified the issue of SUEs and the mechanism of their management by the State. He said that the legal status and activity rules of SUEs were provided by the Civil Code of the Russian Federation and Federal Law No. 161-FZ of 14 November 2002 "On State and Municipal Unitary Enterprises" (as last amended on 1 December 2007). He added that a SUE was a commercial organization, not endowed with the right of ownership to the property, allotted to it by the property owner. These Laws provided that the property of the SUE must be owned by the Russian Federation, a Russian region or a municipality. In its commercial activity, a SUE was acting in the same way as other commercial organizations, except for transactions aimed at the disposition of the property of the SUE (sales, lease, transfer as bond security, giving of credits, etc.), where the approval of the property owner was required by law. This special requirement resulted exclusively from the need to preserve property of the owner (the State, the municipality) and constituted the difference between a SUE and other types of legal persons. In respect to unitary enterprises, the State had the same rights and obligations as an ordinary corporate founder, being subject to common rules of the civil legislation, which did not accord any special rights or possibility of control or rights to manage the activity of unitary enterprises to the state/municipal entity. SUEs existed and acted alongside other forms of legal persons, on the basis of principles and rules common to all commercial organizations, stipulated in civil legislation, and self-organized their activities.

75. Summarizing the information on the possibility of State control over the activities of SUEs and State-invested JSCs, the representative of the Russian Federation stated that governmental influence and guidance of the decisions and activities of SUEs as well as state-invested JSCs was strictly defined by the legislation of the Russian Federation as indicated above. The Constitution of the Russian Federation guaranteed the equality of all forms of property (i.e., private, State, or municipal) thus ensuring that the principle of non-discrimination would be observed regarding the companies and enterprises of different forms of property rights. It also prevented enterprises from activity aimed at monopolization and unfair competition, thus giving a sound guarantee that State enterprises and State-invested JSCs would not act in a manner to distort the competitive environment. He further noted that according to Article 50 of the Civil Code of the Russian Federation, Russian juridical persons were divided into commercial and non-commercial organizations. Commercial organizations were those aimed at deriving profits as the main goal of their activity and that SUEs and state-invested JSCs were one of the forms of commercial organizations alongside with other types of commercial organizations with this goal. The status of the SUEs and state-invested JSCs as commercial organizations pre-defined the freedom of their own market behaviour which was implemented through the respective operational decisions and conclusion of commercial transactions of any kind in accordance with customary business practice and legislation in force.

76. In addition, the representative of the Russian Federation presented statistical data (see Table 6), in his view, demonstrating that the actual participation of State enterprises in the economy, as well as in international trade was relatively small. The proportion attributed to the State enterprises had been declining steadily over the previous years and this trend was expected to continue. In industrial and agricultural production, the share accounted for by State enterprises amounted to approximately 10 per cent, while the share of exports and imports was negligible. Responding to a question of a Member, the representative of the Russian Federation explained that State participation in the gas production sector was higher than in other sectors. In 2009, Gazprom, which was 51 per cent owned by the State, had an 84 per cent share of the total gas production in the

Russian Federation. Due to its exclusive right to export gas, Gazprom had a 100 per cent share of gas exports from the Russian Federation.

77. Some Members requested further information on the role of marketing enterprises such as Exportkhleb, Prodintorg, and Roskhleboprodukt in agricultural trade, and a description of the legislation that had specifically ended the special rights and privileges that these organizations had traditionally received as monopoly trade or marketing entities. These Members also asked for further information on the extent to which the agricultural trade of the Russian Federation was still conducted through inter-governmental agreements between the Russian Federation and other countries, especially CIS countries, and on whether any government-to-government barter arrangements were still in place.

78. The representative of the Russian Federation noted that some enterprises (Roschleboproduct and Roscontract) had been granted exclusive and special rights in 1993 and 1994 in the context of bilateral barter trade with some CIS countries performed under the framework of special inter-governmental agreements for those calendar years. Such exclusive rights had expired completely on 31 December 1995 when the agreements expired and had never been resumed. The Government of the Russian Federation had not concluded any bilateral barter trade agreement with Governments of other countries, including CIS countries.

79. Regarding the concerns of some Members in respect of the special export regime for wheat exported to Ukraine, the representative of the Russian Federation stated that a special Inter-governmental Agreement on export supplies of wheat to Ukraine from August to October 2003 had been concluded in August 2003 in view of adverse weather conditions in Ukraine in 2003. This Agreement did not concern barter trade. Under this Agreement, the SUE "Federal Agency on the Foods Market Regulation" (FFMA) had been authorised to supply wheat on terms and in quantities provided for by the Agreement. However, this authority of FFMA had expired upon termination of the supply periods, as defined in the Agreement.

80. A Member was concerned that FFMA appeared to operate the grain intervention system of the Russian Federation and maintained grain reserves, exclusively and at the behest of the Government, using State funds, which would appear to be an exclusive right that had a noticeable impact on prices. In response, the representative of the Russian Federation noted that under Government Resolution No. 1224 of 26 September 1997 "On the Foundation of the State Unitary Enterprise - the Federal Agency for Food Market Regulation by the Ministry of Agriculture and Food of the Russian Federation" (as last amended on 15 June 1998), the FFMA had replaced the Federal Food Corporation with a modified institutional and legal framework. A full list of activities of the FFMA was contained in Government Resolution No. 1224. Pursuant to this Resolution, the Agency was a commercial organization established in order to meet social needs and earn a profit. Its main activities included, in particular:

- Monitoring the current state of the agricultural, raw materials, and foodstuffs market, creating a system providing informational support to market entities, analysing and forecasting the situation on the market;
- Boosting competition in purchase and sale of agricultural products, raw materials, and foodstuffs;
- Organizing and carrying out purchase and sale-related intervention in order to promote stability on the market of agricultural products, raw materials, and foodstuffs;
- Ensuring guarantees in carrying out operations with agricultural products, raw materials and foodstuffs; and
- Performing the functions of the state purchaser on establishing the operative reserve of the Government of the Russian Federation and performing deliveries to polluted territories.

81. Organizing and carrying out purchase and sale-related intervention in order to promote stability on the market of agricultural products, raw materials, and foodstuffs were regulated by Government Resolution No. 580 of 3 August 2001 "On Approving the Rules of Exercising State Purchase and Sale Intervention for the Regulation of the Market of Agricultural Products, Raw Materials, and Foodstuffs" (as amended by Government Resolutions No. 500 of 28 September 2004, No. 431 of 15 July 2005 and No. 157 of 23 March 2006). According to this Resolution, State purchases of agricultural products, raw materials, and foodstuffs (hereafter: referred to as agricultural products) were carried out for building of the Federal Food Intervention Fund. Purchases and sales of agricultural products to/from this fund were aimed at regulation of agricultural products markets. The reserves of the intervention fund had been recognised as Federal property. Purchase and sales interventions were to be carried out by a State agent selected on competitive basis by the agricultural sector regulator of the Russian Federation. The agent acted for a commission fee. The interventions themselves were carried out through a commodity exchange auction. FFMA was approved as an agent for carrying out purchase and sales interventions in 2001, 2002 and 2005, by Government Order No. 1501-r of 13 November 2001, by Government Resolution No. 756 of 11 October 2002, and by the Order of the Ministry of Agriculture No. 80 of 14 May 2005, respectively. According to Order of the Territorial Administration of the Federal Agency for State Property Management in Moscow No. 1345 of 28 December 2006, FFMA[2] was privatized and acted as a Joint-Stock Company Agency for the Food Market Regulation. In 2008, the Ministry of Agriculture of the Russian Federation selected FFMA on a tender basis as an agent for grain interventions, in accordance with Government Resolution No. 580 of 3 August 2001.

82. The Open Joint-Stock Company Agency for the Food Market Regulation, which was 100 per cent owned by the State, was renamed the "United Grain Company", in accordance with Presidential Decree No. 290 of 20 March 2009. Some federally-owned shares of the companies were transferred as a contribution to the authorised capital of the United Grain Company in order to cover the emission of additional shares. While the State currently owned 100 per cent of shares of the United Grain Company, there was a plan to privatize the United Grain Company by 2012. In 2009, grain interventions were executed by the United Grain Company on a tender basis. In addition to engaging in grain interventions, the mission of the United Grain Company was to increase grain elevator capacity, increase domestic grain trade and exports, and to develop the transport and port infrastructure of the grain market of the Russian Federation. The representative of the Russian Federation explained that United Grain Company continued to act as an agent for state purchase and merchandise interventions for a commission, as stipulated in Government Resolution No. 580 of 3 August 2001 "On Approving the Rules of Exercising State Purchase and Sale Intervention for the Regulation of the Market of Agricultural Products, Raw Materials, and Foodstuffs". He further explained that all the purchase and merchandise interventions were carried out through a commodity exchange. A participant had to confirm its sphere of activity (as "grain producer" to take part in purchase interventions and as "livestock breeder", "producer of forage for livestock", "flour-and-cereals industry company" or "livestock breeder and plant grower (composite agriculture)" to take part in merchandise interventions. A participant also had to go through an accreditation process, involving payment of an accreditation fee, making a guarantee deposit and providing the documents specified in the Bidding Procedure established in accordance with Government Resolution No. 580 of 3 August 2001 "On Approving the Rules of Exercising State Purchase and Sale Intervention for the Regulation of the Market of Agricultural Products, Raw Materials, and Foodstuffs".

[2] FFMA was established in accordance with Government Resolution No. 1224 of 26 September 1997 "On the Foundation of the State Unitary Enterprise - the Federal Agency for Food Market Regulation by the Ministry of Agriculture and Food of the Russian Federation".

83. Several Members requested further information regarding a Government resolution that imposed licensing requirements on procurement, processing, storing, and marketing of grain and grain products for State needs, as well as on production of most grain products (bread, flour, etc.), and clarification of the purpose of these licenses and on whether both foreign and domestic companies were subject to them. Concerning reports that 150 bankrupt grain facilities (mills, storage facilities, etc.) had reverted to State control, some Members requested clarification on how this process was being implemented and what role the Government would play in the operation and management decisions of these facilities.

84. In reply, the representative of the Russian Federation stated that Government Resolution No. 414 of 13 June 2002 "On Approval of the Regulation of Licensing of the Storage of Grain and Products Received as a Result of its Processing" approved the provision on licensing of storage of grain and products received as a result of its processing. Government Resolution No. 414 had also invalidated former Government Resolution No. 43 of 22 January 2001 "On Licensing of Purchase, Remaking, Storage and Realizing of Grain and Products Received as a Result of its Subsequent Processing which is meant for State Needs on Production of Bread, Macaroni, Flour, Groats and Other Grain Foods". He added that statements on the reversion of 150 bankrupt grain facilities to State control were unfounded. Government Resolution No. 414 was abolished on 14 December 2006, and thus, licensing of storage of grain and products received as a result of its processing was abolished as well.

85. With regard to granting an exclusive right to import or export goods, the representative of the Russian Federation explained that, pursuant to Article 4 of the Agreement On Common Measures of Non-Tariff Regulation in Respect of Third Countries of 25 January 2008, the Customs Union Commission (CU Commission), on proposal by a member, decided on the designation of certain goods to be subject to exclusive imports/exports right. Foreign trade in such goods was subject to import or export licensing and customs clearance of such goods was provided on the basis of an exclusive licence, which was issued by the competent authority of the CU Party (in the Russian Federation, the Ministry of Industry and Trade of the Russian Federation (MIT)). Exports of natural gas from the territory of the Russian Federation were subject to an exclusive right enjoyed by Gazprom Group, pursuant to Federal Law No. 117-FZ of 18 July 2006 "On Export of Gas".

86. In response to a question from some Members, the representative of the Russian Federation explained that while the CU Commission designated the goods subject to the measure in question, the national authorities established the specific enterprise that was granted the exclusive right, as well as rules for its operation within its territory. He said that under Article 26 of Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of the State Regulation of the Foreign Trade Activity", an exclusive right to export and/or import certain types of goods could be granted to some organizations. The list of organizations (as well as types of goods) to which such rights should be granted should be determined by Federal laws.

87. Pursuant to Article 26 of Federal Law No. 164-FZ of 8 December 2003, enterprises which had been granted exclusive or special rights or privileges to export and/or import certain types of goods were required in their purchases or sales, involving either imports or exports, to act on the basis of the principle of non-discrimination and in accordance with commercial considerations. Non-compliance with the provisions of Article 26 or the Agreement on Common Measures of Non-Tariff Regulation in Respect of Third Countries of 25 January 2008, could be considered as an abuse of dominant position or as act of unfair competition and therefore would be subject to proceedings in accordance with the Code on Administrative Offences of the Russian Federation and Federal Law No. 135-FZ of 26 July 2006 "On Protection of Competition".

88. The representative of the Russian Federation explained that his authorities considered that only the enterprises of the Gazprom Group (natural gas) were enterprises having special or exclusive privileges with respect to export. The mentioned enterprises, while making their purchases and sales involving exports or imports, acted consistently with the principle of non-discrimination and, in particular, they were guided by in these purchases and sales solely by commercial considerations. The representative of the Russian Federation confirmed that Gazprom will be notified as an STE in accordance with Article XVII of the GATT 1994. The exclusive right of Almazyuvelir Export Foreign Trade Association (for operations in raw materials containing platinum and platinum group metals) had been abolished in accordance with the Resolution of the Government of the Russian Federation No. 268 of 30 March 2009. Detailed information on these enterprises was contained in document WT/ACC/RUS/18 and Corr.1.

89. Some Members raised questions concerning "unitary" enterprises and their role in export and/or import of goods. In response the representative of the Russian Federation stated that, by definition, "unitary" enterprises operated as commercial enterprises. Addressing specific concerns of some Members about the way in which enterprises involved in export/import of ethyl spirits might be exercising their exclusive rights, the representative of the Russian Federation explained as follows. According to Article 9 of Federal Law No. 171-FZ of 22 November 1995 "On State Regulation of Producing and Turnover of Ethyl Spirit, Alcoholic and Spirit Containing Production" (as last amended on 5 April 2010), only unitary enterprises or JSCs where the State possessed no less than 51 per cent of the shares were entitled to export and import ethyl spirit if they had appropriate licenses for carrying out such activity. However, this provision of the Federal Law had been abolished by an amendment of 21 July 2005.

90. Some Members were particularly concerned that the pricing practices followed by Gazprom (majority State-owned, with 50.002 per cent share controlled by the State), could not be regarded as being based on commercial considerations. Specifically, sales for export were subject to controls in relation to quantity and price, and the sale of gas for domestic industrial consumption was at a price level considerably below that applied for exports, which were linked to the prevailing world market price. Artificially low domestic energy prices could also lead to indirect subsidization of downstream industries and to exports of value-added intermediate and finished goods at prices below their normal value. In this context, those Members noted that the cost of producing natural gas for Gazprom was significantly higher than the regulated domestic price. In light of these facts, those Members requested an explanation as to how Gazprom was selling on the domestic market "solely in accordance with commercial considerations", as required by Article XVII:1(b) of the GATT 1994. Those Members noted that Gazprom, or its subsidiaries, also appeared to be a participant in the fertilizer industry.

91. Some Members of the Working Party noted that the implication that the regulated price for gas was determined in accordance with supply and demand or that Gazprom determined the levels of internal calculated prices did not appear to be borne out by the facts. These Members asked for a description of the domestic pricing of Gazprom and delivery of natural gas, based on historical usage and how firms dealt with shortfalls of State-allocated natural gas at the regulated price. In addition to the significant trade distortion which the pricing practices of Gazprom could cause, these Members were concerned that current prices to domestic industrial customers could take place at rates that did not ensure "adequate remuneration", as provided for in Article 14(d) of the WTO Agreement on Subsidies and Countervailing Measures and thus would confer a benefit to domestic industrial users. Accordingly, in the absence of further information, it was difficult to understand the assertion that Gazprom operated on the basis of commercial considerations. More generally, Members observed that this situation gave rise to questions as regards its compatibility with WTO requirements, not only in relation to Article XVII, but also in relation to Articles XI and XVI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures. These Members invited the

Russian Federation to provide further information on the operation of Gazprom and its subsidiaries, particularly as regards the manner in which prices were set for natural gas, and how those pricing structures were consistent with the suggestion that those enterprises operated under commercial considerations.

92. In response, the representative of the Russian Federation stated that the export price for gas was not regulated by the Government; the prices for deliveries of gas for exports were those negotiated between supplier and buyer. Contrary to the price of exported gas, the price of gas sold to domestic industrial consumers was regulated, except for gas purchased at its source; gas for new industrial customers; any increased quantity of gas supplied by Gazprom to its existing customers, and for gas from producers other than Gazprom which was unregulated. Those producers (other than Gazprom) held a share of around 20 per cent in the volume of gas transported through the pipeline system of Gazprom, which was the only system of pipelines for long-distance transportation of gas in the Russian Federation. Unregulated prices were estimated to be generally 30 per cent higher than the regulated price.

93. Additional relevant information on regulated prices of gas for internal consumption (including methodology of price-setting, principles and statistical data) was provided in the Section "Pricing Policies" of this Report.

94. Some Members requested clarification of the current role of Alrosa in the activities of diamond production and export, its rights to export diamonds to the world market or sell its products domestically, as well as whether other companies enjoyed the same rights as Alrosa, and if so, what rights and on what basis. Members also asked whether Alrosa and other selected companies enjoyed rights to import polished diamonds on favourable terms, on the condition that those diamonds originated from their own production of raw diamonds. In response, the representative of the Russian Federation said that Presidential Decree No. 1373 of 30 November 2002 "On the Endorsement of Regulation on Imports in and Exports from the Russian Federation of Raw Natural Diamonds and Cut Diamonds" (which had entered into force on 6 February 2003 and amended on 10 March 2009) had abolished Presidential Decree No. 740 and thereby all exclusive rights of Alrosa. This Decree was the basic regulation of export and import of raw natural diamonds and cut diamonds. In accordance with the procedure established by said Decree:

- Exportation of natural diamonds (both cut and raw) with the exception of unique natural diamonds, diamonds recovered from multi-crystal diamond coated tools, waste from any type of diamonds processing, diamond concentrate, diamond dust and diamond powders, was carried out by any natural diamonds mining enterprises[3] on the basis of export licenses without quantitative restrictions.
- Exportation of diamonds recovered from multi-crystal diamond coated tools, waste from any type of diamonds processing, diamonds concentrate, diamonds dust and diamonds powders could be carried out by natural diamonds mining enterprises; the SUE "Almazyuvelirexport" Foreign Trade Association under contracts with the owners of natural diamonds; enterprises producing brilliants; and, enterprises producing products and articles from natural diamonds. No export licence was needed.
- Exportation of brilliants could be carried out by enterprises producing brilliants (with respect to their own products); organizations engaged in the wholesale of precious stones (organizations registered with the bodies of federal assay supervision which engaged, in

[3] Mining enterprises were organizations engaging in the mining of natural diamonds in the territory of the Russian Federation under a licence for Subsoil used for the mining of natural diamonds. Issuance of these licenses were regulated by the Russian Subsoil Law (Law of the Russian Federation No. 2395-1 of 21 February 1992 "On the Subsoil" as amended on 27 December 2009).

accordance with the objectives stated in their corporate charters, in purchases of diamonds and their wholesale to other participants in the market); the SUE "Almazyuvelirexport" Foreign Trade Association. No export licence was needed.

95. Consequently, since November 2002, neither the JSC "Almazy Rossii - Sakha"(Alrosa), nor any other exporter of natural diamonds and/or brilliants enjoyed any exclusive rights or privileges with regard to the exportation of brilliants and diamonds. Regarding import of polished diamonds, Decree No. 1373 of 30 November 2002 provided that the conditions of import were equal for all participants in foreign trade activity, i.e., without quantitative restrictions or requirement of a licence.

96. Asked about the State-invested airline Aeroflot, the representative of the Russian Federation informed Members that while the State owned 51 per cent of the shares of Aeroflot, it did not enjoy any special or exclusive rights in the exercise of which Aeroflot might influence through its purchases or sales the level or direction of imports or exports.

97. Some Members of the Working Party requested additional information on the actions of the Russian Federation to restructure and consolidate its domestic aviation industry. These Members noted that the Russian Federation held an 81.75 per cent share in the authorised capital of the United Aircraft-Construction Corporation. In response, the representative of the Russian Federation referred Members to the information set-out in paragraph 1196 of the Section "Trade in Civil Aircraft" of this Report.

98. Members of the Working Party stated that they expected the Russian Federation to ensure that the practices of State-owned, State-controlled enterprises and enterprises enjoying special or exclusive privileges would be brought into line with relevant WTO requirements as from the date of accession. These Members asked for confirmation that, upon accession, purchases and sales by such enterprises, whether State-owned, State-invested or enjoying any special or exclusive privileges, would be based solely on commercial considerations, without any Government influence or application of discriminatory measures.

99. The representative of the Russian Federation confirmed that the Russian Federation had State-owned and State-controlled enterprises that operated in the commercial sphere. The Russian Federation also had enterprises with exclusive or special privileges with regard to conducting commercial activity. He further confirmed that from the date of accession of the Russian Federation to the WTO, such enterprises, when engaged in commercial activity, would make purchases, which were not intended for governmental use, and sales in international trade in a manner consistent with applicable provisions of the WTO Agreement. He confirmed in particular, that such enterprises would make such purchases and sales in accordance with commercial considerations, including price, quality, availability, marketability, and transportation, and would afford enterprises of other WTO Members adequate opportunity in conformity with customary business practice, to compete for participation in such purchases or sales. He also confirmed that within the scope of the services commitments of the Russian Federation, including the limitations, set-out in its Schedule of Specific Commitments on Services, the rights and obligations of the Russian Federation under the GATS, and the regulatory measures of the Russian Federation covered by the WTO Agreement, including pricing regulations, and without prejudice to such commitments, rights, obligations, and measures that are consistent with these commitments, rights and obligations, the Russian Federation would ensure that such enterprises would act in accordance with the provisions set-out in this paragraph. He also confirmed that, upon accession, the Russian Federation would notify enterprises falling within the scope of the Understanding on Article XVII of the GATT 1994. The Working Party took note of these commitments.

- Pricing Policies

100. The representative of the Russian Federation explained that, although prices in most sectors of the Russian economy were now determined freely by market forces, in certain sectors, prices were regulated by the State. Presidential Decree No. 221 of 28 February 1995 "On Measures to Streamline the State Regulation of Prices (Tariff)" (as last amended on 8 April 2003) and Government Resolution No. 239 of 7 March 1995 "On Measures to Streamline the State Regulation of Prices (Tariffs)" (as last amended on 29 October 2010) established the main principles of State price (tariffs) regulation in the domestic market of the Russian Federation. Price regulation was implemented by the Government of the Russian Federation, Federal authorities and Sub-Federal bodies of executive power for the goods and services listed in Table 7, Table 8 and Table 9. Normative legal acts issued by Federal executive bodies concerning State regulation of prices for goods and services were subject to official publication, and all resolutions by the Government of the Russian Federation, concerning State regulation of prices and tariffs, including with respect to natural monopolies, were published in "Rossiiskaya Gazeta".

101. Members of the Working Party sought clarifications on the mechanisms for determining State-controlled prices and their relation to market and international prices and whether such prices, when charged by State-owned or State-controlled enterprises, were in accordance with commercial considerations. The representative of the Russian Federation replied that the Federal Service for Tariffs, being the main Federal authority empowered to exercise State price regulation, developed detailed principles (methods) for price regulation in different sectors, such as electric power and heat power, oil and gas transportation through main pipelines, etc. All authorities engaged in regulating prices were required to use these principles (methods) for establishing prices. These principles (methods) took into account the following elements in determining prices: (i) the cost effectiveness of the production of the sector, including the production (marketing) expenses; (ii) taxes and other payments; (iii) the cost of fixed production assets; (iv) the demand for investment for reproduction purposes; (v) depreciation charges; (vi) estimated profits; (vii) remoteness of different consumer groups to the production site; and (viii) adequacy of quality. Compliance with decisions of the Federal Service for Tariffs was obligatory for all operators. Regarding State-owned and State-controlled enterprises, the representative of the Russian Federation referred to Presidential Decree No. 221 requiring that prices (tariffs) regulated by the State must be applied in the domestic market of the Russian Federation by all enterprises and organizations, ensuring therefore, that State-owned or State-controlled enterprises were subject to common rules in this regard.

102. A Member requested further clarification of whether the Government of the Russian Federation was fixing the minimum price level of vodka, liquor products and other alcohol, stronger than 28 per cent volume. That Member also asked the Russian Federation to explain how this practice could be in compliance with the Agreement on the Implementation of Article VII of the GATT 1994.

103. In response, the representative of the Russian Federation said that the minimum prices for vodka, liquor products and other alcohol stronger than 28 per cent volume related only to the internal sale at the retail level of domestically-produced and imported products, and had not been applied in a discriminatory manner between domestically-produced and imported products. This measure had been introduced in order to protect Russian consumers from sales of low quality counterfeited alcoholic products at distressed prices. He confirmed that this measure had no bearing on the customs valuation of the imported product. He noted that Order No. 29n of 20 April 2010 "On Establishing and Introducing of the Minimum Price for the Liquor Products and other Alcohol Stronger than 28 per cent volume (excluding Vodka) for Retail Sale since 1 June 2010" had been issued by the Federal Service of the Russian Federation for alcohol market regulation and was the current basis for regulating prices of these goods.

104. In reply to a question from a Member of the Working Party, the representative of the Russian Federation explained that government purchases of agricultural products were undertaken at pre-announced administered prices in order to provide market price support to domestic producers. These purchases were only for rye and milling wheat (in 2001, 2002, 2003 and 2005); for rye, wheat, corn and barley in 2008; and for wheat, rye and barley in 2009. He confirmed that no price regulations were applied that could prevent imports of any like product mentioned in this paragraph from being supplied at a price below that of the domestic product.

105. In response to a question from a Member of the Working Party, the representative of the Russian Federation stated that the reference price for raw cane sugar at the New York Commodity Exchange was used to calculate the rate of import duty and did not represent a reference price for the pricing of raw cane sugar in the market of the Russian Federation.

106. Regarding price controls applied at the sub-regional level, some Members of the Working Party enquired about the legal basis and scope of authority to apply price controls at this level, and whether these measures were actually reviewed by the Federal authorities.

107. In response, the representative of the Russian Federation said that regional governments were authorised to regulate prices (tariff) for some goods and services, upon agreement with the Federal Government. Government Resolution No. 239, referred to above, defined whether price regulation fell within the jurisdiction of regional or Federal Governments. Respective information regarding the jurisdiction of regional governments over price regulation was provided in Table 8 and Table 9. In addition, according to Presidential Decree No. 221, the Government of the Russian Federation was required to coordinate the activity of the regional governmental bodies in State price (tariff) regulation.

108. In response to a question from a Member of the Working Party, the representative of the Russian Federation further clarified that Sub-Federal executive bodies, currently, did not have any powers to regulate prices, including imposing mark-up restrictions, for any agricultural product and, accordingly, did not maintain or apply such regulations.

109. In response to a specific question of one Member of the Working Party concerning the "Programme for Federal Budget Compensation of 30 per cent for Mineral Fertilizer and Chemical Plant Protection Product Costs", the representative of the Russian Federation explained that, according to that Programme, ceiling prices were only in effect during the year 2001 and that the Ministry of Agriculture and Sub-Federal bodies applied mark-up restrictions on, and fixed service charges, relating to the sale of mineral fertilizers and chemical plant protection products supplied to agricultural producers under this programme. No programmes of this kind had been adopted or maintained since then.

110. Some Members sought additional information on the announcement of the Russian Federation of efforts to unify its domestic and foreign operating tariffs for railways, as well as a status report on developments. Noting that the Russian Federation had indicated that discriminatory pricing for transportation on railway freight could be eliminated by 1 March 2002, some Members asked the Russian Federation if this measure had been implemented as planned. These Members expected the Russian Federation to treat all import and export cargoes, as well as cargoes in transit, on the same basis as domestically-produced goods, in line with the national treatment requirements of Article III, as well as the requirements of Articles V and XI of the GATT 1994 and to make a commitment to this effect in the Working Party Report.

111. Some Members of the Working Party also stated that the Russian Federation should specify how and when it proposed to complete the elimination of the current discrimination *vis-à-vis* export,

import and transit cargoes. Those Members also expressed concerns that differential rates continued to be charged for rail transportation of cargoes for export by land border crossings.

112. In response, the representative of the Russian Federation explained that his authorities were prepared to introduce the same pricing scheme on tariffs for import cargoes as for domestic products. He added that, in August 2001, the first stage of unification for railway freight tariffs had been implemented with the transition to payment for import and export cargoes shipped through Russian ports, based on tariffs in Price List No. 10-01 by the Federal Energy Commission. These measures eliminated the existing differentiation in pricing for import cargoes shipped through Russian ports and domestically transported cargoes. Competent Federal authorities were preparing the second stage of this tariff unification, which would extend tariffs in Price List No. 10-01 to import cargoes shipped through border land checkpoints of the Russian Federation. He also stated that, in his view, there was no inconsistency between Article XI of the GATT 1994 and the existing system of higher tariffs for railway transportation of exported goods.

113. As far as railway tariffs for cargoes in transit were concerned, he was of the view that the issue of transit was adequately dealt with in Article V of the GATT 1994.

114. He further added that one of the goals of structural reform of the railway sector was a gradual transition to market-based pricing in competitive sectors, economic sectors where several juridical persons competed under equal conditions. Responding to questions from Members of the Working Party regarding the next stage of tariff unification, the representative of the Russian Federation said that, currently, the levelling of tariffs was being implemented through the gradual increase of tariffs fixed in Price List No. 10-01, up to the value of tariffs for transportation of import cargoes shipped through border land checkpoints of the Russian Federation. Two steps of such increase had been undertaken in 2005, by 5.4 and 12.8 per cent. The increase had been 27.9 per cent in 2006; 12.8 per cent in 2007; and, 10.9 per cent in 2008. By the end of 2009, around 87 per cent (by volume) of railway traffic (other than traffic in transit) for all types of cargoes was subject to equalized tariffs. In 2010, the equalization of tariffs continued with respect to goods, such as ferrous metals and ores, chemical industry products, grain, and fertilizers. In response to a question from a Member, the representative of the Russian Federation clarified that the Orders of the Federal Service for Tariffs No. 338-T/3 and No. 386-T/1 of 7 December 2010 "On Amending Price List No. 10-01 Tariffs on Cargo Transportation and Infrastructure Services Provided by the Russian Railways" provided for further equalization of railway tariffs, including tariffs for transportation of chemicals, metals, and energy products.

115. Having considered the discussion in the Working Party, in particular as to the applicability of Articles III and XI of the GATT 1994, the representative of the Russian Federation confirmed that products imported into, and products destined for exportation or sold for export from the territory of the Russian Federation would, no later than 1 July 2013, be accorded treatment no less favourable with regard to the application of all rail transportation charges (including basic charges, surcharges and rebates) than like, directly competing or substitutable products transported between domestic locations, and no less favourable treatment depending on whether the imported or exported products enter or exit the territory of the Russian Federation by land or through a port or depending on their origin or destination. The representative of the Russian Federation further confirmed that, over the period between the accession of the Russian Federation to the WTO and 1 July 2013, the Russian Federation would gradually reduce the existing differences between, on the one hand, rail transportation charges applicable to products imported into, and products destined for exportation or sold for export from, the territory of the Russian Federation and, on the other hand, rail transportation charges applicable to like, directly competing or substitutable products transported between domestic locations, as well as the existing differences in rail transportation charges for imported and exported products depending on whether they enter or exit the territory of the Russian Federation by land or

through a port or depending on their origin or destination. These commitments would not prevent the application of differential internal transportation charges, which are based exclusively on the economic operation of the means of transport and not on the national origin of the product. The Working Party took note of these commitments.

116. The representative of the Russian Federation confirmed that railway transportation charges on traffic in transit would be in conformity with the provisions of Article V of the GATT 1994 and other relevant provisions of the WTO Agreement. The Working Party took note of this commitment.

117. The representative of the Russian Federation confirmed that regulated railway tariffs for transit of goods and changes to them would be published before their entry into force. The Working Party took note of this commitment.

118. In response to questions from some Members concerning electricity prices, the representative of the Russian Federation noted that such prices were regulated in a similar way as gas prices, pursuant to Federal Law No. 41-FZ of 14 April 1995 "On State Regulation of Tariffs on Electric and Thermal Power in the Russian Federation" (as last amended on 27 July 2010), prices for electrical energy provided by regional electrical power-plants to the regional market were fixed both for industrial consumers and households. He added that the setting of prices of electricity supplied to industrial consumers was being reformed (although, like for gas, electricity prices charged to individual households would remain fixed for reasons of social protection). The concept of the reform aimed at de-monopolization and development of competition in the energy sector had been approved by Government Regulation No. 526 of 11 July 2001 "On Reforming the Electricity Sector in the Russian Federation" (as amended on 1 February 2005).

119. As a result of the reform, it was planned to create in the Russian Federation a competitive electricity energy market through two groups of measures. The first one was aimed at unbundling transportation, dispatching management companies and those engaged in generation, sale and technical maintenance. The part of the latter companies were subject to privatization programmes, while another part, such as companies engaged in transportation and dispatching management activities, remained under governmental control (both in terms of ownership and in terms of price control). The second type of measures was performed with the view to decrease governmental involvement in price control, in respect of those areas of the electricity energy sector where relevant market regulations were applied. This goal had been reached with the launch, in 2003, of the deregulated electricity market. The representative of the Russian Federation informed Members that the amount of electricity sold on the deregulated market, by the end of 2010, had increased to around 80 per cent of electricity sold on the market of the Russian Federation. Conditions of sale of electricity at regulated prices were provided for in Resolution of the Government of the Russian Federation No. 109 of 26 February 2004 "On Establishment of the Price in Respect of Electrical and Heat Energy" and Order of the Federal Service for Tariffs (FST) No. 199-e/6 of 15 September 2006 "On Approval of the Methodological Procedures for Calculation of the Tariffs for Electrical Energy and Power Under Sales Contracts at Regulated Tariffs (Prices) on Wholesale Market". Energy companies and industrial consumers, which could include steel and fertilizer producers, bought such electricity sold at unregulated price.

120. Some Members of the Working Party asked whether gas liquids and condensate, e.g. those used for petrochemical feed stocks, were also included in the list of items under price control. These Members expressed strong concerns about the trade distortions caused by State controls on the pricing of energy for domestic consumption (whether in the form of gas, oil or electricity). The effect of these controls was to depress prices for domestic industrial users, which could lead to a very wide differential between the price paid by domestic industrial users and the price paid by export customers, as well as the world market price. Other Members noted that the price for natural gas was

below the full cost of production, including a reasonable profit, and was therefore inconsistent with commercial considerations. Referring to natural gas, these Members considered that the fact that industrial producers of the Russian Federation did not have to pay the full market price for their energy inputs, including gas, especially, in energy-intensive industries and in industries that used gas as an input (rather than an energy source) constituted an unfair competitive advantage. This situation had implications for the ability of imported goods to compete on the market of the Russian Federation and could lead to a displacement of Member products from third country markets. In addition, exports of "downstream" intermediate or finished goods of the Russian Federation, particularly, of products that were energy-intensive, such as fertilizers or metals, could take place at prices below their normal value or at subsidized prices, leading to the possibility of facing anti-dumping or countervailing actions in export markets.

121. The same Members recognised that this was an area where the Russian Federation had begun a process of regulatory reform, which could not be achieved overnight. They understood that the Russian Federation could wish to maintain controls on the price of energy sold for domestic household consumption. Those Members also stressed that increases in the price of natural gas could lead to a return of the non-payment problem. Members considered that the opportunity of WTO accession should be taken to tackle the negative impact of dual pricing in favour of manufacturing industry, at its source. They considered that the regulatory reform in the energy sector would also benefit the wider economy of the Russian Federation by allowing for a more rational resource allocation and stimulating greater investment and competitiveness.

122. Members of the Working Party noted that discussions in the Working Party had served to clarify the pricing of gas. However, these Members remained concerned that the regulated price for gas used by industrial consumers was not fixed at a level that permitted a gas supplier a full and proper recovery of all costs and an amount for profit. According to certain studies of the costs required for production and sustainability of the production of natural gas, domestic regulated prices did not cover the full long-run marginal cost of producing natural gas of Gazprom. They requested a confirmation from the Russian Federation that gas suppliers would act on the basis of commercial considerations, based on full recovery of costs and a reasonable profit.

123. In response to the questions from Members, the representative of the Russian Federation stated that underground resources within the territory of the Russian Federation, including subsoil domain and mineral resources contained therein, energy and other resources, were the property of the State. The Russian Federation exercised its sovereign rights over the resources. He added that the current practice of regulation of energy and natural gas prices in the Russian Federation was not different from similar practices of many WTO Members, who continued to regulate energy prices. Similar to the practice of other countries, energy and natural gas price regulation in the Russian Federation was aimed at prevention of abuse of monopoly position and protection of consumers' interests from monopoly price increases. In response to a question from a Member concerning the amount of gas sold on the deregulated market by the end of 2010, the representative of the Russian Federation explained that such data was not available.

124. Responding to concerns expressed by some Members, the representative of the Russian Federation explained that, in his view, the existing pricing system did not create an unfair competitive advantage, nor a countervailable "specific subsidy" in terms of the WTO Agreement on Subsidies and Countervailing Measures, as this mechanism did not grant any benefit to any enterprise or group of enterprises, or industry or groups thereof or specific sectors since it was equally applied to all sectors. This principle was unambiguously provided for by the legislation of the Russian Federation. In particular, operators engaged in providing services under conditions of natural monopolies were obliged, in accordance with Article 8 of Federal Law No. 147-FZ of 17 August 1995 "On Natural Monopolies" (as last amended on 25 December 2008), to provide services subject to

price regulation in accordance with that Law, on non-discriminatory conditions according to the requirements of anti-monopoly legislation. Legal acts establishing the methodology of energy and natural gas price-setting, namely, Resolution of the Government of the Russian Federation No. 1021 of 29 December 2000 "On the State Regulation of Gas Prices and Gas Transportation Services Tariffs on the Territory of the Russian Federation" (as last amended on 23 July 2009) (natural gas) and Order of the FST No. 20-e/2 of 6 August 2004 (as last amended on 31 December 2009), (electric energy), were applied equally throughout the whole territory of the Russian Federation (including remote locations). These Acts did not provide for any industry-specific exceptions, exemptions, discounts or preferences. The representative of the Russian Federation also noted that the methodology for the calculation of gas prices was officially published and transparent. Responding to a specific statement of one Member about the possibility to export "downstream" intermediate or finished goods at subsidized prices, the representative of the Russian Federation raised his objection. In his view, such kind of statement by a Member was misleading since it suggested that the Russian Federation applied export subsidies, which was not the case in respect to any industrial products.

125. In response to a question from a Member regarding the Order of the Federal Energy Commission No. 12/1 of 24 March 1999 "On Granting a 50 per cent Reduction of Prices of Gas to Enterprises which Produce Chemical Fertilizers, Chemical Protection for Plants and Raw Materials for Production thereof, in 1999", the representative of the Russian Federation clarified that it had only been in effect during the year 1999 and that there were no other legal provisions that provided for similar price reductions for any other industries. He further added that Gazprom had an ownership interest in certain Russian fertilizer companies. The regulated price paid by the fertilizer companies, in which Gazprom had an ownership interest, was the same as the price paid by other industrial consumers which purchased similar quantities of gas in like circumstances.

126. Elaborating on the issue of internal price of natural gas, the representative of the Russian Federation stated that the basic principle of price-setting was to ensure economically viable production and recovery of costs, including, *inter alia*, the cost of production, overheads, financing charges, transportation, maintenance and upgrade of extraction and distribution infrastructure, investment in the exploration and development of new fields done or planned, and reasonable profits.

127. In relation to concerns from Members about the disparity between the price of gas sold to industrial consumers in the Russian Federation and the world price of gas, the representative of the Russian Federation stated that gas export prices were not regulated and were established on the basis of supply and demand in the importing country. He was of the view that there was no "world market price" for gas, and noted that for gas shipped to Europe, costs of shipment and transport reflected a substantial part of the landed price. The representative of the Russian Federation reiterated that the price of gas for internal consumption by industrial consumers in the Russian Federation was fixed at an average level of US$80 per thousand cubic meters (in 2010) that secured recovery of estimated costs (around US$64 per thousand cubic meters in 2010) and an amount for profit.

128. The representative of the Russian Federation explained that his Government was guided by the Energy Strategy of the Russian Federation for the period up to the year 2030, which provided for an increase in natural gas prices. He noted that during the last nine years, the gas price had increased from US$19.3 (in 2001) up to US$80 (in 2010). The final price for gas could differ depending on the region, since the transportation arm had an impact on the final price levels.

129. Some Members noted that the Government of the Russian Federation had issued Resolution No. 333 of 28 May 2007 "On Improving State Regulation of Gas Prices". These Members requested additional information on the Resolution and the intentions of the Russian Government for implementing this Resolution.

130. In response, the representative of the Russian Federation explained that his Government intended to modify State regulation of gas prices and develop market pricing principles for the domestic gas market, with the objective of benefiting the economy of the Russian Federation. In the Resolution of the Government of the Russian Federation No. 333 of 28 May 2007, the Government of the Russian Federation directed the Federal executive body, responsible for State regulation of prices, to develop a formula which ensured equal return on gas supplies to the international and domestic markets. This formula was used to inform participants in the gas market of the price that would have been applied to gas produced by Gazprom and its affiliates, if the formula had been in effect. The relevant government bodies would submit proposals as to the advisability of implementing State regulation of gas transportation tariffs instead of State regulation of wholesale gas prices and application of the formula to determine wholesale prices for the gas produced by Gazprom and its affiliates under contracts to all consumers (other than the population, i.e., individual households).

131. Members welcomed the steps taken by the Russian Federation towards modifying the regulation of gas prices in the Russian Federation. Such action, in their view, would be beneficial to Gazprom and ensure a stable supply of gas to the domestic and international markets. They encouraged the Russian Federation to move forward in accordance with the Resolution of the Government of the Russian Federation No. 333 of 28 May 2007 to improve the State regulation of gas prices as soon as possible.

132. In response to the concerns expressed, the representative of the Russian Federation stated that upon accession, producers/distributors of natural gas in the Russian Federation would operate, within the relevant regulatory framework, on the basis of normal commercial considerations, based on recovery of costs and profit. He confirmed that the policy of his Government was to ensure, upon accession, that these economic operators, in respect of their supplies to industrial users, would recover their costs (including the cost of production, overheads, financing charges, transportation, maintenance and upgrade of extraction and distribution infrastructure, investment in the exploration and development of new fields) and would be able to make a profit, in the ordinary course of their business. He added that his Government would continue to regulate price supplies to households and other non-commercial users, based on considerations of domestic social policy. The Working Party took note of these commitments.

133. The representative of the Russian Federation confirmed that, from the date of accession, the Russian Federation would apply price controls on products and services contained in Table 7, Table 8 and Table 9 and any similar measures that would be introduced or re-introduced in the future, in a manner consistent with the WTO Agreement. He further confirmed that price control measures on goods would take account of the interests of exporting Members, as provided for in Article III:9 of the GATT 1994. Price control measures would not be used for purposes of affording protection to domestic production of goods, or to impair the service commitments of the Russian Federation. The representative of the Russian Federation also confirmed that the lists of goods and services subject to State price controls in Table 7, Table 8 and Table 9 were comprehensive, and that, from the date of accession, the Russian Federation would publish in the Rossiiyskaya Gazeta notice of any changes in the coverage of goods or services that were subject to price controls. The Working Party took note of these commitments.

- Competition Policy

134. The representative of the Russian Federation stated that his authorities attached great importance to competition policy, and had closely followed the activities of the WTO Working Group on the Interaction between Trade and Competition Policy. The basic goal of competition policy in the Russian Federation was to create a favourable climate for enterprises, and the facilitation of

competition and efficient functioning of the markets by preventing, restraining and eliminating monopolistic and anti-competitive practices among economic operators.

135. Legislative framework for realization of competition policy and prevention of anti-competitive practices was set-out in the Federal Law No. 135-FZ of 26 July 2006 "On Protection of Competition" (as last amended on 5 April 2010), the Civil Code of the Russian Federation, the Code on Administrative Offences of the Russian Federation and the Criminal Code of the Russian Federation, which established civil, administrative and criminal liability for infringement of the anti-monopoly legislation.

136. In response to requests from Members of the Working Party for further information, the representative of the Russian Federation stated that any anti-competitive market structure and unfair business practices, including infringement of intellectual property rights, that impeded competition, were subject to this anti-monopoly legislation. In his view, Russian legislation already in force contained all necessary elements for State supervision and control over arrangements and practices of economic operators that adversely affected competition, abuse of dominant position on the market by economic operators and led to economic concentration. In response to the request of some Members of the Working Party, he provided information on the relationship between anti-competitive behaviour and infringement of intellectual property rights in the Section "Trade-Related Intellectual Property Regime" (see paragraphs 1261 and 1289).

137. He further added that the Federal Anti-Monopoly Service (FAS) was the Federal body authorised to carry out the State policy on facilitating development of commodity markets and competition, control over execution of antitrust legislation, as well as prevention and suppression of monopolistic activity, undue competition and other activities restricting competition. The main functions of the FAS were to introduce legislative initiatives in the field of anti-monopoly activity and to investigate and ensure compliance with legislation in the sphere of competition in the commodity markets, defence of competition in the financial services market, activities of subjects of natural monopolies, and advertising. The FAS also reviewed anti-monopoly aspects of establishment and mergers, share transactions and acquisitions. According to the provisions of anti-monopoly legislation and, in order to perform the above-mentioned functions, the FAS could initiate and conduct administrative cases, take decisions and issue prescriptions to participants of business activities that were obligatory for such participants. The action by the FAS could be triggered upon initiative of the FAS or by requests of State bodies or legal and natural persons. He noted that, under Article 71(g) of the Constitution of the Russian Federation, regional authorities did not have jurisdiction over competition policy.

138. He further noted that the Federal Law No. 135-FZ of 26 July 2006 "On Protection of Competition" concerned the barring of monopoly activity and unfair competition, as well as anti-competitive behaviour, by Federal Executive bodies and governmental bodies of the subjects of the Russian Federation. Violation of the anti-monopoly legislation by officials of the Federal Executive bodies, the Executive bodies of the subjects of the Russian Federation, local governments, and other bodies and organizations, vested with functions of the above-mentioned bodies under the legislation, as well as by natural persons, including individual entrepreneurs, could lead to civil, administrative or criminal liability.

139. In response to questions from Members of the Working Party, he added that Federal Law No. 135-FZ of 26 July 2006 covered also the relations connected with protection of competition and prevention of monopolistic activity and unfair competition, and in which foreign legal persons were participating. In this respect, this Law provided for the similar application of the regulations to Russian and foreign legal persons.

140. In order to eliminate unfair competition, the FAS provided extensive protection of rights to all participants of commodity markets. Most cases of unfair competition uncovered by FAS of the Russian Federation and its regional divisions related to infringement of intellectual property rights and, in particular, to the illegal use of trademarks. Detailed information on the implementation of anti-monopoly legislation and administrative and judicial cases was available on the official website of the anti-monopoly body: www.fas.gov.ru.

141. He added that online information about decisions of the Government in any field, including competition, could be found on the official website of the Government of the Russian Federation (www.government.ru). Information on decisions of the FAS was available on the FAS website (www.fas.gov.ru). Decisions of the Government and FAS, which were issued as normative legal acts, applicable throughout the Russian Federation, were published in official periodicals (see the Section "Transparency" of this Report).

FRAMEWORK FOR MAKING AND ENFORCING POLICIES

- Powers of executive, legislative and judicial branches of government

142. The representative of the Russian Federation stated that, in accordance with its Constitution, State power in the Russian Federation was exercised by the President of the Russian Federation, the Federal Assembly (the Council of the Federation and the State Duma), the Government of the Russian Federation, and the Courts of the Russian Federation. The competence of each body of power was defined in Chapters 4, 5, 6, and 7 of the Constitution of the Russian Federation, respectively. In response to further questions from Members of the Working Party, he noted that judicial, legislative, and executive power was exercised independently.

143. A system of federal executive bodies had been established by Presidential Decree No. 314 of 9 March 2004 "On the System and Structure of the Federal Executive Bodies" (as last amended on 12 May 2008) in pursuance of ongoing administrative reform. The System introduced Federal ministries, Federal services, and Federal agencies as Federal executive bodies with different spheres of competence. Federal ministries were responsible for determining State policy, preparing legislation in related fields, and coordinating and controlling the activity of Federal services and Federal agencies under their authority. Federal services exercised control and supervision in related fields of activity, performed special functions related to national defence, State security, defence of the State borders of the Russian Federation, fight against crime, and, public safety. Federal agencies rendered State services managing State-owned property, as well as law-enforcement, except functions related to control and supervision.

144. The judicial system of the Russian Federation was regulated by Federal Constitutional Laws No. 1-FKZ of 31 December 1996 "On Judicial System of the Russian Federation" (as last amended on 27 December 2009), No. 1-FKZ of 21 July 1994 "On Constitutional Court of the Russian Federation" (as last amended on 28 December 2010), and No. 1-FKZ of 28 April 1995 "On Courts of Arbitration in the Russian Federation" (as last amended on 30 April 2010). Judicial power was exclusively exercised by courts, manned by judges, juries, and arbitrators duly appointed under constitutional, civil, administrative and criminal court procedures. In accordance with the Federal Constitutional Law "On Judicial System of the Russian Federation", the domestic court system in the Russian Federation consisted of the Constitutional Court of the Russian Federation, Federal Courts of General Jurisdiction, Federal Arbitration Courts and relevant courts in the subjects of the Russian Federation. Judgments, rulings, orders, summons and other lawful communications issued by the courts were binding upon persons, entities or governmental authorities throughout the whole territory of the Russian Federation. Justice was equal for all. Courts were not to favour any agency, person or other complainant based on nationality, sex, race, language, political convictions or any

other grounds unless otherwise established by Federal law. Failure to comply with a Russian court judgment, or any other act of contempt of a Russian court, was a breach of Federal law. The rules of civil procedure in Federal courts of general jurisdiction were set-out in the Civil Procedure Code of the Russian Federation No. 138-FZ of 14 November 2002 (as last amended on 6 April 2011). Procedures for the settlement of disputes by arbitration courts were set-out in the Arbitration Procedure Code of the Russian Federation No. 95-FZ of 24 July 2002 (as last amended on 6 April 2011). The representative of the Russian Federation further noted that the State fees for claims or other statements or complaints submitted to the courts of general jurisdiction or to arbitration courts were established in Chapter 25.3 of the Tax Code of the Russian Federation (Federal Law No. 117-FZ of 5 August 2000, as last amended on 7 March 2011). He also added that, in accordance with Law of the Russian Federation No. 2202-1 of 17 January 1992 "On the Public Prosecutor's Office of the Russian Federation" (as last amended on 7 February 2011), the Office of the Public Prosecutor was a single Federal system of authorities responsible for ensuring overall observance of the Constitution of the Russian Federation and all legal acts by federal and regional governments. The representative of the Russian Federation explained that the general authority of the High Courts (the Supreme Court of the Russian Federation and the High Arbitration Court of the Russian Federation) to give guidance to the Courts of the Russian Federation on applying domestic laws was stipulated in the Constitution of the Russian Federation (Articles 126-127). High Courts had the authority to issue guiding resolutions on the interpretation and application of the legislation, and that such resolutions had binding force in respect to all lower courts of their respective judicial branch. He further noted that such resolutions could be adopted only by plenary sessions of the Supreme Court or the High Arbitration Court, or by a joint plenary session of those high courts, in contrast to individual judgments pronounced by judicial benches (collegiums) of those High Courts. Responding to questions from Members, he explained that the binding force of the Plenum resolutions of the High Arbitration Court was provided for in Article 13(2) of the Federal Constitutional Law No. 1-FKZ of 12 April 1995 "On Arbitration Courts", whereas the similar status of the Supreme Court plenary resolutions was established by the Constitutional Law No. 1-FKZ of 31 December 1996 "On Judicial System of the Russian Federation" (as last amended on 27 December 2009) (Article 19). He further explained that the plenary resolutions normally either interpreted an important legislative act or provided guidelines for the decisions of the courts in a specific field of law. He noted that judges were to apply interpretations of the plenary resolutions in all cases involving the subject matter of such resolutions.

145. The President of the Russian Federation was the Head of State. He determined the guidelines of domestic and foreign policies of the State. Pending resolution of a matter by the appropriate court, the President had the right to suspend the operation of acts of the bodies of executive power of the "subjects"[4] of the Russian Federation, if the President believed they were not in compliance with the Constitution of the Russian Federation, Federal laws, and international commitments of the Russian Federation. In response to a question from a Member, the representative of the Russian Federation explained that this authority related only to the bodies of executive power of the subjects of the Russian Federation and not to bodies of executive power of the Federal Government.

146. Executive power in the Russian Federation was exercised by the Government of the Russian Federation. The Government ensured the implementation, in the Russian Federation, of a single trade, financial, credit and monetary policy, including the implementation of foreign policy, and the implementation of measures required to ensure the rule of law.

[4] Proceeding from Article 5(1) of the Constitution of the Russian Federation, the term "subjects" of the Russian Federation includes republics, regions, oblast, and cities of federal importance, autonomous regions and autonomous areas. Article 65 of the Constitution contained the exhaustive list of "subjects" of the Russian Federation.

147. The Federal Assembly (the Parliament of the Russian Federation) constituted the legislative authority in the Russian Federation. It consisted of two chambers - the Council of the Federation and the State Duma. The Council of the Federation included two representatives from each subject of the Russian Federation: one from the legislative and one from executive body of State power. The composition of the Council of the Federation was also determined by Federal Law No. 113-FZ of 5 August 2000 "On the Order of Formation of the Council of the Federation of Federal Assembly of the Russian Federation" (as last amended on 15 November 2010). The State Duma consisted of 450 deputies elected for a term of four years. The composition of the State Duma was determined by Federal Law No. 51-FZ of 18 May 2005 "On Election of Deputies to the State Duma of Federal Assembly of the Russian Federation" (as last amended on 23 February 2011). Both chambers were involved, *inter alia*, in the adoption of the Federal laws on Federal budget, Federal taxes and duties, financial, currency, credit, customs regulation and monetary issues, and ratification and denunciation of international treaties and agreements of the Russian Federation.

148. The right of legislative initiative with regard to domestic legislation was vested with the President of the Russian Federation, the Members of the Council of the Federation, the Deputies of the State Duma, the Government of the Russian Federation, and the legislative bodies of the subjects of the Russian Federation. The right of legislative initiative was also vested, in matters under their competence, with the Constitutional Court of the Russian Federation, the Supreme Court of the Russian Federation, and the High Arbitration Court of the Russian Federation.

149. The representative of the Russian Federation further added that the domestic legal system of the Russian Federation comprised Federal legal acts and legal acts of the subjects of the Russian Federation. The Federal legal system of the Russian Federation consisted of the following hierarchy of normative provisions: (i) the Constitution; (ii) Federal constitutional laws; (iii) Federal laws; (iv) decrees and resolutions of the President of the Russian Federation and resolutions and orders of the Government of the Russian Federation; and (v) acts of Federal executive authorities.[5] Normative legal acts of Federal executive authorities (i.e., acts whose binding effect extended to all of the territory of the Russian Federation) included resolutions, orders, rules, instructions, regulations and decisions. Recommendations, letters, telegrams, and teletype messages sent by authorities were not normative legal acts (Order No. 88 of the Ministry of Justice of 4 May 2007). Such acts had a recommendatory character only and were intended for use within the relevant executive body. The legal system of the subjects of the Russian Federation consisted of their respective constitutions (in the case of Republics), or charters (in the case of other subjects of the Russian Federation); laws and other legal acts. The Constitution of the Russian Federation had overriding power and was applicable throughout the entire territory of the Russian Federation. All Federal legal acts and legal acts of the subjects of the Russian Federation were required to be in conformity with the Constitution. Federal constitutional laws regulated matters directly provided for under the Constitution of the Russian Federation. Federal laws, *inter alia*, regulated areas of joint competence of the Russian Federation and its subjects.

150. He further noted that Presidential decrees and resolutions did not prevent the Federal Assembly from enacting a law covering the same subject matter. If a conflict existed between a law and any other normative legal act, including a Presidential decree or resolution, the law would prevail. Government resolutions and orders (subsidiary legislation) were issued pursuant to and in furtherance of the Constitution, Federal constitutional laws, Federal laws and Presidential decrees and resolutions. The requirement for such resolutions and orders were, as a general rule, provided for in the relevant

[5] As discussed in detail in paragraph 157, CU Commission Decisions, including those promulgating CU regulations and other CU measures had the status in the domestic law of the Russian Federation corresponding to the form of Federal normative legal act that the competent authority of the Russian Federation was authorised to issue before the CU Parties transferred competency to regulate the matter to CU Bodies.

enabling law, decree or resolution. Those legislative acts were also binding throughout the entire territory of the Russian Federation and might be appealed in court. Acts of Federal Executive Authorities were issued on the basis of and in furtherance of federal laws, presidential decrees and resolutions, and Government resolutions and orders. Those acts needed to be in compliance with the relevant enabling provisions. They had an auxiliary and detailing function.

151. The representative of the Russian Federation further explained that, in accordance with Article 15.4 of the Constitution of the Russian Federation, international treaties of the Russian Federation formed an integral part of the legal system of the Russian Federation. He stated that international treaties contracted by the Russian Federation were concluded on behalf of the Russian Federation (interstate treaties), on behalf of the Government of the Russian Federation (inter-governmental treaties), or on behalf of the federal bodies of executive power (treaties of inter-ministerial nature), in accordance with Articles 12 and 13 of Federal Law No. 101-FZ of 15 July 1995 "On International Treaties of the Russian Federation". Once a treaty entered into force, through ratification or otherwise, it was binding and enforceable throughout the entire territory of the Russian Federation. While an international treaty did not prevail over the Constitution of the Russian Federation or Federal constitutional laws, in accordance with Article 15 of the Constitution, in the event of a conflict, international treaties prevailed over domestic Federal laws adopted prior to or after entry into force of the treaty. He explained that once the Russian Federation ratified its Protocol of Accession, which included the WTO Agreement and other commitments undertaken by the Russian Federation as part of the terms of accession to the WTO, it became an integral part of the legal system of the Russian Federation. The judicial authorities of the Russian Federation would interpret and apply its provisions. Thus, international treaties of the Russian Federation, in respect of which consent of the Russian Federation to be bound by such treaty had been expressed in the form of a Federal law (as would be the case with the Protocol of Accession of the Russian Federation), had priority in application over both prior and subsequent Federal laws, as well as all subordinate regulatory acts (Decrees and Regulations of the President, Resolutions and Regulations of the Government, acts of Federal Executive bodies). If the court of highest resort determined that a domestic provision, other than the Constitution or a Federal constitutional law, was inconsistent with an international treaty of the Russian Federation, such provision was deemed not applicable and enforceable. No further action to nullify the provision was required, and the body responsible for the issuance of such provision would have an obligation to launch procedures to bring it into conformity with that international treaty.

152. According to Article 30 of Federal Law No. 101-FZ of 15 July 1995 "On International Treaties of the Russian Federation" (as last amended on 1 December 2007), such treaties were subject to publication: interstate or inter-governmental treaties were published in "Sobraniye Zakonodatelstva Rossijskoj Federatsii" and treaties of inter-ministerial nature were published in the official editions of the respective government bodies.

153. The representative of the Russian Federation stated that, in accordance with Government Resolutions No. 437 of 5 June 2008 (as last amended on 6 April 2011) and No. 438 of 5 June 2008 (as last amended on 24 March 2011), the Ministry of Economic Development (the MED) of the Russian Federation and the Ministry of Industry and Trade (the MIT) of the Russian Federation were the Federal executive bodies responsible for State regulation of foreign trade.

- **Framework of the Customs Union among the Russian Federation, the Republic of Kazakhstan and the Republic of Belarus**

- **(a) Legal Framework Establishing the Customs Union**

154. The representative of the Russian Federation informed Members that, in 2007, the Russian Federation, the Republic of Belarus (Belarus), and the Republic of Kazakhstan (Kazakhstan) had concluded the Treaty on the Establishment of the Common Customs Territory and the Formation of the Customs Union of 6 October 2007 (hereinafter: Treaty on the Formation of the CU). With the objective of forming a Customs Union, the Russian Federation, Belarus, and Kazakhstan had concluded a number of international treaties and, pursuant to the Protocol on Rules on Entry into Force of International Treaties aimed at the Formation of the Legal Basis of the Customs Union, Withdrawal from them, and Accession to them of 6 October 2007 (hereinafter: Protocol of 6 October 2007), the EurAsEC Interstate Council (the Supreme Body of the Customs Union) determined the list of international agreements constituting the legal basis of the Customs Union within the EurAsEC. This list of international agreements was set-out in Interstate Council Decision No. 14 of 27 November 2009, and these agreements and others subsequently agreed by the Russian Federation, Belarus, and Kazakhstan through the end of 2009, constituted the legal basis for a Customs Union, and formed a single undertaking, i.e., withdrawal from any of these agreements automatically resulted in withdrawal from all of these agreements. The representative of the Russian Federation explained that these Agreements laid out a framework for progressively increasing economic cooperation among entities of the CU Parties, starting with plans for the unification of foreign trade, customs policies, and trade remedies; and initiating cooperation between the financial and banking systems; cooperation in social and humanitarian areas; and cooperation in the field of legal regulation. Additional agreements could be added to the single undertaking upon decision of the Interstate Council (see Table 10 for the current list of agreements constituting a single undertaking). On 27 November 2009, the EurAsEC Interstate Council approved the Common External Tariff (CET) of the Custom Union, as well as the Treaty on the Customs Union Customs Code. On 1 January 2010, a Customs Union (CU) between the Russian Federation, Belarus, and Kazakhstan became operational. The CET and a number of basic agreements and protocols on tariff and non-tariff regulation also came into force on 1 January 2010. The CU Customs Code entered into force in the Russian Federation and Kazakhstan on 1 July 2010 and for Belarus on 6 July 2010. He noted that the CU Parties were still engaged in concluding new treaties and agreements within the framework of the CU (hereinafter: CU Treaties or CU Agreements) and were implementing them through an ongoing process of regional integration.

155. The representative of the Russian Federation explained that the Treaty on the Formation of the CU required CU Parties to establish unified regulation of foreign trade activities in line with their obligations arising from CU Treaties and through harmonization of standards and rules envisaged by bilateral agreements on the unified regulation of foreign trade activities. The Treaty on the Formation of a Customs Union also specified that the CU Parties' unified regulation of foreign trade activity and coordinated decision making on the simultaneous introduction of changes or amendments to such regulation would include the following areas:

- tariffs on foreign trade;
- non-tariff measures for trade with third countries;
- unified customs regulation and customs procedures; and
- establishment of a unified regime for trade with third countries.

This Treaty and other international agreements forming the legal basis for the CU established the principles and timing for achieving the objective of unified regulation of foreign trade activities.

156. Members requested that the Russian Federation provide more information on the hierarchy of legislative acts in the Russian Federation, in particular taking into account CU Agreements, CU Commission Decisions, and other CU legal acts.

157. The representative of the Russian Federation explained that CU Agreements, once they entered into force, were international treaties of the Russian Federation, and, with the exception of the Constitution of the Russian Federation and Federal constitutional laws, would prevail, in the event of a conflict, over the provisions of Federal laws and other normative legal acts in the Russian Federation. With regard to CU Commission Decisions, he explained that the status of such Decisions in the legal system of the Russian Federation corresponded to that which the Decision would have had, if it had been adopted by the Federal Executive Body responsible for regulating the subject matter at the moment when the CU Commission was delegated the relevant authority. Thus, the place of a CU Decision in the domestic legal hierarchy of the Russian Federation could differ, depending on the Federal body previously competent to take the relevant decision. He further explained that CU regulations, rules and other measures were adopted pursuant to a CU Commission Decision and, thus, the same method for determining the status of the measure in the domestic legal hierarchy of the Russian Federation applied. Finally, he explained that the authority of the President, described in paragraph 145, also applied to acts of the subjects of the Russian Federation that were not in compliance with CU Agreements, CU Commission Decisions, and other CU legal acts.

- (b) Customs Union Structure and Competency in the Area of Trade

158. The representative of the Russian Federation explained that the following bodies were responsible for the implementation of the CU Agreements and further development of the CU:

- the Interstate Council of EurAsEC, which had two boards: the Board of Heads of States and the Board of Heads of Governments. Sessions of the Board of Heads of States were to be held not less than once a year; sessions of the Board of Heads of Governments were to be held not less than twice a year;
- the EurAsEC Court;
- the CU Commission; and
- the Secretariat of the CU Commission.

- (c) The Interstate Council of EurAsEC

159. The representative of the Russian Federation explained that the Interstate Council of EurAsEC was the supreme Body of the CU and performed the following functions:

- defined the strategy and objectives of formation and further development of the CU and took decisions on its realization;
- decided on issues of common interest to the EurAsEC Member States, and CU Parties;
- defined the list of international treaties comprising the legal framework of the CU, i.e., those included in Table 10;
- took decisions on entry into force of the CU agreements forming the legal basis of the CU;
- decided issues related to integration of the customs territories of the EurAsEC Member States into a single customs territory in accordance with Article 2 of the Treaty on the Formation of the CU;
- approved the structure of the CU Commission;
- appointed the Chairman of the CU Commission;
- approved the rules of procedure of the CU Commission;
- approved the budget of the CU Commission and considered the report on its fulfilment;

- reconsidered decisions of the CU Commission where one of the CU Parties objected to the decision, upon request of this Party;
- reconsidered decisions of the CU Commission at the request of one or more CU Parties;
- considered, upon request, proposals to the CU Commission which failed to collect the number of votes necessary to adopt them;
- nominated candidates to the Court of the EurAsEC for the hearing of the cases concerning CU issues to the Inter-Parliamentary Assembly of the EurAsEC; and
- gave recommendations to and requested information from the Inter-Parliamentarian Assembly of the EurAsEC and the Court of the EurAsEC on CU issues.

160. Members welcomed the information regarding the competency of the Interstate Council and noted that the Interstate Council had the authority to define the list of international treaties that might comprise the legal basis of the CU. In that regard, some Members requested information on the criteria used to define which treaties would be included on this list. In response, the representative of the Russian Federation explained that the Interstate Council determined the list of international treaties comprising the legal basis of the CU, which consisted of two parts: Part 1 - those international treaties effective within the framework of the EurAsEC; and Part 2 - those international treaties aimed at the completion of the formation of the legal basis of the CU. The second list constituted the single undertaking of each CU Party. He noted that neither of these lists were exhaustive and that agreements could be added to both of these lists. There were no special criteria for identifying the treaties to be included in these lists.

161. Members also noted that the Interstate Council was authorised to give recommendations to the EurAsEC Court and requested information on the nature of those recommendations. The representative of the Russian Federation explained that, in accordance with Article 5 of the Statute of the Court, the Interstate Council presented the judges nominated to serve on the Court to the Interparliamentary Assembly of the EurAsEC which formally appointed them. This was the only type of recommendation that the Interstate Council was authorised to provide to or regarding the EurAsEC Court.

- **(d) The EurAsEC Court**

162. The representative of the Russian Federation informed Members that, on 5 July 2010, the Interstate Council of EurAsEC adopted Resolution No. 502 adopting the Statute of the Court of the EurAsEC (hereafter: EurAsEC Court). In addition to establishing the EurAsEC Court, the Statute of the Court established the competency of the Court and procedures to be applied in the context of the Customs Union. He explained that pursuant to Article 13 of the Statute, the Court was authorised to:

- ensure uniform application of the EurAsEC Treaty and other treaties in force within the framework of the EurAsEC, including CU Agreements and decisions taken by the EurAsEC bodies, including the CU bodies;
- consider disputes of an economic nature, i.e., non-political, arising between the Parties on the implementation of decisions of the bodies of the EurAsEC, and treaty provisions in force in the framework of the EurAsEC; and
- interpret provisions of international treaties in force within the framework of the EurAsEC, and the decisions of the EurAsEC bodies.

In connection with the formation of the Customs Union, the EurAsEC Court:

(a) considered cases on compliance of acts of the bodies of the CU with the international treaties constituting the legal basis of the CU;

(b) examined cases on challenging the decisions, actions (inaction) of CU bodies;
(c) interpreted the international treaties that made up the legal basis of the CU, and the acts adopted by the CU Interstate Council and CU Commission;
(d) resolved disputes between the CU Commission and CU Parties, as well as between CU Parties on fulfilment of their commitments, taken within the framework of the Customs Union; and
(e) considered other disputes, as provided in international agreements constituting the framework of the EurAsEC and the CU.

The representative of the Russian Federation explained that in the cases specified in sub-paragraphs (a), (b) and (d) above, the Court could not consider the case, unless the matter had been submitted to the CU Commission previously. However, if the CU Commission did not act on the matter within two months, the case could then be referred to the Court. The Court was required to issue its decision within 90 calendar days after receipt of the case. If a case involved a CU Decision, that decision continued to operate during the case.

163. The representative of the Russian Federation underlined that the competence of the EurAsEC Court was defined solely by the provisions of Article 13 of the Statute of the Court. The EurAsEC Court did not have jurisdiction to opine directly on the WTO obligations of a Party and the Court could not rule on compliance with such obligations. He also noted that the competence of the Court could be enlarged or limited only if it was prescribed directly by an international agreement constituting part of the legal framework of the CU (see paragraph 154). The Treaty on the Functioning of the Customs Union in the Framework of the Multilateral Trading System (hereafter: Treaty on the Multilateral System) was such a Treaty. Under this Treaty, from the date of accession of any CU Party to the WTO, the provisions of the WTO Agreement, as set-out in its Protocol of Accession, including the commitments undertaken by that CU Party as part of the terms of its accession to the WTO, which related to matters that the Parties had authorised CU Bodies to regulate in the framework of the CU, as well as to the legal relationships regulated by the international treaties constituting the legal framework of the CU, became an integral part of the legal framework of the CU. As such, these provisions were part of the single undertaking and were CU Agreements that were part of the single undertaking for each CU Party (see paragraph 185). Since, this Treaty was part of the legal framework of the CU, an infringement by a CU Party or a CU Body of such rights and obligations under the Treaty to the extent that they were a part of the legal framework of the CU could be challenged by a CU Party, or the CU Commission before the EurAsEC Court in accordance with the Statute of the Court. In addition, economic operators could assert breaches of the provisions of the above-mentioned Treaty in the EurAsEC Court (see paragraph 186).

164. The representative of the Russian Federation noted that the Statute establishing the EurAsEC Court also authorised the Court to issue advisory opinions on the application of the international treaties of the EurAsEC and the CU, as well as decisions of their respective Bodies. Such opinions were issued at the request of the Parties, or the bodies of EurAsEC or the CU, or the highest judicial authorities of the Parties, and were in the nature of a recommendation.

165. With regard to who could apply to have the Court hear a case, the representative of the Russian Federation explained that with regard to cases involving the CU, cases could be brought before the Court based on an application submitted by:

- a Party to the Customs Union;
- bodies of the Customs Union; and
- economic operators.

Further, on 9 December 2010, EurAsEC Member States signed the Treaty on Judicial Recourse to the EurAsEC Court of the Economic Operators on Disputes within the Framework of the CU and Peculiarities of the Judicial Procedure on Them, approved by the Decision of the Interstate Council of EurAsEC No. 534 of 9 December 2010 (hereinafter: Treaty on Judicial Recourse). This Treaty was being applied provisionally and would formally go into effect once three EurAsEC Members had ratified it. Under the Treaty on Judicial Recourse, economic operators of CU Parties and of third countries were able to bring actions to the EurAsEC Court to:

- challenge the acts of the CU Commission, i.e., decisions of the CU Commission, which were binding and affected the rights and lawful interests of economic operators in the field of entrepreneurial and other economic activities, or the individual provisions of such acts; and
- challenge the actions (inaction) of the CU Commission.

The grounds to challenge acts of the CU Commission, or their individual provisions, or any action (inaction) of the CU Commission were their non-compliance with international treaties concluded within the framework of the CU, which resulted in the violation of the rights and lawful interests of economic operators in the field of entrepreneurial and other economic activities, provided for by those international treaties. He further explained that the EurAsEC Court would not consider applications to bring an action, if the decision of the Court on a previously considered case regarding the same subject and based on the same grounds was in effect. He further explained that a decision of the Court could be reviewed due to newly-discovered circumstances.

166. The representative of the Russian Federation further explained that, in the Treaty on Judicial Recourse the EurAsEC, Member States had created an appeals chamber within the EurAsEC Court. A party to the case had the right to appeal the decision of a panel of judges to the Appeals Chamber of the Court. The Appeals Chamber consisted of judges of the Court from the CU Parties, which had not participated in the panel that had taken the decision that was being appealed. The decision of the Appeals Chamber was the final decision in the case and could not be appealed.

167. The representative of the Russian Federation stated that with regard to disputes of an economic nature arising between the Parties on the implementation of decisions of EurAsEC bodies, treaty provisions in force in the framework of the EurAsEC, and cases in connection with the CU, the decisions of the Court were binding on the Parties to the dispute. The decision of a panel of judges, if not appealed, entered into force 15 days after the date of its pronouncement. Decisions of the Appeals Chamber were effective on the date of pronouncement. In accordance with Article 20.2 of the Statute of the Court, its decisions were to be implemented within the time-frame specified by the Court. If the decision of the Court was not implemented within the time-frame specified by the Court, any CU Party to the case could apply to the Interstate Council of EurAsEC (Heads of State) for a decision on implementation. In cases involving an economic operator where the CU Commission failed to implement the decision of the EurAsEC Court, the economic operator had the right to file an application to the Court on introduction of measures on the execution of said decision. The Court was obliged, within 15 days from receipt of the application from the economic operator, to address the Interstate Council at the level of Heads of Governments with a request to take a decision on the issue.

168. Members thanked the representative of the Russian Federation for the information on the EurAsEC Court and requested additional information on the operation of this Court. Members asked whether the EurAsEC Court had the authority to provide compensation to the economic operators, if the Court found that certain CU acts violated CU or WTO rules. In response, the representative of the Russian Federation explained that, under paragraph 4 of Article 11 of the Treaty on Judicial Recourse, the EurAsEC Court did not consider claims for damages. As to the competence of the EurAsEC Court on the matters relating with the WTO, see paragraph 170.

169. Members noted that the highest judicial authorities of a CU Party had the right to refer certain issues falling under the legal framework of the CU to the EurAsEC Court for interpretation. Members asked whether these interpretations would bind the national legal authorities or would they be recommendations to the national court. These Members also asked if economic operators or WTO Members would have a right to request that the EurAsEC Court issue an interpretation of CU Agreements and CU Commission acts including on their compatibility with the WTO commitments of the Russian Federation. In response, the representative of the Russian Federation noted that Article 20.1 of the Statute of the Court stipulated that rulings on issues covered by paragraphs 2 and 4 of Article 13 of the Statute were binding on the Parties to the dispute. Paragraph 4 covered interpretation of the international treaties comprising the legal basis of the CU and of decisions of its bodies. With regard to the rights of economic operators and WTO Members, he noted that Article 3 of the Treaty on Judicial Recourse established a procedure under which the highest judicial authority of a CU Party could apply to the EurAsEC Court for an opinion regarding the implementation of international treaties concluded within the framework of the CU and the acts of the CU Commission affecting the rights and lawful interests of economic operators, if these issues significantly affected in substance the consideration of the case. The national judicial authorities were required to apply for an opinion, if the decision of the national court could not be appealed, and provided that the issues on which an opinion was requested significantly affected in substance the consideration of the case, and the Court had not previously delivered opinions on similar issues. Under the existing regulation of the CU the economic operators or WTO Members did not have a right to request that the EurAsEC Court issue an interpretation of CU Agreements and CU Commission acts including on their compatibility with the WTO commitments of the Russian Federation. As to the competence of the EurAsEC Court on the matters relating with the WTO, see paragraphs 162 and 163.

170. Members noted that Article 26 of the Statute of the EurAsEC Court provided for issuance of advisory opinions and asked whether such opinions could relate to the consistency of CU Agreements or CU Commission Decisions with the WTO Agreement and related commitments. The representative of the Russian Federation explained that, in accordance with Article 26 of the Statute of the EurAsEC Court, the national Supreme Court of a CU Party could ask the EurAsEC Court to provide an advisory opinion in respect of implementation of CU legal acts. Subsequently, the national Supreme Court could reflect this opinion in a Resolution of the Plenum which would be taken into account by lower national courts. The representative of the Russian Federation noted that such opinions of the EurAsEC Court could relate to the consistency of CU Agreements or CU Commission decisions with the WTO Agreement and related commitments of each Party of the CU as it was prescribed in the Treaty on the Functioning of the Customs Union in the Framework of the Multilateral Trading System (see also paragraph 163 on the matters relating with the WTO).

171. The representative of the Russian Federation stated that the Decision of the Interstate Council of EurAsEC at the level of Heads of State No. 16 of 27 November 2009 established the Experts Council of the Supreme Body of the CU and also adopted regulations on the operation of the Experts Council. The Interstate Council Decision No. 69 of 9 December 2010 appointed the members of the Experts Council. Economic operators could apply to the Experts Council for an opinion on whether a CU Commission Decision complied with an international treaty that was part of the legal framework of the CU. If the Experts Council accepted an application, a Conciliation Commission was formed to examine the issue and to provide an opinion to the CU Commission on whether the CU Commission Decision conformed with the legal basis of the CU and, if the CU Decision did not conform, recommendations on revising the CU Decision. The CU Commission was required to inform the Interstate Council (Board of Heads of Government) of the opinion of the Experts Council and the results of the consideration by the CU Commission of that opinion.

- (e) The Customs Union Commission

172. The representative of the Russian Federation explained that the CU Commission was the permanent regulatory Body of the CU. The CU Commission performed the following functions:

- implemented decisions taken by the supreme body of the CU;
- monitored the implementation of the international treaties forming the CU (see Table 10 and Table 11);
- worked out recommendations for the supreme body of the CU on issues of development and functioning of the CU (jointly with national governments);
- ensured, within its competence, the implementation of international treaties constituting the legal basis of the CU (see Table 10);
- provided assistance to CU Parties in dispute settlements within the CU before the appeal was sent to the Court of the EurAsEC;
- interacted, within its competence, with the State authorities of the CU Parties; and
- performed the functions of the depositary of the international treaties forming the CU.

The rules of procedure and terms of reference for the functions of the CU Commission in certain spheres of activity were determined by separate international agreements between the CU Parties. He explained that the CU Commission consisted of representatives of the Governments of the CU Parties, each of them operating on the basis of the mandate issued by their respective Government. Currently, Deputy Prime Ministers represented the Governments of the CU Parties in the CU Commission. As of 1 January 2010, the representative of the Russian Federation held the Chairmanship of the Commission for a two-year term. The post of Chair of the Commission was subject to rotation on the basis of a Decision of the Interstate Council of EurAsEC.

- (f) The Secretariat of the Customs Union Commission

173. The Agreement on the Secretariat of the CU Commission authorised the Secretariat of the CU Commission to:

- prepare draft decisions of the Interstate Council of the CU;
- prepare informational materials and draft recommendations for these bodies;
- monitor the implementation by the CU Parties of CU agreements and implementation of decisions taken by the Interstate Council of the CU, as well as by the CU Commission;
- monitor and analyse trade legislation of the CU Parties;
- prepare drafts of CU agreements and other documents required to develop the CU;
- cooperate with the executive bodies of the CU Parties; and
- publish the decisions taken by the Interstate Council of the CU, as well as the CU Commission in the official journal.

174. Some Members noted that the Secretariat of the CU Commission (CU Secretariat) was authorised to monitor and analyse trade legislation of the CU Parties. These Members asked whether this analysis would include compliance with the WTO obligations of a CU Party. The representative of the Russian Federation stated that, after its accession to the WTO, the commitments of the Russian Federation would be part of its legal framework of the Russian Federation and, thus, the Secretariat of the CU Commission was authorised to monitor and analyse trade legislation with regard to its compliance with these commitments.

- (g) Decision Making within the Customs Union Bodies

175. In accordance with Article 7 of the Treaty on the Commission of the Customs Union of 6 October 2007, the decisions of the CU Commission were binding on CU Parties. The representative of the Russian Federation explained that, if pursuant to a CU agreement, the CU Commission was the competent authority to impose certain trade measures, a CU Commission decision was required for these measures to be imposed. A decision of the Interstate Council of the EurAsEC determined the timing of the transfer of powers from the national level to the CU Commission. In accordance with the Decision of the Interstate Council of EurAsEC No. 15 of 27 November 2009, all CU Commission Decisions that had binding effect under Article 7 of the Treaty on the Commission of the CU were directly applicable in the CU Parties. He recalled that CU Commission Decisions had the corresponding legal effect of acts adopted (issued) by those state bodies or officials of the CU Party that were competent to regulate the relevant issue at the time that the relevant power was transferred from the domestic regulators of the CU Party to the CU Commission. Thus, if a CU Commission Decision related to a matter that would have been dealt with by a ministry under the national law of a CU Party, the CU Decision would have the status of a Ministerial action in the national law of that CU Party. Similarly, if a CU Commission Decision related to a matter previously subject to a Government Resolution, the CU Commission Decision would have that status under the national law of the CU Party. CU Parties were to ensure the implementation of CU Commission Decisions within their respective territories.

176. CU Commission decisions were normally taken by a qualified (two-thirds) majority of votes. The CU Commission could also take decisions by consensus when the international treaties comprising the legal basis of the CU provided for a decision by consensus. Currently, the CU Parties had the following share of votes: Russian Federation - 57 per cent; Kazakhstan - 21.5 per cent; and Belarus - 21.5 per cent. If a proposal under consideration by the CU Commission failed to obtain the required number of votes, a CU Party or the CU Commission could refer the matter to the Interstate Council for decision. If a CU Party disagreed with an adopted decision of the CU Commission, the Interstate Council (Board of Heads of State) would reconsider the decision upon written request of that CU Party and take a final decision by consensus. Any CU Party had the right to seek reconsideration of a CU Decision by the Interstate Council. The CU Commission could also issue recommendations of non-obligatory nature.

- (h) Areas of Customs Union Commission Competency

177. The representative of the Russian Federation explained that the international agreements comprising the legal basis for the CU stipulated those areas in which the CU Commission would assume competence from the CU Parties. CU Agreements themselves normally specified whether the normative provisions set-out in the agreement applied directly in each CU Party, including the Russian Federation. The CU Parties were continuing to negotiate and conclude international agreements, the EurAsEC Interstate Council continued to adopt required decisions on timing for entry into force of these agreements and the CU Parties continued their work on adopting necessary national laws and other normative legal acts to implement the CU treaties and decisions of the CU Bodies. He further explained that any provisions of the agreements concluded earlier by the CU Parties and resolutions of governing bodies that did not conflict with the Agreement on the Establishment of the EurAsEC continued to be in force. At some time, the Interstate Council would take a decision, as called for in the Treaty on the Formation of the CU on the Establishment of the Common Customs Territory and the Completion of the Formation of the Customs Union.

178. The representative of the Russian Federation informed Members that further information on the respective competency of CU Bodies and the national authorities of CU Parties, as well as the legal basis for the CU Bodies and CU Parties on specific WTO-related issues was set-out in the

relevant sections of this Working Party Report. He noted that the Russian Federation had undertaken commitments in those sections that ensured that the WTO obligations of the Russian Federation would be fully implemented, including in those areas where the CU Bodies had competency.

- (i) Transparency

179. The representative of the Russian Federation explained that proposals for the introduction, amendment, or elimination of a CU measure were prepared by the interested CU Party in accordance with its national legislation. This CU Party consulted with interested stakeholders on the proposal as provided for in its applicable national legislation. He also informed Members that such proposals by another CU Party, once submitted to the Russian Federation for consideration, would be promptly made subject to public consultations in the same way as proposals prepared by the Russian Federation. In accordance with Article 12 of the Agreement on Introduction and Implementation of Measures Concerning Trade in Goods in the Common Customs Territory in Respect of Third Countries of 9 June 2009, organizations or individual entrepreneurs of a CU Party might also provide their comments within the procedure of the development of draft CU decision on introduction, implementation, and abolishment of non-tariff measure, concerning trade in goods with third countries. Furthermore, in cases when an international treaty of a CU Party with a third country provided for consultations, organizations and entrepreneurs of such a country could present their views to that CU Party with regard to the proposal consistent with the procedure stipulated by the provisions of the relevant international treaty.

180. The representative of the Russian Federation explained that the date when a Decision of the CU Commission was published on the CU website was the basis for determining the date of entry into force of that decision. Specifically, Decisions of the CU Commission, which were obligatory, rather than recommendations, entered into force not earlier than 30 days after the date of publication on the CU website. He explained that, additionally, CU Parties were to ensure the publication of all CU Commission decisions in their respective dedicated national official journals, as well as in the CU official journal, stating the date of entry into force of a decision, which was determined based on the date of its publication on the CU website. In the Russian Federation, decisions of the CU Commission were posted on the website www.tsouz.ru within two working days from the date of their adoption.

181. Members expressed concerns regarding transparency, and also noted that it appeared that neither CU Agreements, nor CU Commission Decisions, including those promulgating CU Regulations and other acts, provided WTO Members and interested persons of WTO Members with the right to consult with and provide views directly to CU Bodies. This deficiency raised concerns about whether CU Agreements and procedures complied with WTO requirements. These Members requested that the Russian Federation explain how it intended to implement its commitments under paragraphs 1426 and 1427 in cases where a CU Body was responsible for proposing or adopting CU legal acts, including CU decisions, or other measures.

182. With regard to concerns raised by Members about transparency and access to CU Bodies, the representative of the Russian Federation informed Members that nothing precluded WTO Members from providing comments directly to the CU Commission and other CU Bodies. He noted that the Russian Federation invited views from Members on proposals that it was presenting to the CU Commission and other CU Bodies.

183. The representative of the Russian Federation confirmed that CU Commission Decision No. 308 of 18 June 2010 "Decision-Making at the Commission of the Customs Union", would be amended to establish and put into effect a mechanism for publication of proposed CU legal acts covered under paragraph 1426 before their adoption and to provide a reasonable period of time for

Members and interested persons to provide comments to the competent CU Body. Such a Body would be authorised to take these comments into account in its consideration of such proposed legal act. Moreover, pursuant to this mechanism, no CU legal act covered under paragraph 1427 would become effective prior to publication as provided for in the applicable provisions of the WTO Agreement. The Working Party took note of these commitments.

- (j) Implementation of WTO Commitments under the Customs Union Regime

184. Based on information provided by the representative of the Russian Federation and Members' consideration of CU Agreements and other documentation that the Russian Federation had made available to the Working Party, Members raised a number of questions and concerns about provisions of CU Agreements and issues where it appeared that CU Bodies had or shared competency with CU Party national authorities. Members questioned how the Russian Federation would ensure that it could implement and comply with WTO provisions on those issues where CU Bodies were the competent authorities. Members also requested additional information regarding the status of the WTO Agreement within the CU legal system. They asked for confirmation that the WTO Agreement would be an international treaty for the CU and part of the single undertaking for all CU Parties. Members also sought assurances that in case of a conflict, the WTO Agreement would always prevail over provisions of CU Agreements and CU Commission Decisions and other measures adopted by CU Bodies, including those in effect prior to the date of the accession of the Russian Federation to the WTO. Members also requested information on how the Russian Federation would ensure that future CU international treaties and CU Commission Decisions would comply with the WTO obligations of the Russian Federation.

185. The representative of the Russian Federation explained that the CU Parties had concluded a Treaty on the Functioning of the Customs Union in The Framework of the Multilateral Trading System of 19 May 2011 (Treaty on the Multilateral System) which had been ratified by all CU Parties as of 8 November 2011. This interstate CU Treaty entered into force in accordance with the provisions of the Protocol on the Rules of Entry into Force of International Treaties Comprising the Legal Basis of the Customs Union. According to the Treaty on the Multilateral System, from the date of accession of any CU Party to the WTO, the provisions of the WTO Agreement, as set-out in its Protocol of Accession, including the commitments undertaken by that CU Party, as part of the terms of its accession to the WTO, which related to matters that the Parties had authorised CU Bodies to regulate in the framework of the CU, as well as to the legal relationships regulated by the international treaties constituting the legal framework of the CU, became an integral part of the legal framework of the CU. As such, these provisions were part of the single undertaking and were CU Agreements that were part of the single undertaking for each CU Party. Under this Treaty, CU Parties were obligated when making an international treaty in the framework of the CU to ensure that the CU agreement was consistent with the WTO commitments of each CU Party. Similarly, when CU Bodies adopted and applied CU acts, those acts had to comply with those commitments. The representative of the Russian Federation further explained that the rights and obligations of the Parties resulting from the WTO Agreement, as they were set-out in the Protocol of Accession of each Party, including the commitments undertaken by each Party as part of the terms of its accession to the WTO and that became a part of the legal framework of the CU could not be subject to abrogation or limitation by decision of CU Bodies, including the EurAsEC Court or by an international treaty of the Parties. When another CU Party became a WTO Member, the rights and obligations of that Party under the WTO Agreement also became an integral part of the legal framework of the CU. He explained that WTO provisions which regulated the creation and functioning of the CU also applied. He noted that a CU Party that was not a WTO Member could deviate from provisions of the WTO Agreement in certain cases. When that Party became a WTO Member, however, any deviation from the WTO Agreement would be allowed only as specifically provided for in the terms of accession to the WTO of that Party. Finally, the CU Parties were required to adopt measures to adjust the CU legal

framework and decisions of CU Bodies to comply with the WTO Agreement as set-out in the Protocol of Accession of each Party. Until those measures were adopted, other CU treaties and decisions of CU Bodies would apply only to the extent that they complied with the WTO Agreement. Thus, the rights and obligations of a CU Party under the WTO Agreement would override prior and future CU Agreements and Decisions of CU Bodies.

186. The representative of the Russian Federation explained that the Treaty on the Multilateral System was a CU treaty and part of the domestic legal framework of each CU Party. As such, the national courts would apply the provisions of the Treaty. He also confirmed that the Treaty on the Multilateral System, established obligations on CU Parties and CU Bodies regarding the commitments undertaken by each Party as part of the terms of its accession to the WTO and that became part of the legal framework of the Customs Union. Thus, an infringement of such rights and obligations by a CU Party or a CU Body could be challenged by a CU Party, or CU Commission before the EurAsEC Court. In addition, economic operators could assert breaches of the provisions of the Treaty on the Multilateral System in the EurAsEC Court, as provided for in Article 13 of the Statute of the Court and in the Treaty on Judicial Recourse.

187. Members also expressed concern regarding CU Commission competency, since it did not appear that CU Parties had granted any CU Body the authority to negotiate or conclude agreements notwithstanding provisions of CU Agreements that called for a common CU document, e.g., veterinary certificates. In some cases, requirements were in place that traders from Members could not meet because of the absence of common documents or standards.

188. The representative of the Russian Federation responded that Decisions of the CU Commission were being developed that would establish procedures for implementing CU requirements, including those requiring coordination of negotiations between CU Parties and third countries. These procedures would be adopted and applied so that they did not operate to restrict trade and would comply with WTO requirements.

- Government entities responsible for making and implementing policies affecting foreign trade; Right of Appeal

189. Members noted that a right of appeal to an independent tribunal or judicial review should be provided to all (economic operators) entities, engaged in economic activity with the Russian Federation and that various WTO Agreements explicitly required that a right of appeal be provided. These Members sought a commitment that a right of appeal would be provided, whether the Russian Federation or a CU Body was the competent authority. Members raised several questions regarding the scope of authority of the EurAsEC Court, how this Court would function, and its role with regard to the domestic judicial system of the Russian Federation and implementation of the international obligations of the Russian Federation. As a threshold matter, Members sought confirmation that the WTO Agreement would be considered to be a Treaty of the EurAsEC and that the obligations of a CU Party under the WTO Agreement would always prevail over those in CU Agreements and CU Commission Decisions now in effect, as well as those agreements and decisions adopted after the accession of the Russian Federation to the WTO. Members also requested information on how the EurAsEC Court and the national courts of the Russian Federation would interact.

190. Members asked whether the supreme judicial bodies of the Russian Federation were required to take EurAsEC opinions and interpretations into account in the domestic judicial system of the Russian Federation and whether these bodies would issue guidance to the lower courts in all cases where the EurAsEC Court interpreted CU Treaties and CU Commission Acts. Members also requested information on how the appeal process would operate when national authorities were

responsible for some aspects of a measure, e.g., conducting a trade remedy investigation, and a CU Body was responsible for taking the decision on whether to apply the measure. If issues covered by CU provisions were appealable in national courts, could such issues be appealed to the EurAsEC Court as well, and if not in first instance, then after exhaustion of national court appeals.

191. The representative of the Russian Federation informed Members that the EurAsEC Court and the national judicial system of the Russian Federation were independent. The Treaty on Judicial Recourse and the Statute of the Court provided that the highest judicial authority of the Russian Federation was authorised to apply to the EurAsEC Court for an opinion on interpretation of certain international treaties through procedures described in paragraph 169. The EurAsEC Court, however, did not serve as an appeals court from the national judicial system. The representative of the Russian Federation noted that, in accordance with the Statute of the EurAsEC Court, the national Supreme Court of a CU Party could ask the EurAsEC Court to provide an advisory opinion in respect of implementation of CU legal acts. Subsequently, the national Supreme Court could reflect this opinion in a Resolution of the Plenum which would be taken into account by all lower national courts.

192. Members also requested information on the availability of administrative appeals, in the Russian Federation. Those Members also requested that the Russian Federation ensure that the central Government would monitor and take active steps to ensure that measures taken by sub-central authorities or other subjects of the Russian Federation, such as WTO-inconsistent legislation, actions or non-uniform application, would be brought into conformity with the obligations of the Russian Federation under the WTO Agreement promptly, particularly when such measures were notified to the Federal Government by a WTO Member or other interested party.

193. In response, the representative of the Russian Federation noted that, pursuant to Article 46 of the Constitution of the Russian Federation, decisions and actions (or inactions) of bodies of State authority and local governments, public associations and officials might be appealed to the national court with appropriate jurisdiction. In case of appeals against administrative action or inaction, at the discretion of the appellant, an appeal could also be addressed to either the Government or a Government agency overseeing the administrative body responsible for the decision (Article 33 of the Constitution of the Russian Federation). He also added that the person aggrieved by the decision could decide whether to pursue an administrative review or court procedures. In case of judicial procedure, appeals of a decision of a lower court were also possible. He further added that the legislation of the Russian Federation provided the opportunity to use administrative procedures before appealing to a court. The right of appeal to judicial and administrative procedures, in case of violation of civil rights of natural and legal persons, was also foreseen by Article 11 of the Civil Code. Article 18 of Federal Law No. 164-FZ "On the Fundamentals of State Regulation of Foreign Trade" also provided the right of any participant in foreign trade to appeal to a court or administrative procedure (in cases foreseen by the legislation) against a decision, action (or inaction) of a State authority (or its officer), if, in his view, his rights or legal interests had been violated by such decision, action (or inaction).

194. Further, the representative of the Russian Federation noted that Federal Law No. 59-FZ of 2 May 2006 "On the Procedure for Consideration of Appeals of Citizens" established the general procedure for dealing with appeals and complaints brought by persons (Russian and foreign persons) to the bodies of State authorities and local governments concerning the realization or violation of their rights and legal interests, violations of laws or other normative legislative acts or decision, action (or inaction) of State or local authorities or officials. The Federal Law did not restrain the right to appeal of persons on behalf of associations and entities. According to this Federal Law, the appeal or complaint should be addressed to a concrete authority or an official and made in written form signed by the applicant. The appeal or complaint was to be registered upon receipt by the authority within three days. From the moment the appeal was registered, the authority had 30 days (fixed term) to

address the applicant with reasoned answer in written form and/or to take actions aimed at the restoration or defence of the violated rights and legal interests of the person. The control of observance of these procedures was carried out by bodies of State authorities, local governments and officials, responsible for analysing the incoming appeals and complaints and taking measures to prevent and eliminate the cause of violation of rights and legal interests of persons. The Federal Law provided the right of persons (applicants) to complain about decisions taken in consequence of the appeal or about any action (or inaction) in connection with the consideration of the appeal in administrative and/or judicial manner. In case of violation of rights and legal interests by decisions or actions (or inactions) of bodies of State authorities, local governments and officials, the person had the right to compensation of losses and moral damage. The Federal Law also stipulated the responsibility of State officials for violating the provisions of this Law. He added that the procedure provided by the Federal Law was free of charge.

195. In response to requests for additional information on the types of appeal mechanism available and the standing of an aggrieved party, the representative of the Russian Federation stated that Section 3 of the Federal Law on Customs Regulation, No. 311-FZ of 27 November 2010 (hereinafter: Law No. 311-FZ), included detailed provisions on the right of appeal on customs-related matters. Article 36 provided that any person could lodge an appeal against any resolution, action or in action, if such resolution, action or in action, violated, in the opinion of such person, his rights, freedoms or legal interests, or created any obstacles for implementation of such rights, or legal interests or illegally imposed any obligation on him. The right of appeal could not be waived.

196. The procedure for appeals in respect of decisions, action (inaction) of the customs authorities and their officers was set-out in Section 3 of Law No. 311-FZ applied to any decisions, action (inaction) of the customs authorities and their officers, unless a special procedure was provided. Under Article 38 of Law No. 311-FZ, appeals were to be lodged with the superior customs authority directly, or through the customs authority whose decision, action (inaction) was appealed against. Appeals against decisions or actions (inactions) of Federal executive bodies, competent for customs-related matters, were to be lodged with that Federal executive body. Appeals could be lodged to a court simultaneously or consecutively to an administrative procedure. They could be lodged within three months from the date the appellant knew or should have known of a violation of the appellant's rights, freedoms or legal interests, the creation of obstacles for implementation of such rights, freedoms or interests, or the illegal imposition of any obligation on the appellant; or from the date the term expired for the customs authority to adopt a resolution or take an action. Article 40 provided for the extension of the time for submitting appeals.

197. Article 49 of Law No. 311-FZ provided a simplified procedure for bringing an administrative appeal of decisions or actions (inactions) taken by a customs officer at a customs checkpoint concerning shipment of goods through the border, which did not exceed RUB 1.5 million in value and (or) one vehicle. This involved an oral claim to a superior customs officer. Such appeals were dealt with by immediate ruling. The simplified appeal procedure did not preclude the appellant lodging an appeal via the standard procedure.

198. Administrative appeal procedures were similar to those envisaged by Law No. 311-FZ, except they would be taken under the Code of Administrative Offences. Appeals could be lodged within ten days after receipt of a copy of the decision appealed against and were required to be processed within ten days from the date of lodging the appeal. Pursuant to Article 37 of Law No. 311-FZ, the appeal mechanism provided for in that Law did not apply to decisions in respect of the Code of Administrative Offences No. 195-FZ of 30 December 2001 (as last amended on 14 July 2008). Appeal decisions issued by the customs authority could be appealed against to the superior customs authority or court, or arbitration court.

199. In response to further questions, the representative of the Russian Federation stated that the procedure for appealing against decisions of tax bodies and actions or inaction of their officers was regulated by the Tax Code of the Russian Federation. Decisions issued by tax bodies, as well as actions and inaction by their officers, could be appealed to a supervising officer or a court, either simultaneously or consecutively. An appeal was required to be determined within one month from the date of lodging the appeal. The tax body was required to take a decision within one month, and the decision on the appeal was required to be notified to the person lodging the appeal within three days after the decision was taken.

200. As regards appeals and complaints in the sphere of technical regulations (including SPS issues), the representative of the Russian Federation explained that, under the CU, there was a common system of Technical Regulations, including on SPS matters, and thus the EurAsEC Court had jurisdiction over appeals covered by the relevant CU Agreements, CU Commission Decisions, including those promulgating CU Regulations and other CU measures. With regard to decisions, actions or inaction of the authorised bodies of the Russian Federation related to technical regulation, including SPS issues, he explained that legal measures were in place to allow appeals to be made via the independent judicial system against any decisions of the relevant authorities of the Russian Federation (and non-governmental bodies delegated to take such decisions) and to ensure corrective action was taken, in accordance with decision by the Court, when a complaint was justified. The relevant authorities were authorised to establish their own procedures for filing a complaint or requesting an appeal in the area of certification and conformity assessment. These procedures reflected common principles of dealing with appeals and complaints brought to the authorities of executive power of the Russian Federation by natural or legal persons (e.g., the requirement to address the applicant with a reasoned answer and in written form within a fixed term (normally 30 days); control of addressing the appeal by superior authority and the Government, etc.). He noted that, pursuant to Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010), non-acceptance by the authorities of a voluntary certification could be appealed via judicial procedure. With regard to mandatory conformity certification, an applicant could lodge a complaint with the accreditation authorities against unlawful actions of certification authorities and accredited testing laboratories (centres).

201. Further, regarding appeals and complaints in the field of intellectual property rights, the representative of the Russian Federation stated that the legislation of the Russian Federation provided for the enforcement of intellectual property rights through judicial and administrative procedures. In particular, in accordance with the Civil Code of the Russian Federation, commercial secrets, copyright and related rights were protected by court. As for the other intellectual property rights, the Civil Code of the Russian Federation provided the opportunity to appeal to a court, as well as to the Patent Disputes Chamber of Rospatent. The procedure for lodging objections and applications to the Chamber and the procedure for their consideration were determined by Order of Rospatent No. 56 of 22 April 2003 "On the Rules of Filing Objections and Applications and the Consideration thereof by the Patent Disputes Chamber" (as last amended on 11 December 2003). Decisions of the Patent Dispute Chamber could be appealed in court in accordance with the legislation of the Russian Federation. More detailed information on this issue was contained in the Section "Trade-Related Intellectual Property Regime".

202. In response to questions concerning fees for appeal procedures, the representative of the Russian Federation stated that judicial procedure of appeal was subject to State duties set-out in Chapter 25.3 of the Tax Code of the Russian Federation. Appeal in administrative procedure, generally, was free of charge, with few exceptions. For example, administrative procedure of appeal in the field of intellectual property rights was subject to a duty, in accordance with the Civil Code of the Russian Federation. He further explained that judicial appeal fees were applied in connection with

exercise of judicial power by courts. Administrative procedures' fees were applied in connection with exercise of executive power by Governmental bodies.

- Division of authority between central and sub-central governments

203. The representative of the Russian Federation stated that the Constitution of the Russian Federation provided an exhaustive list of matters to which the Russian Federation had an exclusive competence (Article 71) and a list containing matters subject to the joint competence of the Russian Federation and its subjects (Article 72). Those matters not contained in these lists were regarded as the ones to which the subjects had competence. The laws and other normative legal acts by the subjects of the Russian Federation adopted outside the competence of the Russian Federation or of the joint competence of the Russian Federation and the subjects of the Russian Federation must not contradict the Federal laws. Within the joint competence of the Russian Federation and its subjects, in case of a conflict between a Federal law and any normative legal act issued by a subject of the Russian Federation, the Federal law would prevail.

204. Members of the Working Party sought confirmation concerning the uniform application of WTO provisions throughout the territory of the Russian Federation, as well as by sub-central entities. These Members also sought further information on whether there were any areas relating to matters under WTO provisions where sub-federal entities might have exclusive competence. Those Members also requested further clarification on whether the authorities of the Russian Federation would be required to submit the approved Protocol Package to sub-central entities for their approval in the ratification process.

205. The representative of the Russian Federation further noted that, according to Article 3 of Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" (as last amended on 8 December 2010), foreign trade in the Russian Federation was regulated by the Constitution of the Russian Federation, Federal laws and other legal acts of the Russian Federation and by the international Treaties to which the Russian Federation was a party. He also added that Chapter II of this Law established competence of the Federal and Regional authorities in foreign trade. Article 6 of said Law provided for, *inter alia*, the competence of the Russian Federation to form the concept and strategy of the development of foreign trade relations and the basic principles of the foreign trade policy; to ensure the economic security and protection of the economic sovereignty and economic interests of the Russian Federation, as well as the economic interests of the subjects of the Russian Federation and of Russian natural and juridical persons; and to conclude international Treaties in the field of foreign economic relations.

206. He further noted that, if an international treaty of the Russian Federation affected issues falling within the competence of the subjects of the Russian Federation, such a treaty was to be elaborated in co-ordination with relevant bodies of the interested subjects of the Russian Federation. This provision was contained in Federal Law No. 101-FZ of 15 July 1995 "On International Treaties of the Russian Federation". As regards international treaties of the Russian Federation affecting issues falling within the joint competence of the Russian Federation and the subjects of the Russian Federation, the Law established that Federal bodies of executive power were to send the main provisions or the draft of a treaty to the State power bodies of the interested subject of the Russian Federation. Proposals received from the subjects were considered in the course of preparation of the draft of the international treaty.

207. The representative of the Russian Federation recalled that Federal Law No. 4-FZ of 4 January 1999 "On Co-ordination of International and Foreign Economic Ties of the Subjects of the Russian Federation" provided the subjects of the Russian Federation, *inter alia*, with the right to negotiate and conclude Agreements with their partners on international and foreign economic ties.

Such Agreements could not contradict the Federal legislation and the international commitments of the Russian Federation. The Law made it compulsory for the subjects to notify the appropriate Federal authorities before entering into negotiations, and set-forth a procedure for prior approval of the draft agreed text of the Agreement by the appropriate Federal authorities. The Agreements concluded by the subjects of the Russian Federation were not considered international treaties.

208. One Member expressed its doubts regarding measures that the Russian Federation had maintained since 2008 with regard to trade with this Member. In this Member's view, these measures were inconsistent with various provisions of the WTO Agreement, including the transparency provisions of Article X of the GATT 1994, the requirement to administer trade "in a uniform, impartial and reasonable manner" set-out in Article X:3 of the GATT 1994, and the requirement for uniform application of measures set-out in Article XXIV:1 of the GATT 1994. Further, this Member noted that Article I of the GATT 1994 required that "any advantage, favour, privilege or immunity granted by" the Russian Federation to any product originating in or destined for that Member's territory be accorded immediately and unconditionally to products imported from or exported to all other WTO Members. In this Member's view, the Russian Federation had maintained measures that were inconsistent with the obligations that Russia would assume as a WTO Member. This Member, therefore, requested that the Russian Federation eliminate these measures and comply with WTO requirements.

209. The representative of the Russian Federation took note of this Member's concerns. He stated that in his view measures in trade with that Member were applied in conformity with the bilateral free trade agreement and were in line with its domestic legislation and with the WTO Agreement. That representative further referred that Member to the obligations that the Russian Federation would comply with from the date of the accession of the Russian Federation to the WTO, including those commitments referred to in paragraphs 1426, 1427 and 1428 relating to transparency and paragraph 214 related to uniform application of the Russian Federation's trade regime. The representative of the Russian Federation confirmed that in the future the Russian Federation would have the WTO Agreement as the legal basis of its trade with this Member in such a manner to ensure full consistency with WTO rules, including Articles I, X, and XXIV of the GATT 1994, and to respect its specific WTO obligations and commitments. The Working Party took note of this commitment.

210. The representative of the Russian Federation further explained that on 9 November 2011 the Russian Federation had concluded an agreement with this Member establishing a mechanism of customs administration and monitoring of all trade in goods that enters or exits specific pre-defined trade corridors. The mechanism consists of (a) an electronic data exchange system; and, (b) an international monitoring system. One Member confirmed that the agreement reached with the Government of the Russian Federation established a satisfactory system to address his concern *inter alia* through the assistance and participation of the neutral third party to facilitate the operation of the agreement. These statements were noted by the Working Party.

211. Members of the Working Party expressed concerns in relation to non-WTO consistent actions of certain regional governments, often in the face of relevant Federal legislation. In addition, Members of the Working Party requested clarification of the ability of the central government to take the initiative and responsibility for overruling or removing WTO-inconsistent measures taken by subjects of the Russian Federation. Some Members of the Working Party requested a specific commitment from the Russian Federation that international treaties would be strictly observed throughout its territory.

212. In response, the representative of the Russian Federation noted that a special mechanism had been established to monitor and ensure that the legislation and practice of the subjects of the

Russian Federation complied with Federal laws. On 6 October 1999, Federal Law No. 184-FZ "On General Principles of the Organization of the Legislative (Representative) and Executive Authorities of State Power of the Subjects of the Russian Federation" (as last amended on 28 December 2010) had been enacted. The Office of the Public Prosecutor administered the Law. Following a complaint regarding the action or policy of a subject of the Russian Federation, the Public Prosecutor could seek an order or declaration from the Supreme Court of the Russian Federation or an appropriate body of the concerned subject invalidating the legislation or practice complained of, on the basis that the legislation or practice was inconsistent with respective Federal legislation or international treaties of the Russian Federation. In accordance with Article 253 of the Civil Procedure Code of the Russian Federation, when the court (including the Supreme Court) determined that the legal act subject to a dispute or part thereof contradicted a Federal law or other legal act that has higher legal force, the disputed legal act was considered invalid in whole or in part from the date of its adoption, unless otherwise specified by the court in its decision. Presidential Decree No. 849 of 13 May 2000 "On the Authorised Representative of the President of the Russian Federation in a Federal District" (as last amended on 7 September 2010) empowered a Presidential representative in a Federal district to propose the suspension of acts of executive authorities of the subjects of the Russian Federation that contravened the Constitution, Federal laws or international commitments of the Russian Federation. Similarly, Presidential Decree No. 1486 of 10 August 2000 "On Supplementary Measures to Provide Integrity of Legal Treatment in the Russian Federation" (as last amended on 18 January 2010) created a Federal registry of the legal acts of the subjects of the Russian Federation. All legal acts enacted by the subjects of the Russian Federation were notified to the Federal Ministry of Justice of the Russian Federation within seven days of enactment for scrutiny and review. If the legislation was found to be inconsistent with Federal laws or with international commitments of the Russian Federation, including the obligations of the Russian Federation under the WTO Agreement and CU Agreements, the Legislative Department of the Ministry of Justice could draft a presidential decree suspending the operation of the legislation, or seek an order from the Constitutional Court of the Russian Federation together with proposals for reconciling or rectifying the conflict. Acts or parts thereof determined by the Court to contravene the Constitution became invalid as from the date of their adoption.

213. He further noted that, in accordance with the Constitution of the Russian Federation, the Constitution itself and Federal laws had supremacy over the whole territory of the Russian Federation. The bodies of State authority, the bodies of local governments, officials, private persons and their associations were required to observe the Constitution of the Russian Federation and its laws. Federal Law No. 101-FZ of 15 July 1995 "On International Treaties of the Russian Federation" contained rules ensuring the execution of the international treaties of the Russian Federation by the President and the Government of the Russian Federation, Federal Executive bodies, and bodies of State authority of the relevant subjects of the Russian Federation.

214. The representative of the Russian Federation confirmed that the provisions of the WTO Agreement would be applied uniformly throughout the territory of the Russian Federation, including in regions engaging in frontier traffic, special economic zones and other areas where special regimes for tariffs, taxes and regulations could be established. He added that, in order to ensure compliance with provisions of the WTO Agreement any individual or entity could bring to the attention of the authorities of the Government of the Russian Federation or competent CU Body cases of non-application or non-uniform application of provisions of the WTO Agreement in the Russian Federation. Such cases would be referred promptly to the responsible authorities without requiring the affected party to petition through the courts, and when non-application or non-uniform application actually existed, the authorities of the Government of the Russian Federation or a competent CU Body would act promptly to address the situation, consistent with the laws and international obligations of the Russian Federation. The individual or entity notifying the authorities

of the Government of the Russian Federation or a competent CU Body would be informed promptly in writing of any decision and action taken. The Working Party took note of these commitments.

215. The representative of the Russian Federation also confirmed that with respect to matters subject to the WTO Agreement, his authorities would provide the right for independent review in conformity with WTO obligations, including but not restricted to, Article X:3(b) of the GATT 1994, and relevant provisions of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the General Agreement on Trade in Services. The Working Party took note of these commitments.

POLICIES AFFECTING TRADE IN GOODS

- Registration requirements for import/export operations

216. The representative of the Russian Federation noted that, generally, neither the CU Agreements, CU Commission Decisions, nor the national legislation of the Russian Federation restricted the right of any Russian enterprise to import goods into or export goods from the Russian Federation, however, exceptions could be provided for in CU Agreements and Decisions and the Federal laws of the Russian Federation. He noted that the State monopoly on foreign trade had been eliminated by Presidential Decree No. 213 of 15 November 1991 "On Liberalization of Foreign Economic Activity on the Territory of the Russian Soviet Federal Socialist Republic" (as amended on 27 October 1992). This principle was further embodied in Article 1 of the Civil Code and Article 8 of the Constitution.

217. The representative of the Russian Federation explained that, from 1 January 2010, the principal requirements for importing goods into and exporting goods from the Russian Federation were found in the Customs Code of the Customs Union of Russia, Belarus and Kazakhstan (hereafter: "CU Customs Code"), the Agreement on Common Measures of Non-tariff Regulation in Respect of Third Countries, signed on 25 January 2008 (hereafter: "CU Agreement on Non-Tariff Regulation"), the Agreement on the Introduction and Application of Measures Concerning Foreign Trade in Goods on the Common Customs Territory in Respect of Third Countries, signed on 9 June 2009 (hereafter: "CU Agreement on Measures Concerning Foreign Trade"), and the Agreement on Licensing in the Area of Foreign Merchandise Trade of 9 July 2009 (hereafter: "CU Licensing Agreement"). The procedure for the importation of specific products, such as products with cryptographic capabilities, precious stones and precious metals, and medicines and pharmaceutical ingredients, were set-out in CU Commission Regulations. Specific Sections in this Working Party Report relating to the import and export regimes of the Russian Federation, provided descriptions of the provisions of these CU Agreements, CU Commission Decisions, and other CU legal documents, including requirements for non-automatic import or export licenses and/or automatic licenses (permits). The representative of the Russian Federation explained that, pursuant to these CU Agreements, Decisions, and Regulations, the authorised body of each CU Party was responsible for issuing non-automatic import and export licenses and/or automatic licenses (permits), as well as activity licenses. The representative of the Russian Federation further explained that Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of the State Regulation of the Foreign Trade Activity" (as last amended on 2 February 2006), Federal Law No. 311-FZ of 27 November 2010 "On Customs Regulation" and Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (as last amended on 28 September 2010) addressed the general requirements for engaging in import/export operations in the Russian Federation.

218. The representative of the Russian Federation explained that, according to Article 10 of Federal Law No. 164-FZ, any Russian or foreign person could be engaged in carrying out foreign trade activity (import and export). The right to carry out foreign trade activity could be restricted only

in circumstances specified under international agreements, including CU Agreements, CU Commission Decisions, or Federal legislation. Export and import operations, as such, did not require an activity licence. On the other hand, an activity licence to engage in production or distribution of certain products (such as alcohol, pharmaceuticals, and goods with encryption technology) was required to obtain a licence to import these products. (Detailed information concerning export/import operations for alcoholic beverages, pharmaceuticals, goods with encryption technology, and precious stones and metals was provided in paragraphs 231 through 268 and 275).

219. Several Members noted that laws and regulations relating to the right to trade in goods, "registration requirements" or "activity licensing" must not be more burdensome than necessary and, thus, restrict imports in violation of the general prohibition on quantitative restrictions under Article XI:1 of the GATT 1994, nor should they discriminate against imported goods in violation of the provisions of Article III:4 of the GATT 1994. Furthermore, fees and charges levied on the right to import must be limited to the cost of services rendered as under Article VIII:1(a) and Article VIII:4(c) of the GATT 1994, and internal taxes or other internal charges on the right to trade in imported goods must not lead to discrimination in favour of like domestic products as required by Article III:2 of the GATT 1994.

220. In response to requests for further information on registration requirements for engaging in economic activity (that included import and export operations), the representative of the Russian Federation explained that requirements for registration as a legal person/individual entrepreneur were strictly a matter of the national legislation of a CU Party and this situation was not expected to change. In the Russian Federation, registration of legal persons and natural persons, as individual entrepreneurs, was governed by Article 51 of the Civil Code and Federal Law No. 129-FZ of 8 August 2001 "On State Registration of Juridical Persons and Individual Entrepreneurs" (as last amended on 27 July 2010). Registration was carried out by the Federal Tax Service. Refusal of State Registration was governed by Article 23 of Federal Law No. 129-FZ and could be appealed in a Court. He explained that registration enabled legal persons/individual entrepreneurs to engage in economic activity, including foreign trade activity (import and export). The legislation of the Russian Federation did not contain any restrictions or discrimination against foreign founders of legal persons. In response to a specific question of one Member, the representative of the Russian Federation clarified that, even though some specific requirements for registration of legal persons with foreign founders were formally different from requirements for registration of legal persons with founders being Russian persons (e.g., with respect to the type of documents to be provided by an applicant), such requirements did not constitute actual discrimination against such legal persons with foreign founders.

221. To register, legal persons were required to submit the following documents, listed in Article 12 of Federal Law No. 129-FZ:

- an application based on the form established by Government Resolution No. 439 of 19 June 2002 (as last amended on 9 March 2010);
- the decision whereby the legal person had been formed, in the form of minutes, Agreement or any other document in compliance with the legislation of the Russian Federation;
- the constitutive documents of the legal person (originals or notarized copies);
- for foreign legal persons, an extract from the register of legal persons of the country of origin or another equally effective proof of the legal status of a foreign legal entity being a founder; and
- a certificate of payment of State duty in the amount of RUB 4,000.

Under Federal Law No. 129-FZ, registration of a natural person as an individual entrepreneur required the following documents:

– an application based on the form approved by the Government of the Russian Federation;
– for citizens of the Russian Federation, a copy of the identification document of the natural person (i.e. passport - Presidential Decree No. 232 of 13 March 1997);
– for foreign and stateless persons, a copy of the document established by Federal Law or recognised under an international Agreement of the Russian Federation as the identification document (identification documents were listed in Article 10 of Federal Law No. 115-FZ of 25 July 2002 "On the Legal Position of Foreign Citizens in the Russian Federation" (as last amended on 4 December 2007);
– a document confirming the right to reside in the Russian Federation; and
– a document confirming the payment of a RUB 800 registration charge.

Pursuant to Article 9 of the Law, no document, other than those listed in the Law (as indicated above) - could be requested for registration.

222. Some Members expressed concern that the requirement of the Russian Federation for enterprises to have a location in the Russian Federation, established in accordance with the legislation of the Russian Federation, and natural persons to have the right to reside in the Russian Federation in order to register as a Russian enterprise or individual entrepreneur, was overly burdensome in the case where the enterprise or individual entrepreneur sought only the right to declare the import or export of goods and, thus, restricted imports or exports.

223. In response, the representative of the Russian Federation stated that the requirement to be registered in the Russian Federation, in accordance with established conditions, was necessary to ensure proper implementation of customs legislation, including its provisions on conditional release of goods into the territory of the Russian Federation and post-control that permitted accelerated customs procedures at the entry and destination customs checkpoints.

224. The representative of the Russian Federation further added that these documents were to be submitted to the registration body directly or could be sent by mail with a list of enclosures. The application presented to the registering body required the notarized signature of an authorised person (the applicant). The date of submission of the documents for State Registration was considered to be the date when they were received by the registration body. A receipt note was to be issued to the applicant to confirm that the documents had been received from him. The note was to be issued on the day the documents were received by the registration body. In any case, including cases in which the registration body received documents sent by mail, a receipt note was to be sent the next (working) day following the date of receipt of the documents by the registration body, at the postal address indicated by the applicant. The registration body ensured the recording and storing of all documents submitted for registration purposes.

225. Registration was to be carried out within five working days after the date the documents were received by the registration body. The representative of the Russian Federation also added that, according to Article 23 of Federal Law No. 129-FZ of 8 August 2001 (as last amended on 27 July 2010), registration might be refused only in the following cases:

- failure to submit the documents required for registration purposes;
- submitting of documents to an improper registration body;
- in case the legal entity was in the process of liquidation;
- failure to notarize documents, when it was required;
- when the application of the State Registration was signed by an unauthorised person;

- withdrawal of all members of a limited liability company from that company; or
- inconsistency of the name of the legal entity with Federal laws.

A decision to refuse to grant registration was to be carried out in not later than five working days and to be forwarded to the applicant, with a delivery notice. This action or inaction, within the required time, could be appealed to the agency or through the National Court.

226. In response to a question from a Member, the representative of the Russian Federation explained that an "Authorised Economic Operator" was a legal entity of a CU Party that met certain conditions, set-forth in Article 39 of the CU Customs Code, including providing a guarantee for the payment of customs duties and taxes, a history of engaging in foreign economic activity, the absence of unfulfilled obligations or debts to the customs authority, the absence of administrative offences in the year prior to the application date, the availability of sufficient record-keeping procedures, and compliance with other relevant requirements of the CU Party under which the entity was established. On the specific issue of the absence of administrative offences in the prior year, he noted that the status of an "Authorised Economic Operator" could not be refused on the basis of minor administrative offences. According to Article 41 of the CU Customs Code and Article 86 of Law No. 311-FZ, an Authorised Economic Operator enjoyed simplified and expedited customs procedures, including those concerning goods in transit. Authorised economic operator status and access to simplified procedures applied in the territory of the CU Party which granted that status. The representative of the Russian Federation also explained that the CU Commission could decide that certain products could not be subject to the simplified procedures set-out in Article 41 of the CU Customs Code, however, the CU Commission had not taken such a decision to date.

227. In response to further questions from Members, the representative of the Russian Federation stated that the Government, in respect of measures affecting trade in goods with other WTO Members, would continue its policy of maintaining an expeditious process for registering legal entities and individual entrepreneurs and applying transparent and predictable requirements that were not burdensome to satisfy. He added that the Russian Federation would not apply registration requirements to limit the possibility for legal persons or individual entrepreneurs (foreign or domestic) to engage in importing and exporting, and that once registered in the Russian Federation, a legal person or individual entrepreneur could import or export products as described in this Report. The representative of the Russian Federation confirmed that the Russian Federation would not make the procedures or overall requirements to register as a legal person or individual entrepreneur more burdensome than necessary, would not discriminate between foreign and domestic applicants in approving requests for registration and would also comply with other applicable provisions of the WTO Agreement. The Working Party took note of these commitments.

228. In order to ensure transparency in registration, in accordance with Article 4 of Federal Law No. 129-FZ, the Federal Tax Service of the Russian Federation was responsible for supervising the State Register, which contained information on the establishment, reorganization and liquidation of legal persons and other respective data. According to Article 6 of the above Law, this information was available to any interested person upon request under the conditions established by the Law. This information was also posted on the website of the Federal Tax Service (www.nalog.ru) and updated on a monthly basis.

229. Noting that the Ministry of Agriculture and the Federal Customs Service of the Russian Federation had in the past made efforts to limit the number of both importing and exporting firms engaged in international trade of certain products, some Members requested an explanation of the reasons for these limitations and the legal basis upon which they might be taken for both domestic and foreign firms importing or exporting.

230. In response, the representative of the Russian Federation noted that there were no limitations on the number of either importing or exporting firms engaged in international trade in the Russian Federation and there were no plans to introduce such limitations in future.

- (a) Alcoholic beverages

231. Some Members expressed concern over the restrictive consequences of the current activity licensing system for the sale of alcoholic beverages. They requested information on the intention of the Russian Federation to introduce new legislation in this area. Noting that the fees charged for the right to import alcoholic beverages greatly exceeded those charged for domestic distribution or export, these Members felt that more detail was also required on this and on any other activity licensing fees associated with importation. In particular, these Members sought information on any plans for establishment of a State monopoly on alcoholic beverages.

232. The representative of the Russian Federation stated that Federal Law No. 171-FZ of 22 November 1995 "On State Regulation of Producing and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products" (as last amended on 5 April 2010) established the legal basis for production and turnover of ethyl alcohol, alcoholic products (wine, alcoholic beverages, ethyl drinkable alcohol) and alcohol-containing products (alcohol-containing edible and non-edible products). He added that, previously, according to this Law, a specific requirement of licensing of export/import activity with those goods had existed. However, this requirement had been abolished upon the entry into force of Federal Law No. 102-FZ of 21 July 2005, amending Federal Law No. 171-FZ.

233. A Member asked the Russian Federation to specify the requirements to obtain an activity licence related to alcohol. It expressed a concern that certain requirements updated in December 2010, such as, technical conditions for storage of alcohol, warehouse requirements (safety rules, anti-fire structures, humidity conditions and temperature, etc.), applied by the Federal Service for the Regulation of Alcohol (FSR) some of which differed from one type of alcohol product to another, were difficult to meet, and were applied in an inconsistent manner. This Member noted that these requirements were over-burdensome and could constitute a discriminatory and/or unjustifiable restriction on trade under the WTO Agreement.

234. In response, the representative of the Russian Federation explained that these updated requirements were designed to create adequate conditions for storage and distribution of alcohol and alcoholic products, ensuring the quality and safety of the products and the safety of persons engaged in operation of warehouses. In his view, these requirements were not overly burdensome and were applied on a non-discriminatory basis.

235. Some Members noted that the Russian Federation continued to require an activity licence to engage in producing or distributing alcoholic beverages and ethyl alcohol in order to obtain a licence to import these products. This requirement limited the companies that could import to those engaged in producing or distributing alcoholic beverages and ethyl alcohol in the Russian Federation. Furthermore, a requirement to obtain both the import licence, which could only be issued if an operator had obtained an activity licence, and the activity licence itself led to a cumbersome double licensing situation for foreign operators putting them at a disadvantage as compared to domestic producers. One Member urged the Russian Federation to eliminate this double licensing requirement, and noted that any such requirements, if maintained, would have to comply with the WTO Agreement.

236. The representative of the Russian Federation answered that the elimination of the specific activity licence for imports and exports, mentioned in paragraph 232, already simplified the licensing

procedures in the area of trade in alcoholic products. This change led to a system whereby activity licenses were required only for doing business, i.e., producing, distributing and storing alcoholic beverages and ethyl alcohol (the product coverage of the activity licensing system was listed in Table 12), such licenses were valid for no more than five years and whereby while no specific activity licence would be needed for import/export activities, an activity licence for producing, distributing and storing alcoholic beverages and ethyl alcohol was necessary to obtain a licence to import or to export these products. He confirmed that the licensing system did not have any turnover requirement. Conditions and requirements to be fulfilled by legal persons and individual entrepreneurs to get an activity licence to engage in producing, distributing and storing covered alcohol products were stipulated in Federal Law No. 171-FZ of 22 November 1995 (as last amended on 5 April 2010). Pursuant to Resolution No. 154 of 24 February 2009, activity licenses were issued by the FSR and were required to be issued within 30 days after submission of the complete set of documents. Under the draft FSR Administrative Regulation, operators were allowed to apply for a renewal of their existing activity licence not earlier than 60 days before the date of its expiration. In accordance with Federal Law No. 171-FZ, the FSR was required to conclude its consideration of the application for renewal of an activity licence within 15 calendar days from the date of receipt of the application and to issue and notify the applicant in writing of its decision within three calendar days after the FSR concluded its considerations. In response to a question from some Members, the representative of the Russian Federation explained that if, for whatever reason, the activity licence expired while the renewal application was pending, the FSR would require a new application, but would not charge a new fee. However, the goods stored under the terms of the expired activity licence would become illegal from the date of expiration of the licence and subject to seizure.

237. Some Members expressed serious concerns that applicants for activity licence renewal that had complied with all the legal requirements, but nevertheless had not been granted a renewal, were subject to penalties including seizure of their goods, and did not have effective legal recourse and that these measures as applied were open to abuse and unreasonably restricted access to the market.

238. In response, the representative of the Russian Federation stated that, in his view, the current procedure for the renewal of an activity licence did not constitute a restriction on trade, nor was the renewal process overly burdensome. The FSR could refuse to issue a licence only on the basis of the criteria set-out in paragraph 9 of Article 19 of Federal Law No. 171-FZ and could not refuse to issue or renew a licence on the basis of minor documentation errors. An applicant was not subject to any penalties upon the expiration of the activity licence. If the applicant fulfilled the requirements for an activity licence and acted in accordance with other relevant provisions of the legislation of the Russian Federation, the applicant would be granted an activity licence and actions and/or inaction by the FSR could be challenged in Court.

239. In response to a question from a Member the representative of the Russian Federation explained that in cases where an existing activity licence expired, but an application for renewal was pending, an import licence issued to the same operator would remain valid until the end of its term albeit not operational until the issuance of the renewed activity licence. In such cases, the operator would not be required to seek a new import licence if the previously issued import licence had not expired. That is, the import licence would not be automatically considered null and void upon the expiration of the related activity licence.

240. One Member asked for confirmation that the period for which an activity licence was issued or renewed would not be restricted on the grounds that the applicant did not hold a lease on its storage facilities for the full duration of the requested period.

241. In response, the representative of the Russian Federation explained that Federal Law No. 171-FZ stipulated the exhaustive list of documents which were required for the application for an

activity licence. In accordance with Article 19.17 of the Federal Law the activity licence can be renewed for the period requested by the applicant, but not more than five years. Neither Federal Law No. 171-FZ, nor other legal acts contained the requirement for the applicant to provide a lease contract on storage facilities valid within the term of validity of an activity licence. He further confirmed that the FSR would only undertake actions in conformity with the Federal Law.

242. One Member emphasized that the Russian Federation should ensure full national treatment in respect of all laws, regulations and requirements concerning internal sale, offering for sale, purchase, transportation, distribution or use of imported alcoholic beverages and ethyl alcohol.

243. In response to a question from a Member, the representative of the Russian Federation confirmed that the non-automatic import licensing requirements were explained in the Section "Quantitative Import Restrictions, including Prohibitions and Quotas and Import Licensing Systems" of this Report and repeated that, from the date of the accession of the Russian Federation to the WTO, non-automatic import licensing for alcoholic beverages would be eliminated and replaced by an automatic licensing procedure whereby licenses would be issued upon submission of the appropriate and complete documentation.

244. The representative of the Russian Federation explained that, taking into account the specificity of the alcohol market, i.e., potential danger of low-quality alcohol products for the health of people, the Government of the Russian Federation imposed the following requirements to alcohol products, which were applied in a non-discriminatory manner towards domestic and foreign-made products:

- marking of alcoholic products containing more than 9 per cent specific volume of ethyl alcohol by excise stamps, which were available for foreign exporters;
- registering of ethyl alcohol, alcoholic products and alcohol-containing products in the Unified Federal Automatic Information System; and
- mandatory labelling of every unit of alcoholic beverages with a warning inscription about the negative effect of alcohol for the health.

245. Some Members noted the electronic system for the control of alcoholic products, the Unified Federal Automatic Information System (UFAIS), which was linked to the mandatory use of excise duty stamps, had caused problems when the system was introduced and disrupted trade. While noting that these initial problems had been rectified, Members expressed continuing concerns about the excessive reporting requirements which obliged importers to produce detailed reports about the use of every single excise duty stamp. Members noted that this mandatory requirement was very burdensome and questioned the need for it. Members also expressed concern that domestic producers were not subject to the same requirements. In response, the representative of the Russian Federation stated that as of 8 January 2009, according to Government Resolution No. 522 of 25 August 2006 (as last amended on 9 March 2010), importers and domestic producers had the same reporting requirements related to stamps for alcoholic beverages. Furthermore, Members requested a confirmation that the excise stamps issued under an activity licence would continue to remain valid also, if that licence was renewed. Members also asked about the intention of the authorities of the Russian Federation to introduce a new excise duty stamp which would need to be applied in addition to the stamp introduced already ("second stamp").

246. Some Members also asked about mandatory guarantees required for imported products in accordance with Order No. 663 of the Federal Customs Service, dated 13 April 2009. They expressed concern about the fixed guarantee levels set-out in this document which were in many cases excessive compared to the actual customs payments due. They also raised concerns about the reimbursement

periods of these excessive payments, which were often very lengthy and caused significant economic losses to the operators. Further, some Members asked about the requirement for a second guarantee concerning the delivery of goods.

247. In response to the question of some Members about the basic guarantee required for imported products, the representative of the Russian Federation confirmed that the requirements regarding basic guarantees were established by Order No. 663 of the Federal Customs Service. Pursuant to the Order, the fixed amount of basic guarantees was set in accordance with Article 88.4 of the CU Customs Code. Pursuant to Article 88.1, the amount of guarantee of customs payment was calculated on the basis of the sums of the customs duties and taxes payable in the CU Party where the goods were to be released for domestic consumption or export. If the goods entered the Russian Federation under customs transit to another CU Party, the amount of the guarantee of payment was determined on the basis of the amount of the customs duties and taxes payable in the CU Party in which the goods would be released or from which they would be exported, but the guarantee amount would be no less than the customs duties and taxes that would be paid if the goods were released in or exported from any other CU Party. Where the sum of payable customs duties and taxes could not be exactly calculated due to the non-provision to the customs body of exact information on the nature of the goods, their name, quantity, country of origin and customs value at the time the guarantee payment was assessed, the amount of the guarantee of payment was to be set on the basis of the highest rates of customs duties and taxes, the value of goods and/or their natural physical characteristics (quantity, weight, volume and other characteristics) which could be assessed on the basis of available data.

248. Further, he confirmed that Governmental Resolution No. 699 of 24 October 2007 "On Amending Governmental Resolution No. 866 of 31 December 2005" had abolished the double bank guarantee on imported alcohol products. He confirmed that, concerning guarantees and deposits for imports of alcoholic products, no additional documents, such as "transit guarantee certificates" or other requirements, were necessary for the importation of alcoholic products. As regards some concern from Members on the limitation of the number of banks that could provide guarantees to importers and on the cap on the value of guarantees that could have been provided by banks, the representative of the Russian Federation explained that these provisions were imposed to secure customs payments and interest payable at the clearance of goods for free circulation and they were not aimed at indirect protection of domestic products. He added that both foreign and domestic producers could provide guarantees issued by only those banks which had been included in the list of banks-participants of the system of insured accounts and that there was no discrimination on the basis of origin of an operator in issuing the guarantees by these listed banks. He added that, pursuant to Article 62 of Federal Law No. 86-FZ of 10 July 2002 "On the Central Bank of the Russian Federation" (as last amended on 26 April 2007), the Bank of Russia could set special standards for banks in order to ensure stability of credit organizations. The maximum level of risks for each borrower was limited by one of these standards.

249. In reply to the question about the UFAIS system, the representative of the Russian Federation stated that the UFAIS system had been introduced by amendments to Federal Law No. 171-FZ with the aim of establishing better control upon the alcoholic products which were distributed in the territory of the Russian Federation and preventing the introduction of counterfeit products into the market. This informational system contained information provided by the enterprises performing production and distribution of ethyl alcohol, alcoholic products and alcohol-containing products. According to the rules of the functioning of the system, established by Resolution of the Government of the Russian Federation No. 522 of 25 August 2006 (as last amended on 9 March 2010), the information about the products subject to import and about the company which would distribute the products in the territory of the Russian Federation (taxpayer identification number, information about the activity licence and, if appropriate, on the import licence), was provided to the customs authorities

in electronic form. In response to a question from a Member concerning the impact of the creation of the Customs Union on the UFAIS system, the representative explained that the excise duty stamps and the UFAIS system were specific to the Russian Federation, and that alcoholic products from Kazakhstan and Belarus were treated as imports for the purpose of the UFAIS system.

250. In response to a question from a Member, the representative of the Russian Federation explained that excise stamps already issued under an activity licence would remain valid and could continue to be used if that activity licence was renewed.

251. The representative of the Russian Federation underlined that there were currently no plans to introduce additional requirements concerning a second excise duty stamp and if such a requirement were introduced, it would be non-discriminatory and otherwise consistent with WTO requirements. He further confirmed that any excise stamp requirement would be applied consistent with the WTO Agreement. He also added that the Russian Federation would apply the requirements regarding the guarantees in a manner consistent with the WTO Agreement, including by ensuring that the guarantees would not significantly exceed the actual payments due. The Working Party took note of these commitments.

252. In response to the question of some Members about the regulation of import to the Russian Federation of denaturized substances and denaturized alcohol-containing products, the representative of the Russian Federation said that, since 1 July 2007, the production and sale of such products (including import) was limited to those which were specified in the list established by Government Resolution No. 401 of 25 June 2007 (as last amended on 31 October 2009) implementing Federal Law No. 171-FZ of 22 November 1995 that had entered into force on 9 December 1995 (as amended on 29 December 2006).

253. In response to the question of some Members concerning State monopoly on alcohol, he informed that Federal Law No. 171-FZ of 22 November 1995 "On State Regulation of Producing and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products" (as amended on 1 December 2007) envisaged the possibility of establishing a State monopoly for manufacture and (or) turnover of ethyl alcohol, alcoholic products and alcohol-containing products in the territory of the Russian Federation. Similarly, the CU Agreement on Non-Tariff Regulation envisioned the possibility of an exclusive licence to import certain products to be granted by the CU Commission. However, neither the establishment of a State monopoly nor the grant of an exclusive import licence was anticipated at this time.

254. The representative of the Russian Federation noted that licensing fees were provided for in the Tax Code of the Russian Federation (see Table 12). The Code was designed to provide a unified licensing fee rate for the right of production, storage and sale of alcoholic products. The representative of the Russian Federation further stated that discriminatory fees on imported products in relation to licensing procedures had been eliminated.

- (b) Pharmaceuticals

255. Some Members requested additional information concerning the future elimination of activity licensing requirements as a condition for importation in the area of pharmaceuticals and sought clarifications regarding the steps taken by the authorities of the Russian Federation to bring existing practices into consistency with WTO requirements.

256. The representative of the Russian Federation said that in order to protect human and animal life and health, the right to import pharmaceuticals, including veterinary drugs, was granted to the following Russian entities, including foreign-invested enterprises, registered as a Russian legal

person, in accordance with Federal Law No. 61-FZ of 12 April 2010 "On the Circulation of Medicines":

- enterprises manufacturing pharmaceuticals, which imported pharmaceutical products for their own manufacturing of pharmaceuticals;
- wholesale enterprises of pharmaceuticals;
- research and development institutes and laboratories, which carried out development research and quality control, effectiveness, and safety of pharmaceuticals;
- foreign developers and foreign producers of pharmaceuticals for clinical trials, State Registration of pharmaceuticals, inclusion of pharmaceutical substances in the State registry of pharmaceuticals and quality control of them under the permission of the authorised body; and
- medical organizations for the provision of medical assistance to certain patients.

257. Pursuant to Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activities" (as last amended on 28 September 2010), the activity licensing in respect of pharmaceuticals, including veterinary drugs, was maintained because of potential damage of such activity to human or animal life and health. Licenses for the production or distribution of these goods were issued for a period of five years. In accordance with Article 15 of Federal Law No. 128-FZ, a fee of RUB 2,600 was charged for the issuing of each activity licence for pharmaceutical activity, e.g., production of pharmaceuticals, including veterinary drugs, and for activities in distribution of pharmaceutical products for medical purposes.

258. Some Members of the Working Party requested the Russian Federation to confirm that the ability to request an activity licence for trade in pharmaceuticals was reserved for Russian Federation firms and to explain what that meant in practice for foreign-owned firms in the Russian Federation, foreign exporting firms not established in the Russian Federation, and domestic or foreign individual entrepreneurs seeking to export pharmaceuticals to the Russian Federation. They asked the Russian Federation to confirm that activity licenses would be made available to all registered companies (domestic or foreign). They noted that this would not prevent the Russian Federation from operating State-trading enterprises or applying controls on imports and exports for example for purposes of human health, as long as these were applied in a manner consistent with relevant WTO obligations.

259. In response, the representative of the Russian Federation recalled that foreign legal persons intending to import pharmaceuticals, including veterinary drugs, into the territory of the Russian Federation were required to register as a legal person of the Russian Federation to hold a licence to engage in the relevant type of pharmaceutical activity (production, distribution) in the territory of the Russian Federation, pursuant to the provisions of Federal Law No. 128-FZ and to acquire import licenses from the Ministry of Industry and Trade.

260. Members continued to express concerns regarding these requirements. An importer had to obtain an activity licence to engage in production or distribution of pharmaceuticals in the Russian Federation as a condition for receiving an import licence. The criteria applied to obtain these activity licenses did not relate to importation and requiring an importer of pharmaceuticals to meet the requirements to produce or wholesale pharmaceuticals in the Russian Federation could limit imports of these goods.

261. The representative of the Russian Federation stated that, under Article 48 of Federal Law No. 61-FZ of 12 April 2010 "On the Circulation of Medicines", domestic and foreign natural persons were not permitted to import pharmaceuticals, including veterinary drugs, to the Russian Federation.

Some Members of the Working Party requested information on whether natural persons were permitted to manufacture pharmaceuticals in the Russian Federation. Those Members noted that the fee for each importation was burdensome, delayed imports and unnecessarily added to the expenses of importation, and appeared to be a revenue measure. In response, the representative of the Russian Federation explained that under Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activities" (as last amended on 30 September 2010) and according to Government Resolution No. 684 of 3 September 2010 "On Regulations on Licensing of the Manufacturing of Pharmaceuticals" the manufacturing of pharmaceuticals in the Russian Federation could not be carried out by natural persons. Regarding importation of pharmaceuticals, he noted that legal persons with foreign participation (including fully foreign-owned legal persons) enjoyed the same rights as other Russian legal persons in the Russian Federation and could obtain the required activity licence under the same conditions.

262. The representative of the Russian Federation confirmed that activity licenses were made available to all companies registered in the Russian Federation as legal entities (including those with foreign participation and those entirely owned by foreigners), which satisfied government regulatory criteria. He further noted that the Rules of Import and Export of Medicines Registered in the Russian Federation (approved by Government Resolution No. 438 of 16 July 2005 "On the Procedure for Importation and Exportation of Medicines for Medical Purposes"), Federal Law No. 61-FZ of 12 April 2010 "On the Circulation of Medicines", as well as the CU Agreements listed in paragraph 217, CU Commission Decision No. 132, and, more specifically, by the Regulations on the Order of Entry into the Customs Territory of the Customs Union of Medicines and Pharmaceutical Ingredients, defined the procedure for importation/exportation of medicines and pharmaceutical substances registered in the Russian Federation. The representative of the Russian Federation also recalled the information contained in the Section on "Quantitative Import Restrictions, including Prohibitions and Quotas and Import Licensing Systems" regarding acquisition of licenses for the importation of pharmaceuticals.

- (c) Goods with Encryption Technology

263. Some Members noted that the Russian Federation also required an activity licence to engage in production or distribution of certain goods with encryption technology. Moreover, the Russian Federation required that applicants for a licence to import certain goods with encryption technology also had an activity licence to distribute or produce goods with encryption technology (see paragraphs 471 to 487 of the Section "Quantitative Import Restrictions, Including Prohibitions and Quotas, and Import Licensing Systems"). These Members expressed their continued concern that the requirement to have an activity licence as a condition for obtaining an import licence was an unjustifiable restriction on imports.

264. In response, the representative of the Russian Federation recalled the sensitivity of the goods that were subject to the import licensing requirement and noted that many WTO Members regulated trade in goods with encryption technology. He noted, however, that pursuant to Government Resolution No. 957 "Approving Regulations on Licensing of Specific Types of Activities Related to Encryption (Cryptographic) Products" of 29 December 2007, certain goods containing encryption technology were exempt from the activity licensing requirements contained in those regulations. He further noted that, pursuant to the CU Regulations on the Order of Entry into the Customs Territory of the Customs Union and removal of the Customs Territory of the Customs Union of Encryption (Cryptographic) Means, of 1 December 2009, and as described in paragraphs 471 to 487 of the Section "Quantitative Import Restrictions, Including Prohibitions and Quotas, and Import Licensing Systems" of this Report, many goods containing encryption technology no longer required an import licence.

- (d) Precious stones and metals

265. The representative of the Russian Federation noted that, as of 1 January 2010, the procedures for the import and export of precious stones and metals were set-forth in the CU Regulations "On the Order of Entry into the Customs Territory of the Customs Union within the Eurasian Economic Community and the Export from the Customs Territory of the Customs Union within the Eurasian Economic Community Precious Metals, Precious Stones and Commodities Containing Precious Metals" ("Precious Stones and Metals Regulations"), adopted by the CU Commission Decision No. 132 on 27 November 2009. Pursuant to these Regulations, those products listed in sections 2.9 and 2.10 of the Common List attached to Decision No. 132 (see Table 28) were subject to licensing requirements. Pursuant to paragraph 14 of the Precious Stones and Metals Regulations, an activity licence to carry out operations with precious metals or stones was required in order to export precious metals and stones (excluding diamonds) from the CU; similarly, under paragraph 24 of the Precious Stones and Metals Regulations, the export for processing of precious metals and gemstones could be carried out only by legal persons or individual entrepreneurs who hold an activity licence. The representative of the Russian Federation further noted, however, that Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activities" (as last amended on 28 September 2010) had abolished the activity licensing requirement for trade of precious metals, precious stones, and jewellery containing precious metals and precious stones, although an activity licence was required to obtain a licence to export.

266. Further the representative of the Russian Federation noted that according to Presidential Decree No. 742 of 21 June 2001 "On the Procedure of Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones" (as amended on 11 January 2007), there were no statutory licensing or quantitative requirements for imports of precious stones and metals to the territory of the Russian Federation. Moreover, precious stones and metals had been removed from the list of currency valuables, pursuant to Federal Law No. 173-FZ of 10 December 2003 "On Currency Regulation and Currency Control" (as last amended on 22 July 2008), excluding data on extraction, transfer, and consumption of precious stones and metals from the list of State Secret Data, in accordance with Federal Law No. 153-FZ of 11 November 2003 "On Amending Article 5 of the Federal Law of the Russian Federation On State Secrets" and Presidential Decree No. 243 of 3 March 2005 "On Amendments to the List of State Secret Data, Approved by Decree of the President of the Russian Federation No. 1203 of 30 November 1995". These amendments simplified the procedure for performing transactions with precious stones and metals, made these transactions more transparent and removed a number of restrictions in the turnover of precious metals and precious stones, such as restricted rights of legal entities with respect to ownership and disposal of this category of goods. In addition, Presidential Decree No. 1137 of 20 September 2010 "On the Adoption of the Regulation on Import to the Russian Federation from the Countries not party to the Customs Union of the EurAsEC and Export from the Russian Federation to such Countries of Precious Metals, Stones, and Raw Materials Containing Precious Metals" abolished quantitative export restrictions for platinum and platinum group metals and raw diamonds; allowed exports of ferrous metals materials containing precious metals and removed the ban for export of scrap and wastes; and permitted the future liberalization of international trade involving these goods, waste of precious metals, ores and concentrates of precious metals, and unprocessed precious metals. These amendments were also aimed at abolishing quantitative restrictions for export of natural diamonds for mining subjects and diamonds of 10.8 carats and more, if these natural diamonds were obtained by foreign persons from mining subjects at the auctions carried out in accordance with the legislation of the Russian Federation. Decree No. 1137 of 20 September 2010 also provided that the exportation from the Russian Federation under the customs regime of export of natural diamonds (except for unique natural diamonds and the natural diamonds of the form "board" and "drilling" regardless of their sizes and degrees of processing, sieve diamonds of "-3+2" classes and lower classes), refined platinum and metals of platinum group in the form of bullions, plates, powder and

granules, and also nuggets of the precious metals, the raw precious metals, ores and concentrates of precious metals, the raw goods containing precious metals, scrap and waste products of precious metals could be carried out without quantitative restrictions on the basis of export licences, as provided for in the sections 2.9 and 2.10 of the Common List attached to Decision No. 132 (see Table 28) which were issued by the Ministry of Industry and Trade of the Russian Federation.

267. Some Members requested further clarification on whether the Russian Federation maintained any restrictions or requirements other than tariffs on the importation of precious metals and stones, notably whether imports of these products were also restricted by import licensing, or whether it was necessary to import them through customs checkpoints designated for declaration of such goods as was the case with diamond exports. These Members also expressed concerns in relation to export requirements for precious stones and metals.

268. In response, the representative of the Russian Federation stated that imports of precious stones and precious metals and products containing precious stones and precious metals were subject to customs tariff only. He added that imports of precious metals, precious stones and jewellery must be carried out through custom checkpoints designated for declaration of such goods (Presidential Decree No. 1137). These designated customs checkpoints were properly equipped with specialists qualified in the area of precious metals and precious stones. These checkpoints were part of the customs system of the Russian Federation. He also added that mentioned procedures were in accordance with the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto 2000), in particular, with its Specific Annex A, Chapter 1, according to which national legislation specified the places at which such goods might be introduced into the Customs territory.

- (e) Other licensing requirements

269. Some Members expressed concerns in relation to licensing requirements governing access to oil and gas pipelines or other distribution networks for export products which could operate in a manner so as to restrict the volume of oil and gas exported from the Russian Federation, and could be inconsistent with the requirements of Article XI of the GATT 1994. They requested the Russian Federation to provide further information on the operation of these regimes, including on the regime for export licensing of energy products.

270. Concerning questions on licensing related to import or export of electricity and import of natural gas, the representative of the Russian Federation stated that there were no export/import licenses requirements for these products.

271. He added that Federal Law No. 117-FZ of 18 July 2006 "On Export of Gas" had established the exclusive right to export natural gas from the Russian Federation to the organization being the owner of the unified gas supply system and its branch companies. He noted that the information of the gas export licensing regime was contained in the Section "Export Licensing Procedures" of this Report.

272. He added that according to Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (as last amended on 28 September 2010), there were no licensing requirements for the following types of activity:

– the operation of oil and gas production facilities;
– the sale of oil, gas and oil/gas processing products;
– the processing of oil, gas and oil/gas processing products thereof;
– the transportation of oil, gas and oil/gas processing products;

– the storage of oil, gas and oil/gas processing products; and
– the activity of operating gas networks.

273. The representative of the Russian Federation recalled his earlier statements on registration requirements, and further stated that such requirements for export contracts had been originally introduced by Government Resolution No. 758 of 1 July 1994 "On Measures to Improve the State Regulation of Export of Goods and Services" (as last amended on 8 December 2010), and had been repealed by Government Resolution No. 300 of 21 March 1996 "On Recognizing as Invalidated Certain Decisions of the Government of the Russian Federation on the Issue of Registering Contracts in the Export of Commodities". Registration of import contracts had never been required in the Russian Federation, and the Russian Federation did not maintain any special mandatory registry of import or export contracts. He also confirmed that his authorities had no plans to introduce such registration in any form in future. He further stated that the subjects of the Russian Federation were not permitted to impose requirements on legal or natural persons that might affect their rights to engage in importation or exportation of goods.

274. Some Members of the Working Party stated that the Russian Federation should undertake the following commitments in this area: the Russian Federation would guarantee that no restrictions would be maintained on the right to trade in goods except as would be consistent with WTO provisions and that all laws and regulations relating to trading rights in the Russian Federation, whether adopted by the Russian Federation or the competent bodies of the CU, and would be applied in a manner consistent with relevant WTO obligations. Specifically, the Russian Federation should confirm that no restrictions would be maintained on the rights of individuals and enterprises, including those with foreign participation, to import and export goods into the customs territory of the Russian Federation except as would be consistent with provisions of the WTO Agreement. Nor would individuals and firms be restricted in their ability to import and export based on their registered scope of business. The criteria for registration and enrolment in the State Register of legal persons would be generally applicable and published in the Official Gazette, along with any further changes. Without prejudice to other relevant provisions of the WTO Agreement, the Russian Federation should ensure that any laws and regulations relating to the right to trade in goods would not restrict imports of goods in violation of the general prohibition on quantitative restrictions under Article XI:1 of the GATT 1994, nor should they discriminate against imported goods in violation of the provisions of Article III:4 of the GATT 1994. Any associated fees, taxes and charges should also be limited to the approximate cost of services rendered and their application should not lead to discrimination in favour of like domestic products. In particular, Members requested that in respect of imports of alcohol, pharmaceuticals, and goods with encryption capability, the Russian Federation eliminate the requirement to obtain an import licence and/or an activity licence as a pre-condition for import or export.

275. The representative of the Russian Federation confirmed that, from the date of accession, the application of all laws, regulations and other measures affecting importation or exportation of goods, whether by the Russian Federation or the competent bodies of the CU, would be in conformity with relevant provisions of the WTO Agreement, including the Agreement on Import Licensing Procedures and Articles I, III, VIII, and XI of the GATT 1994. Addressing the concerns of some Members about the current regulation of importation of alcohol, pharmaceuticals and products with encryption technology, which required issuance of an import licence and/or activity licence as a pre-condition for importation, as set-out in paragraphs 473, 476 to 481, he confirmed that, upon its accession to the WTO, the Russian Federation would ensure that the person who had the right, according to CU Agreements, CU Commission Decisions or Russian legislation, to declare the imported goods would be permitted to pay relevant customs duties, fees and charges in connection with importation of alcohol, pharmaceuticals or products with encryption technology without presenting an import and/or

activity license(s) to the customs authorities, and that these goods would be permitted to be withdrawn from the territory of the customs checkpoint for the purpose of free circulation in the territory of the Russian Federation by the holder of the respective import and/or activity licenses. The Working Party took note of these commitments.

1. Import Regulations

- Customs Regulations and Procedures

276. The representative of the Russian Federation recalled that the Russian Federation had been an active participant at the World Customs Organization (WCO), even before gaining full Membership on 8 July 1993. The Russian Federation had also joined the International Convention on the Harmonized Commodity Description and Coding System on 1 January 1997, as well as the Customs Cooperation Council, the ATA Carnet, and the Nairobi and Istanbul Conventions. His Government had also joined the International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention, 1999).

277. Members asked the Russian Federation to provide a description of the customs regime in effect in the Russian Federation, including Customs Union legal acts, together with copies of all relevant implementing instruments in a WTO working language.

278. The Representative of the Russian Federation noted that, as of 1 July 2010, CU Agreements, CU Decisions and other CU legal documents, in particular the CU Customs Code, as amended by the Protocol on the Amendment, and Addition of the Treaty on the Customs Code of the Customs Union of 27 November 2009, signed on 16 April 2010, had provided the legal framework for the customs regime of the Russian Federation and other CU Parties. Pursuant to these CU legal acts, customs regulation was also provided by the domestic legislation of CU Parties. In the Russian Federation, this domestic legislation was Federal Law No. 311-FZ of 27 November 2010 "On Customs Regulation". These legal acts had replaced the Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as last amended on 3 December 2007) and Federal Law No. 61-FZ of 28 May 2003 "Customs Code of the Russian Federation", which had entered into force on 1 January 2004, as the legal basis for the customs regime of the Russian Federation. He further explained that Article 357.10 of the Customs Code of the Russian Federation and provisions of the Law on Customs Tariff continued to be in effect to the extent that they did not conflict with the CU Customs Code or Federal Law No. 311-FZ. The representative of the Russian Federation explained that the CU Customs Code was based on generally accepted international rules, including the Revised Kyoto Convention. The CU Customs Code was the principal legal document that governed customs administration and customs procedures, including the rights and responsibilities of national customs authorities, importers, and exporters. It contained detailed provisions related to customs control, operations, payments, and various types of customs "procedures" (e.g., release for domestic use, export, re-importation and re-exportation, inward and outward processing, temporary importation or exportation, use of customs warehouses, duty free trade/shops, destruction of goods and rejection in favour of the State). The CU Customs Code also established the right of appeal against customs decisions and addressed WTO rules and disciplines on the protection of intellectual property rights at the border, customs valuation, customs fees, special economic zones, trade in transit, and rules of origin. He noted that additional provisions on these issues were found in other CU Agreements and Decisions (as outlined in the specific Sections of this Report covering these issues). Further details relating to customs issues were set-out in Federal Law No. 311-FZ, notably concerning specific rules for the application of customs procedures in the Russian Federation which were not fully covered in the CU Customs Code.

279. In response to a question from some Members, the representative of the Russian Federation noted that the customs bodies in the Russian Federation constituted a single Federal system and that their functions were established and authorised by the provisions of the CU Customs Code, Federal Law No. 311-FZ and provisions of previous domestic laws that remained in effect. He noted that, in accordance with Government Decision No. 459 of 26 July 2006 "On the Federal Customs Service" (as last amended on 15 June 2010), the Federal Customs Service (FCS) was the authorised Federal executive body, which carried out the functions of: elaboration of State policy and the implementation of legal regulation (including CU Decisions); control and supervision in the sphere of the customs system; as well as the functions of a currency control agent and special functions of fighting smuggling and other crimes and administrative offences. The activity of the FCS was directly subordinated to the Government of the Russian Federation.

280. He added that pursuant to Article 4 of Federal Law No. 311-FZ, the Government of the Russian Federation and its executive bodies (e.g., the FCS) could issue, within the limits of their respective competence and in cases clearly defined by the CU Customs Code and related legal acts as well as legal acts of the Russian Federation, normative legal acts pertaining to customs matters. The President could also issue a decree on these matters. The representative of the Russian Federation explained that FCS orders covered procedural issues concerning the activities of customs authorities and the majority of these orders were of an administrative or procedural nature. Other CU legal acts and national laws and measures that directly regulated foreign trade in goods were referred to in other relevant Sections of this Report, including "Registration Requirements for Import/Export Operations", "Other Customs Formalities", and "Customs Valuation". The main functions of the FCS were set-out in the Regulation "On the Federal Customs Service", which had been approved by Government Decision No. 459 of 26 July 2006 "On the Federal Customs Service" (as last amended on 15 June 2010).

281. The CU Customs Code and Federal Law No. 311-FZ also contained a number of provisions giving the Customs authorities of the Russian Federation the power to issue normative legal acts pertaining to the form of documents to be used in customs affairs, procedures for inter-departmental co-operation, co-operation with foreign customs authorities, customs statistics, as well as other matters not related to the imposition of any obligation on participants in foreign trade activities or the definition of their rights. The Customs authorities did not have any power to establish customs administration principles, conditions of customs control or any regulation regarding a question of principle. He added that the vast majority of provisions of the CU Customs Code and other CU Agreements and Decisions relating to customs issues were of direct application, removing the element of FCS discretion from many customs operations.

282. The CU Customs Code established the right of appeal with regard to customs issues in Article 9. Articles 36-49 of Federal Law No. 311-FZ, contained detailed provisions on the right of appeal, so as to ensure compliance of national customs administrations and their officers with requirements in their decision-making, including action or inaction. Right of appeal could be exercised through lodging a complaint with the hierarchal superior customs administrations and/or through judicial procedures (for further details, see the Section "Framework for Making and Enforcing Policies" of this Report). To ensure transparency, Article 51 of Federal Law No. 311-FZ also required relevant authorities to publish legal acts of customs regulations in the official publications.

283. Pursuant to Article 181 of the CU Customs Code, a customs declaration had to be presented at the time of presentation of the goods to Customs authorities at the point of destination in the customs territory of the Russian Federation, i.e., when placed under one of the customs procedures, other than the customs procedure of customs transit, specified in Article 202, or at the day of completion of customs transit procedure, if imported goods were not declared at the point of destination. According

to Article 193 of the CU Customs Code, if the goods were not produced to the customs authority, which had registered the customs declaration, or to the other customs authority specified by the customs legislation of the member state within 30 calendar days from the day following the day of its registration or if the prohibitions and restrictions were introduced since then, the customs authority shall refuse to release such goods. Goods placed under the transit procedure were declared in accordance with Article 182 of the CU Customs Code. The representative of the Russian Federation added that Articles 38 to 41 of the CU Customs Code and Articles 85 to 96 of Federal Law No. 311-FZ provided for special simplified customs formalities for "Authorised Economic Operators," i.e., persons who met the requirements listed in Article 39 and Article 87, respectively, including:

- provision of guarantee for the payment of customs duties and taxes (amount varies);
- performance of foreign economic activities for at least one year;
- absence of tax arrears or unfulfilled obligation to pay customs payments, interest, or penalties; absence of repeated (two or more) customs administrative offences during the previous year;
- absence of a record of conviction for economic criminal offenses by the chief officers and employees conducting customs operations under the simplified procedures;
- use of an accounting system in their commercial documents for the foreign trade activity that enabled customs authorities to compare the information contained in such documents with the information presented to customs authorities in the process of customs clearance; and
- if the authorised economic operator exercises temporary storage of goods, compliance with the requirements for this status found in Article 89 of Federal Law No. 311-FZ.

284. A Member expressed concern that the procedures for registration of importers for the special simplified customs formalities referred to in paragraph 283 were quite cumbersome and that it would take several months to obtain authorization for such registration. The Member requested the Russian Federation to make a commitment to simplify the above procedures and to shorten the period required for issuing the above authorization. In response, the representative of the Russian Federation noted that the Russian Federation would continue its policy for the development of the procedures of special simplified customs formalities with respect to bona fide participants of foreign economic trade in the framework of the requirements established by Article 39 of the CU Customs Code and Article 88 of Federal Law No. 311-FZ with a view to increasing the effectiveness of the procedures of special simplified customs formalities.

285. The representative of the Russian Federation further explained that the CU Customs Code also provided for the maximum period that goods could be kept in temporary (bonded) storage. According to Chapter 25 of the CU Customs Code and Section 23 of Federal Law No. 311-FZ, goods under customs registration could be placed in temporary storage warehouses, prior to their release by the customs authorities. Temporary storage warehouses were owned by Russian legal persons, possessing operable storage facilities that could be used for ensuring the safety of goods, provided that the warehouse owner could present financial guarantees, and was ready to assume responsibility for the goods in favour of the owner. Customs authorities could also operate such storage facilities. In some cases, goods could also be temporarily stored in the warehouse of the importer (Articles 200 and 201 of Federal Law No. 311-FZ). Temporary storage of goods was limited to two months from the date following the date of registration by the customs authorities, a period that could be extended for a maximum of two more months, if customs clearance had not been concluded. According to Article 170 of the CU Customs Code, the CU Commission was authorised to determine a shorter term of storage for particular categories of goods. Items in the process of international postal exchange and luggage from passenger aircrafts that had not been collected could be held in temporary storage for up to six months. Upon expiration of the temporary storage period, the goods, that had not been placed under the customs procedure, were detained and subject to seizure for sale or destruction, as provided

for in Chapter 2 of the CU Customs Code. Nevertheless, the sum resulting from the sale of the goods would be kept for three months after the sale, during which it could be returned to the owner, upon request and after deduction of the customs charges, taxes and other expenses pertaining to the storage and sale of the goods. The representative of the Russian Federation referred Members to the Section "Regulation of Trade in Transit" of this Report for information on customs escort.

286. He further stated that Article 70 of the CU Customs Code set-out a list of customs payments (import duty, export duty, value added and excise taxes, customs fees and, as necessary, safeguard, anti-dumping and countervailing duties on imported goods). Article 186 of the CU Customs Code specified those persons who could be responsible for declaration of goods and payment of customs payments, and the legal grounds for exemption of persons or products from such payments was found in Article 80 and 81 (for further information on tariff exemptions, see the Section "Tariff Exemptions"; and on customs fees, see the Section "Fees and Charges for Services Rendered" of this Report). The CU Customs Code also authorised deferment of payments and making payments in instalments. Articles 132 to 136 of Federal Law No. 311-FZ of 27 November 2010 "On Customs Regulation" stipulated the grounds for deferment of payments and provided a list of circumstances in which they were permitted. Articles 89 to 90 of the CU Customs Code set-out the mechanism for remission of overpaid or over-recovered customs payments from the customs authorities, supplemented by Articles 147 to 149 of Federal Law No. 311-FZ. The customs authority was required to inform the payer of the overpaid or over-recovered customs payments within one month of the detection of the overpayment or over-recovery. Articles 91 to 93 of the CU Customs Code provided for the recovery of unpaid customs payments to the customs authorities, and Articles 150 to 160 of Federal Law No. 311-FZ detailed the procedures to be used. Chapter 28 of the CU Customs Code also specified the procedures and time-frames for releasing goods (Articles 195 to 201). Pursuant to Article 196 of the CU Customs Code, the customs authority had to take a decision on release of the goods not later than one working day from the date of registration of the customs declaration, unless specifically provided for elsewhere in the CU Customs Code, e.g., as provided for in Article 331, concerning intellectual property protection. According to Article 186.2 of the CU Customs Code, in case of a preliminary customs declaration, a decision on the release of the goods was required to take one working day from the date of presentation of the goods to the customs authority registering the declaration.

287. The representative of the Russian Federation also noted that if, when examining a customs declaration and any other documents or data, customs authorities discovered any signs suggesting that the information stated by the declarant might contain fictitious details influencing the amount of dutiable payments or that the declared information had not been properly evidenced, customs authorities could conduct an additional examination to accurately determine the necessary payments. If the examination could not be conducted within the time limits provided for the release of goods from customs control, the goods could be released upon presentation of a guarantee for the duty payments in the amount of the customs payments that might be additionally charged as a result of additional examination (Article 69 of the CU Customs Code).

288. The declarant, when securing a customs payment, had the right to use any kind of security envisaged by the CU Customs Code (Article 86), provided that the customs authority recognised, depending on the circumstances of each particular case, the reliability of the security used. In such case, the declarant was advised in writing of the amount required. Article 196 further provided that the goods must be released no later than one day following the date of registration of the customs declaration. Article 220 of Federal Law No. 311-FZ stated that this term could be prolonged until a security for customs payment was provided. Article 85 of the CU Customs Code provided for cases in which the security for customs payment was required and Article 86 specified the methods of providing a security for customs payment. The declarant could choose which method to use. These methods included: (i) a personal guarantee, including a surety bond; (ii) a payment in cash at

the desk of the cashier or transfer of funds to the account of the customs office at the Federal Treasury (cash deposit); (iii) a bank guarantee; or (iv) a mortgage of goods and other property. Each method was described in detail in Articles 140 to 146 of Federal Law No. 311-FZ (further information on the implementation of Article 13 of the Agreement on the Implementation of Article VII of the GATT 1994 was provided in the Section "Customs Regulations and Procedures" of this Report).

289. Some Members expressed concern that the one-day time period for examining and clearing goods allowed under Article 196 was subject to exceptions provided by the CU Customs Code and Federal Law No. 311-FZ, stating that this could unnecessarily hold up goods in clearance. In response, the representative of the Russian Federation explained that even before the maximum time period had been reduced from three business days (under Federal Law No. 61 of 28 May 2003 "Customs Code of the Russian Federation") to only one day, as provided for by the CU Customs Code, over 90 per cent of goods were cleared within one day or less.

290. Some Members expressed concerns regarding possible inconsistencies in the application of customs laws and regulations by regional customs authorities and stressed the need to ensure uniform and transparent implementation of customs regulations throughout the entire territory of the Russian Federation. Many Members also sought a clarification of Customs Order No. 25 of 15 January 2001 "On the Checkpoints for Entry into the Territory of the Russian Federation of Certain Categories of Goods" and other related orders of the SCC, which limited the number of customs land checkpoints for goods imported from 14 countries, including a number of ASEAN countries. Noting that a number of these 14 countries were WTO Members, these Members requested: (i) confirmation from the Russian Federation that this particular order and other related orders had been repealed; and (ii) a commitment that they would not be re-introduced in the future.

291. In response, the representative of the Russian Federation said that the uniform application of customs procedures was required by Article 7 of Federal Law No. 311-FZ, which provided for the uniform application of customs legislation by all customs bodies in the territory of the Russian Federation. Concerning the authority to limit the numbers of customs checkpoints for goods, pursuant to Article 190 of the CU Customs Code, Articles 10.4 and 205 of Federal Law No. 311-FZ, the customs authorities could designate customs checkpoints for declaration of imports and exports, respectively. He added that Customs Order No. 25 of 15 January 2001 had been abolished by Customs Order No. 517 of 24 May 2002 "On the Invalidation of Certain Legal Acts of the State Customs Committee of Russia". Further information on the designation of certain customs checkpoints for importation and exportation of goods was provided in the Section "Other Customs Formalities" of this Report and in Table 13 and Table 14.

292. He also noted that the Government had the right to carry out the analysis of acts and decisions of customs bodies and abolish them in case they were inconsistent with the requirements of the international treaties of the Russian Federation, including WTO obligations, CU Agreements, other CU legal acts, national legislation and other normative acts of the Russian Federation. He also added that any normative legal act regarding customs affairs could be declared void through a judicial procedure (he referred to the Sub-Section "Right of Appeal" of the Section "Framework for Making and Enforcing Policies" of this Report). The representative of the Russian Federation also explained that, pursuant to Article 104 of the CU Customs Code, Article 25 of Federal Law No. 311-FZ provided that the State would reimburse the losses incurred by persons as a result of damage caused by illegal resolutions, actions (omissions) of officials and other employees of customs authorities within the framework of fulfilment of office or labour duties by them, e.g., the untimely adoption, entry into force, and/or publication of a legal act whose adoption was stipulated by the normative legal acts of the Russian Federation or as a result of inaccurate information circulated by Customs authorities under the procedure set-out by the Federal legislation.

293. Members asked the Russian Federation to provide information on how the FCS and its regional offices published and/or made their rulings and other information available to importers and exporters. They noted that the FCS had sometimes issued administrative orders or taken decisions which were directly relevant for traders without making their contents known to traders or without publishing them. They asked the Russian Federation to explain how the customs reform would ensure that all legal acts were published and how all other decisions and information relevant to traders would be made publicly available. Members also sought a confirmation that relevant Customs Decisions, e.g. Orders and Letters, and decisions of local customs authorities that traders and other interested parties needed to be able to review and understand, would be made available promptly and at reasonable cost.

294. In response, the representative of the Russian Federation stated that, pursuant to Article 10 of the CU Customs Code, CU Agreements and other CU legal acts relating to customs issues would be available free of charge and published in its official and other printed publications, as well as through television, radio, information technology, and through other means. Furthermore, all FCS legal acts were to be made public, according to Article 51 of Federal Law No. 311-FZ. The CU Commission, as well as the customs authorities of the CU Parties, were required to ensure free access to information on their official websites on CU legal acts related to customs issues. The customs authorities were also obliged to consult with interested persons on customs matters, and, upon written request of such interested persons, to provide information in written form as soon as possible, but not later than the date fixed in the legislation of the CU Parties. For the Russian Federation, Article 8 of Federal Law No. 311-FZ provided that normative legal acts pertaining to customs had to be formulated in such a way, that a clear understanding by every person of his/her rights and obligations would be ensured. Furthermore, Article 51 also required customs authorities to provide access to draft legal acts, as well as to amendments and supplements to normative legal acts, in the area of customs, to the extent that it did not impede effectiveness of customs control. In addition, Article 15 of Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" provided the possibility of holding consultations and other procedures, aimed at ensuring transparency when carrying out the normative legal regulation of foreign trade activity. In particular, the above-mentioned procedures were to be carried out when preparing a draft normative legal act dealing with the right to conduct foreign trade activity. In a limited number of cases, authorities could avoid consultations, if such consultations would entail a delay in the adoption of a normative legal act of the Russian Federation affecting the right to conduct foreign trade activity which might inflict substantial damage to the interests of the Russian Federation.

295. The representative of the Russian Federation explained that normative legal acts of the FCS (e.g., acts with a binding effect throughout the territory of the Russian Federation) regulated customs procedures and customs requirements, customs rules, and the formats of customs documents. In response to concerns from Members with respect to unpublished documents, such as determinations of the FCS and its regional offices or "secret orders", the representative of the Russian Federation stated that the only time this occurred was in the case of certain legal acts destined for internal use of customs authorities. These acts could only pertain to customs officers' activities in relation to goods imported to or exported from the territory of the Russian Federation illegally, or to internal security of the FCS. In accordance with Article 8.4 of Federal Law No. 311-FZ, such acts could not contradict rules set by laws, presidential or governmental acts, or orders of Federal Executive bodies, nor provide any additional obligations for participants in foreign trade activities. These acts were also meant to ensure the proper implementation of customs legislation. Issued in the form of orders, briefings, letters, telegrams, teletype letters, these acts were not considered as normative legal acts, but as acts, which could only have a recommendatory character and be used internally for the sole purpose of a State body. In particular, "customs letters" containing recommended import valuations were sent to customs posts, to assist officials in assessing the value of certain imports. Such recommendations were not mandatory, were not published and were not

intended to be used as substitutes for the transaction value. The representative of the Russian Federation also noted that, pursuant to Government Decision No. 1009 of 13 August 1997 "On the Approval of the Rules for Preparing the Normative Legal Acts of the Federal Bodies of the Executive Power and their State Registration" (as last amended on 15 May 2010), a Federal Executive authority was prohibited from issuing normative legal acts in the form of letters. Further information on the operation of the risk management system and on the nature and scope of risk profiles were given in the Section "Customs Valuation" of this Report.

296. In response to further questions from Members of the Working Party concerning "secret orders", the representative of the Russian Federation added that the procedure for publication and making effective regulatory legal acts of Federal Executive Authorities was governed, in particular, by Presidential Decree No. 763 of 23 May 1996 "On the Procedure for the Publication and the Entry into Force of the Acts of the President of the Russian Federation, the Government of the Russian Federation and the Normative Legal Acts of the Federal Executive Bodies"; Government Decision No. 1009 of 13 August 1997 "On the Approval of the Rules for Preparing the Normative Legal Acts of the Federal Bodies of the Executive Power and their State Registration"; and Order No. 88 of 4 May 2007 "On the Approval of Explanations on the Application of Rules for Preparing the Normative Legal Acts of Federal Executive Power Bodies and on their State Registration" of the Ministry of Justice of the Russian Federation.

297. In regard to normative legal acts of the FCS, such acts were subject to mandatory publication pursuant to Article 15.3 of the Constitution of the Russian Federation with the exception of acts or parts thereof constituting State secrets. An exhaustive list of such information had been approved by the Law of the Russian Federation No. 5485-1 of 21 July 1993 "On State Secrets". The official organs for publication were Rossiiskaya Gazeta and the Bulletin of Regulatory Acts of Federal Bodies published by Yuridicheskaya Literatura publishing house of the Administration of the President, issued monthly since 1998. Normative legal acts of the FCS subject to State Registration with the Ministry of Justice became enforceable only after they had been registered and officially published.

298. The FCS, in addition to official government publication, was required to publish all of its normative legal acts in its own official publications, the Customs Bulletin and Customs Gazette, as provided in Article 51 of Federal Law No. 311-FZ. He added that the FCS had its own internet website where the necessary information related to its activity, adopted normative legal acts and comments formulated on these texts were available (www.customs.ru). The FCS also published the explanatory documents. Legal information reference systems were also easily accessible on the internet. Further information on legal requirements for the publication of legal acts was given in paragraphs 1408 to 1428 of the Section on "Transparency" of this Report.

299. The representative of the Russian Federation further stated that, as provided for in Article 52 of Federal Law No. 311-FZ, customs authorities were responsible for providing advisory services to all interested persons with regard to customs issues such as classification and valuation and other issues within their competence. Such services were to be delivered as quickly as possible, and no later than one month from the date of receipt of the enquiry.

300. A Member invited the Russian Federation to make available an English-language version of its customs website (www.customs.ru) as a means of facilitating access to information on the customs system of the Russian Federation to Members. In response, the representative of the Russian Federation informed Members that documents in English could be found on http://eng.customs.ru/.

301. In response to a question from a Member concerning the possibility for a foreign entity to import goods into the Russian Federation, the representative of the Russian Federation noted that

Chapter 27 of the CU Customs Code (in particular, Articles 186 to 194) specified the rights and obligations of persons, including foreign persons not registered as a Russian juridical entity or individual entrepreneur, to import goods, into the Russian Federation and perform all necessary customs procedures, including payment of customs duties and charges. Additional provisions were contained in Article 210 of Federal Law No. 311-FZ. Further discussions on this issue could be found in the Section "Registration requirements for import/export operations" of this Report. He also stated that a foreign person, importing goods into the Russian Federation, could also place the goods under the regime of a bonded warehouse. In that case, customs duties were to be paid at the moment of releasing the goods to free circulation in the territory of the Russian Federation by the person who would pick up the goods and take the legal responsibility for them.

302. The representative of the Russian Federation confirmed that no law, regulation, or administrative rulings of general application, including customs measures, giving effect to the Agreement on Implementation of Article VII of the GATT 1994 (Customs Valuation Agreement), would be enforced before it was published. The Working Party took note of these commitments.

- **Ordinary Customs Duties**

303. The representative of the Russian Federation explained that from 1 January 2010, the legal basis for the customs tariff of the Russian Federation was the Agreement on Common Customs and Tariff Regulation of 25 January 2008 between the Governments of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation (hereafter: Agreement on Customs Regulation), as elaborated in the Common External Tariff of the CU (CET), and approved in Decision No. 18 of 27 November 2009 "On the Common Customs Tariff Regulation of the Customs Union of the Republic of Belarus, Republic of Kazakhstan and the Russian Federation" of the Interstate Council of the EurAsEC (hereafter: Decision No. 18). Pursuant to CU Commission Decision No. 130 of 27 November 2009 "On Common Customs and Tariff Regulation of the Customs Union between the Republic of Belarus, Republic of Kazakhstan and the Russian Federation" (hereafter: Decision No. 130), tariff rates were set by the CU Commission. Furthermore, the rules for common CU tariff preferences to developing and least-developed countries were elaborated in the Protocol on the Provision of Tariff Preferences of 12 December 2008 (hereafter: Protocol on Tariff Preferences).

304. According to the Agreement on Customs Regulation, the CU Commission could issue decisions determining CET tariff rates. These CU Commission decisions were based on the results of negotiations among the CU Parties. As from 1 January 2010, the CU Parties had no authority to change import customs duty rates unilaterally. The representative of the Russian Federation further explained that all exemptions from the CET for each CU Party were provided for in the unified list of tariff exemptions as described in Sections "Tariff Exemptions" and "Trade-related Investment Measures (TRIMs)" of this Report.

305. The representative of the Russian Federation explained that tariff decisions would normally be taken by the CU Commission by a two thirds qualified majority of votes, except for sensitive products (the 5,012 specified tariff lines included in Table 15) on which consensus was required. Consensus might also be required in other cases specified in the agreements comprising the legal basis of the CU. He added that within the Russian Federation, the Government Commission for Economic Development and Integration was responsible for establishing the position of the Russian Federation on customs and tariff policies, including the development of proposals to the other CU Parties to set or change import duty rates for consideration at the meetings of the CU Commission as provided for in Article 4 of the Agreement on Customs Regulation.

306. The representative of the Russian Federation further explained that the Federal Customs Service of the Russian Federation was not authorised to change import tariff levels, or introduce a

specific method of calculation thereof, by other means (such as recommendations, letters, "instructive letters", telegrams, or teletype messages) than as set-out in the CU Customs Code, the CU Agreement on Customs Valuation, the CU Agreement on Common Rules of Origin of Goods, relevant CU Commission decisions, and international agreements to which the Russian Federation was a party and the normative legal acts of the Russian Federation concerning customs and tariff matters.

307. The representative of the Russian Federation informed Members that the CET was based on the 2007 Harmonized Commodity Description and Coding System (HS) of the World Customs Organization (WCO). This System had originally been introduced in the Russian Federation on 1 January 2007 by Government Resolution No. 718 to replace the HS 2002 System previously used. In 2007-2009, the commodity nomenclature of the Russian Federation had been further modified beyond the HS 2007 6-digit level. The present CET Code nomenclature differed from the system of the Russian Federation introduced on 1 January 2007.

308. Some Members requested that the consolidated results of the tariff negotiations with Members be converted from HS 1996 to the tariff nomenclature applicable in the Russian Federation at the time of its accession to the WTO. They also requested that concordance tables for each change of the tariff nomenclature from HS 1996 to the latest nomenclature being applied by the Russian Federation (i.e., HS 1996 to HS 2002 to HS 2007 to the CET Code nomenclature) be provided to Members for information and to permit verification of the accuracy of the conversion of the results of bilateral tariff negotiations into the final consolidated Schedule of Concessions and Commitments on Goods of the Russian Federation.

309. In response, the representative of the Russian Federation said that the Russian Federation would ensure that Members were provided with the information necessary to verify commitments in the nomenclature it applied on the date of accession.

310. The representative of the Russian Federation noted that currently the CET consisted of 11,170 tariff lines. A significant majority of tariff lines (9,208) were subject to *ad valorem* duties and 216 tariff lines were subject to specific duties. The *ad valorem* rates and *ad valorem* equivalents of combined and specific rates ranged from 0 to 30 per cent, except for:

- live swine (ex HS 0103);
- beef, pork and poultry imported in excess of certain amounts (out-of-quota meat) (ex HS 0201, 0202, 0203 and 0207);
- caviar (HS 1604 30 100);
- sugar (HS 1701 11, 1701 12, 1701 91, 1701 99);
- beer and ethyl alcohol (HS 2203, 2207, 2208 90 910 0, 2208 90 990 0);
- used truck tractors older than five years (HS 8701 20 901 3);
- used buses older than five years (ex HS 8702 10 192 1, 8702 10 199 1, 8702 90 192 1, 8702 90 199 1);
- used passenger motor cars (ex HS 8703);
- used trucks older than five years (ex HS 8704); and
- furniture with a cost lower than €1.8 per 1 kg (HS 9403 50 000 1, 9403 60 100 1, 9403 60 900 1).

Examples of tariff items that were subject to specific rates were apples, chocolate, beer, and strong alcoholic beverages.

311. The representative of the Russian Federation explained that the remaining 1,746 tariff items in the CET were subject to combined duties. He explained that combined (mixed) duties were expressed in terms of alternative rates, one as an *ad valorem* rate and the other as a specific rate that

served as a minimum rate of duty, e.g., 5 per cent, but no less than €1 per kilogram. Either the *ad valorem* duty rate or the specific duty rate was applied depending exclusively on the customs value of the good. Combined tariff rates were applied to: live swine, meat, certain species of fish, fermented or acidified milk and cream, whey, butter and cheeses, bird's eggs, flowers, tomatoes, cucumbers, bananas, citrus fruits, coffee and tea, rice, malt and starches, preserved vegetables, plant oils, sausages and other preparations of meat, juices, tea and coffee extracts, yeasts, food preparations not elsewhere specified (ex HS 2106), waters and ethyl alcohol, preparations used in animal feeding, cigars and cigarettes, sodium sulphides, resorcinol and its salts, maleic anhydride, bleaches and soap, dextrin and modified starches, plastics and articles thereof, tyres of rubber, leather and fur articles, articles of paper and paperboard, nonwovens, carpets and textile floor coverings, coated fabrics, textiles, footwear, headgear, artificial flowers, ceramic products, imitation jewellery, aluminium and articles thereof, tin and articles thereof, apparels, home electronics, cars, watches and furniture.

312. In response to comments of some Members that, combined (mixed) and specific rates should be replaced by *ad valorem* duties upon the accession of the Russian Federation, in order to increase transparency and reduce distortions in trade, the representative of the Russian Federation noted that the CET ensured a similar effective rate for the *ad valorem* and specific alternatives of combined rates. He also informed Members that the combined (mixed) rates were subject to bilateral tariff negotiations and their results would be reflected in the Schedule of Concessions and Commitments for Goods of the Russian Federation.

313. As a result of these negotiations, the representative of the Russian Federation confirmed that for goods subject to a combined duty (for example, in the form of 5 per cent, but not less than 2 €/kg), it would be ensured, whether by the Russian Federation or the competent bodies of the CU, that the *ad valorem* equivalent of the specific duty rate for each tariff line, calculated based on the average customs value, would be no higher than the alternative *ad valorem* duty rate for that tariff line in the Schedule of the Russian Federation in accordance with the following provisions:

- On an annual basis, it would be determined, whether by the Russian Federation or by the competent bodies of the CU, whether it was necessary to reduce the applied specific duty rate to ensure that it was no higher than the applied *ad valorem* duty rate;
- This calculation would be done two months before the end of each calendar year, beginning in the first calendar year after the date of the accession of the Russian Federation;
- Data for the calculations would be from a three-year period, determined by taking trade data from a recent five-year representative period and excluding data for years with the highest and lowest trade for that period;
- Data on trade with countries or territories with which the Russian Federation had a Customs Union or free trade agreement would be excluded from the calculation; and
- Data would be drawn from the Official Customs Statistics of the Russian Federation notified to the WTO Integrated Database (IDB) unless such data was unavailable. In such case, IDB and COMTRADE data would be used.

The Russian Federation would inform Members of the results of these calculations on a tariff line basis and, if the results showed that it was necessary to reduce the specific duty rate alternative, this reduction would be made and would go into effect automatically, beginning on 1 January of the year following the calculation. In no case would the applied duty (whether expressed in *ad valorem* or specific terms and whether determined by the Russian Federation or the competent bodies of the CU) exceed the bound rate of the combined duty. If, after reductions based on the annual re-calculation and changed circumstances, the specific duty rate alternative became significantly lower than *ad valorem* alternative rate of duty, the Russian Federation reserved the right to modify

permanently the form of the duty to a purely *ad valorem* duty, at a level that complied with the binding for the relevant tariff line. The Working Party took note of these commitments.

314. According to Article 1 of the Agreement on Customs Regulation, the main objectives and purposes of the CET were: (i) to rationalise the structure of the import of goods to the common customs area of the Parties; (ii) to maintain a rational proportion of imported and exported goods on the territory of the common customs area of the Parties; (iii) to create conditions for progressive changes in the structure of manufacturing and consumption of goods in the CU; (iv) to protect the economy of the CU from unfavourable influence from foreign competition; and (v) to provide conditions for effective integration of the CU into the world economy.

315. Some Members expressed concerns that the aforementioned objectives (ii), (iii) and (iv) could be used to introduce WTO incompatible import or export tariff restrictions which could discriminate against foreign goods and asked for an explanation. The representative of the Russian Federation explained that, in his view, most countries used tariffs to secure favourable conditions for the development of their domestic industry and agriculture by establishing higher duty rates on goods that were sensitive to competition with imported goods and that duties could be used to maintain a positive trade balance as well as a balanced trade structure, meaning that a positive trade balance could be secured not only through export of raw materials and semi-finished products. He confirmed that only WTO compatible tariff measures would be used by the Russian Federation and the competent CU bodies from the date of the accession of the Russian Federation to the WTO.

316. Some Members expressed concerns that paragraphs 2 and 7 of CU Commission Decision No. 130 could allow the application of import duties in a discriminatory manner, either *vis-à-vis* third countries or in relation to certain imports exempted from duties for investment projects. The representative of the Russian Federation confirmed that all import tariffs were applied by the Russian Federation in a non-discriminatory manner *vis-à-vis* third countries on the basis of trade and cooperation agreements, except if otherwise provided for under regional trade agreements or the CU Generalised System of Trade Preferences. Exemptions from the CET within the framework of investment projects were described in Sections "Tariff Exemptions" and "Trade-related Investment Measures (TRIMs)" of this Report, as appropriate.

317. The representative of the Russian Federation informed Members that in accordance with the Agreement on Customs Regulation and the Protocol on Tariff Preferences, the Russian Federation applied the common CU Scheme of Tariff Preferences for developing and least-developed countries (CU GSP Scheme), which was based on the GSP scheme in force in the Russian Federation before 1 January 2010. Lists of developing countries beneficiaries of the CU GSP Scheme (Table 16), least-developed countries beneficiaries of the CU GSP Scheme (Table 17) and goods originating and imported from developing and least-developed countries subject to the CU GSP Scheme (Table 18) were established by Decision No. 18 and adopted by Decision No. 130. Under the CU GSP Scheme, the import duties applicable to products eligible for tariff preferences and originating from developing countries were at the level of 75 per cent of the MFN duty rates and from least-developed countries at the level of zero per cent.

318. In response to a question by one Member, the representative of the Russian Federation explained that tariff preferences for goods originating from developing or least-developed countries that were subject to the CU GSP Scheme would be granted if the goods were purchased in that country from a resident of the country. Such goods had to be delivered directly or in transit through third countries to the territory of the CU, without them being put into free circulation in those third countries in case of transit. As provided for in the Annex to the CU Agreement on Rules for Determining the Origin of Goods from Developing and Least Developed Countries of

12 December 2008, goods were also considered purchased in the country of origin if they were purchased at an exhibition or fair.

319. In response to requests from Members, the representative of the Russian Federation confirmed that, upon its accession to the WTO, the GSP Scheme for developing and least-developed countries would be applied, whether by the Russian Federation or by the competent bodies of the CU, in conformity with the relevant provisions of the WTO Agreement. The Working Party took note of this commitment.

320. In response to a question of a Member regarding extension of "Duty-free and Quota-free" provisions as a part of the commitment made to Least-developed countries at the WTO 6th Ministerial Conference, that took place in Hong Kong in 2005, the representative of the Russian Federation stated that this Declaration would be implemented, whether by the Russian Federation or by the competent bodies of the CU, from the date of the accession of the Russian Federation to the WTO.

321. In response to questions concerning the functioning of world-price contingent tariffs for imported raw cane sugar, a system that had been introduced by Resolution No. 720 of 29 November 2003 "Regarding Tariff Regulation of Import of Raw Sugar and White Sugar in 2004" and that had entered into force on 1 January 2004 and that was now applied pursuant to CU Commission Decision No. 131 of 27 November 2009 "Concerning Tariff Regulation of Sugar Import to the Territory of the Customs Union within the Eurasian Economic Community", the representative of the Russian Federation said that the Russian Federation was both a sugar-producing and a sugar-importing country. Beet sugar production was important from an agricultural and social point of view. The world-price contingent tariff system aimed at maintaining the profitability of the beet sugar industry of the Russian Federation. A minimum profitability of 10 to 12 per cent was considered necessary to ensure the development of this sector. Taking into account the average cost of production of white beet sugar in the Russian Federation (US$420 per tonne), the variations of cane sugar world prices (between US$100 and US$300 per tonne), the customs duty applied to imported cane sugar was set at between US$140 and US$270 per tonne. Every month, the Ministry of Economic Development of the Russian Federation monitored the evolution of the raw cane sugar world prices and calculated the average price for the two previous months. The customs duty was established on the basis of the data presented to the Ministry as of the first day of the month following the receipt of the data. This procedure was transparent, predictable and automatic.

322. Some Members noted that the system of world price-contingent rates of import duty for raw cane sugar of HS sub-heading 1701.11 that had replaced the tariff rate quota on 1 January 2004 was a measure of a kind required to be eliminated in the Uruguay Round and was prohibited under Article 4 of the WTO Agreement on Agriculture. These Members called for its elimination prior to the date of accession. These Members also noted that, from 1 January 2004, the Russian Federation specified in its customs tariff schedule a series of tariff lines at the 10-digit level for raw cane sugar. The 10-digit tariff lines established different import duties according to the average monthly price in US dollars on the New York Commodity and Raw Materials Exchange. The Members noted that such a system would provide the means for the continuous and automatic adjustment of the import tariff on raw cane sugar of the Russian Federation, thereby impeding the transmission of world prices to the domestic market and preventing opportunities for competition in the market of the Russian Federation. Certain Members reserved their position in relation to this system of tariffs which they considered incompatible with Russia's WTO obligations. These Members expressly reserved the right to pursue this issue pursuant to the WTO Agreement including the General Agreement on Tariffs and Trade and the Understanding on Rules and Procedures Governing the Settlement of Disputes.

323. The representative of the Russian Federation stated that, in his view, the Russian Federation's sugar regime was in compliance with the WTO Agreement and noted that price-based duty rates were

widely used by WTO Members. He also informed Members that the Russian Federation confirmed its intention to consider the reform of its tariff regime for sugar in 2012, with a view to its further liberalisation in conformity with the WTO Agreement. The Working Party took note of this commitment.

324. In response to requests from Members, the representative of the Russian Federation confirmed that the Russian Federation would submit its Information Technology Agreement (ITA) Schedule to the ITA Committee for verification, in accordance with ITA procedures, in order to enable the Russian Federation to join the ITA when it became a WTO Member. The Working Party took note of this commitment.

325. The Russian Federation undertook bilateral market access negotiations on goods with Members of the Working Party. The results of these negotiations were contained in the Schedule of Concessions and Commitments on Goods and form Annex I to the Protocol of Accession.

- Tariff Exemptions

326. The representative of the Russian Federation noted that from 1 January 2010, the legal basis for granting tariff exemptions on goods imported into the CU could be found in the Agreement on Common Customs and Tariff Regulation of 25 January 2008 between the Governments of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation (hereafter: Agreement on Customs Regulation). Articles 5 and 6 of this Agreement provided a framework for a unified CU list of tariff exemptions. Article 8 authorised the CU Commission to establish the unified lists. More specific provisions regarding the CU unified list of tariff exempted goods and the implementation of the Agreement on Customs Regulation in this area were elaborated in the Inter-governmental Council Decision No. 18 of 27 November 2009 "On Common Customs Tariff Regulation of the Customs Union of the Republic of Belarus, Republic of Kazakhstan and the Russian Federation" (hereafter: Decision No. 18) and the CU Commission Decision No. 130 of 27 November 2009 "On Common Customs and Tariff Regulation of the Customs Union between the Republic of Belarus, Republic of Kazakhstan and the Russian Federation" (hereafter: Decision No. 130). The Agreement and Decisions also provided for other exemptions or reductions from the Common External Tariff (CET) rates, e.g., tariff concessions for investment purposes (further described in Section "Trade-related Investment Measures (TRIMs)" of this Report), tariff preferences for developing and least-developed countries (further described in Section "Ordinary Customs Duties"), tariff rate quotas (further described in Section "Tariff Quotas"), and special limited derogations for individual CU Parties from the CET as elaborated in the Protocol on Conditions and Procedure for Use in Exceptional Cases of the Rates of Import Customs Duties other than Common Customs Tariff Rates of 12 December 2008 (hereafter: Protocol on Exceptions from the CET).

327. The representative of the Russian Federation said that prior to 1 January 2010, Articles 34 and 35 of the Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as last amended on 28 June 2009) provided the Government the authority to grant tariff exemptions and established the list of categories of goods which were not subject to customs tariffs. These authorities were transferred to the CU Commission on 1 January 2010. He added that appropriate amendments to the Customs Tariff Law and the Federal Law "On Foreign Trade Regulation" of the Russian Federation to confirm these were being developed. Resolutions of the Government formerly issued in accordance with the provisions of the Customs Tariff Law also had provided for some tariff exemptions. These legal instruments either were in the process of being terminated or amended in accordance with CU Decisions. The corresponding draft legislation was being developed by the Federal Customs Service of the Russian Federation.

328. The representative of the Russian Federation added that Article 6 of the Agreement on Customs Regulation provided for the unified list of CU-wide exemptions from the customs tariff rates for the following categories of goods: (i) means of transport of international shipments of freight, baggage and passengers, and goods that maintain them; (ii) products of fishing operations owned or leased by entities and individuals of the CU Parties; (iii) goods imported for official or personal use by third countries' diplomats; (iv) currency and securities in accordance with the Parties' national legislation; (v) goods imported as humanitarian or disaster aid; (vi) goods imported as assistance (including technical assistance) and charity from third countries and international organizations; (vii) goods covered by import customs regimes which call for such duty exemption; (viii) goods imported by individuals for their own use, in accordance with customs regulation legislation; and (ix) goods subject to government expropriation by the CU Parties as provided for in their legislation.

329. In response to concerns from Members regarding MFN treatment in respect of space equipment, the representative of the Russian Federation stated that Federal Law No. 191-FZ of 10 November 2006 "On Amending Article 35 of the Law of the Russian Federation on the Customs Tariff and Article 150 of Part Two of the Tax Code of the Russian Federation" had introduced duty free access for space equipment on an MFN basis. He further noted that, after 1 January 2010, Article 5 of the Agreement on Customs Regulation provided that goods imported within the framework of international cooperation of the CU Parties, including the Russian Federation, in the field of research and exploration of space, and also within the agreements regarding services in spacecraft launch and the goods imported for research and use in the exploration of space and spacecraft launch could be exempted from tariffs. The specific list of above-mentioned goods to be exempted was approved by CU Commission Decision No. 727 of 22 June 2011.

330. Responding to questions from Members, the representative of the Russian Federation stated that, in accordance with Article 5 of the Agreement Customs Regulation, tariff exemptions (or lower duties) also could be established for goods imported as a contribution to the charter capital of an investment approved by national legislation.

331. The representative of the Russian Federation informed Members that the CU Parties could amend the provisions of the Agreement on Customs Regulation through separate Protocols to the Agreement. The CU Commission was authorised by this Agreement and Decision No. 18 to operate the CET, including the authority to add or remove goods from this list of exemptions by a two thirds vote upon request of a CU Party or on its own initiative. A consensus vote was required, if a CU Commission Decision would modify the unified list of exemptions concerning "sensitive products" defined by the CU Parties, or where consensus was specifically required in accordance with provisions of a separate CU legal act.

332. The representative of the Russian Federation noted that Article 6 of the Agreement on Customs Regulation also provided that goods could be exempted from the customs duty within the framework of customs regimes provided for in relevant customs legislation e.g., the CU Customs Code. Article 80 of the CU Customs Code listed the situations when customs duties need not be paid, which reflected circumstances faced by customs officials in the course of customs processing. These circumstances included: (i) when it was provided for in accordance with the legislation of the CU Parties (e.g., CU Commission Decision No. 130 or the Federal Law "On Customs Regulation") or the provisions of the CU Customs Code; (ii) when customs duties had already been paid or when the amount owed was less than €2; (iii) when goods were exempted from customs duties during the period of validity of such an exemption and when fulfilling the conditions, under which such exemption was granted; (iv) when goods were placed under customs procedures (regimes) not providing for such payment; (v) when the total customs value of goods, imported by one person on one invoice did not exceed €200; (vi) when goods had been destroyed or irretrievably lost as a consequence of an accident, *force majeure*, or as the result of natural deterioration under normal

transportation and storage prior to their release; (vii) when goods had been converted into property of a CU Party in accordance with its national legislation; and (viii) when goods were not released.

333. In response to a question from a Member, the representative of the Russian Federation informed Members that in accordance with Article 2 of the Protocol on Exceptions from the CET, the CU Commission could decide that a lower or higher duty rate than the CET would be applied by one of the CU Parties, if one of the following exceptional circumstances existed: (i) such a measure was a necessary condition for the development of industries of that CU Party; (ii) the CU Party concerned faced an acute shortage of goods; (iii) such a measure was necessary to address the socially relevant needs of the population of the concerned CU Party; or (iv) to address the needs of production, which depended largely on traditional imports from third countries and could not be implemented through the production of this or similar goods in the CU. Article 4 of this Protocol provided that the CU Commission Decisions, in these cases, were adopted by consensus and that a different tariff rate by one CU Party could be applied for no longer than six months, unless extended, following the relevant procedures foreseen in the Protocol. The list of all tariff exemptions granted under the Protocol on Exceptions from the CET and currently applied by the individual CU Parties was included in Table 19.

334. Some Members noted that certain tariff exemptions granted currently or in the past for investment purposes (automobiles and Production Sharing Agreements (PSA) projects) or to promote domestic industry (aircraft) continued to be of concern. These Members sought a commitment from the Russian Federation to use its authority to grant such exemptions in conformity with WTO provisions. A Member noted, in particular, that the future WTO obligations of the Russian Federation required the Russian Federation to provide MFN treatment and to waive the import duties applied to certain imports of space equipment, and also required the Russian Federation to confirm that discriminatory tariff exemptions for aircrafts had been terminated.

335. The representative of the Russian Federation replied that further information on the tariff exemptions granted currently or in the past by the Russian Federation for investment purposes were discussed in the Sections on "Trade-related Investment Measures (TRIMs)" and "Industrial policy, including subsidy policies" of this Report. Goods imported to be used in work and operations specified in Product Sharing Agreements were exempted from the import tariff, pursuant to Point 9 of Article No. 346.35 of the Tax Code of the Russian Federation which remained in effect until the CU Commission issued a Decision in respect of goods imported under PSAs. Tariff exemptions for aircraft had been terminated in the Russian Federation, but were being considered on a temporary basis in the context of requests by certain CU Parties for imports of certain large commercial aircraft. These tariff exemptions had not yet been approved or implemented.

336. The representative of the Russian Federation informed Members that the Russian Federation, at this time, did not utilize any other tariff exemptions than those described in this and other relevant Sections of this Report.

337. The representative of the Russian Federation confirmed that no later than from the date of accession any tariff exemption for space equipment would be provided on an MFN basis. The Working Party took note of this commitment.

- Tariff Quotas

338. Some Members expressed concerns regarding the decision of the Russian Federation, in 2002, to have recourse to tariff rate quotas (TRQs), particularly on products that were previously subject to tariffs only. These Members considered that the introduction of TRQs had been a step backward from the trade liberalization that should be expected by acceding to the WTO and that, in their view, a

tariff-only regime would be preferable as it would allow for the market to select suppliers that provided the best combination of price, quality, and stable offer of goods. They requested a description of the current and prospective legal authority for introducing TRQs and determining the rules for allocating quota shares among importers as well as any related licensing procedures in the Russian Federation and in the CU. Members noted that any method of allocating quotas or licenses must be consistent with WTO provisions, notably Articles I, II, VIII, X, XI, and XIII of the GATT 1994, the Agreement on Import Licensing Procedures and Article 4 of the Agreement on Agriculture. Several Members also stressed that the Russian Federation had to ensure that any TRQs would preserve existing levels of trade, provide annual growth and would be limited in time. In any case, full details of tariff quota administration measures should be provided in order to assess their conformity with WTO provisions.

339. The representative of the Russian Federation stated that, pursuant to the provisions of Article 8 of the Agreement on Common System of Customs Regulation of 25 January 2008, the CU Commission was the competent authority to introduce TRQs and to determine the rules for allocation of in-quota volumes. The Agreement on Conditions and Mechanism of Implementation of Tariff Rate Quotas (hereafter: TRQ Agreement) was signed by the CU Parties on 12 December 2008, and entered into force on 1 January 2010.

340. Article 2 of the TRQ Agreement set-out the legal basis for establishing TRQs within the CU. Both the allocation of quotas among the CU Parties and the method of quota allocation among importers within the CU were subject to approval by the CU Commission. The TRQ Agreement specifically provided that the method of allocation of shares in the quota among importers must be non-discriminatory. Article 5 of the TRQ Agreement set-out the general non-discrimination principle in allocation of TRQs amongst importers based on their form of ownership, place of registration or position in the market. In the Russian Federation, TRQ allocations could be distributed amongst foreign-owned as well as Russian-owned firms established as Russian legal entities, as well as natural persons registered as individual entrepreneurs. If the CU Commission decided to establish a TRQ, the Decision would stipulate the period of its implementation. In cases when country-specific TRQs (CSTRQs) were allocated, the Commission would inform all interested countries about the volume of their respective CSTRQs. The CU Commission published information on the global volume of the TRQ and the period of its implementation, in- and out-of-quota rates, and its allocation among exporting countries. The allocation of CSTRQs was based on results of consultations with major suppliers, i.e., those supplying at least 10 per cent of imports, or on trade statistics for a previous representative period, which was normally three years. The Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as last amended on 8 December 2010), which established the general legal framework for the establishment and administration of TRQs at the national level, was in force, but the relevant provisions of the CU agreements prevailed in case of contradiction (according to Article 38 of that Law).

341. The representative of the Russian Federation further explained that each year the CU Commission established the list of goods subject to TRQs, the volume of TRQs, and whether CU Bodies or national bodies acting under national law would be responsible for the administration of TRQs. The respective list of such goods for the year 2011 and TRQ volumes were established by CU Commission Decision No. 505 of 18 November 2010. These TRQs covered pork, poultry and bovine meat (see Table 39). By that Decision, the CU Commission also determined that, in the year 2011, the TRQs in the CU Parties would be administered by the Governments of the CU Parties in accordance with national legislation. In the Russian Federation the rules on administration of TRQs for the year 2011 were set-out in Government Resolution No. 1111 of 24 December 2010, implementing CU Commission Decision No. 505 in the Russian Federation.

342. The representative of the Russian Federation further informed Members that customs clearance of goods subject to TRQs was carried out on the basis of a licence issued by the competent authority in the relevant CU Party. The licence would be issued on the basis of an application submitted by an importer who had been allocated a share of the in-quota volume.

343. In response to a question from a Member, the representative of the Russian Federation explained that necessity to establish TRQs on imports of beef, pork and poultry was caused by the need to create favourable conditions for the development of respective domestic industries which substantially suffered from increased imports. He noted that a two-level (in-quota and out-of quota) tariff had been applied to imports of beef (HS 0201 and HS 0202) and pork (HS 0203) since April 2003. From 1 January 2006, the safeguard quota on poultry was converted into a TRQ. TRQs provided an opportunity to import a certain quantity of frozen, fresh and chilled beef, pork and poultry per year at a lower duty. In response to a question from a Member, the representative of the Russian Federation noted that, currently there was no intention of the CU Parties to establish CU-wide TRQs in place of current national TRQs.

344. Concerning the TRQ for sugar, he noted that this TRQ had been applied in the Russian Federation from 2001 to 2003 to imports of raw sugar originating from GSP beneficiaries. He added that the TRQ on raw sugar had been eliminated pursuant to Government Resolution No. 720 of 29 November 2003. Currently, raw sugar imports were subject to import tariffs only.

345. A Member of the Working Party said that it considered the elimination of the preferential tariff rate quota on raw cane sugar mentioned in paragraph 344 on 31 December 2003 to be a positive step given that this measure had represented an increase in the level of import restriction on previous levels. This Member, however, considered that a backward step had been taken on 1 January 2004 by the replacement of the tariff quota not with a single rate of import duty but a world-price contingent import tariff, which was a measure of a kind required to be eliminated in the Uruguay Round and prohibited under Article 4.2 of the WTO Agreement on Agriculture.

346. In response, the representative of the Russian Federation stated that this kind of duty did not differ from ordinary customs duties, and, thus was subject to bilateral tariff negotiations. He added that such types of rates were widely used by WTO Members. He referred Members to paragraph 321 of the Section "Ordinary Customs Duties" of this Report for further details.

347. Regarding the TRQs on beef, pork and poultry, the representative of the Russian Federation informed Members that the quantities allowed for importation under the TRQ regime in 2011, as established by the CU Commission Decision No. 505, were reproduced in Table 40. Imports in excess of these amounts were subject to a higher duty. The distribution of quotas within TRQs on beef, pork and poultry was based on the historical shares of main suppliers of the Russian Federation. He noted that high-quality beef had been excluded from the TRQ regime pursuant to Government Resolutions.

348. Pursuant to Government Resolution No. 1111 of 24 December 2010, the Ministry of Economic Development of the Russian Federation was the body responsible for the distribution of in-quota volumes within the TRQs. The Ministry of Industry and Trade (the MIT) of the Russian Federation was the body responsible for issuing non-automatic licenses for imports under TRQs.

349. Regarding the previously existing practice of distributing the TRQs by auctioning, some Members requested a clarification of whether the Russian Federation or the CU intended to use auctioning of TRQs in the future. If so, these Members requested a confirmation that there would be no legal requirements to participate in TRQ auctions that could favour local production, such as

requirements to enter into contracts to purchase domestic products or requirements to provide domestic producers with inputs. Several Members stated that, to the extent that any auction charges associated with the allocation of TRQs exceeded the tariff bindings of the Russian Federation, they would be inconsistent with the obligations of the Russian Federation under Article II of the GATT 1994. In addition, auctioning fees were inconsistent with Article 4.2 of the Agreement on Agriculture, as they increased the effective price of importation to the equivalent price of imports at the out-of-quota rate and could, therefore, be considered a "similar border measure", as referred to in Article 4.2 of the Agreement. The existence of minimum auction prices would also violate Article 4.2 of the Agreement on Agriculture as they would serve as a minimum import price by placing a floor under the auction price. They also noted that allocation of quotas without regard to Articles XI and XIII of the GATT 1994 would violate WTO provisions. These Members sought a commitment from the Russian Federation that any fees, charges or revenues collected from auctioning TRQ volumes would not exceed the bound rate of duty established for the product concerned. Some Members also maintained that the auctioning method for distributing TRQs was not fully consistent with the GATT 1994 and discriminated against those Members that did not provide export subsidies.

350. In response, the representative of the Russian Federation noted, that since 2006, the auctioning method of distributing part of the TRQs volumes had not been used and that the entirety of the volume of products subject to TRQs was distributed between importers in accordance with their historical shares in imports. A new entrant had to import the meat under the out-of-quota duty rate to be included later in the list of historical importers.

351. The representative of the Russian Federation confirmed that TRQs applied in the Russian Federation, whether by the competent CU Body or authorities of the Russian Federation, would not be allocated through auctioning. The Working Party took note of this commitment.

352. Some Members expressed concern that implementation by the Russian Federation of the different price or quality-based definitions for High Quality Beef (HQB) set-out in Russia's Schedule of Concessions and Commitments on Goods could lead to discrimination between like products. Those Members stressed that the Russian Federation should ensure that application of the HQB definitions set-out in the relevant section of the Schedule of Concessions and Commitments of the Russian Federation on Goods did not discriminate against like products imported from any Member. In response, the representative of the Russian Federation confirmed that it did not intend to apply the definitions of HQB to discriminate against imports of like products. Furthermore, the Russian Federation confirmed that its customs service would be in a position to verify the quality and value of products claiming to be classified as HQB in accordance with the definitions included in the relevant section of the Schedule of Concessions and Commitments of the Russian Federation on Goods and would ensure that like products imported from any Member were accorded treatment no less favourable than that accorded to like products imported from any other Member, as provided in the GATT 1994. The Working Party took note of this commitment.

353. The representative of the Russian Federation informed Members that the Russian Federation will develop a national definition of High Quality Beef within 18 months of the date of accession of the Russian Federation to the WTO. In response to requests for assurances from some Members, the representative of the Russian Federation confirmed that the Russian Federation would give positive consideration to recognizing High Quality Beef of other Members as falling under such national definition, provided it met the criteria of the national definition, and, thus, would accord to such High Quality Beef of other Members treatment no less favourable than that accorded to like products originating in any other Member. The Working Party took note of these commitments.

354. Noting that the Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" prohibited access under TRQs from being granted to products originating from MFN

suppliers, some Members requested confirmation of whether the Russian Federation also intended to provide legal authorisation for using TRQs to regulate general imports or if this would be limited to GSP imports. These Members required a more precise understanding of the methods of allocation and other aspects of the system that the Russian Federation intended to adopt in this field. In addition, some Members also requested that the Russian Federation enact amendments to the Tax Code to ensure MFN access to the system of TRQs.

355. In response, the representative of the Russian Federation informed Members that provisions of Article 36.1 of the Law of the Russian Federation No. 5003-1 of 21 May 1993, and Article 2 of the CU Agreement of 12 December 2008, neither prohibited access under TRQs being granted to products originating from MFN suppliers, nor limited use of TRQs to GSP imports.

356. Recalling discussions in the Section "Import Licensing" of this Report, Members of the Working Party requested the Russian Federation to provide additional information on current import licensing requirements for imports of poultry, beef, and pork.

357. In response, the representative of the Russian Federation stated that, in accordance with Government Resolution No. 1111, an entity that had imported products covered under the TRQ during the previous year had the right to receive an in-quota allocation under the TRQ for the next year, based on the percentage of imports of such entity in the previous year. Upon receipt of an application from an entity with a TRQ allocation, the MIT would issue a licence for importation of beef, pork and poultry within the allocated volumes. The licenses for importation of such products in 2011 were issued from 27 December 2010 until 31 December 2011, and were valid from 1 January until 31 December. An application for an import licence would be processed within five days. He confirmed that import licenses were not transferable, but noted that unused import licenses would be reallocated. Importers that had received a share of the quota based on historical trade shares could apply for a licence by 1 August for TRQs on beef, pork and poultry. Applications submitted after that date would not be accepted. Importers would receive a licence after submission of an application for the licence, a copy of a certificate confirming that the applicant was registered by a regional tax authority as a tax-payer and a copy of an import contract. Import licenses would be issued for particular volume of products. A fee of RUB 2,600 was charged for each licence. This fee was not reimbursed in the event the importer did not use the licence. In response, some Members of the Working Party stated that the system described did not work well in practice, and made it extremely difficult to actually export poultry, beef, and pork to the Russian Federation. These Members believed that use of historical suppliers was particularly problematic as many had been one-time shippers and no longer were participants in the market. The TRQ regime of the Russian Federation had created quota reserves for certain Members, reduced pre-TRQ access for other Members and eliminated equal opportunities to all Members to supply their products and was, therefore, a clear departure from the MFN principle. They noted that, under the previous regime, many importers received quota allocations so small that they were not economically viable (in some instances, importers were given quota allocations as low as 10 kilograms). They also noted that no mechanism for re-allocation of unused licenses had been developed in advance of the introduction of this system, and it did not appear that full utilization of the quotas and tariff rate quotas, which already contemplated reduced imports, would be possible. These Members enquired about how the Russian Federation kept track of how much of the quota allocations had actually been used and how the Russian Federation provided information on a weekly basis on actual quota fill during the quota period. Some Members also noted that suppliers situated geographically distant from the Russian Federation experienced additional difficulties due to shipping time.

358. Some Members expressed concern that the TRQ regime that the Russian Federation applied under the CU, did not appear to allocate any in-quota volume to new entrants. It appeared that an importer newly entering the market had to import at the over-quota rate which acted to limit the

quantity of imports. Thus, in subsequent years, this importer would qualify only for a small in-quota allocation, since allocations were based on imports over the previous year. In their view, this did not provide sufficient flexibility in the market.

359. The representative of the Russian Federation replied that, in 2003, when the TRQ had been introduced, distribution of quotas had been based on the historical shares of main suppliers of the Russian Federation for the respective products in the years 1999 to 2001, which were the years immediately preceding the year when the decision to introduce the TRQs for beef and pork and special safeguard quotas for poultry had been taken (2002), and for which information was available. He confirmed that the supplying Members were invited to consult with his Government about country-specific allocation of quotas. Some of these consultations had been successfully concluded and their results had been implemented. The representative of the Russian Federation noted also that the Russian Federation took note of the concerns of the Working Party Members and amended the TRQ administration mechanism in a timely manner. In his view, now it worked effectively and allowed for the full utilization of quotas and TRQs (see Table 40).

360. Members also noted that the Veterinary Service of the Ministry of Agriculture required that importers obtain an import permit, in addition to veterinary and sanitary certification requirements (and now the import licence), to be able to import beef, pork, and poultry into the Russian Federation. Those Members considered that those import permits were also subject to the disciplines of the WTO Agreement on Import Licensing Procedures. Members noted that, in January 2003, the Veterinary Service abruptly cancelled existing import permits for beef, pork, and poultry and established a new system for issuing import permits. Members noted that no information had been published or provided to Working Party participants on the new requirements for obtaining import permits.

361. In response, the representative of the Russian Federation stated that veterinary permits were granted to all importers who had at their disposal technical possibilities necessary to guarantee the safety of products in conformity with veterinary standards. The same procedure (veterinary permits) was maintained for Russian operators in case of inter-regional trade. He added that this procedure was applied not only to goods under TRQs, but also to other goods subject to veterinary control, and that it was described in the Section "Sanitary and Phytosanitary Measures" of this Report.

362. Noting that the TRQ system of the Russian Federation appeared to violate several provisions of the GATT 1994, including Articles I, XI and XIII, some Members sought a commitment from the Russian Federation that it would terminate the TRQs on meat products and replace them by a single tariff applied on an MFN basis for all Members.

363. The representative of the Russian Federation informed Members that the parameters and mechanism of allocation of TRQs were the subject of bilateral market access negotiations and their results would be duly reflected in the Schedule of Concessions and Commitments on Goods of the Russian Federation. In response to a question from a Member, the representative of the Russian Federation explained that the TRQ mechanism set-out in Section I-B of Part I of the Schedule of Concessions and Commitments on Goods of the Russian Federation contained the following parameters for TRQs on beef, pork and poultry: in-quota tariff rates, out-of-quota tariff-rates, quantities eligible for the in-quota tariff rates and country-specific allocations of those eligible quantities. The representative of the Russian Federation confirmed that, in implementing TRQs, the Russian Federation would apply WTO-consistent procedures that provide for allocations to new importers. These procedures would operate in a predictable, transparent and timely manner.

364. The representative of the Russian Federation confirmed that:

1. If on 1 September of each quota year 30 per cent or more of a country-specific allocation of a tariff rate quota for meat had not been either contracted or imported, any unused quantity would be re-allocated on 15 September of the same quota year provided that:

   (i) the Russian Federation had consulted with the Member holding a country-specific TRQ for meat and they had agreed whether the conditions of paragraph 1 had been established, prior to any such re-allocation; such mandatory consultations were to be held between 1-10 September of the quota year in question. In the course of the consultations requested by the Russian Federation, the Member holding a country-specific TRQ allocation could only object to re-allocation if it could demonstrate that at least 70 per cent of its allocation had been contracted or already imported. The outcome of such consultations would be made publicly available by the Russian Federation by 12 September of the quota year in question;
   (ii) the Russian Federation's request for consultations had been substantiated by the Russian Federation supplying 15 days in advance of the consultations full information on the volume of meat covered by licences delivered (licences based on existing contracts) and imports in order to fully justify its request for the consultations; and
   (iii) the re-allocated quantity would be made available to all WTO Members, including the Member with the original country-specific TRQ allocation and other Member country-specific TRQ allocation holders, provided the latter had filled their allocation.

2. During such consultations the effects of any sanitary or phytosanitary (SPS) measure on commercial transactions would be examined.
3. Should the expectation of the Russian Federation be that there would be a need for re-allocating a country-specific TRQ, the Russian Federation would provide full information on the volume of meat covered by licences delivered (licences based on existing contracts) and imports to the concerned Member holding a country-specific TRQ allocation by 30 June of the quota year in question. Such information would also be provided by the Russian Federation at any other time, upon such Member's written request. Within the period from 30 June to 31 August, such information would also be provided, upon request, by the Russian Federation to WTO Member suppliers of products subject to the relevant country-specific TRQ.
4. By 15 July of the quota year the Russian Federation would make the information of its intention to consider launching consultations with a Member holding a country-specific TRQ allocation publicly available.
5. In exceptional circumstances where a major shortfall in filling an "Other countries" TRQ was expected, the Russian Federation could launch consultations. Such consultations would be held to consider whether as of 15 September in any quota year a country-specific TRQ holder, provided it had filled its own allocation, could also have access to the "Other countries" TRQ in question. Consultations would be held with the five largest suppliers to the Russian Federation under the "Other countries" TRQ over the last five years. Any other eligible supplier to the "Other countries" TRQ which had expressed an interest could also join the consultations. By 15 July and in any case at least 15 days before the actual consultations, the Russian Federation would make publicly available notice of its intention to consider launching such consultations. This public information would include the factual basis and supporting documents necessary for these consultations. The outcome of such consultations would be made available to the WTO Members by the Russian Federation within two days of the conclusion of any consultations held on the basis of this provision.
6. A decision to re-allocate a TRQ could only apply within the quota year in which the decision was taken.

7. No meat tariff quotas listed in Section I-B of the Russian Federation's Schedule of Concessions and Commitments on Goods would be reallocated except in accordance with these requirements.

The Working Party took note of these commitments.

365. Members and the Russian Federation agreed that the particular arrangements described in paragraph 364 above were without prejudice to the WTO rights and obligations of Members (and the Russian Federation after its accession) holding country-specific allocations in respect of TRQs which were not subject to those arrangements.

366. The representative of the Russian Federation confirmed that from the date of accession of the Russian Federation to the WTO, import TRQs applied in the Russian Federation would be administered, whether by the competent Bodies of the CU or by authorities of the Russian Federation, in a manner that is consistent with the GATT 1994 and other relevant WTO Agreements, including the Agreement on Import Licensing Procedures and the Agreement on Agriculture. The Working Party took note of this commitment.

- Other Duties and Charges

367. The representative of the Russian Federation stated that, from 1 January 2010, duties on imports were applied in accordance with the Agreement on Common Measures of Tariff and Customs Regulation of 25 January 2008, the Interstate Council Decision No. 18 of 27 November 2009 "On Common Customs Tariff Regulation of the Customs Union," and CU Commission Decision No. 130 of 27 November 2009 "On Common Customs Tariff Regulation of the Customs Union." These provisions empowered the CU Commission to establish and change the customs tariffs of the CU Parties, including the Russian Federation, as described in Section "Ordinary Customs Duties" of this Report. No other duties and charges were authorised. Therefore, he confirmed that the Russian Federation did not apply any duties and charges of any kind within the meaning of Article II:1(b) of the GATT 1994.

368. Noting this statement, several Members asked the Russian Federation to bind at zero all such Other Duties and Charges (ODCs) in its Schedule of Concessions and Commitments on Goods and to undertake a commitment that it would not apply such measures except in conformity with WTO obligations.

369. The representative of the Russian Federation recalled that the Russian Federation had bound all tariffs in its Schedule of Concessions and Commitments annexed to the GATT 1994 (reproduced in Annex 1 to the Protocol of Accession of the Russian Federation). He confirmed that the Russian Federation would from the date of accession to the WTO not apply other duties and charges within the meaning of Article II:1(b) of the GATT 1994 and had bound such other duties and charges at zero in relation to all goods. These bindings were recorded in the Schedule of Concessions and Commitments of the Russian Federation annexed to the GATT 1994. The Working Party took note of this commitment.

- Fees and Charges for Services Rendered

- (a) Customs Fees

370. Several Members asked for a description of the currently applied regime of customs fees, introduced in accordance with the provisions of the Customs Code of the Russian Federation, Federal Law No. 61-FZ of 28 May 2003 (as last amended on 27 November 2010), which had entered

into force on 1 January 2004. Noting that, under the previous system, fees charged for customs clearance had been calculated on an *ad valorem* basis, these Members questioned how the fee structure of the current system related to the cost of services rendered and stressed their expectation that the Russian Federation must comply with the relevant obligations provided for in the GATT 1994. They also sought information on the regime of customs fees that would apply under the CU Customs Code and the national legislation of the Russian Federation implementing the CU Customs Code.

371. The representative of the Russian Federation stated that, pursuant to Article 30 of Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" (as last amended on 27 December 2009), all payments collected on exports and imports of goods which were neither customs duties nor other taxes were not to exceed the approximate cost of services rendered nor be a means of protection of goods of Russian Federation origin or of taxation for fiscal purposes. Revenues generated by these fees were remitted to the general revenues of the State budget.

372. He further noted that, before the adoption of the Customs Code of the Russian Federation, there were six types of fees and charges for services rendered levied in relation to importation or exportation: (i) customs clearance fees; (ii) fees for storage; (iii) fees for customs escort; (iv) fees for consultations; (v) fees for adopting a preliminary decision by the customs official; and (vi) fees for the participation in customs auctions. These fees and charges were replaced under the Customs Code that came into effect on 1 January 2004. The representative of the Russian Federation explained that Article 72 of the CU Customs Code left the authority for the application of customs fees to the CU Parties. From 1 January 2011, Article 130 of the Federal Law "On Customs Regulation" would establish the customs fee regime of the Russian Federation within the framework of the Customs Union. Until then, the provisions of Federal Law No. 61-FZ of 28 May 2003 "Customs Code of the Russian Federation" (as last amended on 6 December 2007) and Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as last amended on 27 December 2009), to the extent that they did not conflict with the CU Agreement on Customs Regulation and the CU Customs Code, continued to apply. The customs fees that were currently charged and those that came into effect on 1 January 2011 were as follows and as described in paragraphs 373 and 374 below.

373. Chapter 33.1 of the Customs Code of the Russian Federation provided for three types of fees, i.e.:

(i) customs clearance;
(ii) customs escort of goods; and
(iii) storage of goods in government customs warehouses.

Article 123 of the Federal Law "On Customs Regulation" provided for the same three types of fees, but described as follows, i.e.:

(iv) customs fees for execution of actions associated with release of goods (hereinafter referred to as "customs duties for customs operations");
(v) customs fees for customs escort; and
(vi) customs fees for storage in governmental warehouses.

374. Article 357.10 of Federal Law No. 61-FZ of 28 May 2003 "Customs Code of the Russian Federation" (as last amended on 6 December 2007) and Article 130 of the Federal Law "On Customs Regulation" established the rates of those fees for customs escort and storage of goods

in government warehouses and provided that the amount of customs fees for customs clearance (for customs operations) must be limited to the approximate value of services of customs authorities and must not exceed RUB 100,000[6] per customs declaration and that rates of customs clearance fees were established by the Government.

375. In response to specific questions of some Members about the requirements and procedures of customs escort, the provisions regulating storage of goods under customs control, and the relevant fees, the representative of the Russian Federation replied that these requirements and procedures were described in paragraphs 1153 to 1156 of the Section "Regulation of Trade in Transit" of this Report. Customs escort could be provided as a mandatory service for certain specific goods in transit through the territory of the Russian Federation and all other goods in transit to their declared destination in the Russian Federation after entering the customs territory of the CU through one of the other CU Parties. The purpose of such escort was to ensure that the same goods arrived at the final customs point in one of the CU Parties or exited the customs territory of the CU on their way to their final destination in a third country. Article 130 of the Federal Law "On Customs Regulation" set fees for such customs escort based on the length of journey escorted for each motor transport vehicle and each unit of railway rolling stock. A flat fee was charged for escort of each sea, river or air vessel. If the storage of imported or exported goods, prior to customs clearance was required, government customs warehouses were available to importers and exporters for storage of their goods, including cases when their storage at other, privately owned warehouses was not permitted. Customs fees for storage at the warehouse for temporary storage or at the customs warehouse of the customs authorities varied based on the weight of the goods stored per day in storage, and increased if the storage space were specially arranged and equipped for storage of certain types of goods. The rates for relevant fees were listed in Table 20.

376. In response to further comments by some Members, the representative of the Russian Federation explained that detailed information on import licensing fees was provided in paragraphs 445 and 460 of the Section "Quantitative Import Restrictions, including Prohibitions and Quotas and Import Licensing Systems" of this Report.

377. As for the first category of fees, "customs clearance fees" or "fees for customs operations", the representative of the Russian Federation stated that Government Resolution No. 863 of 28 December 2004 "On the Rates of the Customs Fees for the Customs Clearance of Goods" (as last amended on 20 December 2010) had been adopted in order to implement the provisions of Federal Law No. 61-FZ of 28 May 2003 "Customs Code of the Russian Federation" (as last amended on 6 December 2007). This Government Resolution established flat rates of fees for eight categories of customs declarations, some of which depended on the value of goods declared in a single declaration. The fees authorised in Article 130 of the Federal Law "On Customs Regulation" would be established after its enactment and implementation. The rates of fees were listed in Table 20. He added that this scale provided for rates not exceeding RUB 7,500 (which corresponded approximately to US$240). This represented approximately 85 per cent of customs declarations in 2009, as reported by the customs statistics. The fees for small consignments of goods, i.e., where the customs declaration, list goods up to RUB 200,000 or approximately to US$6,500 in declared value, were collected at a minimum rate of RUB 500 (approximately US$15). The maximum rate, provided for both by the Customs Code of the Russian Federation and in the Federal Law "On Customs Regulation" was RUB 100,000 per customs declaration, or approximately US$3,200. Under the current regime, this amount was levied only for customs clearance of consignments of goods where the customs declaration lists goods, exceeding RUB 30,000,000 (or US$1,000,000) in declared value. Such consignments were normally exceptionally large and required additional attention in the customs clearance process. Customs clearance fees were applied at equal rates to imports and exports from all

[6] As of 22 October 2011 the exchange rate was RUB 31.34 per US$1.

origins and destinations. In Government Resolution No. 863 of 28 December 2004 "On the Rates of the Customs Fees for the Customs Clearance of Goods" (as last amended on 20 December 2010), special minimal rates (RUB 250-500 per customs declaration) were provided for the customs clearance of some other particular categories of goods:

- goods, transported by railway transport under the customs regime of international customs transit;
- securities in foreign currency, which were brought into the customs territory of the Russian Federation;
- goods for personal, home and family needs not related to the entrepreneurial activity, except for passenger cars classified in commodity positions of HS Codes 8702 and 8703; and
- for customs registration of a customs declaration repeated for the same products under the same customs regime; as listed in Table 20.

He added that customs clearance of certain categories of goods was exempted from customs fees as established by the provisions of Article 357.9 of the Customs Code and in Article 131 of the Federal Law "On Customs Regulation".

378. One Member asked whether the customs clearance fees were applied only to merchandise trade (e.g., not to travellers or goods entering the Russian Federation as personal items) for the service rendered by the customs service of import and export processing of the Russian Federation. In response, the representative of the Russian Federation recalled that the customs clearance fees were levied only when a written customs declaration was required to be presented (those cases were established in the Customs Code and in the Federal Law "On Customs Regulation") and, correspondingly, customs authorities were required to provide a service. Thus, customs fees for the customs clearance were not levied in those cases when an exemption from the payment of the customs fees for the customs clearance was provided for (see the provisions of Article 357.9 of the Customs Code and Article 131 of the Federal Law "On Customs Regulation") and/or a declaration in written form was not required for the goods. These provisions, *inter alia*, covered most cases when the goods were transferred by physical persons for personal, familial, household, or any other needs unrelated to pursuits of entrepreneurial activities. If customs clearance of such goods required a written declaration, and they did not fall under the list of exemptions, a flat fee in amount of RUB 250 was to be paid (see Table 20).

379. One Member asked about the rates of fees applied to the customs clearance of goods shipped by postal services or express delivery services. In response, the representative of the Russian Federation stated that according to the exemptions listed in Article 357.9 of the Customs Code and Article 131 of the Federal Law "On Customs Regulation", customs fees for customs clearance were not chargeable in respect of goods forwarded in international postal items unless a declaration was required in written form and the said goods were declared by lodging a separate customs declaration (i.e., if the declared value of transferred goods exceeded RUB 10,000). In the latter cases, the rate of customs fees for customs clearance of goods amounted to RUB 250 as regards the goods, assigned for personal, family, household or other activities not connected with entrepreneurial activity, which were sent to a physical person (item (d), Table 20); if the goods were considered to be commercially traded, the relevant fee according to the scale listed in Table 20 was applied. He added that there were no differences provided for by the legislation in this matter, in respect of the treatment of foreign postal services, including express delivery operators, and the post service of the Russian Federation. In particular, there were no special exemptions for goods sent via the post service of the Russian Federation.

380. The representative of the Russian Federation recalled that when the current system of the customs clearance fees was introduced, it was intended that this system would be consistent with the requirements of the WTO Agreement, including Article VIII of the GATT 1994 and not burdensome for the participants in foreign trade.

381. Some Members, however, insisted that this system had some features that were not consistent with the provisions of Article VIII of the GATT 1994. One Member noted that high value declarations would incur a customs clearance fee of nearly US$3,500, an amount that could not be considered to be limited in amount to the approximate cost of services rendered. In addition, goods whose customs clearance may not require much handling or that used electronic format or other simplified methods for filing declarations could be subject to the same fees as similarly valued goods that required additional services. Finally, because customs clearance operations were funded from the State budget of the Russian Federation, and revenues from the fees were remitted to the State budget, it was difficult to establish that such revenues were used only for customs clearance operations. This Member requested that the Russian Federation amend its legislation to address these concerns and to establish a WTO-compliant system of customs clearance fees.

382. In response, the representative of the Russian Federation confirmed that the Customs Code mandated that the level of customs fees, including customs clearance fees, not exceed the cost of services rendered and that total revenues from customs clearance fee collections in 2009 accounted for only 25 per cent of the cost of customs clearance operations that year. He expected that further development of trade facilitation measures and expansion of enhanced customs clearance and control technologies would lead to decreased cost of services rendered in connection with customs clearance. He also confirmed that, prior to the date of accession, his Government would amend the system of customs clearance fees, i.e., reduce the maximum level for the customs clearance fee to the RUB equivalent of Special Drawing Rights (SDR) amount equal to RUB 30,000 as of the date of accession and establish lower fixed fees for the customs clearance of goods using electronic format or other simplified methods for filing declarations, to ensure compliance with the provisions of the WTO Agreement, in particular, of Article VIII of the GATT 1994. The Working Party took note of these commitments.

- (b) Other Fees

383. The representative of the Russian Federation said that other fees applied to imports or to the act of importation included: (i) port user fees; (ii) State duties; and (iii) consular fees. He confirmed that the Tax Code provided for the non-discriminatory application of State duties (Article 3 of Federal Law No. 146-FZ of 31 July 1998 "Part I of the Tax Code of the Russian Federation" (as amended on 17 July 2010). State duties could not be applied differently because of social, racial, national, religious or any other type of criteria, and the establishment of differential taxes and fees for the same purpose was prohibited.

384. The list of port fees applied in the Russian Federation was established in Federal Law No. 261-FZ of 8 November 2007 "On Seaports in the Russian Federation and on Amending Particular Legislative Acts of the Russian Federation". Port fees used in the particular seaports of the Russian Federation had been approved by the Order of the Ministry of Transport of the Russian Federation No. 187 of 17 December 2007 "On Approval of Port Fees Collected in Seaports of the Russian Federation" Table 21 and Table 22. These port fees were collected per 1 gross tonne of vessel conventional capacity, stated in International Measuring (classification) Certificate, according to provisions of the International Convention on Tonnage of 1969 and, included the following: tonnage (to be collected for each arrival into the port and departure from it), beaconage (to be collected for each arrival into the port, departure and transit through port harbourage), canal fees (to be collected upon each pass of canal on arrival, departure and transit through port harbourage),

ecological fees (to be collected in ports, providing facilities for collection of wastes of all types, except ballast water), pilotage fees (to be collected for out-of-port pilotage through fairways and channels (for miles) and in-port pilotage and (for operations)), navigation fees (to be collected for each arrival into the port and departure from it), and, ice-breaker fees (to be collected for each arrival into the port, departure and transit through port harbourage with dependence on the season of the year). General provisions for port fees collection and their maximum rates were established in the Order of the Federal Service on Tariffs No. 522-t/1 of 20 December 2007 (particularities of collection of specific fees in each port were provided in Annex 10(b)), Port fees were collected by the authorities of the commercial seaports of the Russian Federation on a non-discriminatory basis from Russian and foreign vessels and floating facilities, irrespective of their legal organizational form, legal status and pattern of ownership.

385. State duties were collected in accordance with Chapter 25.3 of Federal Law No. 117-FZ of 5 August 2000 "Part II of Tax Code of the Russian Federation" (as amended on 28 December 2010). The provisions of the Tax Code of the Russian Federation related to State duties entered into force on 1 January 2005. The Law of the Russian Federation No. 2005-1 of 9 December 1991 "On State Duty", which previously regulated the application of State duties, had been abolished. Pursuant to Article 333.16 of the Tax Code of the Russian Federation, State duties were levied for the performance of legally significant actions, i.e., notary actions, including the issuance of documents, copies and duplicates, except for actions carried out by consular offices and only in the cases foreseen in the legislation. The list of applicable State duties was reproduced in Table 23.

386. Several Members again questioned how an *ad valorem* State duty for the attestation of agency Agreements and for accepting money and securities in deposit could relate to the cost of the service rendered. They also requested clarification of whether these duties applied to the act of importation or exportation, and what sorts of customs documents required a stamp tax. Regarding fees that were applied to imports for requirements, such as standards certification or vehicle taxes, these Members also noted that to the extent that these fees were inconsistent with Article III of the GATT 1994, they should be revised or eliminated prior to accession. Clarification was also requested regarding the precise meaning of legally significant action "for performing other notary actions" or "for the performance of the technical work for the making of the documents".

387. In response, the representative of the Russian Federation stated that, pursuant to the Tax Code of the Russian Federation, State duties had to be paid only if so required under Chapter 25.3 of the Code. Mandatory customs operations and procedures, such as authentication of customs documents, attestation of agency Agreements and acceptance of money and securities in deposit by customs bodies did not require any payment of a State duty. Concerning the meaning of legally significant actions, he said that, according to Chapter 25.3 of the Tax Code of the Russian Federation, legally significant actions were:

- statements of claim and other claims and complaints filed with courts of general jurisdiction, arbitration courts, justice courts and the Constitutional Court of the Russian Federation;
- notarial acts by public notaries employed by notary offices or duly authorised officials of executive authorities, local administrations;
- State Registration of acts of civil status and other legally significant actions performed by vital statistics offices; and
- issuance of documents by courts, institutions and agencies for consideration and issuance of documents associated with acquisition of Russian citizenship (national status) or denunciation thereof and performance of other legally significant actions.

388. Referring to consular fees, he noted that in accordance with the Vienna Convention on Consular Relations (1963) and Consular Articles provisions (1976), the main objective of the consular offices was the protection of rights and legal interests of Russian citizens and legal entities abroad. Consular offices of the Russian Federation collected fees for the issuance of documents of legal significance to Russian natural persons or legal entities constantly or temporarily residing or located in foreign countries, as well as to citizens of foreign states, foreign legal entities, and persons without citizenship. Acts performed by the consular offices of the Russian Federation included those related to passport and visa matters, citizenship, certification and notarization of documents, and power of attorney notarization. None of these acts were directly related to exports or imports of goods and their fees were applied on a reciprocal basis.

389. Noting the statement above, some Members sought clarification from the Russian Federation on whether consular fees were levied on consular operations involving importation or exportation. In particular, they asked the Russian Federation to confirm whether any requirement existed for authentication of customs documentation by overseas Russian Federation consulates prior to exportation. Some Members expressed concerns about the charging of fees for consular purposes that were connected with importation (see Table 24) at a lower rate from certain countries where the service was performed (the Baltic countries and CIS countries) as this practice would be in violation of Article I of the GATT 1994 and should be eliminated prior to accession. Other Members of the Working Party expressed concern about the discriminatory application of consular fees by Sub-Federal entities, apparently in contravention of the legislation of the Russian Federation. The same Members requested that the Russian Federation enter into a commitment to apply a uniform consular fee policy to all and to eliminate current discriminatory practices prior to accession.

390. The representative of the Russian Federation responded that his Government imposed no requirement for the issuance of consular invoices or certificates for exports to the Russian Federation, nor for the authentication of customs documentation required for importation. He confirmed that consular fees were charged only by the consular offices of the Russian Federation. No consular offices were established by Sub-Federal entities and no consular fees were applied at Sub-Federal level. He also noted that the consular fees listed in Table 24 were not connected with the type of consular acts covered by Article VIII:4(a) of the GATT 1994, and were not in any way directly related to exportation or importation. These acts were covered by bilateral consular treaties and performed mainly in respect of Russian citizens and Russian legal entities. In his view, such bilateral treaties, providing for differential treatment for consular services on a reciprocal basis, were common among WTO Members.

391. The representative of the Russian Federation confirmed that the lists of fees and charges for customs services, port fees used in commercial seaports and State duties that could be applied in the context of international trade listed in Table 20, Table 21, Table 22, Table 23, Table 24 were comprehensive as of the date stated in each table.

392. The representative of the Russian Federation confirmed that the Russian Federation would, from the date of accession, ensure that any fees and charges imposed on or in connection with importation and exportation, including those discussed in paragraphs 357, 373, 445, 460, 463, 481, 563, and 664 or introduced in the future, would be applied in conformity with the relevant provisions of the WTO Agreement, in particular Articles VIII and X of the GATT 1994. He further confirmed that, from the date of accession, all laws and regulations regarding the application and level of any such fees and charges would be published. Further, upon receipt of a written request of a concerned Member, the Russian Federation would provide to that Member information on the revenue collected from a specific fee or charge and on the costs of providing the associated services. The Working Party took note of these commitments.

- **Application of Internal Taxes on Imports**

393. The representative of the Russian Federation stated that, as from 1 January 2010, the legal framework governing the application of indirect taxation on imports (and exports) among the CU Parties was contained in the Agreement on the Principles of Indirect Tax Collection at Export and Import of Goods, Performing Work and Rendering Services in the Customs Union, signed on 25 January 2008, and as amended by the Protocol on Amending the Agreement On the Principles of Collection of Indirect Taxes on Exports and Imports of Goods, Performing Works and Rendering Services in the Customs Union of 11 December 2009 (hereafter: Protocol on Amending the Agreement on Indirect Tax on Exports and Imports). Its provisions were elaborated in the Protocol on the Order of Levying of Indirect Taxes in View of Performance of Works and Rendering Services in the Customs Union of 11 December 2009, and the Protocol on the Procedure of Collection of Indirect Taxes and on the Mechanism of Carrying Out the Control over their Payment while Exporting/Importing Goods in the Customs Union, signed on 11 December 2009.

394. These CU Protocols and the Agreement established that imports among CU Parties would be subject to excise and Value Added Taxes (VAT) and that exports among CU Parties would be exempted or taxed at a zero rate, provided that documentary confirmation of the fact of the export was submitted and that the tax authorities of the CU Parties possessed information confirming tax payment to the budgets of other CU Parties for these goods. The Agreement also confirmed that the rate of duty of these indirect taxes applied to imports would not exceed the rate applicable to domestic goods. The Agreement on Indirect Tax on Exports and Imports (as amended) provided that application of indirect taxes on imports into Special Economic Zones (SEZs) would be established in a separate CU Treaty. Article 70 of the CU Customs Code, adopted on 27 November 2009, and implemented on 1 July 2010, confirmed that CU Parties' customs services (the FCS in the Russian Federation) would collect VAT and excise taxes on imports into the Customs Union from third parties. Articles 72, 73, and 75 stated that the levels, method of collection and taxable base for these taxes on imports were determined by the national legislation of the CU Parties. Thus, to a large extent, the national legislation of the Russian Federation determining the application of indirect taxes to imports and exports, prior to 1 January 2010, continued to apply.

- **(a) Excise Taxes**

395. The representative of the Russian Federation noted that the legal framework for excise taxation in the Russian Federation was provided in Chapter 22 (Excise Tax) of the Tax Code (Federal Law No. 110-FZ of 24 July 2002 "On the Introduction of Chapter 22 into Force"). It set the list of products, which were subject to excise taxes and tax rates (see Table 25). In pursuance of the above-mentioned Act, excise tax rates for imports and those for domestic products were identical.

396. He further noted that Article 193.1 of the Tax Code of the Russian Federation provided that excise taxes were applied on the basis of specific rates for all types of excisable goods, excluding cigarettes with filters, non-filter cigarettes, and mouthpiece cigarettes. For these tobacco products combined tax rates applied, consisting of both a specific and an *ad valorem* tax rate. Currently, *ad valorem* tax rates were not applied in respect of other excisable goods. The tax base for calculating the *ad valorem* alternative for the excise tax for cigarettes was the ex-factory price exclusive of VAT for domestic products and the duty paid customs value exclusive of VAT for imported cigarettes.

397. If excisable goods were placed under customs treatments of transit, bonded warehouse, re-export, processing under customs control, free customs area, destruction and refusal in favour of the State, the excise tax did not have to be paid. Products for which a zero level excise tax was

indicated (e.g., beer with an alcohol content less than or equal to 0.5 per cent) were included in the list of excisable goods only for the effective State monitoring of their turnover.

398. In respect of further concerns of some Members related to the principle of levying excise taxes on imports from CIS countries, including other CU Parties, the representative of the Russian Federation noted that from 1 July 2001, when Chapter 22 of the Tax Code of the Russian Federation had entered into force, excise taxes had been levied in a uniform manner on all imports, based on the country of destination principle, except for Belarus. As from 1 February 2005, on the basis of the Agreement of 15 September 2004 between the Russian Federation and the Republic of Belarus, the country of destination principle was also applied to imports from Belarus. This principle was extended to the Customs Union with Kazakhstan and Belarus on 1 January 2010, in accordance with the Agreement on Indirect Tax on Exports and Imports for which Chapter 7 of the CU Customs Code confirmed these principles for taxation of imports from third countries.

399. Some Members noted that excise taxes on imports of automobiles were applied on the basis of the engine capacity, which was an unjustified discrimination against trade in similar products. Members also sought information on an announced prospective application of a similar discriminatory excise tax on agricultural machinery on the same basis. In their view, these measures were not in conformity with WTO provisions, e.g., Articles I, III, XI of the GATT 1994.

400. The representative of the Russian Federation replied that the excise tax on automobiles was being applied on the basis of engine capacity. It was aimed at the taxation of Russian consumers of luxury cars and taking into account the environmental concerns and that it constituted a usual and normal measure. The measure was not aimed at discrimination against particular countries or manufacturers, as such, luxury and powerful cars were produced in the Russian Federation too. He also noted that excise tax rates for imported and domestic products were equal under Article 193 of the Tax Code of the Russian Federation. Reasoning from the preceding, he stated that, in his view, excise tax on imports of automobiles had no discriminatory effect on imports. He added that agricultural machinery had never been subject to excise taxes and that the Russian Federation had no intention of introducing excise taxes on agricultural machinery.

401. Some Members requested additional information on how the Russian Federation calculated the single payment that natural persons importing motorcars paid in place of the customs duty, VAT and excise tax.

402. The representative of the Russian Federation explained that the calculation of single payment was regulated by Chapter 23 of the Customs Code of the Russian Federation, as elaborated by the Government Resolution No. 718 of 29 November 2003 "On the Approval of the Regulation on the Application of the Uniform Rates of the Customs Duties and Taxes With Respect to Goods Transferred Across the Customs Border of the Russian Federation by Natural Persons for Personal Use" and based on the uniform rates set in the above-mentioned Resolution. According to Article 360.4 of the CU Customs Code, the application of customs duties, taxes, and customs fees on goods imported by physical persons for personal use and also terms of their payment were governed by the Agreement on the Order of Transportation of Goods through the Customs Border of the Customs Union by Physical Persons for Personal Purposes and on Performance of Operations, signed on 18 June 2010. Based on these provisions, there had been no changes to the regime of the Russian Federation in calculating a single import payment for physical persons importing motorcars.

403. The rates applied under this regime were differentiated, depending on the age of the cars, within three categories: (i) new ones from the date of the production of which not more than three (full) years passed; (ii) used ones from the date of production of which not less than three, but not more than seven (full) years passed; and (iii) used ones from the date of production of which more

than seven (full) years passed. The Government Resolution provided that imports by natural persons of motor cars into the customs territory of the Russian Federation were subject to a single payment, which replaced the customs duty, VAT and excise tax. The amount of such single payments was approximately equal to the sum of customs duty, VAT and excise tax.

404. Several Members expressed appreciation for the comprehensive listing of excise taxes and other information on their application to domestic and imported goods in Table 25. They noted that the differentiation of excise tax rates within specific categories of alcoholic beverages, e.g., for different types of beer, wine, and spirits, might have a *de facto* discriminatory effect on imports. In addition, a higher excise tax was levied on alcoholic beverages containing more than 28 per cent alcohol by volume. At a later stage, Members sought confirmation that any differential in the rates of excise tax applied to alcoholic beverages had been eliminated, and sought information on how the Russian Federation intended to eliminate these measures and bring its excise tax regime on alcohol and alcoholic beverages into conformity with the WTO Agreement. Furthermore, on alcoholic beverages, some Members sought clarification regarding the excise warehouses of the Russian Federation and whether this would be extended to imported products. They considered that an extension to imported products would create a barrier to trade and could have a discriminatory result.

405. In response, the representative of the Russian Federation stated that the differentiation of excise tax rates applied to specific categories of alcoholic beverages (beer, wine and spirits) was based on the principle of harmonizing the applied rate of taxation with the concentration of pure alcohol in those beverages and, therefore, these taxes were not having a discriminatory effect on imports. For example, Russian-produced wines (fortified wines) were subjected to the highest excise rates in comparison with imported wines (natural wines). The representative of the Russian Federation confirmed that the Russian Federation would not apply any system of excise taxation to imported alcoholic products that would be discriminatory.

406. With respect to the excise warehouses for alcoholic beverages, the representative of the Russian Federation explained that, in accordance with Federal Law No. 107-FZ "On the Alteration of Part II of the Tax Code of the Russian Federation and on the Invalidation of Certain Legislative Acts", the regime of excise warehouses for excisable goods had not been applied since 1 January 2007.

407. Noting further that differential rates of excise tax were levied on natural gas depending on whether it was sold in the Russian Federation for export to other CIS countries (15 per cent), or whether it was for export to other countries (30 per cent), some Members felt that this practice was discriminatory and asked how the Russian Federation would bring it into conformity with WTO rules upon accession.

408. The representative of the Russian Federation clarified that the excise tax on sales of natural gas had been eliminated as of 1 January 2004 and replaced by a 30 per cent export duty (see Section on "Export Duties").

409. Some Members also asked for a detailed clarification on the national treatment implications of calculating excise taxes on imports on the customs value plus the total of customs duties and levies payable, while the excise taxes on domestically produced goods were based on actual value only. Members sought the elimination of these practices and a commitment from the Russian Federation that full conformity with WTO provisions would be ensured in the application of excise taxes, as from the date of accession to the WTO.

410. In response to concerns about the inclusion of the customs duty in the taxable base for the excise taxes levied on imports of goods to the customs territory of the Russian Federation,

the representative of the Russian Federation stated that this requirement of the legislation of the Russian Federation was consistent with the practice of implementation of the GATT 1994 and the only excisable products partially subject to *ad valorem* rates were cigarettes. All other were subject to specific rates.

- (b) Value Added Tax

411. Some Members requested confirmation that the Value Added Tax (VAT) was now applied in a uniform manner to all domestic and imported products and that this was also the case with respect to CIS countries, including the other CU Parties. Clarification was also requested on whether the same principle applied to imports and exports of energy products such as gas and oil. A Member requested clarification concerning the different VAT treatment of ice-cream produced from milk and dairy products (10 per cent) and ice-cream produced from fruits and berries (18 per cent).

412. In response, the representative of the Russian Federation replied that, in accordance with Chapter 21 of Federal Law No. 117-FZ of 5 August 2000 "Part II of Tax Code of the Russian Federation" (as amended on 30 July 2010) and Federal Law No. 118-FZ of 5 August 2000 "On Introduction of Part II of the Tax Code", VAT was applied in a uniform manner to all domestic and imported products on the basis of the country of destination principle, and that it had also been the case with CIS countries since 1 July 2001, except for bilateral trade with the Republic of Belarus. As from 1 February 2005, on the basis of the Agreement of 15 September 2004 between the Russian Federation and the Republic of Belarus, the country of destination principle was also applied on imports from the Republic of Belarus. An appropriate provision was included in Article 2 of Federal Law No. 102-FZ of 18 August 2004 "On Amending Part II of the Tax Code of the Russian Federation and Other Legislative Acts of the Russian Federation", bringing the legislation of the Russian Federation into conformity with the above Agreement. This was confirmed for Parties to the Customs Union with the implementation, on 1 January 2010, of the Agreement on Indirect Tax on Exports and Imports and, for imports from third countries, in Chapter 7 of the CU Customs Code. An exhaustive list of basic food products and products for children subject to 10 per cent VAT was adopted by Government Regulation No. 908 of 31 December 2004. Ice-cream produced from fruits and berries was not included in the list as it was not a basic dairy product.

413. He noted that, according to the Tax Code of the Russian Federation, VAT was levied at a single rate of 18 per cent for most products. However, according to Articles 149 and 164 of the Tax Code, for some goods, the rates of zero per cent and 10 per cent were applied. The comprehensive list of these goods was presented in Table 26 and Table 27. All these rates and exemptions were applied in a non-discriminatory manner both to domestic and imported goods. Also, according to Article 151 of the Tax Code, goods placed under the specified customs regimes of transit; customs warehouse; re-export; duty free shop; processing under customs control; free customs zone; free warehouse; destruction and refusal in favour of the state, and movement of stores (e.g., fuel-on-board means of transport for consumption during the trip), were exempt from VAT. The tax base for the imposition of the VAT included excise taxes, if any. For imported goods, the tax base for the imposition of the VAT also included customs duties.

414. Referring to the list of VAT exemptions listed in Table 26, some Members noted that a reference was made therein that "sale of products of own manufacture of organizations engaged in the production of agricultural products which generate 70 per cent and more of the overall share of incomes from the sale in the total sum of their incomes" were exempted from VAT. They enquired about the products in question and whether imports of similar products also qualified for exemption and, more generally, how the exemption of domestic agricultural output from VAT could be justified under Article III:2 of the GATT 1994. Noting that fish caught in the high seas by Russian registered vessels were also VAT exempted, these Members further enquired whether this exemption was

extended to imported fish products as well. Some Members also enquired whether the provision for VAT exemption for certain agricultural producers, or producers in any other sector, also applied where output was bartered for goods or services or used as payment in kind for discharging financial obligations to financial institutions or other creditors. If that was the case, these Members requested full details on the legal basis for such goods and services being deemed to satisfy the relevant criteria for VAT exemption.

415. The representative of the Russian Federation replied that, in the case of fish caught in the high seas by Russian registered vessels, the VAT collection resulted from the fact that fish so caught were considered to be Russian produced fish and, as such, its delivery into the customs territory of the Russian Federation did not constitute an importation. These goods were thus not subject to VAT when brought to the customs territory of the Russian Federation, but were subject to VAT when the first transaction had been performed.

416. In response to the concerns of Members concerning VAT exemption for agricultural products of some producers, he further explained that under Article 149:3(20) of the Tax Code of the Russian Federation these products substituted payments for the job of natural persons employed by the producers, if 70 per cent or more of own income of such producers was generated from the sale of the agricultural products of their own manufacture. Such form of payments was used in the agricultural sector by entities in critical situations with no actual money either to pay salaries or VAT when paying for the job of employed persons by agricultural products. This VAT exemption was widely used in the 1990s, but its usage had since declined to negligible levels. The agricultural products at issue were unprocessed products of plant growing and cattle breeding (meat, fish, eggs, vegetables, fruits, etc.). This provision was not applied to the cases when the output of the above-mentioned producers was bartered for goods or services, or used as payment to reimburse financial obligations to financial institutions or other creditors.

417. The representative of the Russian Federation confirmed that the VAT exemption under Article 149:3(20) of the Tax Code of the Russian Federation exempting certain domestic agricultural products from payment of the VAT would be eliminated as from the date of accession. The Working Party took note of this commitment.

418. Members also noted that discriminatory application of the VAT existed in the automotive sector. Used cars imported by individuals were not charged a VAT or excise tax. They also noted that the VAT was applied on an arbitrary basis on medical equipment, medical devices, and pharmaceuticals. These measures were not in conformity with Article III of the GATT 1994. Some Members also expressed concern about the practice of the customs authorities of the Russian Federation to apply the previously existing VAT rate of 20 per cent (now 18 per cent) to imports of pharmaceutical products instead of the special VAT rate of 10 per cent introduced by the Tax Code and sought confirmation from the Russian Federation that this practice had been abolished. In addition, these Members sought clarification on the application of the maximum VAT on imports of pharmaceutical products for clinical trials rather than the reduced rate provided for by law. In addition to a discriminatory VAT (20 or 18 per cent instead of 10 per cent), which customs tended to apply in the absence of a special permit from the Ministry of Health, these Members stated that the Part II of the Tax Code allowed for exemptions and asked the Russian Federation to consider VAT exemption of these products as they were not for resale.

419. As regards the application of VAT in the automotive sector, the representative of the Russian Federation explained that Government Resolution No. 718 of 29 November 2003 "On the Approval of the Regulations on the Application of the Uniform Rates of the Customs Duties and Taxes with Respect to Goods Transferred across the Customs Border of the Russian Federation by Natural Persons for Personal Use" provided that in respect of imports by natural persons of motor cars

into the customs territory of the Russian Federation a single payment could be applied, which accumulated the customs duty, VAT and excise tax. The authority of the Russian Federation in the context of the Customs Union to apply this regime to imports of automobiles by physical persons for their own use had been confirmed by Article 360.4 of the CU Customs Code and by the Agreement on the Order of Transportation of Goods through the Customs Border of the Customs Union by Physical Persons for Personal Purposes and on Performance of Operations, signed on 18 June 2010, as described in paragraph 402 above.

420. He added that the application of the single payment in question was not an option for a natural person who imported a car under the procedure of the release of goods for domestic consumption (i.e., with possibility of resale). In this case, the general order of calculation and payment of customs duties and taxes would be implemented. If a person imported a car for personal use, however, that person had to make a lump-sum payment, the amount of which was to be based on the uniform rate set in the Resolution. The amounts of payments under the two above-mentioned procedures were practically similar, i.e. for the same vehicle the sum of duty, VAT, and excise tax made under the first procedure would be similar to the amount of the payment made in a lump sum under the second procedure.

421. On the application of VAT on pharmaceutical products and medical equipment, as well as products for clinical trials, the representative of the Russian Federation explained that such products had to be registered in the Ministry of Health as pharmaceutical products and medical equipment to be eligible for the reduced VAT rate. The VAT rate was zero per cent for the products included in the exhaustive list of the products of high importance adopted by the Government Resolution No. 19 of 17 January 2002, the list of medical products intended for rehabilitation of invalids adopted by Government Resolution No. 998 of 21 December 2000, the list of medical products intended for production of immunobiological substances adopted by Government Resolution No. 283 of 29 April 2002, the list of spectacle lens and spectacle frames (except for sunglasses) adopted by Government Resolution No. 240 of 28 March 2001, the VAT rate was zero per cent. For other registered pharmaceutical products and medical equipment, as well as products for the clinical trials registered in the Ministry of Health, the VAT rate was 10 per cent. In the absence of such registration, these products were subject to the general VAT rate of 18 per cent. In addition, since 1 January 2008, Articles 164.2(4) and 164.5 of the Tax Code of the Russian Federation had provided that medical products for clinical studies registered in the Ministry of Health were subject to the reduced excise tax rate of 10 per cent.

422. Some Members of the Working Party noted that space equipment originating in some countries faced, at a minimum, a 20 per cent (now 18 per cent) VAT, while those from other countries enjoyed an exemption from the VAT. They indicated that this was inconsistent with the MFN provisions in Article I of the GATT 1994 and sought the immediate application of equivalent VAT treatment to all space equipment regardless of its country of origin.

423. The representative of the Russian Federation confirmed that there had been some cases of exemptions from levying VAT on space equipment, resulting from bilateral agreements. Since November 2007, the MFN VAT rate applicable to space equipment had been zero per cent, according to Article 164 of the Tax Code (see Table 26).

424. The representative of the Russian Federation confirmed that from the date of accession, the Russian Federation would apply its internal taxes and exemptions thereof, including VAT, excise taxes, and other taxes in a non-discriminatory manner in compliance with Articles I and III of the GATT 1994. In particular, the representative of the Russian Federation confirmed that from the date of accession the Russian Federation would apply VAT for space equipment on an MFN basis. The Working Party took note of this commitment.

- **Quantitative Import Restrictions, including Prohibitions and Quotas and Import Licensing Systems**

- **(a) Quantitative Import Restrictions, including Prohibitions and Quotas**

425. The legal authorization for the application of quantitative import restrictions in the Russian Federation was contained in agreements established in the Customs Union (CU) with Kazakhstan and Belarus. By Decision No. 19 of 27 November 2009 of the CU Interstate Council, the Agreement on Common Measures of Non-Tariff Regulation in Respect of Third Countries, signed on 25 January 2008 (hereafter: "CU Agreement on Non-Tariff Regulation"), and the Agreement on the Procedure of Introduction and Implementation of Measures, Concerning Foreign Trade in Goods, on the Common Customs Territory in Respect of Third Countries (hereafter: "Agreement on Measures Concerning Foreign Trade"), signed on 9 June 2009 took effect on 1 January 2010. As a consequence, decisions to impose non-tariff measures on third-country imports into the CU would be taken by the CU Commission. Prior to the establishment of the CU, the imposition of non-tariff measures was governed by Chapter 5 of the Federal Law No. 164-FZ. According to the CU Agreement on Non-Tariff Regulation, non-tariff measures could include quantitative restrictions, exclusive import or export licenses, or automatic licenses (permits) or non-automatic licenses. By its Decision No. 132 of 27 November 2009, the CU Commission approved the Common List of Goods that are Subject to Non-Tariff Measures (see Table 28), which also came into force on 1 January 2010.

426. The representative of the Russian Federation noted that, in his view, the Russian Federation did not maintain any quantitative import restrictions, prohibitions or quotas within the meaning of Article XI of the GATT 1994, nor was any such measure in place in the CU. Imports of goods were free of any quantitative restrictions imposed previously pursuant to Article 21 of Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" (as last amended on 7 April 2010). Under the CU, import restrictions could be applied pursuant to Article 7 of the CU Agreement on Non-Tariff Regulation and in accordance with Federal laws and international treaties of the Russian Federation, if those measures: (i) were necessary to maintain public morals or law and order; (ii) were necessary to protect the life or health of citizens, environment, life or health of animals and plants; (iii) were related to the import or export of gold or silver; (iv) were applied to protect cultural valuables and heritage; (v) were required to prevent the exhaustion of irreplaceable natural resources and implemented simultaneously with curtailment of the domestic production or consumption associated with the utilization of irreplaceable natural resources; (vi) were linked to a limitation of export of domestic raw materials to provide sufficient quantity of such materials for the domestic manufacturing industry in periods when domestic prices for such materials were kept lower than world prices as the result of a stabilization plan implemented by the government; (vii) were essential to acquire or distribute goods in case of their general or local shortage; (viii) were essential to comply with the international obligations; (ix) were essential to ensure the defence of the country and security of the state; and (x) were necessary to ensure the observance of regulatory legal acts not contravening international commitments and related to the application of the customs law, preservation of the environment, protection of intellectual property and other legal acts.

427. In addition, pursuant to Article 3 of the CU Agreement on Non-Tariff Regulation, quantitative import restrictions could be introduced on agricultural or fishery products imported into the CU in accordance with Article XI:2 of the GATT 1994 when such measures were necessary to: (i) reduce the production or sale of similar domestic goods; (ii) reduce the production or sale of domestic goods that could be directly replaced with imported goods unless there was a large-scale production of similar domestic goods; (iii) remove from the market a temporary surplus of similar domestic goods by providing the available surplus of such goods to some groups of consumers either free of charge or

at prices inferior to market prices; (iv) remove from the market a temporary surplus of domestic goods that may be directly replaced with imported goods unless there was a large-scale production of similar domestic goods by providing the available surplus of such goods to some groups of consumers either free of charge or at prices inferior to market prices; and (v) limit the production of products of animal origin whose production was dependent upon imported goods, provided the production of similar domestic goods was negligible. In response to a question from a Member, the representative of the Russian Federation explained that "domestic good" in this context meant a good produced in any CU Party.

428. Referring to the statement of the representative of the Russian Federation in paragraph 427, a Member enquired whether any import restrictions under Article XI:2(c) of the GATT 1994 had been or were being applied. This Member requested the Russian Federation to enter a commitment to comply with Article 4.2 of the WTO Agreement on Agriculture, which had superseded Article XI:2(c) of the GATT 1994, as from the date of its accession and to remove any measures that could be inconsistent with that Article. In response, the representative of the Russian Federation said no import restrictions under Article XI:2(c) of the GATT 1994 were being applied under either the existing legislation of the Russian Federation or CU Commission Decisions. He further stated that, from the date of accession, the Russian Federation would comply with Article 4.2 of the WTO Agreement on Agriculture.

429. He further stated that, pursuant to Article 8 of the CU Agreement on Non-Tariff Regulation, the CU Commission was authorised to apply quantitative import restrictions and prohibitions to fulfil the obligations of a Party under international sanctions regimes or to protect the external financial situation and safeguard the balance of payments (see Section on "Balance of payments" of this Report). To meet these obligations, the CU Commission was authorised to apply quantitative import restrictions or grant exclusive licenses to import or export based on proposals from the CU Parties. Such measures would be taken in accordance with the Federal Laws of the Russian Federation and the international Agreements to which the Russian Federation was a Party. In response to a question from a Member, the representative of the Russian Federation explained that the list of general exceptions stipulated in Articles 7 and 8 of the CU Agreement on Non-Tariff Regulation was exhaustive and no other document within the CU provided for such exceptions.

430. The representative of the Russian Federation explained that, as of 1 January 2010, pursuant to Article 9 of the CU Agreement on Non-Tariff Regulation and Article 1 of the Agreement on Measures Concerning Foreign Trade, the authority to impose non-tariff measures in the CU on third-country imports was transferred from the individual Parties to the CU Commission. A proposal to apply a non-tariff measure could be filed by a Party or the CU Commission, and the CU Commission was required to make its determination within 30 days from the date the proposal was submitted, and the decision would come into force within 45 days from the date of publication. Any non-tariff measure was applied to goods originating in third countries, and applied equally to imports from all countries.

431. In response to a question from a Member, the representative of the Russian Federation explained that under Article 9 of the CU Agreement on Non-Tariff Regulation and Article 8 of the Agreement on Measures Concerning Foreign Trade, and pursuant to the procedures set-forth in the latter Agreement, a CU Party could unilaterally impose temporarily a non-tariff measure if such a measure was aimed at: (i) the observance of public morality, law and order; (ii) defence and security; (iii) protection of life or health of the citizens, environment, life or health of animals and plants; (iv) protection of cultural values and cultural heritage; (v) protection of intellectual property; (vi) prevention of the exhaustion of irreplaceable natural resources; (vii) prevention or reduction of the critical shortage in the domestic market of food or other goods that were essential for the domestic market; or (viii) protection of the external financial position and safeguarding the balance of payments. Furthermore, Articles 6.1 and 7.1 of the Agreement on Measures Concerning Foreign

Trade provided further grounds to introduce unilateral non-tariff measures with a view to protecting national interests or external financial position as well as safeguarding the balance of payments. Such a unilateral measure could be imposed for only six months. The CU Parties not imposing the non-tariff measure were to take the necessary steps to prevent the importation of the subject goods into the Party which unilaterally applied the non-tariff measure.

432. Noting the statement of the representative of the Russian Federation that measures applied on the basis of Article 7 of the CU Agreement on Non-Tariff Regulation were justifiable under Articles XX and XXI of the GATT 1994 and other respective provisions of the WTO Agreement, some Members stated that certain elements of that Article, such as paragraph 6, reached beyond grounds provided for under the GATT, in particular Articles XX and XI. The same Members requested a commitment that Article 7 of the CU Agreement on Non-Tariff Regulation, whether applied by the Russian Federation or the competent bodies of the CU, would be in conformity with the relevant provisions of the WTO Agreement.

433. In response, the representative of the Russian Federation stated that, in his view, Article 7 of the CU Agreement on Non-Tariff Regulation was in conformity with Article XX (j) of the GATT 1994. He also confirmed that measures applied on the basis of Article 7 of the CU Agreement on Non-Tariff Regulation would be in conformity with the relevant provisions of the WTO Agreement, whether applied by the Russian Federation or the competent bodies of the CU.

434. In response to a question from a Member, the representative of the Russian Federation recalled that the temporary ban on the importation of ethyl alcohol enforced under Federal Law No. 61-FZ of 31 March 1999 "On Temporary Ban on Ethyl Alcohol Imports" had been terminated on 31 December 2001. He further said, that Article 13 of Federal Law No. 171-FZ of 22 November 1995 "On State Regulation of Producing and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products", which had restricted imports of distilled spirits to no more than 10 per cent of alcohol sales in the Russian Federation, was repealed on 1 January 2006 by Federal Law No. 102-FZ of 21 July 2005 "On Amending the Federal Law on the State Regulation of Producing and Turnover of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products and on Declaring as no Longer Valid Some Provisions of the Federal Law on the State Regulation of Producing and Turnover of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products".

435. Noting the statement of the representative of the Russian Federation concerning the lifting of the temporary ban on imports of ethyl alcohol, some Members requested clarification of whether the Russian authorities considered that imports of ethyl alcohol could still be affected by Government Resolution No. 1292 of 3 November 1998 "On the Approval of Rules for the Issuance of Quotas for the Manufacture of Ethyl Alcohol from All Types of Raw Materials and Special Permits for Its Delivery" (as amended on 16 May 2001). As this Resolution seemed to contemplate placing quotas on deliveries by domestic producers, the question remained as to whether the Russian Federation eventually planned to place quotas on imports.

436. In response, the representative of the Russian Federation stated that the rules of putting quotas on production of ethyl alcohol from all types of raw materials, methylated spirits and alcohol-containing solutions had been recognised as invalid by Resolution of the Supreme Court of the Russian Federation No. GKPI 2001-783 of 16 May 2001 "On Recognition as Invalid and Inapplicable the Rules on Putting Quotas on Production of Ethyl Alcohol and Alcohol-Containing Solution", approved by Government Resolution No. 1292 of 3 November 1998. The rules of issuance of special permits for delivery (release) of ethyl alcohol produced from all types of raw materials, methylated spirits and alcohol-containing solutions had been recognised as invalid and inapplicable by Resolution of the Supreme Court No. GKPI 00-1251 of 23 November 2000 "On Recognition as Invalid and Inapplicable the Rules of Issuance of Special Permits for Delivery (Release) of Ethyl

Alcohol Produced from All Types of Raw Materials, Methylated Spirits and Alcohol-Containing Solutions", approved by the Resolution of the Government of the Russian Federation No. 1292 of 3 November 1998.

437. He further noted that according to Federal Law No. 102-FZ of 21 July 2005 "On Amending the Federal Law on the State Regulation of Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products and on Declaring as no Longer Valid Some Provisions of the Federal Law on the State Regulation of Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products", the restriction on distilled spirits mentioned in Article 13, Point 2 of Federal Law No. 171-FZ of 22 November 1995 "On the State Regulation of Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products" was no longer valid.

438. Noting that the Russian Federation did not exclude the possible introduction of a State monopoly on the distribution of alcoholic products, and that CU Regulations provided that the CU Commission could issue an exclusive import licence for such enterprises, some Members requested the Russian Federation to ensure that, in the event of such introduction, it would not create a disguised restriction on imports of alcoholic products into the Russian Federation, nor would it create unduly burdensome procedures for imports. In response, the representative of the Russian Federation referred to paragraph 253 of the Section "Registration requirements for import/export operations" of this Report.

439. Some Members expressed concerns about measures applied by the Russian Federation that, in their view, restricted trade in beef, pork, and poultry meat and products. These Members requested information on the basis for these measures and on when they would be terminated. In response, the representative of the Russian Federation informed the Members that, for the purpose of ensuring the conditions for the stable development of the Russian production of poultry, beef and pork meat, and products thereof, on the basis of Government Resolution No. 1111 of 24 December 2010 "On Import of Beef, Pork and Poultry Meat in 2011", and taking into account Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" and the Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as last amended on 28 June 2009), the Government had approved the list of goods and volumes of their importation into the Russian Federation from 2010 to 2012. These quotas were administered by issuance of non-automatic licenses by the Ministry of Industry and Trade, as described in the Section "Tariff Quotas" of this Report. Earlier safeguard import quotas had been converted into TRQs on 1 January 2006, as described in the Section "Tariff Quotas" of this Report.

- (b) Import Licensing Systems

440. The representative of the Russian Federation noted that, from 1 January 2010, the legal basis for the import licensing system in the Russian Federation was established in the Agreement on Common Measures of Non-Tariff Regulation in Respect of Third Countries, signed on 25 January 2008 (hereafter: CU Agreement on Non-Tariff Regulation), the Agreement on the Introduction and Application of Measures Concerning Foreign Trade in Goods on the Common Customs Territory in Respect of Third Countries (hereafter: CU Agreement on Measures Concerning Foreign Trade), signed on 9 June 2009, and the Agreement on Licensing in the Area of Foreign Merchandise Trade of 9 July 2009 (hereafter: CU Licensing Agreement) and the Agreement on the Regime and Implementation of Tariff Quotas as of 12 December 2008. The purpose of the licensing regime was to monitor and control imports of goods which, for various reasons, were classified as sensitive by the CU Parties and/or by the international community. By CU Commission Decision No. 132 of 27 November 2009 "On a Single Non-Tariff Regulation of the Customs Union of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation"

(hereafter: CU Commission Decision No. 132), the CU Commission approved the Common List of Goods that might be subject to Non-Tariff Measures (hereafter: Common List, see Table 28), which came into force on 1 January 2010. For the Russian Federation, in addition to the products already subject to such requirements, wines, vitamins and a number of radio-electronic products became newly subject to non-tariff measures as a result of CU Commission Decision No. 132. The procedure for the importation of specific products, such as products with cryptographic capabilities, precious stones and precious metals, and medicines and pharmaceutical ingredients, were set-out in CU Commission regulations. The authorised body of each CU Party was responsible for issuing and monitoring the implementation of non-automatic licenses and/or automatic licenses (permits).

441. The representative of the Russian Federation explained that in addition to the CU Agreements and Commission Decisions, national legislation of the Russian Federation, including Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" (as last amended on 7 April 2010) and Government Resolution No. 364 of 9 June 2005 "On the Approval of the Regulations for Licensing in the Area of Foreign Trade in Goods and on Creating and Keeping a Federal Data Bank of Issued Licenses", continued to regulate the application of the licensing regime in the Russian Federation. For example, Federal Law No. 164-FZ established the conditions and procedures for applying supervision of export and/or import of certain kinds of goods. Similarly, Federal Law No. 164-FZ set-forth the procedures for applying for an import licence or permit. In cases where a licence and/or permit application was not approved, the right of the importer to appeal the decision was regulated by the national legislation of the CU Parties. In the Russian Federation, the right to appeal was regulated by the Regulations for Licensing in the Area of Foreign Trade in Goods ratified by Government Resolution No. 364 (paragraph 18), according to which "decisions and actions of the authorised body responsible for issuing licenses could be appealed according to the stipulated procedure".

442. Some Members requested information on whether an import licence or permit issued by one CU Party would allow importation of the good into all CU Parties or would importation be limited to the Party issuing the licence or permit.

443. In response, the representative of the Russian Federation explained that an import licence or permit authorised the licensee or permit holder to import the relevant good into only the CU Party that issued the licence or permit; the licence or permit did not authorize the licensee or permit holder to import the relevant good into other CU Parties. He further explained that the licence or permit did, however, give the licensee/permit holder the right to transit the good through the territory of the other CU Party to the territory of the Party that issued the licence or permit.

444. According to Article 5 of the CU Agreement on Non-Tariff Regulation, licensing was required: (i) in the event of temporary quantitative restrictions on imports of certain types of goods; (ii) to regulate the importation of certain goods for reasons of national security, health, safety or environmental protection; (iii) to grant an exclusive right to import certain goods; or (iv) to carry out international obligations. Import licenses were also required to regulate the importation of goods subject to tariff rate quotas. The type of non-tariff restrictions and the list of goods subject to these restrictions were established by the CU Commission. The current list of such goods was set-out in Table 28. The CU Commission could decide to add or remove goods from this list upon request of a CU Party or on its own initiative.

445. The representative of the Russian Federation explained that according to the CU Licensing Agreement, the Ministry of Industry and Trade (the "authorised State body of executive power" in the Russian Federation) issued three types of licenses: one time, general, and exclusive. One time licenses were issued to applicants on the basis of a foreign trade contract relating to goods subject to import licensing. One time and general licenses were issued to applicants upon a decision of the

authorised body of the Russian Federation. Both types of licenses granted the right to import certain types of goods subject to licensing in the quantity determined by the licence and were valid for one year or, for goods with respect to which provisional quantitative restrictions had been introduced, until 1 January of the following calendar year. Exclusive licenses gave the applicant the exclusive right to import certain types of goods. The goods subject to exclusive licenses were to be decided by the CU Commission, but until now exclusive import licences had not been issued in the Russian Federation. Under the CU Licensing Agreement, licenses were issued within 15 working days after submission of the complete set of documents. These documents consisted of an application for licence, an electronic copy of the application, a copy of the contract, a copy of a certificate confirming that the applicant was registered with a regional tax authority as a tax-payer, a copy of the activity licence (if applicable) and other documents, as required. The fee charged for the issuance of a licence was reduced from RUB 3,000 to RUB 2,600. Renewal of a licence would be subject to a fee of RUB 200.

446. A Member requested clarification regarding the respective powers of the CU Commission and national level governments in relation to general and exclusive licenses. The representative of the Russian Federation explained that in accordance with paragraph 1 of Article 3 of the CU Licensing Agreement, exclusive licenses were issued by authorised bodies of the CU Parties in cases stipulated by the Decision of the CU Commission. He further explained that, in accordance with the CU Commission Decision No. 168 of 27 November 2009, the competent national authority (the Ministry of Industry and Trade, in the case of the Russian Federation) issued exclusive licenses for import or export to foreign trade participants, and the CU Commission, consistent with a Decision of the CU Interstate Council, issued general licenses. In accordance with CU Decision No. 168, until the CU Parties ratify the "Procedure of Licence Suspension and Expiration", the CU Commission was to base its decisions regarding suspension and expiration of licenses on the national legislation of each CU Party.

447. In response to a question from a Member, the representative of the Russian Federation confirmed that proprietary and/or confidential information contained in an import licence application would be protected under the applicable laws of the Russian Federation.

448. The authorised body of the Russian Federation had the right to terminate or suspend an import licence in the case of a change in the constituent documents of the licensee registered as a legal entity (a change of the organizational-legal form, name, or its location) or a change in the passport information of the licensee being a natural person. In such circumstances, the CU Licensing Agreement provided that the licensee was to request that the authorised body terminate the existing licence, and register a new licence. In order to register a new licence, the licensee was required to submit a new application and documents confirming the above-mentioned change(s). In case of loss of the licence, the licensee was entitled to a duplicate licence, which would be issued within five calendar days from the date of submission of the request explaining the causes and circumstances of the loss of the licence. The licence holder wishing to renew a licence had to submit a new application, along with the full set of required documents.

449. The representative of the Russian Federation explained that according to the CU Licensing Agreement, permits were issued by the authorised body of the Russian Federation without restriction to all applicants. Permits were issued within three working days from the date of the submission of the draft permit in a format approved by the Commission, and remained valid until the end of the calendar year in which they were issued. No other documents were required for issuance of a permit.

450. A Member requested clarification of whether a CU Party must apply automatic import licenses to all goods on the Common List of Goods across the CU. The representative of the Russian Federation explained that automatic licensing was carried out in respect of goods whose

export/import was subject to supervision. The list of goods subject to supervision was stipulated by the CU Commission. Goods subject to supervision were included into the Common List of Goods, but not all goods included into the Common List were subject to automatic licenses. In some cases, the requirement for permit was stipulated in the Regulations on the procedure for import/export attached to each section of the Common List of Goods.

451. In response to a question from a Member, the representative of the Russian Federation responded that no goods were currently subject to automatic-licensing except for goods containing encryption technology, as described in paragraph 481.

452. Import licenses were generally issued by the Ministry of Industry and Trade of the Russian Federation, based on "conclusions" issued by the relevant competent authorities following an "expert examination" of the good. In the case of weapons, ammunitions and dual-purpose goods, however, licenses were issued by the Ministry of Defence of the Russian Federation. The licensing regime was applied to imports from all non-CU countries, including imports from CIS countries without discrimination as regards to the country of origin.

453. Several Members of the Working Party expressed concern regarding the justification of the Russian Federation for the application of non-automatic import licenses pursuant to Article XX of the GATT 1994 for products listed in Table 28. These Members requested additional explanation to understand how the provisions in the chapeau of Article XX of the GATT 1994 would be met. They noted that, while import licensing might be an appropriate mechanism to administer certain controls, the justification for these controls, as well as the specifics of the import licensing procedures used to administer them, needed in all cases to be fully in accordance with WTO provisions, including those on non-discrimination.

454. In response, the representative of the Russian Federation said that neither the Russian Federation, nor the competent bodies of the CU intended to limit the quantity and value of imports by means of import licenses, except as provided for in international conventions such as the Montreal Protocol or the Basel Convention or for the implementation of other measures justified under the WTO Agreement. He added that, in his view, the application of non-automatic import licenses for the products listed in Table 28 was in conformity with Articles XX and XXI of the GATT 1994.

455. Several Members replied that the current application of licensing requirements to products such as pharmaceuticals, sugar, goods with encryption technology and alcoholic beverages clearly operated to restrict imports. They requested the Russian Federation to describe the legal basis for these measures and to explain how these restrictions would be modified or eliminated to meet WTO requirements.

- **(i) Sugar**

456. Some Members asked for more detailed information on how the Russian authorities considered that each of the requirements of Articles 1 and 3 of the WTO Agreement on Import Licensing Procedures had been met in relation to non-automatic import licensing in the administration of its TRQ for raw sugar (HS 170111).

457. The representative of the Russian Federation responded that the TRQ on raw sugar (HS 170111) had been eliminated pursuant to the Government Resolution No. 720 of 29 November 2003 and the Government Resolution No. 757 of 18 December 2003 "On the Abolishing of the Licensing of the Import of Raw Sugar to the Russian Federation" had removed raw sugar from the list of products requiring an import licence. He added that pursuant to Government

Resolution No. 782 of 17 July 1998 (as amended on 18 December 2003), imports of starch treacle had required licensing. This measure, however, had had a temporary surveillance character, had been taken in order to collect trade data that could be used, if necessary, to justify possible measures aimed at regulating imports, and was abolished since 1 January 2007 by Government Resolution No. 700 of 20 November 2006. At the current time, the Russian Federation does not require import licensing for the importation of raw sugar.

- (ii) Alcoholic beverages and Alcohol-Containing Products

458. Noting that for alcoholic beverages and alcohol-containing products, import licenses were only issued where the applicant already had an activity licence, some Members requested information on the rationale for this apparent duplicative requirement. They also required information on the number of licenses issued every year and how many of these were currently in force. These Members requested the Russian Federation to make a commitment that any import licenses on ethyl alcohol, alcoholic drinks, alcohol-containing products (as well as on pharmaceutical products, and products with encryption technology, which had a similar system) would be granted automatically on the basis of a regime compatible with WTO requirements, including Article 2 of the WTO Agreement on Import Licensing Procedures.

459. Some Members expressed concerns about the need for specific licensing requirements for certain types of alcoholic products. Specifically, they asked about the rationale for the mandatory licensing requirement for wines and certain alcoholic beverages exceeding 28 per cent volume, such as vodka and tequila. Members also expressed concerns about disruption in the issuing of these licenses in the course of the change of responsibility within the Government of the Russian Federation for the licenses in question.

460. In response, the representative of the Russian Federation said that, pursuant to the CU Agreements listed in paragraph 440, as well as CU Commission Decision No. 132 and the "Regulations of the Order of Import of Ethyl Alcohol and Alcoholic Products to the Customs Territory of the Customs Union", imports of ethyl alcohol, wines, and some alcoholic beverages exceeding 28 per cent volume (vodka and other white distilled alcoholic beverages) as listed in Table 28 were subject to import licensing in the Russian Federation. Licenses were issued by the Ministry of Industry and Trade upon receipt of the documents listed in paragraph 445 of this Report, including a copy of the import contract. In his view, import licensing of alcohol and alcoholic beverages was undertaken for purposes consistent with the requirements of Article XX(b) of the GATT 1994. However, the representative of the Russian Federation confirmed that the non-automatic import licensing requirement for alcoholic beverages would be eliminated and replaced upon accession by an automatic licensing procedure whereby licenses would be issued upon submission of the appropriate and complete documentation as described above. At present, fees charged for the issuance of all types of import licence amounted to RUB 2,600. The representative of the Russian Federation noted that according to Order No. 1212 of the Ministry of Industry and Trade of the Russian Federation of 30 December 2009"On the Distribution of Authorities in the Ministry of Industry and Trade of the Russian Federation and its Territorial Bodies for Issuing the Licenses and other Permissive Documents for the Implementation of Export-Import Operations with Particular Types of Goods", vodka was in the list of goods subject to licensing procedures and there were no additional licensing requirements for vodka.

- (iii) Pharmaceuticals

461. The representative of the Russian Federation noted that the importation of medicines and pharmaceutical ingredients was governed by the CU Agreements listed in paragraph 440, as well as by Decision No. 132, and more specifically by the "Regulations On the Order of Entry into the

Customs Territory of the Customs Union of Medicines and Pharmaceutical Ingredients", as well as relevant domestic legislation, i.e., Government Resolution No. 438 of 17 July 2005 "On the Order of Importation and Exportation from the Russian Federation of Pharmaceuticals for Medical Use" and Federal Law No. 61-FZ of 12 April 2010 "On the Circulation of Medicines". Some Members noted that pharmaceutical licensing requirements were extremely burdensome and constituted a problem for their exporters. A major obstacle was that pharmaceuticals had to be re-registered periodically, e.g., once every four years, and this re-registration was not automatic, often resulting in firms losing their current licence and being unable to import products for a period of time. Regarding Government Resolution No. 438 "On the Procedure of Importation in and the Exportation from the Russian Federation of Pharmaceuticals for Medical Use", some Members indicated that paragraph 2 of that Resolution appeared to suggest that foreign manufacturers were required to have offices in the Russian Federation in order to obtain an import licence. They requested clarification as to whether this requirement would imply that foreign manufacturers of pharmaceuticals must have an office in the Russian Federation to obtain a licence to import, and noted that in this case such a requirement would be inconsistent with WTO provisions. In addition, they asked the Russian Federation to elaborate on the purpose of these requirements, particularly in the case of licensing products such as flavourings and dual use precursor chemicals, and on whether they required the examination of every contract to import. Members also expressed concerns regarding treatment of imports when there were differences between the quantity shipped and that listed in the contract. In some cases, small disparities had resulted in a refusal to permit import even of the contracted amount. Members also requested information on possible expedited procedures to obtain licenses for any significant coverage. The same Members also recalled the concerns raised under the Section "Registration Requirements for Import/Export Operations" of this Report.

462. In response, the representative of the Russian Federation explained that, in his view, import licensing of pharmaceuticals was justified by Article XX(b) of the GATT 1994 and was aimed at implementing the policies of the Government in the field of human and animal life and health protection.

463. He further explained that, currently, in accordance with the Federal Law No. 61-FZ "On the Circulation of Medicines" of 12 April 2010, and Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activities" (as amended on 14 July 2008), to import pharmaceuticals into the territory of the Russian Federation, foreign enterprises that were producers or wholesalers could be registered as legal persons on the territory of the Russian Federation (described in paragraph 256 of this Report), and granted a licence for relevant type of activity (pharmaceutical production or distribution), and a licence for importation. The issuance of a licence for pharmaceutical wholesale or production allowed the legal entity to obtain a licence for importation of medicines. The fee charged for the issuance of the licence to import/export medicines amounted to RUB 1,300. He also noted that foreign enterprises were subject to the same uniform procedures as provided under Government Resolution No. 438 of 16 July 2005 "On the Procedure for Importation and Exportation of Medicines for Medical Purposes". In response to a question from Members, regarding future requirements to obtain and present import and/or activity licenses in connection with importation of pharmaceuticals, the representative of the Russian Federation referred Members to paragraph 275 and the requirements and procedures that would apply to pharmaceuticals, alcohol and goods with encryption technology from the date of the accession of the Russian Federation to the WTO. As regards concerns from Members in respect of the periodic re-registration requirement, the representative of the Russian Federation noted that according to the registration procedure of the Ministry of Health and Social Development, the first registration of a pharmaceutical in the territory of the Russian Federation was valid for five years. However, when the registration was renewed there were no restrictions on the duration of validity of that registration and in that case a temporary loss of the licence due to re-registration was not possible. The representative of the Russian Federation further explained that the validity of the first registration would be automatically prolonged until the

re-registration procedure was completed to avoid any interruptions in delivery to the market. In response to a question from a Member, the representative of the Russian Federation confirmed the five-year limit period applied to the first registration of each producer in the Russian Federation.

464. Noting the concerns expressed by Members regarding the treatment of imports when there were differences between the quantity shipped and that listed in the contract, the representative of the Russian Federation explained that the quantity shipped could be smaller than that listed in the contract, but not larger. In the latter case, customs clearance would be refused for the amount exceeding that in the contract.

465. One Member requested clarification of the requirements for importing products for testing purposes related to obtaining registration and approval for circulation of pharmaceuticals in the Russian Federation. This Member requested information on whether a representative office, for example, could import products into the Russian Federation for such purposes without obtaining an activity licence or import licence.

466. In response, the representative of the Russian Federation explained that, under the new Law, a product imported into the Russian Federation for testing and examination related to its registration as a pharmaceutical in the Russian Federation was considered to be a non-registered pharmaceutical. In accordance with Government Resolution No. 771 of 29 September 2010 "On the Rules of Importation of Pharmaceutical Products for Medical Use into the Territory of the Russian Federation", the import of certain amounts of non-registered pharmaceuticals, necessary for clinical trials, or with the view of their State Registration, or non-registered pharmaceutical products used for medical treatment of certain patients were allowed under permission of the Ministry of Health and Social Development of the Russian Federation. Thus, a representative office could import such products for testing and examination without obtaining an activity licence or import licence.

467. Noting further that pharmaceutical exporters had expressed concerns over certain Russian import licensing requirements (for instance, if the molecule unique to the pharmaceutical had not changed, periodic renewal of licenses appeared unnecessary and could be expensive and burdensome to the industry), some Members asked whether such requirements were equally applied to similar domestic products, as the failure to do so could constitute a violation of Article III of the GATT 1994. Noting that some pharmaceutical exporters had expressed concerns that the administration of licenses by the Ministry of Health and Social Development and the Ministry of Industry and Trade did not presently meet WTO requirements, such as transparency, fees for services rendered, processing within a reasonable time-frame and forbearance on minor documentation errors, these Members requested clarification on the steps that the Russian Federation intended to take to ensure that the administration of import licenses would conform to WTO requirements. In this regard, some Members asked the Russian Federation to explain how the 0.05 per cent administrative fee charged by the Ministry of Health and Social Development for issuing permits to import pharmaceutical products was consistent with the requirements of Article VIII of the GATT 1994.

468. Some Members also requested additional clarification of the status of any legislative initiative in the Russian Federation, which could operate to restrict imports of pharmaceuticals having domestic analogues. These Members felt that, if adopted, such legislation could be inconsistent with the provisions of Articles III and XI of the GATT 1994. Noting further that the Russian Federation had acknowledged that the Law concerning pharmaceuticals (Federal Law No. 86-FZ of 22 June 1998 "On Medicines") was inconsistent with the new Foreign Trade Law and Import/Export Licensing Resolution, some Members expressed their expectation that this Law would be amended or repealed to ensure WTO conformity by the date of accession.

469. The representative of the Russian Federation replied that the Federal Law No. 86-FZ of 22 June 1998 "On Medicines" had recently been replaced by Law No. 61-FZ of 12 April 2010 "On the Circulation of Medicines". This new Law was intended to achieve WTO compliance. He also added that there were no plans in the Russian Federation to introduce new legislation, which could operate to restrict imports of pharmaceuticals, including veterinary drugs, having domestic substitutes. Activity licences to engage in production or wholesale were made available to all registered companies (domestic or foreign owned) which satisfied government regulatory criteria. For issuance of preliminary permits for imports of pharmaceutical products, the Ministry of Health and Social Development of the Russian Federation (or Rosselkhoznadzor in cases of veterinary drugs) did not now levy any charge or fees. Consultations and preparation of the documents for examination of an application were done by the Federal State Unitary Enterprise "The Information and Methodical Centre on Expertise, Registration and Analysis of the Turnover of Medicines for Medical Purposes" of the Federal Health and Social Development Supervision Service. The cost of the services was determined according to the Civil Code of the Russian Federation on the basis of the volume of performed work as agreed by the parties to the corresponding contract. A preliminary permit issued by the Federal Health and Social Development Supervision Service of the Ministry of Health and Social Development of the Russian Federation or Rosselkhoznadzor in cases of veterinary drugs was the ground for issuing an import licence. He also referred to his explanations under the above Section on "Registration Requirements for Import/Export Operations" of this Report. As regards concerns from Members on conformity of administration of licenses by the Ministry of Health and Social Development of the Russian Federation and the Ministry of Industry and Trade of the Russian Federation with WTO requirements (such as transparency, fees for services rendered, processing within a reasonable time-frame and forbearance on minor documentation errors), the representative of the Russian Federation noted that information on this issue was contained in paragraphs 193, 194 and 200 of the Section "Government Entities Responsible for Making and Implementing Policies Affecting Foreign Trade; Right of Appeal". Responding to the question of a Member, in respect of differences in application of regulations relevant for implementation of safety and other types of controls in respect of imported and domestic products, he explained that, such differences were caused by the fact that imported goods were subject to controls at the point of customs clearance and domestic goods at production sites, but such differences had not created different burdens for importers and domestic producers and hence, had not caused protection to domestic production. Answering a question by a Member on the consistency of the 0.05 per cent administrative fee, charged by the Ministry of Health and Social Development for issuing permits to import pharmaceutical products, he stated that this fee had been abolished.

470. Some Members of the Working Party stated that their traders had experienced difficulties with other Ministries or institutions charging extra fees in connection with importation permits based upon the contract value of the goods. These Members requested that the Russian Federation enter into a commitment to eliminate all such non-WTO consistent measures upon its accession to the WTO.

- **(iv) Products with Encryption Technology**

471. Some Members requested information on the application by the Russian Federation of requirements for importation of goods containing encryption technology. These Members noted that most countries did not limit imports of these products and questioned the need and justification for licensing, in particular, non-automatic licensing of commercially traded, mass-market goods, and goods that were covered under the Information Technology Agreement (ITA). Members expressed concern that such licensing requirements could nullify or impair the market access commitments on a wide-range of products of undertaken by the Russian Federation. Members stated that, to the extent that the Russian Federation intended to establish or apply licensing requirements, such requirements should apply only to products that clearly presented a threat to security. In such cases, licensing

procedures should be applied in a non-discriminatory manner and comply with all WTO requirements.

472. In response, the representative of the Russian Federation explained that, prior to 1 January 2010, the Russian Federation administered a system of import licensing of all goods, which contained encryption technologies. Since that date, the CU Agreements listed in paragraph 440 and CU Commission Decision No. 132, and the CU Regulation "On the Order of Entry into the Customs Territory of the Customs Union and Removal of the Customs Territory of the Customs Union of Encryption (cryptographic) Means", dated 1 December 2009, and national regulation set-out the requirements for importing goods with encryption technology. He confirmed that any procedures or requirements relating to licensing imports of goods containing encryption technology, whether by the Russian Federation or by the competent bodies of the CU, would be applied on a non-discriminatory basis and in conformity with the relevant provisions of the WTO Agreement, in particular, Articles I and III of the GATT 1994, and that procedures related to the notification, evaluation, approval, and licensing of goods containing encryption technology, would be transparent and predictable and would not impose unreasonable or burdensome requirements on such goods. The Working Party took note of these commitments.

473. The representative of the Russian Federation explained that, in order to facilitate trade, the Russian Federation would develop and apply an interim system of regulation of goods containing encryption technology. Under this interim system, all encryption products would be divided into three groups: (i) certain goods containing encryption technology could be imported without any formalities related to encryption; (ii) other goods with encryption technology would be subject to a one-time notification requirement; and, (iii) a category of goods with encryption technology would be subject to an expert evaluation and require an import licence. This import licence would be issued by the Ministry of Industry and Trade, based on a "conclusion" issued by the executive body in the field of national security of the CU Party (the Federal Security Service in the Russian Federation), following an "expert examination". He noted that other formalities, such as customs or those necessary to implement technical regulations would continue to apply in respect of imports of all these goods.

474. In response to a request by one Member to clarify the meaning of the wording "without any formalities related to encryption" in paragraph 473, the representative of the Russian Federation said that such formalities were understood as the formalities concerning the goods listed in Table 29 and described in the second and subsequent sentences of paragraph 477, and the formalities listed in paragraph 481 concerning the goods, which were subject to import licensing and expert evaluation.

475. In response to the request of the same Member to clarify what "formalities" not related to encryption could be applied to goods with encryption technology, the representative of the Russian Federation noted, that such formalities could relate to the requirements resulting from application of the legislation on customs regulation, technical regulation, intellectual property rights, and other legal acts, which were usually applied with respect to the imported goods or goods designed for internal circulation in the market. He added that all goods with encryption technology (not specially designed or modified for military use) de-controlled by the Wassenaar Arrangement by means of Category 5, Part 2, would be allowed to be imported "without any formalities related to encryption".

476. The representative of the Russian Federation confirmed that the conditions for importation of goods containing encryption technology, subject to current and any future exemptions, indicated in all of the Notes to Category 5, Part 2 "Information Security" of the Wassenaar Arrangement Dual Use List, whether imposed by the Russian Federation or the competent bodies of the Customs Union, would not be more restrictive than those in effect as of 18 November 2006. In response to a question

from a Member, the representative of the Russian Federation added that mobile phones currently legally sold at the retail level in the Russian Federation were included among such goods. The Working Party took note of these commitments.

477. With respect to goods falling into the categories set-out in Table 29, the representative of the Russian Federation confirmed that, within the framework of the interim system, any restrictions existing before 1 January 2010 would be eliminated and no new restrictions, such as experts evaluations, approvals, and licenses, for the importation of those goods would be adopted or applied, whether by the Russian Federation or the competent bodies of the CU. He further informed Members that within the framework of the interim system, importation of goods in the categories set-out in Table 29 would be permitted based on a one-time submission of a notification. To comply with this requirement, the manufacturer of the good would submit a completed paper copy of a form containing information specified in Table 30. Further, the representative of the Russian Federation confirmed that no licenses would be required, whether by the Russian Federation or by the competent bodies of the CU, for imports into the Russian Federation of goods with encryption technologies, included in Table 29, and the exemptions set-out in paragraph 476. The Working Party took note of these commitments.

478. Addressing a request from a Member, he confirmed that all goods with encryption technology released by future Wassenaar Arrangement Category 5, Part 2 "Information Security" de-controls would be allowed to be imported "without any formalities related to encryption". Goods subject to a notification requirement, in accordance with paragraph 477 were listed in Table 29. In accordance to a question from a Member, the representative of the Russian Federation explained that, consistent with Wassenaar practice, the regulating country (the Russian Federation) would determine which goods qualified as "mass market goods", as defined in Table 29. He added that the data to be submitted for a "one-time notification" application were listed in Table 30. He confirmed that, if a good had been imported subject to the "one-time notification" process, that good would not be subject to any other notifications by any parties importing that good. The information on goods approved for import through the "one-time notification" process would be available to the public on the websites of the Federal Security Service.

479. In response to a question from a Member, the representative of the Russian Federation explained that, if proprietary information was submitted in the notification, and the manufacturer identified that information as proprietary, that information would be protected. Confirmation of notification would be automatic, unless the manufacturer or its authorised representative in the Russian Federation were contacted within ten working days after submission of the notification regarding its compliance with the requirements, including whether the product was correctly subject to notification, as set-out in paragraph 477. In the Russian Federation, the Federal Security Service would maintain a public internet site where such confirmations would be posted. Any importer or shipper could rely on a relevant confirmation. Once a good was notified and confirmed, an importer/shipper would only be required to indicate that the good appears on the internet site in the relevant customs declaration. He further explained that this notification procedure was intended to facilitate the entry of the goods listed above and would not result in any delays or additional approval procedures.

480. The representative of the Russian Federation confirmed that goods that had been subject to examination under import procedures related to encryption, prior to the establishment of this interim system, and, which were covered by the categories set-out in Table 29, would be automatically posted on the internet site without making the notification set-out in paragraph 477. The Working Party took note of these commitments.

481. For goods containing encryption technology that need an import licence, the representative of the Russian Federation confirmed that, within the framework of an interim system, such goods would need to undergo expert evaluation and approval only once. If an expert evaluator needed additional information for its evaluation, it would be required to notify the manufacturer or his authorised representative in the Russian Federation and request such information within ten working days of the application. Manufacturers would not be obligated to submit source code and failure to submit such code alone, would not result in denial of an application. After the good was approved, the same good, or a good used for the same purpose with identical encryption, could be imported into the Russian Federation with a licence issued in a manner consistent with Article 2 of the WTO Agreement on Import Licensing Procedures. The time period for completing import licensing procedures, including the time required to obtain an experts' evaluation, to receive approval and the import licence, would not exceed three months. Fees for experts' evaluations and licensing would be transparent and based on the costs of services rendered. The Working Party took note of these commitments.

482. In response to a question from a Member, in respect of the expert evaluation process, i.e., requirements regarding information related to encryption algorithm, the representative of the Russian Federation noted that the information regarding respective requirements was described in paragraph 481.

483. The representative of the Russian Federation confirmed that the Russian Federation would engage interested Members in a review of the operation of this interim system. The purpose of this review would be to clarify and refine procedures for notification, confirmation, and licensing of goods with encryption technology and, where possible, to further improve and expand the products covered under paragraph 476 and Table 29. The Working Party took note of these commitments.

484. In response to a question from a Member about the timing of the review, the representative of the Russian Federation informed that, at the current stage, it was not possible to define the timing of the conversion from the interim system to the permanent one, as it depended on the effectiveness of the interim system and on the scope of the questions emerging within the process of the interim system application.

485. Members welcomed the information on the regulation of goods containing encryption technology. These Members, however, expressed concerns about how the Russian Federation would ensure that goods not containing encryption technology would be excluded from any requirements relating to importation of goods containing such technology. In their view, goods that did not contain encryption technology should not be subject to any encryption-related requirements or formalities. Further, the Russian Federation should not require an activity licence for the importation of: (i) goods containing encryption technology that were not subject to requirements or formalities related to encryption; and (ii) goods subject only to notification requirements.

486. The representative of the Russian Federation confirmed that goods that did not contain encryption technology would not be subject to any encryption-related requirements or formalities. He further confirmed that activity licenses would not be required as a condition for importation of goods that were not subject to requirements or formalities related to encryption and goods subject only to notification requirements. The Working Party took note of these commitments.

487. The representative of the Russian Federation confirmed that, from the date of accession, quantitative restrictions on imports, such as quotas, bans, permits, prior authorization requirements, licensing requirements or other requirements or restrictions having equivalent effect that could not be justified under the provisions of the WTO Agreement would be eliminated and not introduced, re-introduced or applied, whether by the Russian Federation or the competent bodies of the CU.

From the date of accession, any such requirements or restrictions on imports, whether applied by the Russian Federation or the competent bodies of the CU, would be in conformity with the provisions of the WTO Agreement. He confirmed that the administrative procedures of the Russian Federation for the operation of its import licensing regime and their application would, from the date of accession, be in compliance with all relevant provisions of the WTO Agreement, including the Agreement on Import Licensing Procedures. The Working Party took note of these commitments.

- Customs Valuation

488. The representative of the Russian Federation stated that the basic provisions relating to customs valuation principles and policies in the Russian Federation were contained in the Agreement on the Determination of Customs Value of Goods, Transferred Across Customs Border of the Customs Union of 25 January 2008 (hereafter in this Section: the CU Agreement) and the Customs Code of the Customs Union, adopted on 27 November 2009 (hereafter: the CU Customs Code). The CU Agreement and the CU Customs Code entered into effect in the Russian Federation on 1 July 2010. Prior to 1 July 2010, customs clearance and control in the Russian Federation, including customs valuation, had been carried-out in accordance with national legislation, principally the Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as amended by Federal Law No. 144-FZ of 8 November 2005) (hereafter: the Customs Tariff Law) and the former Customs Code of the Russian Federation (Federal Law No. 61-FZ of 28 May 2003). The CU Agreement specified those areas that were to be implemented through national legislation. For the Russian Federation, this legislation was principally Part III of the Customs Tariff Law. In other cases the CU Agreement applied directly as law. Provisions of the Code No. 195-FZ of 30 December 2001 "On Administrative Offences of the Russian Federation", and the "Arbitration Procedural Code of the Russian Federation" No. 95-FZ of 24 July 2002 related to customs valuation also continued to apply after 1 July 2010. Additional legal provisions for customs valuation were found in the Federal Law "On Customs Regulation" and in other related national legal acts.

489. The representative of the Russian Federation further explained that, in accordance with Article 1.3 of the CU Agreement, the relevant provisions of the CU Agreements and national legislation were based on the provisions of the WTO Agreement on Implementation of Article VII of the GATT 1994 (hereafter: CVA) and that it was the intent of his Government to fully implement that Agreement. All six methods of customs valuation applied were based on the provisions of Articles 1, 2, 3, 5, 6, 7 and 8 of the CVA, including most of the provisions of the Interpretative Notes. In particular, Article 2 and Article 4.1 of the CU Agreement established that the "Customs valuation of imported goods shall be, as a matter of principle, based on the price of transaction with these goods..." and "The customs value of goods imported to the Common Customs Area of the Customs Union was the price of the respective transaction, i.e., the price actually paid or payable for these goods sold for export to the country of importation to the Common Customs Area of the Customs Union...". The provisions of Articles 9, 10, 11, 12, 13 and 16 of the CVA were also incorporated in these documents and implemented by the provisions of the national law of the Russian Federation. The rest of the Interpretative Notes would be incorporated either in Ministerial Orders (e.g., the Ministry of Finance) or in a decision of the CU Commission. In his view, the CU Agreements and the existing and prospective national legislation laid out a predictable and transparent regime on customs valuation and, once fully implemented, would establish the customs valuation regime of the Russian Federation in conformity with the CVA.

490. The representative of the Russian Federation stated that the methods of valuation provided for in the CVA other than the transaction value were contained in Articles 6 to 10 of the CU Agreement and Articles 19 to 24 of the Customs Tariff Law.

491. He noted that Article 10 of the CU Agreement and Article 24 of the Customs Tariff Law provided for the use of the fall-back method. If the customs value of the imported goods could not be determined under the provisions of Articles 4 and 6 to 9 of the CU Agreement (Articles 19 to 23 of the Customs Tariff Law), the customs value would be determined using reasonable means consistent with the principles and general provisions of the CU Agreement.

492. The methods of customs valuation used under the fall-back method were generally the same as those provided by Articles 19 to 23 of the Customs Tariff Law and consistent with the provisions of Articles 4 and 6 to 9 of the CU Agreement; however, these methods were to be applied with some flexibility. For example, the following was allowed:

a. determination of customs value could be based on the transaction value of identical or similar goods produced in the country other than the country of production of the goods being valued;
b. in determining customs value using the transaction value of identical or similar goods, a reasonable flexibility was allowed in respect of the interpretation of the requirement of Articles 6 and 7 of the CU Agreement and Articles 20 and 21 of the Customs Tariff Law that the identical or similar goods should be exported at or about the same time as the goods being valued, as a rule, up to 90 days;
c. customs values of identical or similar imported goods already determined under the provisions of Articles 8 and 9 of the CU Agreement and Articles 22 and 23 of the Customs Tariff Law could be used in determining customs value; and
d. in determining customs value using the deductive method, the "90 days" requirement established by paragraph 3 of Article 8 of the CU Agreement and paragraph 3 of Article 22 of the Customs Tariff Law could be administered flexibly (in accordance with the Interpretative Note to Article 7.3(c) of the CVA).

493. The representative of the Russian Federation also noted that the customs value of exports was determined in accordance with paragraph 2 of Article 13 and Article 14 of the Customs Tariff Law, Article 112 of the Federal Law "On Customs Regulation" and Government Resolution No. 500 of 13 August 2006 "On the Procedure of Determination of Customs Value of Goods, Conveyed across the Customs Border of the Russian Federation" (as amended by Government Resolution No. 772 of 2 October 2009). This Resolution approved:

- "Rules of Determination of Customs Value of Imported Goods in Cases of their Illegal Conveyance across the Customs Border of the Russian Federation";
- "Rules of Determination of Customs Value of Imported Goods in Cases of Damage of Goods owing to an Accident or *force majeure*"; and
- "Rules of Determination of Customs Value of Goods, Exported from the Customs Territory of the Russian Federation".

He also noted that these Acts had been amended on the basis of the provisions of the CU Agreement and had been provided to the Working Party.

494. The representative of the Russian Federation also pointed out that, pursuant to the provisions of the "Rules of Determination of Customs Value of Goods, Exported from the Customs Territory of the Russian Federation", the determination of customs value of exported goods was made in accordance with the methods stated in Articles 4 and 6 to 9 of the CU Agreement. If the exported goods were not subject to any duties, a customs value was not determined and declared. The procedures for declaration and control of customs value of exported goods were stipulated by the competent Federal body in accordance with the Federal Customs Service Order No. 932 of 27 September 2006 and of Federal Customs Service Order No. 2417 of 16 April 2008.

495. The representative of the Russian Federation added that, in accordance with Article 2 of the CU Customs Code, the term "customs territory of importation", as defined in Article 15.2 of the CVA, was the Common Customs Area of the Customs Union, consisting of the territories of the Republic of Belarus, the Republic of Kazakhstan, and the Russian Federation, as well as artificial islands, installations and other objects located beyond the territory of CU Members in respect of which those CU Members enjoy exclusive jurisdiction. Article 3 of the CU Agreement confirmed that goods "produced" in the customs territory (including identical or similar goods) included those extracted, raised, or manufactured, as defined in Article 15.1 of the CVA. Concerning the definition of "goods of the same class or kind" found in Article 15.3 of the CVA, he confirmed that the term used in Article 3 of the CU Agreement, i.e., that these goods belong to "one or the same group of goods or a line of commodities, which are manufactured in the framework of a certain economic activity", has the same meaning as referred to in the CVA. These provisions continued to be implemented through the Customs Tariff Law.

496. A Member expressed concern regarding the treatment of related parties and noted, in this regard, that Article 4.4 of the CU Agreement, requiring the imported good in such cases to meet certain price benchmarks. This did not appear to be consistent with either Interpretative Note 1 to Article 1.2(a) and (b) of the CVA or with Article 4.3 of the CU Agreement. The representative of the Russian Federation responded that, in accordance with Article 4.3 of the CU Agreement, the fact that the buyer and the seller were related should not in itself be grounds for regarding the transaction value as unacceptable. In such case, the circumstances surrounding the sale should be examined. If on the basis of information, presented by the declarant or received by the customs administration by other means, signs that such relationship had influenced the price were discovered, the customs administration should inform the declarant in written form about such signs. The declarant was then entitled to demonstrate to the customs administration that the relationship did not influence the price. He also noted that, in a sale between related persons, the transaction value also should be accepted whenever the declarant demonstrated that such value closely approximated one of the following occurring at or about the same time:

- the transaction value in sales to unrelated buyers of identical or similar goods for export to the Russian Federation;
- the customs value of identical or similar goods as determined under the provisions of Article 8 of the CU Agreement; or
- the customs value of identical or similar goods as determined under the provisions of Article 9 of the CU Agreement.

497. The representative of the Russian Federation confirmed that from the date of accession, in accordance with the WTO Agreement on Implementation of Article VII of the GATT 1994 ("CVA"), the Russian Federation would accept two means of establishing the acceptability of a transaction value between related parties, i.e., the analysis of the circumstances surrounding the sale, as well as the demonstration by the declaring party that the transaction value closely approximates the "test value" indicated by the customs administration. He added that the provisions of Article 8.3 of the CVA that require that additions to the price paid or payable would be made only on the basis of "objective and quantifiable data" were implemented in Article 5.3 of the CU Agreement which refers to "reliable and computable information". The representative of the Russian Federation also confirmed that Article 8.1 of the CU Agreement and Article 22 of the Customs Tariff Law provided that the priority of application of Articles 8 and 9 of the CU Agreement (corresponding to Articles 5 and 6 of the CVA) was determined at the request of the importer, in accordance with Article 4 of the CVA. The Working Party took note of these commitments.

498. In addition, the representative of the Russian Federation confirmed that, pursuant to Article 1.2 of the CU Agreement, Article 70 of the CU Customs Code, and Articles 117 and 123 of the Federal Law on Customs Regulation, customs payments included: import customs duty; export customs duty; value-added tax levied upon importation of goods into the customs territory of the Russian Federation; excise tax levied upon importation of goods into the customs territory of the Russian Federation; and customs fees. Chapter 16 of the Administrative Code of the Russian Federation provided that the valuation provisions of customs legislation would also be used in the determination of fines applied to imports or exports in the case of administrative liability for violations of the customs legislation.

499. Members thanked the Russian Federation for its explanations of the provisions of CU Agreements and Protocol and its national legislation that implemented the CVA, which appeared to address many of their concerns. However, some additional aspects of the CVA did not appear to be reflected in the CU documents. These included deficiencies related to: (i) acceptance of a related party transaction value and the circumstances of sale test; (ii) the right to a written explanation as to how the customs value was determined; (iii) the establishment of a publication requirement for the exchange rate used in valuation; (iv) confidentiality requirements for data provided; (v) the right of appeal "without penalty" to a judicial authority; and (vi) the publication of all laws, regulations, judicial decisions and administrative rulings of general application. The CU Agreement and Protocol and national implementing legislation also appeared to lack a provision for the acceptance of paragraph 2 of Decision No. 4.1 of the Technical Committee on Customs Valuation, which provided that the "Valuation of Carrier Media Bearing Software, for Data Processing Equipment" should be based on the value of the media, and Decision No. 3.1 "On the Treatment of Interest Charges in the Customs Value of Imported Goods".

500. Members also noted that the CU Agreement did not appear to contain adequate provision for the use of a guarantee system, including use of a surety bond, to allow clearance of goods through customs if the final determination of customs value had been delayed, as required by Article 13 of the CVA. In addition, many of the Interpretative Notes, contained in Annex 1 of the CVA which was an integral part of that Agreement, were not fully reflected in any of the CU or national legislation provided by the Russian Federation for Working Party review. Members sought assurances that these deficiencies would be addressed and corrected in further amendments to national laws or in implementing regulations.

501. Members sought a commitment that the CU Agreement and Protocol, and the national legislation of the Russian Federation on customs valuation would be brought into full conformity with the provisions of the GATT 1994 and the CVA and that the relevant laws, regulations and practices would be fully consistent with the relevant WTO provisions, as from the date of accession. They further asked the Russian Federation to commit not to use minimum values, reference prices or fixed valuation schedules to establish the customs value of imports.

502. In response, the representative of the Russian Federation said that provisions concerning the acceptance of a related party transaction value and the circumstances of sale test had been included partially in Article 4.3 of the CU Agreement. Implementation was addressed in Article 19 of the Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as amended on 3 December 2007). The remainder of the provisions would be implemented through a CU Commission decision or additional national regulation prior to accession. Terms such as identical goods, similar goods, and related parties were used as described in Article 15 of the WTO Customs Valuation Agreement, and their definitions could be found in Article 3 of the CU Agreement. Regarding the publication of the exchange rate, he noted that the requirements of Article 9 of the WTO Customs Valuation Agreement had been integrated in Article 78 of the CU Customs Code. Pursuant to this Article, customs authorities of the relevant CU Party were required, for the

calculation of customs duties and taxes and the determination of customs value, to use the exchange rate established in accordance with the national legislation of this CU Member. In the case of the Russian Federation, this was accomplished by paragraph 15 of Article 4 of Federal Law No. 86-FZ of 10 July 2002 "On the Central Bank of the Russian Federation" (as amended by Federal Law No. 216-FZ of 22 September 2008) and the "Order of the Central Bank of the Russian Federation" (as amended on 26 April 2007). According to these measures, the Central Bank fixed and published the official exchange rate of foreign currencies with respect to the Ruble, and the information could be accessed on the Internet (www.cbr.ru).

503. Concerning confidentiality requirements (Article 10 of the CVA), he noted that Article 8 of the CU Customs Code prescribed the measures customs authorities should take to protect information provided to them for customs purposes. In addition, Article 114 of the Federal Law on the Customs Regulation provides that "…a customs body and declarant may exchange information provided that the requirements to protect commercial secrets stated in the legislation of the Russian Federation are fulfilled". Article 13 of Federal Law No. 98-FZ of 29 July 2004 "On Commercial Secrets" established requirements for all government authorities and bodies to ensure the protection of confidential information presented to them by legal persons or individual entrepreneurs. This included information provided by declarants for customs purposes, including valuation. He also confirmed that the exceptions to confidentiality were limited to judicial proceedings.

504. The obligations of the Russian Federation with respect to Article 12 of the WTO Customs Valuation Agreement were dealt with in Article 10 of the CU Customs Code which stipulates that all acts of customs legislation were to be published in official or other publications as well as via TV, radio and information technologies. The CU Commission was to provide free access for persons concerning CU legislation published in official publications or on official internet websites. Article 51 of the Federal Law "On the Customs Regulation" provides that a competent customs Federal body and other customs authorities were to ensure free and gratuitous access to the information about legal acts in force in the sphere of customs affairs. Customs bodies were to ensure access to the information concerning draft legal acts as well as to the information about amendments to them not entered into force except for the cases when such preliminary notice would impede the fulfilment of customs control or reduce its effectiveness. In accordance with the Statute of the EurAsEC Court, all its rulings were to be published in official sources of the EurAsEC Court, the EurAsEC, the CU and CU Parties.

505. In response to a question from a Member in respect of who could declare goods and the obligations and rights of the declarant with regard to a declaration, the representative of the Russian Federation referred to Chapter 27 of the CU Customs Code, in particular Articles 179 through 194 that described customs declaration of goods, including who could declare goods and the rights and obligations of the declarant.

506. In response to a question from a Member in respect of the availability of advanced ruling on customs valuation, the representative of the Russian Federation noted that the current legislation of the Russian Federation did not envisage the adoption of any preliminary decision, i.e., advanced ruling regarding customs value. The customs value of the goods was determined by the declarant and declared to the customs authorities at the instance of the goods declaration.

507. He added that Article 4.7 of the CU Agreement reflected the provisions of Decision No. 3.1 "On the Treatment of Interest Charges in the Customs Value of Imported Goods" of the Technical Committee on Customs Valuation, which provided that the amount of interest charges would not be included in the customs value. This principle was implemented in the State Customs Committee (SCC) Letter No. 01-06/22236 of 18 June 2004 "On the Determination of the Customs Value of Goods, Imported in Accordance with Foreign Trade Agreements of Different Types". Paragraph 2 of

Decision No. 4.1 "On the Valuation of Carrier Media Bearing Software, for Data Processing Equipment" of the Technical Committee on Customs Valuation was reflected in SCC Letter No. 0315/12632 of 18 April 1999 "On the Customs Control over the Intellectual Property Objects" and in SCC Letter No. 15-14/8524 of 17 March 2006 "On the Customs Clearance of the Information Transmitted through the Internet". These provided that the customs valuation for imports of data or software for computers should be based on the value of the carrier media only. Copies of the relevant texts had been provided to the Working Party. In response to this information, a Member noted that the Russian Federation considered SCC Letters to be recommendations, and that their provisions were not legally binding. He requested that the provisions of Decision No. 3.1 and paragraph 2 of Decision No. 4.1 be implemented in a binding legal instrument, for example in the Federal Law "On Customs Regulation" or in a Ministerial Order or other forms of customs regulation.

508. In response to a question from a Member regarding the implementation of Decision No. 6.1 "On Customs Valuation Regarding Cases Where Customs Administrations Have Reasons to Doubt the Truth or Accuracy of the Declared Value", the representative of the Russian Federation noted that the procedure, envisaged by Articles 68 and 69 of the CU Customs Code fully reflected the provisions of the above-mentioned Decision. In case the customs authorities discover signs suggesting that the information on customs value of the goods stated by the declarant might contain fictitious details, the customs office performed additional measures of control, including inspection of the documents and/or goods. Release of the goods was permitted by customs on condition of presentation of a guarantee of the dutiable payments. For confirmation of the stated information, the declarant, upon request of the customs authorities, provided additional documents, information and explanations. He added that the declarant had the right to prove the correctness of the selected method of determination of the customs value of the goods and the authenticity of the information presented to the customs authorities. In circumstances where the transaction value was rejected, the customs authority proposed to the declarant to determine the customs value of the good by using another method. In such situations, the customs authorities and the declarant could hold consultations with regard to the method applicable for the determination of the customs value of the goods. Notably, the customs value was determined by the customs authority by proceeding sequentially through the methods of the determination of the customs value of the goods, as confirmed in Article 1 of the CU Agreement.

509. In response to concerns from Members regarding the deficiencies in the CU Customs Code and the legislation of the Russian Federation concerning a guarantee system, he said that the requirements of Article 13 of the CVA were reflected in Article 11 of the CU Agreement, Articles 85 to 88 of the CU Customs Code and Chapter 16 of the Federal Law "On Customs Regulation". According to Article 69 of the CU Customs Code, if the procedure for the determination of goods customs value had not been carried-out within the time terms prescribed for the goods release, the said goods would be released against the guarantee of the declarant to disburse the dutiable payments. The goods would be released once customs duties were paid or a sufficient guarantee was posted. Pursuant to Article 196 of the CU Customs Code, the customs authority had to take a decision on release of the goods no later than one working day from the date of acceptance of a customs declaration, as long as the submission included all of the requisite documents and information required by customs legislation of the Russian Federation. In practice, more than 90 per cent of goods cleared Customs within one day or less, and steps were being taken to reduce the actual time periods further. The representative of the Russian Federation also noted, that, if during the examination of a customs declaration and any other documents or data, customs authorities discovered: (i) any signs suggesting that the information stated by the declarant of goods contained fictitious information influencing the amount of dutiable payments; or (ii) that proper supporting evidence had not been provided for the declared information, customs authorities were required to release the goods based on the presentation of a guarantee for dutiable payments for the amount of customs payments that might be additionally charged as a result of additional examination. In that case, the goods must be released

no later than in one day following the date that a guarantee for dutiable payments was presented. (Article 69 of the CU Customs Code and Article 137 of the Federal Law "On Customs Regulation").

510. In response to a question from a Member regarding the purpose of the guarantee, the representative of the Russian Federation stated that guarantees of payments of customs duties and taxes were required in certain cases prescribed by the CU Customs Code and by other customs legislation of the Russian Federation, including the Federal Law "On Customs Regulation". In particular, this included the following cases:

- transportation of goods in accordance with the procedure of customs transit;
- if goods were put under the customs procedure of processing of goods beyond the customs territory;
- conditional release of goods; and
- change of time-frames for payment of customs duties, taxes if international treaties or legislation of the CU Parties provide for that.

511. He also noted that the amount of the guarantee of payment of customs duties and taxes was determined by the customs authorities, as prescribed by Article 137 of the Federal Law "On Customs Regulation". Customs authorities were required to notify the declarant in writing of the amount required for the guarantee. The amount of a guarantee was determined in each particular case on the basis of the information at the disposal of customs authorities and corresponded to the difference between the ultimate amount of customs duties for which the goods might be liable and the sum paid by the declarant on the basis of the declared customs value. The amount of guarantee calculated by the customs authorities was based on the information at their disposal on identical and similar goods. In accordance with Article 86 of the CU Customs Code, the guarantee could take the form of: (i) a personal guarantee including surety bond; (ii) a payment in cash at the cashier's desk or transfer of funds to the account of the customs office at the Federal Treasury (cash deposit); (iii) a bank guarantee; or (iv) a mortgage of goods and other property (see paragraph 288 of the Section "Customs Regulations and Procedures" of this Report).

512. The representative of the Russian Federation also noted that, pursuant to Article 141 of the Federal Law "On Customs Regulation", the customs authorities accepted as the guarantee a bank guarantee issued by a bank or an insurance company. These included firms registered in the Register of Banking Organizations and Other Credit Organizations. With regard to acceptance by customs authorities of bank guarantees in order to guarantee payment of customs duties, the Ministry of Finance of the Russian Federation determined the maximum amount of a bank guarantee and the maximum amount of all concurrent bank guarantees issued by the same bank (and/or insurance company) for inclusion of these sums into the Register of Banks and Other Credit Organizations.

513. The representative of the Russian Federation stated that, in 2008, the share of goods released into free circulation upon presentation of guarantee of payment of customs payments that might be additionally levied as a result of customs valuation control, constituted about 1 per cent of trade. The Federal Customs Service did not place obstacles to the use of guarantees to facilitate customs release of imports. He noted that goods could be declared during the 30 days prior to actual importation. In some cases, this process reduced the need for the application of the system of guarantees of the Russian Federation, as described in paragraphs 510 to 512.

514. With respect to Article 14 of the WTO Agreement on Implementation of Article VII of the GATT 1994, which stated that the Interpretative Notes in Annex I form an integral part of the WTO Agreement on Implementation of Article VII of the GATT 1994, the representative of the Russian Federation confirmed that the provisions of many of the Interpretative Notes were already

reflected in the CU Agreement and implemented along with other provisions of the WTO Agreement on Implementation of Article VII of the GATT 1994 in the Customs Tariff Law, and the CU Customs Code. The remaining notes would be implemented either in Ministerial Orders (e.g., the Ministry of Finance) or in a decision of the CU Commission. He confirmed that the Russian Federation would implement all of the Interpretative Notes in Annex I to the WTO Agreement on Implementation of Article VII of the GATT 1994. The Working Party took note of this commitment.

515. A Member also asked if the requirements of Article 16 of the WTO Customs Valuation Agreement were contained in existing legislation, e.g., that upon written request, the importer would have the right to a written explanation as to how the customs value was determined. He also noted that the customs authority could ask for additional explanations from the declarant and should offer him the opportunity to comment in case a declared customs value gave rise to doubt.

516. In response, the representative of the Russian Federation pointed out that all above-mentioned provisions were reflected in Article 11 of the CU Customs Code. Customs bodies were required to consult the interested parties free of charge on the issues concerning the legislation of the CU or other issues in the competence of customs authorities in the determination of customs value. On the written request of an interested party, a customs body must provide information in written form as soon as possible, but not later than the date stated in the national legislation of the CU Members. In the case of the legislation of the Russian Federation, that period was 30 days.

517. In response to a question from a Member about the option of using a "green corridor" scheme in the customs legislation of the Russian Federation, he noted, that Article 38 of the CU Customs Code and Article 86 of the Federal Law "On Customs Regulation" provided for special simplified customs formalities to hasten customs clearance for persons who meet the requirements established by the Code. He stated that these provisions were described in paragraph 283 of the Section "Customs Regulations and Procedures" of this Report. He added that to speed up the process of customs clearance and the application of the principle of selectivity, within the framework of a risk management system, the Federal Customs Service (hereafter: FCS) planned to identify certain *bona fide* participants in foreign economic trade, in respect of which the FCS might apply particular forms of customs control, which were done on the basis of the results of risk analysis, after release of the goods.

518. Noting that the Russian Authorities had described a special technique or technology of customs control, introduced by the FCS in order to prevent under-invoicing of customs value, some Members expressed concerns that this method could be used as a form of administratively applied valuation. They requested clarification of the modalities of application, the products to which it applied, such as electronic goods, household appliances, and flat glass, and the legal justification for the use of this special technique. In their view, the use of minimum prices for the purposes of customs valuation or arbitrary valuation methods to select goods for additional customs procedures, even if intended to address a specific problem, would have to be eliminated prior to accession and replaced with procedures meeting WTO requirements. They consequently asked the Russian Federation to clarify how and when that system would be eliminated or changed.

519. In response, the representative of the Russian Federation stated that the special technique of customs valuation had been used with respect to the valuation of certain imported products (described in documents WT/ACC/RUS/28 and WT/ACC/SPEC/RUS/33) aimed at preventing gross under-invoicing of customs value through the use of false documents including a clearly understated contractual price, which, in his view, was in line with Article 17 of the WTO Customs Valuation Agreement. The special technique, which, in fact, meant the delegation of authority for the verification of customs value to different levels of customs offices, depending on the price characteristics of the goods, originally had been implemented pursuant to SCC Order No. 755 of

30 June 2004 "On Measures for Strengthening of Control of Customs Value". The special technique was abolished by FCS Order No. 909 of 30 September 2005. He added that pursuant to Article 10 of the CU Agreement and Article 24 of the Customs Tariff Law, it had been confirmed that minimum prices were not applicable for customs valuation purposes.

520. Referring to the statement by the Russian Federation that minimum prices were not applicable for customs valuation purposes, some Members noted that minimum customs values were applied to a wide range of products, such as automobiles, textile products, carpets, beef, soda ash and electric products. These Members asked the Russian Federation to confirm that application of minimum customs values would be terminated and that the system of minimum customs values for household appliances in each character of these products, as well as in each place of manufacturers' headquarters would be amended. In response, the representative of the Russian Federation noted that, in accordance with Article 17 of the WTO Customs Valuation Agreement and Article 5.3 of the CU Agreement, declared customs value and data presented, were to be based on authentic, computable information supported by documentary proof. The procedure of the verification was determined by the respective orders of the Federal Customs Service. This legislation also established that minimum prices were not applicable for customs valuation purposes.

521. Other Members of the Working Party noted that specific issues of concern in the area of customs valuation, included the use of *de facto* fixed import prices for some goods and the methods of risk management applied by the Russian Federation in the area of customs valuation, including the practice of the customs authorities of the Russian Federation "at the central level" of issuing what was known as customs "letters" to customs officials setting out indicative prices for imported products. This Member asked the Russian Federation to confirm that risk management measures, including customs "letters", would not be used, in law or in fact to establish the value of imported or exported goods; would not be based exclusively on import or export statistics; nor be applied in a manner which would discriminate, in law or in fact, between the trade of different WTO Members. In addition, this Member asked the Russian Federation to confirm that traders would be entitled to appeal decisions on customs valuation, where such valuation was made, in law or in fact, by the application of indicative prices set-out in customs "letters" or other risk management measures. Another Member stated that, should the Russian Federation establish a valuation database, as part of its risk management system, it should be based on the provisions of the World Customs Organization (WCO) Guidelines, and operated in conformity with the WTO Customs Valuation Agreement.

522. In response to a question from a Member, the representative of the Russian Federation stated that the customs authorities of the Russian Federation did not apply indicative prices as reference prices for customs valuation. The customs authorities of the Russian Federation used the risk management system in valuation control in full conformity with WTO rules. Pursuant to Article 94 of the CU Customs Code, and Article 161 of the Federal Law "On Customs Regulation", customs control, including customs valuation control, was based on the main principles of selectivity and sufficiency, i.e., the customs authorities applied only a minimal set of those forms of customs control, which were sufficient to ensure compliance with the CU Customs Code and the customs legislation of the Russian Federation. In selecting the relevant forms of customs control procedures, including in the area of customs valuation, customs authorities used, *inter alia*, risk management systems. The risk management system was used only for preventing breaches of the CU Customs Code and customs legislation of the Russian Federation, as follows: (i) recurring breaches; (ii) breaches that were predicated on evasion of dutiable payments in considerable amounts; (iii) breaches that infringed on the State security; (iv) protection of human life and health; (v) protection of the environment; (vi) violations of the customs law of the Customs Union; and/or (vii) the legislation of the Member States of the Customs Union, whose observance was vested in customs authorities. Applying methods of risk analysis, customs authorities selected certain categories of goods, which were subject to more thorough control. This control could include documentary checking,

examination of goods, request of additional documents, information or explanations from the declarant, and post-customs control. Article 99 of the CU Customs Code and Article 164 of the Federal Law "On Customs Regulation" provided for "post-release control". One form of such control was known as "customs revision" or "post-clearance audit". The customs authorities of the Russian Federation performed customs revisions to verify the authenticity of information stated in customs declarations and the other documents submitted in the process of customs clearance by comparing the details contained in such documents with the accounting and reporting information, accounts, and other information provided by the declarant. The procedures for a customs revision were described in Article 99 of the CU Customs Code and Article 161 of the Federal Law "On Customs Regulation".

523. The representative of the Russian Federation added that Customs authorities were not limited to using test value as the only risk indicator. In detecting risks in the area of customs valuation they, in particular, used the following risk indicators: (i) profile and compliance records of traders; (ii) sufficiency and reliability of documents; (iii) description of goods; (iv) route and method of transportation; (v) terms of payment and scheme of settlement; etc.

524. He stated that about 25 per cent of 11,000 commodity items of the HS Code of the Russian Federation were currently covered by risk profiles, a pre-determined combination of risk area, and risk indicators, based on information which had been gathered, analysed and categorized, as well as guidelines on taking appropriate measures to prevent or minimize the risk. A risk profile was a risk assessment tool. Such goods were usually those most heavily taxed. He stressed that information contained in risk profiles or information letters, was not legally binding on customs officials and could not be used to determine the customs value, replace the transaction price of imported goods, or used as a method of valuation or as a mechanism for determining the minimum prices. Government Resolution No. 1009 of 13 August 1997 "On the Approval of the Rules for Preparing the Normative Legal Acts of the Federal Bodies of the Executive Power and their State Registration" prohibited issuance of normative legal acts in the form of letters. Divergence between the test values in these sources and the declared value of the goods could - where corroborated by insufficient or doubtful information on the value of goods, their qualitative characteristics, or the conditions of the underlying sales transaction provided in the accompanying documents - entail a more thorough investigation by the Customs authorities of the declared value, applying controls such as those described above. However, any decision on customs valuation could only be taken in accordance with the provisions of the basic legislation of the Russian Federation in force, which, in his view, complied with the provisions of the WTO Agreement. He also pointed out that the FCS of the Russian Federation conducted continuous monitoring of the efficiency of use by customs officials of price-related information, and that price information was constantly updated depending on changes in market conditions.

525. The representative of the Russian Federation added that appeal procedures for customs matters were authorised by Article 9 of the CU Customs Code, and regulated by the Federal Law No. 311-FZ of 27 November 2010 "On Customs Regulation", Code No. 195-FZ of 30 December 2001 "On Administrative Offences", and the Arbitration Procedural Code of the Russian Federation (No. 95-FZ of 24 July 2002). Specifically, Article 36 of the Federal Law "On Customs Regulation" stipulated that, in case the declarant disagreed with a decision, action or inaction by a Customs authority, the declarant could challenge any decision or action (inaction) of a customs body or its officer, if in the opinion of this person such action (inaction) or decision violated the rights or legal interests of this person or impede their realization or impose an illegitimate responsibility. This included the right to appeal the decision, as indicated both at the higher Customs authority and at the Court or Arbitration Court. In the context of such an appeal, the declarant could contest the decision on customs valuation, *inter alia*, on the grounds that the Customs authority had used indicative price information contained in risk management measures, such as "customs letters" to

determine customs value of goods, rather than the valuation methods laid down in Articles 4 to 10 of the CU Agreement and Articles 19 to 24 of the Customs Tariff Law. He confirmed that the Court could issue a binding decision requiring that the FCS or the relevant Customs body and its officials provide the Court, prior to its decision, with all relevant documents that were used in making the decision, including "customs letters", for review and, in this case, the declarant would have access to the documents provided to the Court.

526. He emphasized that the lodging of a complaint with the Customs authorities against a decision, action (inaction) by the Customs authority or its official did not rule out the possibility of the simultaneous or subsequent lodging of a complaint of a similar content with a court or arbitration court (Article 37 of the Federal Law "On Customs Regulation"). He confirmed that, in all cases, an importer, i.e., the owner of the goods, had the right to appeal a decision, action or inaction of a Customs authority regarding a determination of customs value without penalty to a judicial authority and that the decision on appeal must be provided in writing. He also stated that, in accordance with Article 46 of the Constitution of the Russian Federation, everyone was guaranteed the right of judicial appeal to protect one's rights and freedoms. Detailed information on the right of appeal was also provided in the Section "Framework for Making and Enforcing Policies" of this Report.

527. The representative of the Russian Federation confirmed that the Russian Federation would, from the date of accession, apply its customs valuation laws, regulations and practices, including those to prevent under-valuation of goods, in conformity with the WTO Agreement, including Article I of the GATT 1994 and the WTO Agreement on Implementation of Article VII of the GATT 1994. Accordingly, the Russian Federation would not use any form of minimum value, such as reference prices, or fixed valuation schedule for customs valuation of goods. Additional procedures and controls to prevent under-valuation of goods would be applied only where strictly necessary to address genuine risks of under-valuation, duly established through the application of risk management, and risk management, would not be based exclusively, or predominantly on price information (whether based on trade statistics, information from exporters or other sources). Additional procedures and controls to prevent under-valuation of goods, including requests for additional information, would be applied due to a divergence between the declared value of goods and price information for specific categories of goods (established by, or otherwise available to, the Customs authorities of the Russian Federation) only if, exceptionally, the divergence was sufficiently large to raise justified doubts about the correctness of the declared value. Decisions on customs valuation could be appealed on the grounds that they were, in law or in fact, based on minimum values, a fixed valuation schedule or reference prices for specific categories of goods established by, or otherwise available to, the Customs authorities of the Russian Federation, rather than on the valuation principles and methods as laid down in the CU Agreement, the CU Customs Code and implementing legislation of the Russian Federation, or the WTO Agreement on Implementation of Article VII of the GATT 1994. He further confirmed that, in determining the value of imports, the Russian Federation would apply the provisions of paragraph 2 of Decision No. 4.1 of the Committee "On Valuation of Carrier Media Bearing Software for Data Processing Equipment" and Decision No. 3.1 "On the Treatment of Interest Charges in Customs Value of Imported Goods". The Working Party took note of these commitments.

- **Rules of Origin**

528. The representative of the Russian Federation stated that from 1 July 2010, the Russian Federation applied rules of origin to imports pursuant to Chapter 7 of the CU Customs Code and Chapter 10 of the Federal Law on Customs Regulation (No. 311-FZ of 27 November 2010). Non-preferential rules of origin and their application were governed by the provisions of the Agreement on Common Rules for Determining the Country of Origin of Goods of 25 January 2008, including the Rules of Determination of the Country of Origin (hereafter: CU Agreement on Rules of

Origin), the CU Customs Code, and the Federal Law on Customs Regulation. These instruments closely followed the work of the World Customs Organization (WCO) and the WTO regarding the application and harmonization of non-preferential rules of origin. The principles for determining the country of origin of goods were based on international practices and implemented the recommendations of the revised Kyoto Convention, which came into force in 2006. Article 58.3 of the CU Customs Code provided that the determination of the country of origin must be carried out in accordance with international treaties of the Member States of the Customs Union, which defined the procedure of determining the country of origin of goods. He further stated that the determination of the origin of goods originating from developing countries and eligible for the system of preferences maintained by the Russian Federation was governed by the Agreement on Rules of the Origin of Goods, Originating from Developing and Least-developed Countries of 12 December 2008, including the Rules Determining the Origin of Goods from Developing and Least-developed Countries (hereafter: CU Agreement on Rules of Origin for Developing and Least-developed Countries (LDCs)). The customs procedures for determining the country of origin of goods established pursuant to the CU Customs Code replaced those contained in the Customs Code of the Russian Federation (Federal Law No. 61-FZ of 28 May 2003). The relevant provisions of Law of the Russian Federation No. 5003-1 of May 1993 "On Customs Tariff" were superseded, with the exception of Articles 3 and 36, which remained in effect in respect of application of MFN customs duties rates and provision of tariff preferences, respectively.

529. Members of the Working Party sought to ensure that the CU Agreements and Customs Code and the Federal Law on Customs Regulation provided for rules of origin that complied with the WTO Agreement on Rules of Origin. Several Members requested further information and clarification from the representative of the Russian Federation on how these measures established preferential and non-preferential rules of origin. Members also expressed the view that the requirement of the Russian Federation that imports of non-MFN origin were subject to twice the MFN tariff rate, if MFN origin could not be initially proven, was unduly burdensome, given that after the accession of the Russian Federation to the WTO, goods originating in a only a small number of countries could originate from non-MFN trading partners. These Members sought a commitment from the Russian Federation that it would assess the MFN rate on all goods originating from countries enjoying MFN duty rate from the date of the accession to the WTO of the Russian Federation. They also noted that goods, whose origin had not been clearly established, were cleared through customs only after payment of customs duties at a double MFN rate of the customs tariff. Some Members asked the Russian Federation to clarify whether in such cases it was possible to submit a certificate of origin or other proof subsequent to customs clearance and, if origin was subsequently satisfactorily established, whether excess duties were then refunded. Some Members also expressed concerns about the consistency with the WTO Agreement on Rules of Origin of the provisions of the CU Customs Code and the CU Agreement on Rules of Origin providing that "the country of origin could also be understood to mean a group of countries, region or part of a country, if this was necessary to identify them, with a view to determining the origin of goods." They observed that the WTO Agreement referred to a "country" of origin, not to groups of countries or regions, or part of a country and they requested a clarification of the meaning of these provisions and specific examples of how and under what circumstances the origin of a good could be ascribed to a region or part of a country. These Members requested confirmation from the Russian Federation that these provisions would be applied in full conformity with the WTO Agreement.

530. In response, the representative of the Russian Federation informed Members that the option of specifying a region or part of a country was applied in cases where it was necessary to define the origin of the goods as such. So far it had been applied within the procedure of implementation of trade defence measures.

531. The representative of the Russian Federation explained that, pursuant to Article 58 of the CU Customs Code, goods were recognised as originating from a specific country, if they were wholly made in that country or substantially transformed in accordance with criteria set-forth in the CU Agreement on Rules of Origin and CU Commission decisions. The country of origin of goods could also be a group of countries, a customs union, a region, or a part of a country, if the exact country of origin within the group of countries was difficult or could not be determined. Under those circumstances, the relevant group of countries, customs union, or, if necessary to identify origin, a region or part of a country could be considered as the country of origin of the goods. The basic criterion for substantial transformation for non-preferential goods was the shift in the tariff classification of the good on the level of at least one of the first four digits, as prescribed by paragraph 4 of the Rules of Determination of the Country of Origin annexed to the CU Agreement on Rules of Origin. Paragraph 2 of the Rules of Determination of the Country of Origin supplied an exhaustive list of the kinds of goods which could be produced wholly in a country. Paragraph 5 included an illustrative list of operations which did not satisfy the criteria for production of a good within a country. Other criteria of sufficient transformation could be established exclusively by the CU Commission, as set-out in paragraph 6.

532. The representative of the Russian Federation also explained that, in the event that goods were supplied in a dismantled or unassembled state over several shipments - when it was impossible to deliver the whole lot at one time due to production or transportation problems or when the lot of goods had, by mistake, been divided into parts - paragraphs 8 and 9 of the CU Rules of Determination of the Country of Origin established a number of specific rules to assist in determining the country of origin of goods (e.g., the indicated goods could, at the discretion of the importer, be considered as one shipment).

533. The representative of the Russian Federation further explained that, in accordance with Article 62 of the CU Customs Code, when goods were brought into the customs territory of the Customs Union, a document must be shown to confirm the country of origin of the goods, if the Russian Federation (or other CU Party) granted preferential tariffs to the country of origin of the goods under the Protocol on Common System of Tariff Preferences of Customs Union, signed on 28 January 2008, or other international treaties and agreements of the Russian Federation (or other CU Party) or the legislation of the Russian Federation. The CU Customs Code also established cases where certificates of origin were mandatory or where the customs authorities had the authority to require that a certificate of origin be provided. This authority existed when there was reasonable basis to believe that the information initially provided on the country of origin of the relevant goods was false. Currently, a certificate of origin (either the "A" Document attached to the Annex to the Agreement on Rules of Origin of Goods from Developing and Least-developed Countries or, for CIS preferences, the ST-1 document) was required. Goods were considered as originating from a developing or least-developed country subject to tariff preferential treatment when they were fully produced in such a country. He added that Part III of Annex I of the Agreement on Rules of Origin of Goods from Developing and Least-developed Countries provided that CU Parties could establish a procedure for the application of criteria of substantial transformation for countries eligible for tariff preferences, based on the determination that the value of inputs used in the production process originating from countries not covered by preferential treatment or of unknown origin did not exceed 50 per cent of the total declared value. He also noted that Part VI of Annex I provided the terms for application of the rules of direct purchase and direct shipping for granting preferential tariffs. He further informed Members that the provisions of Article 111 of the Law "On Customs Regulation", which stipulated the procedure for issuance of the assessment of origin of goods, was, in his view, in full conformity with Article 2(h) of the WTO Agreement on Rules of Origin and Article 3 (d) to (f) of Annex II to the said Agreement, and that the provisions of Article 3(g) of the Annex were reflected in Articles 8 and 10 of the CU Customs Code.

534. He added that, pursuant to Article 63 of the CU Customs Code, MFN treatment was granted, if the country of origin was declared and accepted as being a country receiving MFN tariff treatment. For MFN treatment no certificate of origin was required. Where MFN treatment existed in respect of the country of origin, customs duties were charged at the MFN rates. The CU Customs Code also provided that customs duties were charged at the double rate only when the customs authorities actually had evidence that the goods at issue had originated from a country in respect of which the Russian Federation did not apply MFN treatment. These goods could enter the Customs Union, but a security would have to be provided for the payment of customs duties at the double MFN rates, until the origin of the goods could be established.

535. He stated that when the certificate of origin or other proof was accepted, MFN treatment would be applied for one year after release of the goods and the importer could recover the difference in the duties paid. Customs duties were reimbursed within one year from the date of over-payment of customs duties upon the submission, by the payer, of a request, as provided for in Chapter 13 of the CU Customs Code. Such a request had to be submitted to the customs office to which duties had been paid.

536. He further noted that, pursuant to Article 63.1 of the CU Customs Code, if the customs authorities had no indication that a good was originating from a country in respect of which the Russian Federation did not apply MFN treatment, customs duties would be charged at the MFN tariff rate irrespective of the availability or absence of a certificate of origin.

537. The representative of the Russian Federation added that, pursuant to Article 61 of the CU Customs Code, the certificate of origin of goods constituted documentary proof of the country of origin of goods issued by the competent body or organization of a given country or of the country of exportation of the said goods, if the country of exportation issued such certificates based on the information obtained from the country of origin of such goods. According to Article 62 of the CU Customs Code the certificate was required only in cases where tariff preferences were claimed. The certificate of origin was to be submitted with the customs declaration and other documents presented for customs clearance. If the certificate of origin of goods was not properly executed (e.g., there were violations of the Customs Union requirements for its design and/or completion, as contained in Annex II to the Agreement on Rules for Determining the Origin of Goods from Developing and Least Developed Countries of 12 December 2008); the customs authorities had the authority to accept or deny the certificate as a basis for granting tariff preferences. Pursuant to Section VIII of the CU Agreement on Rules of Origin of Developing and Least-developed Countries, in case of reasonable doubts in respect of authenticity of the certificate or information contained in it, the customs authorities could lodge a request with the competent bodies or organizations in the country that had issued the certificate of origin to provide additional documentary proofs. The customs authorities could also request additional documentary proofs or clarifications for the purpose of carrying out spot checks. Such spot checks, however, must not impede the process of customs clearance of goods based on the information of their country of origin declared during the customs formalities in respect of these goods. He also stated that, when the certificate of origin or other proof was not accepted, MFN treatment would be applied until the origin of the goods was established. The importer could recover the difference in the duties paid for a period of one year from the date of over-payment upon the submission, by the payer, of a request, as provided for in Chapter 13 of the CU Customs Code. Such a request had to be submitted to the customs office to which duties had been paid.

538. As for the rules of origin for goods traded within the Customs Union and/or goods covered by Free Trade Agreements between the Russian Federation and other CIS Members, the representative of the Russian Federation explained that the Russian Federation applied the "Rules of Origin of Goods" approved by the Council of Heads of CIS Governments on 30 November 2000 (hereafter: Decision of

30 November 2000) and the Agreement of the CIS States of 12 April 1996 "On Rules of Origin of Goods Originating from Developing Countries for the Purposes of Tariff Preferences under the General Preferences System". These rules had been developed pursuant to the international practice for determination of origin. Additional criteria of direct purchase were used, along with requirements that the exporter be established legally in a Party to the CIS Free Trade Agreement (as originally provided for in the Decision of the Heads of Government of other CIS Countries of 18 October 1996). Currently, there were no other arrangements for the determination of the country of origin of goods within the framework of the Customs Union, the Eurasian Economic Community, or the CIS. This situation would change when the Agreement of the CIS States of 20 November 2009 on the Rules of Origin in the CIS entered into force and replaced the rules of origin established earlier by the Decision of 30 November 2000 for all CIS Members.

539. Concerning Free Trade Arrangements of the Russian Federation with Serbia and Montenegro (and in the future, with any other countries not Members of the CIS), he noted that the rules of origin for these preferential arrangements were contained in the Free Trade Agreements themselves.

540. Members sought clarification of the requirement that the exporter be a legally established resident in a Party to a CIS Free Trade Agreement, and asked, if corporate registration would satisfy that requirement, or whether there were other criteria that must be satisfied.

541. In response to the request for additional information, the representative of the Russian Federation stated that, as for the requirement that the exporter be legally established in a Party to the CIS Agreement there were not any other criteria apart from registration.

542. Several Members also requested information on the right to request an origin determination prior to shipment, and requested a commitment that these provisions be applied in line with the requirements of Article 2(h) and Annex II, paragraph 3(d) of the WTO Agreement on Rules of Origin. They sought information on where these provisions could be found in the Agreements of the Customs Union that governed the application of the rules of origin and the customs legislation of the Russian Federation. They also indicated that the preferential rules of origin for CIS countries and other preferential trade agreements to which the Russian Federation belonged should fully reflect the interim rules of Annex II of the WTO Agreement on Rules of Origin. In this regard, these Members requested clarification of whether the Decision of the Council of the Governments of the Commonwealth of Independent States on the Rules of Origin of Goods of 30 November 2000 or the provisions of the CU Agreements on Rules of Origin and on Rules of Origin for Developing Countries and LDCs met these requirements, and sought a commitment as to their implementation in accordance with the WTO Agreement on Rules of Origin upon the accession to the WTO of the Russian Federation. Some Members also asked for a clarification of whether customs procedures included any guarantee system which allowed release of goods pending determination of preferential origin and how any associated rectification procedure (subsequent refund or recovery of customs duties) actually operated. These Members further inquired whether provisions existed in the customs laws of the Russian Federation for the protection of confidential information supplied for the purpose of application of the rules of origin.

543. In response, the representative of the Russian Federation stated that, pursuant to Article 111 of the Federal Law "On Customs Regulation" (No. 311-FZ of 27 November 2010), the Federal Customs Service could make a preliminary decision on the country of origin of goods. He informed Members that information on guarantee systems was in the "Customs Valuation" and "Customs Regulations and Procedures" Sections of the Report. As for confidentiality of information, he explained that Article 8 of the CU Customs Code established confidentiality requirements for all information presented by declarants for customs purposes. That Article provided that the customs authorities "…shall not disclose, use for personal purposes or transfer the information containing

state, commercial, banking, tax, or other legally protected secrets, and other confidential information to third parties, including public authorities, except in cases stipulated by this Code and/or the laws of the Member States of the Customs Union." Specific provisions on confidentiality of data were contained in Article 13 of Federal Law No. 98-FZ of 29 July 2004 "On Commercial Secrets", which obligated Government authorities and bodies in the Russian Federation to ensure the protection of confidential information presented to them by legal persons or individual entrepreneurs. He stated that, in his view, the CU Customs Code, other international agreements and the national legislation of the Russian Federation described in this Section contained provisions to fully reflect the requirements of the WTO Agreement on Rules of Origin.

544. Members of the Working Party thanked the representative of the Russian Federation for this information, but noted that neither the CU Customs Code nor the CU Agreements and Rules providing for the application of rules of origin appeared to provide for a time period of no later than 150 days after a request for issuing a preliminary decision on the origin of a product had been submitted, provided that all required information had been submitted. They requested that the representative of the Russian Federation identify the requirements implementing Article 2(h) and Annex II, paragraph 3(d) of the WTO Agreement on Rules of Origin be identified in CU Agreements or decisions and the customs legislation of the Russian Federation. Those Members also requested information on whether Custom Union and the preferential rules of origin for the FTAs of the Russian Federation with CIS, EAEC, the Single Economic Space, or other such Agreements, reflected the interim rules of the WTO Agreement in Annex II of the Agreement on Rules of Origin.

545. Concerning the requirements of Article 2(h) and Annex II, paragraph 3(d) of the WTO Agreement on Rules of Origin, the representative of the Russian Federation explained that, in accordance with Article 58 of the CU Customs Code, customs authorities of a CU Party had the authority to make preliminary decisions in respect of country of origin in the order stipulated by its national legislation. In the Russian Federation, these requirements currently were reflected in FCS Order No. 906 of 23 July 2008 "On the Approval of the Regulations on the Procedure for Provision by the FCS of the State Service of Taking Preliminary Decisions on the Classification of a Commodity in Accordance with Commodity Classification of Foreign Economic Activity and on the Country of Origin of a Commodity". In addition, preliminary decisions on the origin of a product had to be taken within 90 days from the date of receipt of a request by an interested party by the customs body, in accordance with the Article 111 of the Federal Law "On Customs Regulation", No. 311-FZ of 27 November 2010, which became effective on 27 December 2010. The request needed to contain information sufficient to make such a decision. Preliminary decisions were valid for three years unless they were changed, withdrawn or terminated. After the entry into force of the Federal Law on Customs Regulation, a new FCS order for making a preliminary decision in respect of country of origin in line with the provisions of Article 111 would be developed and applied.

546. One Member reiterated that the Orders of the State Customs Committee (SCC) of the Russian Federation No. 961-r of 4 October 2001 and No. 1002 of 19 October 2001 ran counter to the provisions of the Constitution of the Russian Federation, particularly, Article 15 which stated that "if an international treaty to which the Russian Federation is party provides for other rules than those set-forth by Russian Federation domestic law, the rules of the international treaty should apply". That Member was of the view that those Orders of the State Customs Committee violated the provisions of the bilateral agreement between this Member and the Russian Federation on Customs Check Points, and should immediately be eliminated to ensure the consistency with the requirements of that bilateral agreement.

547. In response, the representative of the Russian Federation noted that the Orders of the State Customs Committee of the Russian Federation No. 961-r of 4 October 2001 and No. 1002 of 19 October 2001 had been abolished.

548. The representative of the Russian Federation confirmed that from the date of accession, measures on rules of origin, whether adopted by the Russian Federation or the competent bodies of the CU, would be applied in the Russian Federation in conformity with the provisions of the WTO Agreement on Rules of Origin, and would reflect the interim rules in Annex II to that Agreement, including the provisions for transparency, right of appeal, and notifications to the WTO Committee on Rules of Origin. He further confirmed that, consistent with the requirements of Article 2(h) and of Annex II, paragraph 3(d), both for non-preferential and preferential rules of origin, customs authorities would provide an assessment of the origin of goods subject to import upon the request of an exporter, importer or any person with a justifiable cause and issue the assessment no later than 150 days after a request provided that all necessary elements had been submitted. According to the provisions of the WTO Agreement on Rules of Origin, any request for such an assessment would be accepted before trade in the goods concerned had begun, and any such assessment would be valid for three years provided that the facts and conditions, including the rules of origin, under which they had been made remain comparable. He further confirmed that the practice of using "double MFN" rates as the default tariff rates for imports of undeterminable origin had been eliminated. The Working Party took note of these commitments.

- Other Customs Formalities

549. Several Members stressed that the simplification of border controls and customs documentation necessary for importation in the Russian Federation would have a favourable impact through reduced costs and improved efficiency for Russian traders.

550. In response, the representative of the Russian Federation stated that the policy of his Government was aimed at creating favourable conditions for trade facilitation, including customs formalities. To that end, customs formalities in the Russian Federation were being brought into compliance with the internationally accepted rules, in particular, with the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures. A number of such improvements had been established with the implementation of Federal Law No. 61-FZ of 28 May 2003, i.e., the Customs Code of the Russian Federation, on 1 January 2004. Further efforts to streamline and harmonize customs formalities had occurred with the entry into force of the CU Customs Code, on 1 July 2010, and with additional domestic legislation in the form of Federal Law No. 311-FZ of 27 November 2010 "On Customs Regulation" and Federal Law No. 394-FZ of 28 December 2010 "On the Transfer of Certain Types of Controls to Customs". The maximum clearance period was reduced from 72 to 24 hours. These Laws replaced Federal Law No. 61-FZ, except for Article 357.10 that stipulated the right of the Government to introduce rates of fees for customs clearance and established the current authority of the FCS in the area of customs clearance and customs checkpoints.

551. One Member of the Working Party noted that, under State Customs Committee Order No. 155 of 14 February 2001 "On the Procedure for Coordination of Decisions to Release Goods for Free Circulation" and Order No. 949 of 31 December 1999 "On Amending Order No. 258 of the SCC of 26 April 1996" (in the wording of SCC Order No. 43 of 31 January 1997 and, as amended on 10 March 2000) certain goods that qualified as "high-risk" (e.g., certain foodstuffs) were not released for free circulation without the specific approval of a higher customs authority. The process of obtaining such approval could last from one to two weeks. Under rules introduced in October 2001 by the North Western Customs Authority, shipments of "risk products" (a wide group of products including coffee, furniture, tyres and washing machines) were subject to burdensome documentary requirements, including in relationship to the ownership of the vehicle transporting the goods. The Russian Federation had also imposed restrictions that required customs clearance for certain goods, including textiles, clothing and electrical products, to take place only on borders with certain Asian countries as well as in certain ports and airports. Consequently, such items originating in Asia could no longer be exported to the Russian Federation via the customs territory of that

Member. As well as raising concerns in relation to conformity with WTO requirements on trade in transit, these Orders made it impossible for companies, exporting to the Russian Federation, to use raw materials from the Far East for sub-contracting and, subsequently, created a barrier to business cooperation. The cumulative effect was that exporters to the Russian Federation faced unpredictable, non-transparent, lengthy and generally burdensome customs procedures for certain imported goods at the designated customs checkpoints of entry into the territory. Checks on imported goods should not be applied in such a heavy-handed or non-transparent manner. These Members considered that the Russian Federation should enter a commitment to respect standard WTO requirements of transparency, predictability and uniform application in this regard.

552. Another Member said that his authorities had concerns with the practice used by the Russian Federation customs bodies in respect of the transport companies of this Member. He noted that country-specific restrictive customs procedures were incompatible with WTO provisions, notably those in Articles I and VIII of the GATT 1994. This Member requested the Russian Federation to ensure that these and other country-specific measures, relating to customs procedures, would be brought in to full conformity with the WTO requirements, prior to accession.

553. In response to concerns from Members regarding the designated customs entry checkpoints, the representative of the Russian Federation noted that, pursuant to Article 156 of the CU Customs Code and Article 193 of Federal Law No. 311-FZ, the Government of the Russian Federation had the right to designate customs entry checkpoints for certain categories of goods and could establish certain places for entry at the border in compliance with the legislation of the Russian Federation regarding the State border. These measures were necessary and were not intended to complicate import processing. He explained that the measures mentioned by Members, including the designation of customs entry checkpoints for particular goods and at certain border customs checkpoints, were aimed to assure accurate classification and valuation of the goods and to increase predictability and accuracy of customs procedures for traders and transporters. They were not intended to act as a hidden or unnecessary restriction to trade, bearing in mind insufficient resources to equip all border customs checkpoints with the necessary equipment and storage facilities. He also mentioned that respective restrictions and procedures were in accordance with the International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention, 1999), in particular, with its Specific Annex A, Chapter 1, according to which national legislation specified the places at which such goods could enter the territory of the Russian Federation.

554. With regard to the designated customs checkpoints for import declaration, the representative of the Russian Federation stated that his Government paid substantial attention to the implementation of legislative and practical measures aimed at the creation of stable and predictable conditions for implementation of customs formalities. After the entry into force on 1 January 2004 of the Customs Code of the Russian Federation, the number of legislative acts establishing restrictions on places of declaration of goods was reduced by two thirds and amounted to twelve at that time, as compared with 34 in mid-2003. He added that a Plan on Further Phasing out Restrictions in Respect of Specific Customs Points for the Declaration of Specific Types of Goods had been prepared and implemented. By October 2005, another four SCC Orders "On Establishing Specific Customs Checkpoints for the Declaration of Specific Types of Goods" had been abolished by the MEDT Order No. 347 of 23 December 2004, namely: SCC Order Nos. 1049, 1050, and 1051 of 19 September 2003, and SCC Order No. 1540 of 25 December 2003. Also, SCC Order No. 1443 of 11 December 2003 "On Establishing Specific Customs Checkpoints for the Declaration of Specific Types of Goods" had been abolished by MEDT Order No. 128 of 13 June 2005 and MEDT Order No. 68 of 4 April 2005 "On Establishing Specific Customs Checkpoints for the Declaration of Specific Types of Goods" had been abolished by MEDT Order No. 193 of 17 August 2005. The representative of the Russian Federation added that SCC Order No. 155 of 14 February 2001 "On the Procedure for Coordination of Decisions to Release Goods for Free Circulation" mentioned in paragraph 551 had

been invalidated by SCC Order No. 28 of 5 August 2002. He explained that the release of goods was now governed by Chapter 28 of the CU Customs Code, as elaborated in Section 25 of Federal Law No. 311-FZ (Articles 218 to 223).

555. The representative of the Russian Federation noted that these measures had resulted in the gradual elimination of product categories of goods from the list of those subject to declaration for import at the designated customs checkpoints. The customs checkpoints designated for the purpose of customs declaration of certain goods for import were established throughout the customs territory of the country in proximity to respective international transport infrastructure or regions of major consumption or processing of imported products. This process of simplification and liberalization would be accelerated under the trade regime of the Customs Union.

556. The representative of the Russian Federation added that, after implementation of the above-mentioned Plan, only a limited number of categories of goods remained subject to customs declaration and/or entry at the designated customs checkpoints. By 1 January 2011, the list of goods subject to such restrictions of the place of declaration and/or entry had been reduced to include only the following goods: (i) poultry meat and poultry offal for food (HS Code 0207), which was permitted only at sea and air checkpoints if, the country of origin was not connected with the Russian Federation by means of land transportation, meat and meat by-products used as food (HS Code 02); (ii) goods subject to excise tax (certain alcohol and tobacco products, certain automotive goods); (iii) alcohol products originating in the Republic of Moldova; (iv) goods transported by pipelines and electric power grids; (v) certain wood products (HS Codes 4401, 4403, 4404, 4406, 4407); (vi) goods transported by international mail; (vii) goods for exhibitions; (viii) goods transported by air; (ix) precious stones and metals (HS Codes 9101, 9102, 9103, 9105, 9111, 9112); (x) banknotes, securities, and coins (HS Codes 4907 00 300 0, 4907 00 900 0, 7118 90 000 0); (xi) fissionable and radio-active materials (HS Codes 2612, 2844 and HS Code 8401 30 000); (xii) goods subject to temporary admission; and (xiii) diplomatic correspondence and goods, conveyed by certain categories of foreign persons. He also noted that a comprehensive list of categories of goods currently subject to measures requiring declaration for import and/or entry at designated customs checkpoints was reflected in Table 13 and Table 14. The Russian Federation expected that, gradually, goods crossing the border could be declared at the majority of customs checkpoints rather than at the designated customs checkpoints, and that the Russian Federation was ready to constructively address, in the meantime, to the extent possible, any specific concerns of Members with a view to facilitating trade flows.

557. Currently, in accordance with Article 190 of the CU Customs Code and Articles 10.4 and 205 of Federal Law No. 311-FZ, the FCS was authorised to designate specific customs checkpoints for the declaration of specific types of goods in order to ensure the effectiveness of control over the observance of the customs legislation, only if it was necessary to use specialised equipment and/or special knowledge to perform customs formalities, in respect of such goods as cultural valuables, goods of precious metals, weaponry, military material and ammunition, radioactive and fission materials, and other certain kinds of goods; or if it was necessary to accelerate the release of goods, such as express cargo, exhibition samples, goods imported to or exported from exclusive economic zones, etc. (Article 205 of Federal Law No. 311-FZ). In case a customs declaration was submitted to a different customs checkpoint than that designated, the customs declaration would be denied.

558. In response to the concern of a Member, the representative of the Russian Federation added that the policy of its customs authorities was to establish such customs checkpoints close to places where goods, such as precious stones and metals destined for exhibitions were mostly sold, exhibited, consumed or used otherwise. For example, designated customs checkpoints for the clearance of goods for exhibitions were functioning directly in the premises of the biggest exhibition centres in Moscow or St. Petersburg.

559. A Member asked whether the public was permitted to comment on the categories of goods designated for special treatment or on the development of such special methods, prior to implementation. The representative of the Russian Federation replied that Article 53 of Federal Law No. 311-FZ provided for the possibility of holding consultations and other procedures with the FCS, aimed at ensuring transparency with regard to matters relating to Customs Union legal acts, and other matters within the competence of national customs authorities.

560. Members of the Working Party also noted that the industry and exporters had regular experience of inconsistencies between administrative decisions taken by the authorities of the Russian Federation and the prevailing legislation of the Russian Federation. Moreover, inconsistencies appeared to exist between the general legislative framework and subsidiary regulations and administrative guidance issued by the Government bodies of the Russian Federation (such as the FCS). They expected the Russian Federation to undertake a commitment that, upon accession, all regulations, formalities and requirements connected with the importation of goods, including in relation to statistical control, customs clearance, documents, documentation and certification, inspection and analysis, and any changes to these regulations, formalities and requirements would be published promptly and, in any case, sufficiently in advance of its entry into force and would be applied in a uniform, impartial and reasonable manner across the customs territory of the Russian Federation, consistent with WTO requirements, including Articles VIII and X of the GATT 1994. Customs regulations, formalities and requirements should also be applied and operated in a fashion consistent with WTO requirements.

561. In response, the representative of the Russian Federation referred to Sections "Customs Regulations and Procedures" and "Transparency" of this Report. He added that the provisions of normative legal acts of the Federal executive body charged with customs affairs were not to conflict with the provisions of customs legislation and other legal acts of the CU or normative legal acts of the Russian Federation and/or should not establish requirements, bans and restrictions not envisaged by customs legislation and other legal acts of the CU and normative legal acts of the Russian Federation.

562. The representative of the Russian Federation confirmed that Table 13 and Table 14 were comprehensive lists of the categories of goods currently subject to measures requiring their declaration and/or entry at designated customs checkpoints. He further confirmed that if any such measures were contrary to the WTO Agreement, they would be eliminated as of the date of accession of the Russian Federation to the WTO and that future measures concerning the declaration and/or entry of specific categories of goods at designated customs checkpoints, whether introduced, re-introduced or applied pursuant to national legislation, CU Agreements, or other CU legal acts, would be consistent with the WTO Agreement. Furthermore, he confirmed that, from the date of accession, all laws, regulations, decrees, decisions, judicial decisions and administrative rulings of general application connected with the importation of goods, including those relating to statistical control, customs clearance, documentation and certification, inspection and analysis, and any changes to these laws, regulations decrees, decisions, judicial decisions and administrative rulings of general application whether introduced, reintroduced, or applied by the Russian Federation or the competent bodies of the CU would be published promptly and posted on the official websites of the responsible governmental bodies in such a manner as to enable governments and traders to become acquainted with them and that the Russian Federation would also publish the names of the governmental bodies responsible for administering them. Further, he confirmed that the Russian Federation would administer these laws, regulations, decrees, decisions, judicial decisions and administrative rulings of general application in a uniform, impartial and reasonable manner throughout its territory, as required by the WTO Agreement. He further confirmed that the Russian Federation would not apply country-specific customs procedures in a manner inconsistent with the WTO Agreement, including Articles I and X of the GATT 1994, and would apply the principles of non-discrimination and

transparency within the meaning of these Articles. The Working Party took note of these commitments.

- **Preshipment Inspection**

563. Noting that the authorities of the Russian Federation had stated that the Russian Federation did not currently require any inspection services prior to shipment, but had been considering, at some point, recourse to such measures, Members asked the Russian Federation to explain its laws and regulations authorizing the employment of preshipment inspection and to undertake a commitment indicating that, if such services should be employed in the future, they would conform to WTO provisions in their operations, e.g., in the application of fees for services rendered, observance of other WTO requirements in customs processing, and in providing right of appeal to the Government.

564. In response, the representative of the Russian Federation stated that Article 7 of the Agreement on Common Measures for Non-Tariff Regulation with Regard to Third Counties, signed on 25 January 2008 (hereafter: Agreement on Non-Tariff Regulation), authorised the imposition of non-tariff regulatory measures on the basis of national interests, *inter alia*, to implement national laws not in conflict with international agreements. The CU Agreement on the Introduction and Application of Measures Concerning Foreign Trade in Goods on a Common Customs Territory in Respect of Third Countries of 25 January 2008 (hereafter: CU Agreement on Measures Concerning Foreign Trade) implemented the CU Agreement on Non-Tariff Regulation and authorised the CU Commission to introduce non-economic measures affecting goods in foreign trade from third countries on the basis of proposals from the CU Parties. Pursuant to Article 6 of the latter Agreement, the Russian Federation could propose to introduce preshipment inspection. If the CU Commission rejected the proposal, such measures could be imposed unilaterally for up to six months, as provided for in Article 8 of the Agreement on Measures Concerning Foreign Trade.

565. He added that, in conformity with the provisions of these CU Agreements, if the Russian Federation decided to introduce preshipment inspection with respect to certain goods, Article 28 of Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of the State Regulation of the Foreign Trade Activity" (as amended on 2 February 2006) authorised the creation of such a regime, and laid down the objectives and conditions thereof. Federal Law No. 164-FZ provided that preshipment inspection could be introduced for a period not exceeding three years. He noted that the Russian Federation had no current plans to introduce a preshipment inspection scheme.

566. The representative of the Russian Federation confirmed that, from the date of accession, if a preshipment inspection scheme were to be introduced in the future, whether by the Russian Federation or by the competent bodies of the CU, its operation would be in conformity with the relevant provisions of the WTO Agreement, including the Agreement on Preshipment Inspection, and the Agreement on Implementation of Article VII of the GATT 1994, *inter alia*, in respect of the due process and transparency requirements of the WTO Agreement, in particular Article X of the GATT 1994 and the Agreement on Implementation of Article VII of the GATT 1994 and confidentiality of data received would be ensured. In addition, it would be ensured by the Russian Federation or by the competent bodies of the CU that charges and fees for preshipment inspection would comply with Article VIII of the GATT 1994, that preshipment entities would establish and maintain appeals procedures as foreseen by Article 2.21 of the WTO Agreement on Preshipment Inspection, and that that scheme would not constitute an undue and additional burden on exporters to or importers of goods into the Russian Federation. Further, he confirmed that the duration of any such scheme would be limited to three years and that importers and exporters would not be precluded from challenging facts found and findings made by preshipment inspection entities

as part of administrative appeals against decisions of the Russian Federation or the competent bodies of the CU where such decisions were based on those facts or findings. The Working Party took note of these commitments.

- **Balance of payments**

567. The representative of the Russian Federation noted that, from 1 January 2010, the legal basis for applying non-tariff measures on goods to address the situation of the balance-of-payments (BOP) of the country could be found in the CU Agreement on Common Measures for Non-Tariff Regulation with Regard to Third Countries of 25 January 2008 (hereafter: CU Agreement On Non-Tariff Regulation). More specific provisions regarding the implementation of the CU Agreement on Non-Tariff Regulation in this area were elaborated in the CU Agreement on Introduction and Application of Measures Concerning Foreign Trade in Goods on a Common Customs Territory in Respect of Third Countries (hereafter: CU Agreement on Measures Concerning Foreign Trade) of 9 June 2009. Article 8 of the CU Agreement on Non-Tariff Regulation provided that measures limiting foreign trade in goods may be imposed with a view to protecting the external financial situation and maintaining a steady balance of payments. Article 9 of that Agreement and Articles 7 to 9 of the CU Agreement on Measures Concerning Foreign Trade further provided the conditions for the CU as a whole and, in exceptional circumstances, for individual CU Parties unilaterally to introduce trade restrictive measures to protect the external financial position and maintain the balance of payments. Previously, Article 15 of Federal Law No. 63-FZ of 14 April 1998 "On Measures to Protect the Economic Interests of the Russian Federation with Respect to Foreign Trade in Goods" and, later Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" had provided such authority. In accordance with Federal Law No. 63-FZ, and due to particular balance-of-payment difficulties, Government Resolution No. 791 of 17 July 1998 "On Introduction of an Additional Import Duty" had introduced a special import surcharge at a rate of 3 per cent *ad valorem* applied to all tariff items. Government Resolution No. 235 of 27 February 1999 "On Amending Resolution of the Government of the Russian Federation No. 791 of 17 July 1998 'On Introduction of an Additional Import Duty'" had eliminated the import surcharge from 1 March 1999.

568. Noting the repeal of the balance-of-payments measure in 1999, some Members asked whether similar import surcharges would be authorised under any CU legislation other than the CU Agreement on Non-Tariff Regulation and the CU Agreement on Measures Concerning Foreign Trade, e.g., the CU Customs Code or Decision No. 18 of 27 November 2009 "On Common Customs Tariff Regulation of the Customs Union of the Republic of Belarus, Republic of Kazakhstan and the Russian Federation" of the Interstate Council on Common Customs Tariff Regulations, or under national legislation of the Russian Federation. In this regard, these Members sought a commitment confirming that, as from the date of accession, any such measures for BOP purposes would be applied in full conformity with relevant WTO provisions.

569. In response, the representative of the Russian Federation stated that the CU Agreement on Non-Tariff Regulation and the Agreement on Measures Concerning Foreign Trade, provided for the application of non-tariff measures for BOP purposes with regard to imported goods. One or more CU Parties could propose the adoption of such non-tariff measures to the CU Commission. If the CU Commission rejected the proposal, such measures could be imposed unilaterally for up to six months as provided for in Article 8 of the CU Agreement on Measures Concerning Foreign Trade. With regard to services, Federal Law No. 164-FZ of 8 December 2003 "On Fundamentals of State Regulation of Foreign Trade Activity", provided for restrictions on trade in services for BOP purposes. He confirmed that there were no other provisions in CU Agreements or in the legislation of the Russian Federation that dealt with BOP measures on goods or services.

570. The representative of the Russian Federation noted that restrictions on goods could be implemented by means of introducing an import quota or other non-tariff measures for a term required to restore the balance-of-payments of the Russian Federation. He further noted that, should such measures be imposed, the Government would designate a Federal executive body responsible for the implementation of these measures. With regard to services, BOP measures would be implemented through restrictions on trade in services.

571. Some Members expressed concern that a mechanism for the application of tariffs or other price-based measures to safeguard the balance of payments of the Russian Federation, as provided for in the WTO Understanding on the Balance-of-Payments Provisions of the GATT 1994 and Article XII of the GATT 1994, was not foreseen in the CU Agreement on Non-Tariff Regulation, the Agreement on Measures Concerning Foreign Trade or any other CU Agreement or regulation of the Russian Federation. Furthermore, these Members noted that the Agreement on Common System of Customs Regulation of 25 January 2008 did not permit the Russian Federation to take unilateral tariff measures to safeguard its balance of payments.

572. In response, the representative of the Russian Federation confirmed that the Russian Federation was not permitted to take unilateral tariff measures and that there was no mechanism to apply tariffs or other price-based measures to safeguard the balance-of-payments of the Russian Federation.

573. In response to a Member who noted that the WTO Understanding on Balance-of-Payments Provisions of the GATT 1994 imposed an order of priority of measures, the representative of the Russian Federation said that since only non-tariff measures could be applied, no order of priority *vis-à-vis* the use of priced-based measures was specified in the CU Agreements or national law.

574. The representative of the Russian Federation confirmed that any measure to safeguard its balance of payments, whether taken by the Russian Federation or by the competent bodies of the CU, would be in conformity with the relevant provisions of the WTO Agreement, in particular, the Understanding on the Balance-of-Payments Provisions of the GATT 1994 and Article XII of the GATT 1994. The Working Party took note of these commitments.

- Anti-dumping, countervailing and safeguard measures

575. The representative of the Russian Federation noted that the following legal acts regulated anti-dumping, countervailing and safeguard measures in the Russian Federation: (i) the Protocol of 17 February 2000 on the Mechanism of Application of Safeguard, Anti-dumping and Countervailing Measures in Trade of the Member States of the Customs Union as between the Republics of Belarus, Kazakhstan, Tajikistan, the Kyrgyz Republic and the Russian Federation (hereafter in this Section: the Protocol); (ii) Agreement of 25 January 2008 on Application of Safeguard, Anti-dumping and Countervailing Measures in Respect of Third Countries between the Republics of Belarus, Kazakhstan and the Russian Federation (hereafter: Agreement of 25 January 2008); (iii) the Decision of the Commission of the Customs Union No. 191 of 26 February 2010 "On the Application of Safeguard, Anti-dumping and Countervailing Measures in the Territory of the Customs Union of Belarus, Kazakhstan and the Russian Federation" (hereafter: Commission Decision No. 191); and, (iv) the following national legislation: Federal Law No. 165-FZ of 8 December 2003 "On Safeguards, Anti-dumping and Countervailing Measures Applied to the Imports of Goods", as amended by Federal Law No. 280-FZ of 30 December 2006 "On Amending the Federal Law On Safeguards, Anti-dumping and Countervailing Measures Applied to Imports of Goods"; Government Resolution No. 546 of 13 October 2004 "On Adopting the Rules on Calculation of the Amount of Specific Subsidy of a Foreign State (Union of Foreign States) and on the Invalidation of Certain Acts of the

Government of the Russian Federation Regulating Issues of Application of Safeguards, Antidumping and Countervailing Measures".

576. The representative of the Russian Federation further noted that the Agreement of 25 January 2008 entered into force on 1 July 2010 between its Parties, and would be directly applicable in the territory of the Russian Federation, after the expiration of the transitional arrangement that was set-out in the Agreement On Application of Safeguard, Anti-dumping and Countervailing Measures to the Third Countries in Transitional Period (hereafter: the Transitional Agreement) and Federal Law No. 165-FZ of 8 December 2003 "On Safeguards, Antidumping and Countervailing Measures Applied to Imports of Goods". During the transitional period, the provisions of the national regulations would apply to the extent they did not contradict the Agreement of 25 January 2008. Upon the expiration of the transitional period, national regulations would be abolished. The investigations ongoing on the date of the entry into force of the Agreement of 25 January 2008 were to be continued in accordance with the new rules and the national regulations to the extent those regulations did not contradict that Agreement. Therefore, if the national industry met the criteria of the industry of the Customs Union stipulated by the Agreement, the investigation would be continued, otherwise it would be terminated.

- (a) Transitional Regime

577. The representative of the Russian Federation informed Members that the Ministry of Industry and Trade of the Russian Federation was the national investigating authority, for safeguards, anti-dumping and countervailing investigations. During the transitional period provided for in the Transitional Agreement signed on 19 November 2010, the national authority of the Russian Federation would continue ongoing investigations and -would conduct new trade remedies investigations in the Russian Federation upon the request of the domestic industry of the Customs Union. However, all decisions to impose, extend, review or terminate trade remedy measures would be taken by the CU Commission on the basis of a proposal from the Government of the CU Party that carried out the investigation. After the transitional period investigations would be carried out at the CU level by a single designated competent authority under a request of the CU industry or upon the own initiative of the competent authority.

578. During the transitional period, economic disputes and other cases connected with the safeguard, anti-dumping and countervailing measures (including cases challenging normative legal acts and decisions, actions or inactions of the authorities and officials) would still be considered by courts of arbitration of the Russian Federation in accordance with the order stipulated in the Arbitration Procedural Code of the Russian Federation.

579. Since national laws of the Russian Federation would continue to apply during the transition period, several Members expressed concerns that Federal Law No. 63-FZ of 14 April 1998 "On Measures to Protect of the Economic Interests of the Russian Federation in Foreign Trade in Goods" did not secure full conformity of the Russian Federation with relevant WTO provisions. In particular, investigations seemed to be limited to injury and causality aspects without requiring a proper determination of dumping, while any measures applied would be expected to remain in place for "a limited period of time necessary to eliminate injury".

580. In response, the representative of the Russian Federation stated that Federal Law No. 165-FZ of 8 December 2003 "On Safeguards, Anti-dumping and Countervailing Measures Applied to Imports of Goods" had been enacted with the objective of introducing full conformity with the WTO Agreement. This Law, which had entered into force on 15 December 2003, replaced the relevant provisions of Federal Law No. 63-FZ of 14 April 1998 "On Measures to Protect the Economic Interests of the Russian Federation in Foreign Trade in Goods" (with minor exceptions,

such as paragraph 26 of Article 2 and Articles 6.5, 24 and 25). The regulations originally written for the previous legislation had been partly included in the new Law and the new Government Resolution No. 546 of 13 October 2004 "On Adopting the Rules on Calculation of the Amount of a Specific Subsidy of a Foreign State (Union of Foreign States) and on the Invalidation of Certain Acts of the Government of the Russian Federation Regulating Issues of Application of Safeguards, Anti-dumping and Countervailing Measures" (hereafter: Government Resolution No. 546). He further noted that Federal Law No. 165-FZ had been amended by Federal Law No. 280-FZ of 30 December 2006 "On Amending Federal Law 'On Safeguards, Anti-dumping and Countervailing Measures Applied to Imports of Products"'.

581. The representative of the Russian Federation explained that Federal Law No. 165-FZ established procedures for trade remedies investigations, and imposition of safeguards, anti-dumping and countervailing measures. Under this Law, anti-dumping and countervailing measures could be imposed only following an investigation showing evidence of dumped or subsidized imports, material injury to a domestic industry, threat of such injury or material retardation of the establishment of an industry ("material injury") and causality between the dumped or subsidized imports and material injury. Safeguard measures could be imposed only following an investigation showing evidence of substantially increased imports, serious injury or threat of serious injury ("serious injury") and causality between the increased imports and serious injury. The measures could only be in place for up to five years for anti-dumping and countervailing measures and four years for safeguards. The period of an application of anti-dumping and countervailing measures could be extended if a review of the measures showed that the expiry of the measure was likely to lead to a recurrence of dumping, subsidization and injury. The period of application of a safeguard measure could be prolonged up to the maximum period not exceeding eight years in whole (including the period of application of any provisional measure, the period of initial application and any extension thereof) when the investigation authority determined, following a review investigation to remedy or prevent injury, the prolongation of the measure was required and there was evidence that the industry was adjusting to changing market conditions. The decision on prolongation of the safeguard measure would be taken by the Government of the Russian Federation, based on the results of the investigation authority report, and the measure prolonged must not be stricter than the initial one. The Law brought the terminology in these areas into compliance with the rules and provisions of the WTO. It provided a clear distinction between serious and material injury and expanded the Authority of the Government in the initial and main phase of investigation. In his view, the Law defined actionable subsidies in full consistency with WTO provisions. In a similar manner, the definition of dumping contained in the Law corresponded to Article 2 of the WTO Agreement on Implementation of Article VI of the GATT 1994.

582. Other main improvements contained in Federal Law No. 165-FZ *vis-à-vis* Federal Law No. 63-FZ were the detailed description of the investigation procedure and concepts such as increased imports, dumping, subsidies, serious and material injury, causal link, the definition of domestic industry, and other matters. Several provisions of Federal Law No. 165-FZ were directed at improving the mechanism of imposition, review and termination of safeguard, anti-dumping and countervailing measures. The provisions determining the procedure for the application of safeguard, anti-dumping, and countervailing measures (including provisional duties and securities) were framed in a more detailed and intelligible manner. The representative of the Russian Federation confirmed that the same standards would be maintained in any investigation carried out either by the competent authorities of the Russian Federation or competent bodies of the CU from the date of entry into force of the Agreement of 25 January 2008.

583. Federal Law No. 165-FZ empowered the responsible Federal executive body (once an investigation had been undertaken pursuant to this Law) to propose the imposition of safeguard, anti-dumping or countervailing measures. It also permitted the responsible authority to propose their

review and termination. Before the entry into force of the Agreement of 25 January 2008, following such proposals, the decision to impose, review or terminate a measure would be taken by the Government of the Russian Federation. According to Federal Law No. 165-FZ, an anti-dumping or countervailing measure could be terminated by decision of the Government of the Russian Federation when the review of the measure established that the measure was not needed for the elimination of material injury caused by dumped or subsidized imports and that there was no likelihood that such injury would occur again if the measure was terminated. Under the Agreement of 25 January 2008, such decisions were taken by the CU Commission. Federal Law No. 165-FZ stipulated also the rules concerning cases where the Government of the Russian Federation could decide to increase the pace of liberalization of a safeguard measure or to withdraw it. After the transitional period, the CU Commission would have similar authority to increase the pace of liberalization of a safeguard measure or to withdraw it.

584. Noting that Article 35(4) of Federal Law No. 165-FZ appeared to limit the extent of information disclosed on the findings of safeguard investigations to "key conclusions" and that Article 35(5) of Federal Law No. 165-FZ appeared to limit the extent of information disclosed on the findings of anti-dumping and countervailing investigations to "an explanation of the final determination", a Member expressed concerns about the consistency of Article 35 with Article 3 of the WTO Agreement on Safeguards, Article 12 of the WTO Agreement on Anti-Dumping and Article 22 of the WTO Agreement on Subsidies and Countervailing Measures. This Member invited the Russian Federation to address these issues in legislation. This Member also observed that Article 6.9 of the WTO Agreement on Anti-dumping was not reflected in the mentioned Law and requested the Russian Federation to implement the content of this Article in legislation. A Member further noted that Article 9 of Federal Law No. 165-FZ, regarding the application of safeguard measures, only partly reflected Article 5.2(b) of the WTO Agreement on Safeguards, since it omitted to state the obligation of the Russian Federation to hold consultations with Members on allocation of quotas in the occurrence of disproportionate imports. This Member invited the Russian Federation to enter into a commitment reflecting that the provisions of the WTO Agreement on Safeguards would be fully respected upon WTO accession and that in the event of such a situation, the Russian Federation would hold consultations under Article 12.3 of the WTO Agreement on Safeguards with supplying Members.

585. Some Members noted that Federal Law No. 165-FZ did not incorporate Annex I or Annex II of the WTO Agreement on Anti-dumping concerning Procedures for On-The-Spot Investigation and Best Information Available and asked, if the Russian Federation would address these issues in its legislation. Another Member asked, with regard to Article 12.6 of the WTO Agreement on Subsidies and Countervailing Measures and Article 6.7 of the WTO Agreement on Anti-dumping, how the administering authority of the Russian Federation determined the accuracy of the information submitted by domestic and foreign parties. That Member also noted that the amended Parts 3 and 5 of Article 35, while providing more detail regarding what must be included in preliminary and final determinations, as provided under Article 12 of the WTO Agreement on Anti-dumping and Article 22 of the WTO Agreement on Subsidies and Countervailing Measures, did not detail the procedures for interested parties to provide comments in the course of the investigation process, as provided under Article 6 of the WTO Agreement on Anti-dumping and Article 12 of the WTO Agreement on Subsidies and Countervailing Measures.

586. The representative of the Russian Federation confirmed that Articles 35(4) and 35(5) of Federal Law No. 165-FZ, as amended by Federal Law No. 280-FZ, were applied in a manner consistent with Article 3 of the WTO Agreement on Subsidies and Countervailing Measures by disclosure of findings and reasoned conclusions on all pertinent issues of fact and law; with Article 12 of the WTO Agreement on Anti-dumping, notably by disclosure of all relevant information on the matters of fact and law and, reasons which had led to the imposition of final measures or the

acceptance of a price undertaking; and with Article 22 of the WTO Agreement on Subsidies and Countervailing Measures notably by disclosure of all relevant information on the matters of fact and law and, reasons which had led to the imposition of final measures or the acceptance of undertakings. He further confirmed that the issue of incorporation of Annex I and Annex II of the WTO Agreement on Anti-dumping concerning Procedures for On-the-Spot Investigation and Best Information Available had been addressed in the provisions of Federal Law No. 165-FZ.

587. In respect of the issue on the determination of accuracy of the information available, he responded that Federal Law No. 280-FZ, which amended Federal Law No. 165-FZ, addressed all of these points in accordance with the WTO Agreement. In particular, Articles 25.12, 28.2, 28.3, 29.1 of Federal Law No. 165-FZ, as amended by Federal Law No. 280-FZ, were devoted to the determination of accuracy of the information submitted by domestic and foreign parties by means of additional procedures in the course of investigation. These articles, in his view, were in full conformity with WTO provisions. He added that, under Federal Law No. 165-FZ, as amended by Federal Law No. 280-FZ, and consistent with Article 6 of the WTO Agreement on Anti-dumping and Article 12 of the WTO Agreement on Subsidies and Countervailing Measures, interested parties were able to provide comments at any stage of the investigation and meet with the investigating authority upon request. He further responded that the amended part 4 of Article 28 of the Law obligated the investigating authority, prior to the submission to the Government of the Russian Federation of a report making proposals as to the final results of the investigation, to provide all interested parties a non-confidential version of that report in sufficient time so that all interested parties had a meaningful opportunity to comment on the essential facts and defend their interests.

588. A Member noted that Federal Law No. 280-FZ, which amended Federal Law No. 165-FZ, provided that foreign exporters and producers, which had not had an individual margin calculated, would receive the "highest (calculated) rate". This Member asked whether this would apply to cases where the investigating authority must sample and could not review all cooperating parties. The Member then noted that Article 9.4 of the WTO Agreement on Anti-dumping required that a weighted average be used in situations where there were administratively too many respondents to calculate an individual rate for each.

589. The Representative of the Russian Federation stated that Federal Law No. 280-FZ, which amended Federal Law No. 165-FZ, addressed these concerns in accordance with the WTO Agreement. Specifically, in cases where foreign exporters or producers of the dumped imports were not selected for the calculation of an individual dumping margin, but had submitted requested information (e.g., sales information for the purposes of selecting the sample of exporters or producers for whom individual dumping margins would be calculated) within time limits ascertained for its consideration, the representative of the Russian Federation confirmed that the anti-dumping duty would not exceed the weighted average dumping margin, which was established with respect to the selected foreign exporters or producers of the dumped imports.

590. A Member pointed out that Article 16.3 of Federal Law No. 165-FZ did not contain all the provisions of Article 9 of the WTO Agreement on Implementation of Article VI of the GATT 1994. In particular, it did not foresee the possibility of a newcomer review according to Article 9.5 of the WTO Agreement on Implementation of Article VI of the GATT 1994. This Member further noted that Article 13.3 of Federal Law No. 165-FZ of 8 December 2003 "On Safeguards, Anti-dumping and Countervailing Measures applying to imports of Products" did not seem to require that consideration must be given to whether price-undercutting was "significant" or that the effects of imports were to depress prices to a "significant" degree, or prevent price increases, which otherwise would have occurred to a "significant" degree, as required by Article 3.2 of the WTO Agreement on Anti-dumping. This Member finally noted that Article 6.1 of Federal Law No. 165-FZ provided the possibility for the Russian Federation to impose safeguard measures when imports rose in relation to

domestic consumption. However, Article 2 of the WTO Agreement on Safeguards only allowed the imposition of safeguard measures when imports rose in absolute terms or in relation to domestic production. He also pointed out that Article 8 of Federal Law No. 165-FZ did not contain any reference to the existence of "critical circumstances" before the imposition of provisional safeguard measures, as provided by Article 6 of the WTO Agreement on Safeguards. This Member invited the Russian Federation to take up all these issues in its legislation.

591. The representative of the Russian Federation stated that, in his view, Federal Law No. 280-FZ, which amended Federal Law No. 165-FZ, addressed all of these points in accordance with the WTO Agreement. He confirmed that, from the date of accession, WTO requirements would be met in applying anti-dumping, countervailing and safeguard measures in the Russian Federation, whether by the competent authority of the Russian Federation or by the competent body of the CU. The Working Party took note of this commitment.

592. A Member posed questions to the Russian Federation regarding the regional industry provisions provided under Russian law. Specifically, this Member asked whether the law of the Russian Federation prohibited the assessment of duties on less than a country-wide basis. This Member noted that Article 4.2 of the WTO Agreement on Anti-dumping only allowed country-wide application of duties without limitation if: (i) an opportunity to cease exporting at dumped prices was provided; and (ii) duties could not be levied on only the products of the specific producers supplying the region in question. The representative of the Russian Federation responded that the Constitution of the Russian Federation effectively prohibited the collection of duties on less than a country-wide basis and that Parts 3 and 4 of Article 33 of Federal Law No. 165-FZ contained provisions regarding the regional industry provisions that fully corresponded to provisions of Article 4.2 of the WTO Agreement on Anti-dumping.

- (b) Regime established Under the Agreement of 25 January 2008

593. The representative of the Russian Federation noted that the provisions of the Agreement of 25 January 2008 provided the principles for CU Parties (the Russian Federation, the Republics of Belarus and Kazakhstan) to apply trade remedies with regard to third countries. Principles for applying trade remedies between the Russian Federation, the Republics of Belarus, Kazakhstan and Tajikistan and the Kyrgyz Republic were stipulated in the Protocol of 17 February 2000, which was in force as between the three CU Parties until the creation of a single customs territory on 1 July 2010 and was currently no longer applied in their mutual trade.

594. The representative of the Russian Federation explained that CU Commission Decision No. 191 of 26 February 2010 provided that, from 1 July 2010, all final decisions with respect to application of common trade remedies in the Russian Federation and the Republics of Kazakhstan and Belarus would be taken by the Commission of the Customs Union. During the transitional period, decisions were taken on the basis of a proposal from the Government of one of the CU Parties that carried out the investigation, as described in the preceding part of this section. After the transition period, decisions related to the introduction, review or termination of trade remedies would be taken by the CU Commission on the basis of a proposal from the single designated competent authority of the CU following the investigation. The procedural rules for trade remedy measures would be set-out in a separate CU Regulation. The decisions of the CU Commission would be applied by all Parties to the CU, within the whole territory of the CU, to the imports of relevant third countries.

595. Upon the entry into force of the Agreement of 25 January 2008, in all trade remedy investigations, the domestic industry was defined as: (i) all producers of a like product (for the purposes of the anti-dumping and countervailing investigation); (ii) a like product or directly competitive product (for the purposes of safeguard investigation) in the CU Parties; or (iii) those

producers who constituted not less than 25 per cent of the whole production volume in the CU Parties, respectively. Similarly, the relevant import was the import into the entire single customs territory of the CU.

596. One Member expressed concern that, under the Agreement on Implementation of Article VI of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures, an investigating authority was obligated to examine the degree of support for, or opposition to, the application for the imposition of anti-dumping or countervailing duties prior to the initiation of an investigation. Specifically, an application must be supported by those domestic producers whose collective output constituted more than 50 per cent of the total production of the like product produced by that portion of the domestic industry expressing either support for, or opposition to, the application and that no investigation was to be initiated when domestic producers, expressly supporting the application accounted for less than 25 per cent of total production of the like product, produced by the domestic industry. This Member asked how the Russian Federation intended to comply with its obligations in this regard with respect to: (i) measures in place in the territory of only one of the CU Parties prior to the date of the entry into force of the Agreement of 25 January 2008; (ii) ongoing investigations on the date of the entry into force of this Agreement; and (iii) new investigations after the entry into force of this Agreement.

597. The representative of the Russian Federation responded that in accordance with paragraph 2 of Article 29.3 of the Agreement of 25 January 2008, the application must be submitted together with the evidence of support of such application on the part of producers of a like product in the CU Parties. The following evidence of the support of such application would prove sufficient: (i) documents verifying that the production share of the like product by producers in the CU Parties, who supported the application, constituted not less than 25 per cent of the total production volume of the like product in the CU Parties; and (ii) documents verifying that the production volume of the like product by producers in the CU Parties, who supported the application, constituted more than 50 per cent of the production volume of the like product by producers in the CU Parties, who have expressed support or opposition to the application.

598. He further explained that all these issues would also be addressed in the Transitional Agreement signed on 19 November 2010. The measures, which were in place in the national territories were subject to the expedited reviews, before application of these measures on the Common Customs territory. These reviews were to be conducted in conformity with the new rules and the national regulations to the extent those regulations did not contradict the Agreement of 25 January 2008. The investigations ongoing on the date of the entry into force of this Agreement were to be continued in accordance with the same principles. Therefore, if the national industry met the criteria of the industry of the Customs Union, stipulated by the Agreement of 25 January 2008, the investigation would be continued or, following a review, the application of an existing national measure would be extended to the Common Customs territory, otherwise it would continue to be in force within the territory of the party, which applied the original measure until the termination date without right to review in order to prolong the measure. In respect of new investigations, they could be initiated on behalf of the industry of the Custom Union or on the own initiative of the competent body and conducted on the same principles.

599. Concerning the concept of threat of material injury, a Member referred to the provisions of the Agreement of 25 January 2008 that did not seem to require that the change in circumstances, which would create a situation in which the dumping or the provision of subsidies would cause injury, must be clearly foreseen and imminent, and asked the representative of the Russian Federation to clarify the application of this concept by the Russian Federation. In response, the representative of the Russian Federation stated that the Agreement of 25 January 2008 provided that the determination of the threat of material injury was to be based only on economic evidence. Injury to a domestic

industry of the CU Parties, as a result of the dumped or subsidized imported products, was to be established based on the results of the analysis of the volume of the dumped or subsidized imported products, its effect on the prices of like products in the market of the CU Parties and domestic producers of the like products in the Custom Union, etc. All facts should be foreseen and imminent.

600. A Member pointed to paragraph 4 of Article 37 of the Agreement of 25 January 2008, which stated that the CU Commission and other parties having access to confidential information, during the investigation, were liable for making the confidential information public, as provided for by the laws of the country where the competent body had the seat, and asked to explain this provision. This Member further asked the representative of the Russian Federation to clarify how this provision was consistent with paragraph 2 of Article 37 of the Agreement of 25 January 2008 and Article 6.5.1 of the Agreement on Implementation of Article VI of the GATT 1994 and Article 12.4.1 of the WTO Agreement on Subsidies and Countervailing Measures, which made clear that the responsibility for providing public summaries of confidential data rested with the interested party that provided the confidential data. Moreover, this Member asked the representative of the Russian Federation to explain who would have access to confidential information during the investigation, and how the CU Commission would ensure that the confidential data of a party was protected. Another Member asked the representative of the Russian Federation to explain how the Russian Federation would ensure that information provided on a confidential basis was not disclosed to others.

601. In response, the representative of the Russian Federation reiterated that the CU Commission was liable for making confidential information public and that the interested parties providing confidential information were required to provide a non-confidential summary. He further noted that the competent authority, which conducted a trade remedy investigation, must have access to confidential information, and that this information would be protected by internal regulations of the CU Commission, Article 37 of the Agreement of 25 January 2008, and the Protocol on the Order on Submission to Authority Conducting the Investigation the Information including Confidential Information for the Purposes of Safeguards, Anti-dumping and Countervailing Investigations, signed on 19 November 2010. He stated that, in the Russian Federation, protection of confidential information was provided for in Article 727 of the Civil Code.

602. A Member asked the representative of the Russian Federation to explain how it would ensure that the information provided during the course of a trade remedy investigation would be used only for the purpose of that investigation. The representative of the Russian Federation confirmed that information provided during a trade remedy investigation would be used only for the purpose of that investigation.

603. A Member requested the Russian Federation to ensure that, non-confidential summaries provided sufficient detail and understanding of the confidential information, in accordance with the relevant provisions of the WTO Agreement. The representative of the Russian Federation noted that, in accordance with Article 37 of the Agreement of 25 January 2008, interested parties providing confidential information must also provide a non-confidential summary thereof. These summaries must be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence. If the competent body finds that the reasons presented by the interested party did not warrant classifying the presented information as confidential, or that the interested party, who failed to present a non-confidential summary of the confidential information also failed to provide evidence to support the claim that the information was not susceptible of summary, or presented evidence that did not support the claim that the information was not susceptible of summary, the competent body could disregard such information. In his view, these provisions fully complied with Article 6.5 of the Agreement on Implementation of Article VI of the GATT 1994 and Article 12.4 of the WTO Agreement on Subsidies and Countervailing Measures.

604. A Member requested the representative of the Russian Federation to clarify whether non-confidential case files would be made available to the general public, as well as interested parties, and to explain how the public files would be accessed (e.g., public reading room, online). This Member further asked the representative of the Russian Federation to explain any limitations placed on access to non-confidential information submitted to or issued by the CU Commission during the course of trade remedy proceedings. The representative of the Russian Federation explained that these issues would be addressed in a CU Commission internal regulation.

605. A Member asked the representative of the Russian Federation to explain how, under the new regime introduced upon the entry into force of the Agreement of 25 January 2008, the transparency and due process provisions of the Agreement on Implementation of Article VI of the GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures, and the Agreement on Safeguards would be complied with, in the conduct of trade remedy investigations. In particular, this Member asked the representative of the Russian Federation to describe what opportunities interested parties would have to comment on and make arguments pertaining to decisions made by the CU Commission and positions taken by other parties in the proceedings. Furthermore, this Member wanted to know what procedures would be put in place to ensure that interested parties would have sufficient opportunities to defend their interests throughout the course of the investigation. In response, the representative of the Russian Federation stated, that the competent authority must ensure the publication of the notification concerning the imposition of the provisional and definitive anti-dumping, countervailing or safeguard measures. Such notification must consist of all relevant non-confidential information and facts, which formed the basis for the decision. Interested parties would be permitted to comment on the decisions by the competent authority, within the corresponding period of time. He further confirmed that interested parties were permitted to comment on the decisions by the competent authority within the corresponding period of time, envisaged in the Transitional Agreement. Also paragraphs 9 and 10 of Article 30 of the Agreement of 25 January 2008 stipulated that, upon request of any interested party, the competent authority must allow for consultations on the issues under investigation. The information submitted in written form by any interested party, as evidence related to the investigation, would be provided in writing to participants in the investigation by the competent authority with due regard to the protection of confidential information. The competent authority would give the participants in the investigation an opportunity to examine the other information used in the course of the investigation, which was related to the investigation and was not confidential. Based on the written requests from an interested party, the competent authority must conduct hearings. During the hearings, interested parties would have the right to present their position orally.

606. A Member referred to paragraph 5 of Article 30 of the Agreement of 25 January 2008 which stated that interested parties could register to participate in trade remedy investigations, and enquired whether this registration requirement would be specified in the initiation notice. This Member further asked the representative of the Russian Federation to clarify the implications, if an interested party did not register and whether such non-registration would preclude an interested party from defending its interests throughout the remainder of the investigation. The representative of the Russian Federation confirmed that the registration requirements for an interested party must be specified in the initiation notice and, that reasonable efforts would be made to notify all interested parties on the registration requirements and that all interested parties would be given sufficient time to register. He further explained that interested parties would be deemed as non-cooperative, if they did not respond to their questionnaire, within the period specified in the questionnaire, or within a longer period, if it was granted in response to a request from the interested party. Relevant information would be sent to registered interested parties only and the duty rate for non-cooperating parties would be determined on the basis of facts available from other sources.

607. A Member asked for confirmation that the comments and arguments presented by interested parties throughout the course of the investigation would be addressed by the competent authority and requested an explanation of the manner in which the competent authority would do this. The representative of the Russian Federation confirmed that all comments and arguments must be addressed to the competent authority in writing and would be taken into consideration in the investigations.

608. A Member referred to paragraph 3 of Article 30, paragraph 2 of Article 39 and paragraph 2 of Article 40 of the Agreement of 25 January 2008, which stated that decisions pertaining to trade remedies would be published by the CU Commission in the "official print publication" and asked the representative of the Russian Federation to identify the official journal and/or national newspapers, which would publish decisions pertaining to trade remedy proceedings. This Member also enquired whether such decisions would also be made available online. The representative of the Russian Federation confirmed that the decisions pertaining to trade remedies would be published in the official publication of the CU Parties. Moreover, the decisions were required to be published on the website of the competent authority. Besides, in accordance with Articles 29.11 and 39.2 of the Agreement of 25 January 2008, the competent authority must notify in writing the exporting country on the imposition of an anti-dumping or countervailing measure and about any other decision concerning application of a trade remedy measure.

609. A Member referred to paragraph 7 of Article 7 of the Agreement of 25 January 2008, which stipulated that the CU Commission might impose a special duty or safeguard on imports of agricultural products without conducting a prior investigation and asked the representative of the Russian Federation to describe the conditions in which such an action would be warranted. This Member also enquired how the CU Commission would ensure that such an action was consistent with the WTO Agreement on Safeguards, which required an investigation to find serious injury, or threat of serious injury, to the domestic industry, prior to the application of a measure, or consistent with Article 5 of the WTO Agreement on Agriculture. The representative of the Russian Federation explained that paragraph 7 of Article 7 related to special safeguard measures in respect of agricultural products, which were introduced in accordance with the WTO Agreement on Agriculture. In accordance with this Article, a special duty on agricultural products might be imposed only if the growth of imports of the product to the single customs territory of the Parties' State surpassed the baseline levels. Specific conditions for determination of baseline level were stipulated in paragraph 8 of Article 7 of the Agreement of 25 January 2008.

610. A Member noted that Article 10 of the Agreement of 25 January 2008 described the way sampling was used to determine the dumping margin and asked whether the selection of exporters, producers and importers was made in consultation with and with the consent of the exporters, producers or importers concerned. The representative of the Russian Federation informed Members that, in accordance with the provisions of Article 10.8 of this Agreement, in cases when the competent body concluded that it was impracticable to determine the individual margin of dumping for every exporter and/or producer of the product due to a large number of exporters, producers or importers of the product, types of products involved, or for any other reason, it could restrict the determination of the individual margin of dumping, either to a reasonable number of interested parties or by using samples of the product from every exporting country which were, as far as the competent body was aware of, statistically valid on the basis of information available to the competent body, at the time of selection, and could be examined without any disruptions in the course of the investigation. He further confirmed that the selection of exporters, producers and importers would be made in consultation with and with the consent of the exporters, producers or importers, as it would be provided for in future CU administrative regulation.

611. A Member noted that paragraph 11 of Article 10 and paragraph 4 of Article 16 of the Agreement of 25 January 2008 stated that the "all others" rate or duty would be based on the highest margin of dumping determined during the investigation and asked the representative of the Russian Federation to explain why the CU chose to make an adverse inference (i.e. the highest margin of dumping) in setting the "all others" rate, as opposed to choosing a more neutral method (e.g., the weighted-average margin of all participating respondents). Furthermore, this Member asked the representative of the Russian Federation to explain how this methodology was consistent with Article 9.4 of the Agreement on Implementation of Article VI of the GATT 1994.

612. The representative of the Russian Federation stated that, if the competent authority found that an interested party had failed to cooperate for the purpose of the investigation, the competent authority could use an inference that was adverse to the interests of that interested party. The competent authority could also determine the dumping margin on the basis of any other information at its disposal, including the weighted-average margin of all participants.

613. The representative of the Russian Federation confirmed that, if an interested party cooperated, but was not selected for the calculation of an individual dumping margin, the anti-dumping duty applied would be applied in accordance with Article 9.4 of the Agreement on Implementation of Article VI of the GATT 1994. The Working Party took note of this commitment.

614. Noting the information given by the representative of the Russian Federation on the new legislation on trade defence instruments, some Members of the Working Party asked the representative of the Russian Federation to explain what would happen to the trade remedies imposed by the Government of the Russian Federation to third countries, not Members to the CU under the regime applicable in the Russian Federation, prior to the entry into force the Agreement of 25 January 2008. In response, the representative of the Russian Federation explained, that an Expert Group established under the CU Commission Decision No. 339 of 17 August 2010 "On the Application of Safeguard, Anti-dumping and Countervailing Measures in the Territory of the Customs Union of Belarus, Kazakhstan and the Russian Federation" had elaborated a new expedited review mechanism for the individual measures of the Russian Federation, as well as those of the Republics of Belarus and Kazakhstan, which were also stipulated in the Transitional Agreement. According to this mechanism, the expedited reviews would be conducted by the investigating authority of the party, which applied the original measure, in order to determine whether the existing national measure should be applied in the single customs territory of the CU or be terminated. The sole criteria used in this review would be the determination of the share of domestic producers in the investigation, as if such an investigation would have been conducted in respect of the whole CU. If the review established the producers in the CU, accounting for not less than 25 per cent of total production in the CU, which would have supported the measure, this measure would be applied in the single customs territory of the CU. The decision, to apply the measure in the single customs territory of the CU, was taken by the CU Commission, upon the proposal of the Government whose competent authority had conducted the investigation.

615. Some Members of the Working Party expressed serious concern about the sole principle applied in the expedited reviews, as presented by the Russian Federation, and invited the Russian Federation to enter into a commitment to conduct a full review of the measures currently applied in its territory that might not meet the requirements of the WTO Agreement, including with regard to whether measures should be applied throughout the CU or terminated. Interested parties should be properly informed about the possibility of such reviews and reviews should be initiated, upon the respective requests of interested parties. The results of these reviews would then be the basis for extending the application of measures to the CU, or terminating the relevant measure.

616. The representative of the Russian Federation stated that, from the date of accession of the Russian Federation to the WTO, interested parties could request the initiation of reviews of trade remedy measures imposed by the Russian Federation or applied in the Russian Federation pursuant to a decision of the CU Commission, identifying the elements of the measures, which were not consistent with the WTO Agreement. He stated that he expected that Russian exporters, after accession of the Russian Federation to the WTO, could also request reviews of measures currently applied by WTO Members against Russian products. One Member replied that, in its trade remedy administration, Russian exporters were presently permitted to ask for reviews of existing measures and that such reviews had been regularly conducted. This Member further stated that Russian exporters would also be able to ask for reviews, after the accession of the Russian Federation to the WTO, and that such reviews would continue to be conducted.

617. In respect of transmission of functions to conduct trade remedy investigations from national authorities to the CU Commission, the representative of the Russian Federation noted, that it would happen when: (i) a relevant unit was formed in the supra-national body; (ii) methodological documents in respect of trade remedy procedures and calculations were worked out in order to develop the Agreement of 25 January 2008, including the arrangements on protection of the confidential data on a supra-national level; and (iii) the supra-national statistic base in respect of internal and external trade was elaborated. The decision to transfer the function to conduct trade remedy investigations from national authorities to a supra-national body would be taken by the Interstate Council of EurAsEC. Until then, trade remedy investigations would be conducted by national authorities on behalf of the industry of the Customs Union, as it was stipulated in the Agreement of 25 January 2008.

618. The representative of the Russian Federation confirmed that every administrative decision, action or inaction of the authorities and officials of the Russian Federation in charge of investigations, impositions, reviews, terminations or applications of trade remedies in the Russian Federation, could be referred for "judicial review". He said that before 1 July 2010, judicial review in these cases was regulated by Federal Law No. 165-FZ. In accordance with Article 36 of that Law, economic disputes and other cases regulated by this Law (including cases challenging normative legal acts and decisions, actions or inactions of the state authorities and officials) were considered by the courts of arbitration. The judicial procedure of the hearing of disputes by the courts of arbitration was regulated by Federal Law No. 95-FZ of 24 July 2002 "Arbitration Procedural Code of the Russian Federation". It provided for the judicial procedure to protect the rights and legal interests of economic operators. In accordance with paragraph 5 of Article 27 of this Code, courts of arbitration considered disputes within their jurisdiction, to which: (i) Russian organizations; (ii) Russian physical persons; (iii) foreign organizations; (iv) foreign physical persons; (v) stateless persons involved in commercial activity; or (vi) organizations with foreign investments, could be parties, unless otherwise provided for by an international treaty of the Russian Federation.

619. The representative of the Russian Federation explained that decisions of the Commission of the Custom Union were supposed to be considered by the EurAsEC Court. Currently, norms regulating appeals to decisions of CU bodies were stipulated in the Statute of the EurAsEC Court. The Statute of the EurAsEC Court was adopted by the EurAsEC Interstate Council Decision No. 502 of 5 July 2010. The competence of the EurAsEC Court was broadened by the new Statute and now covered issues within the CU, as provided for by the Protocol on the Amendment of the Treaty Establishing the EurAsEC", adopted on 7 October 2007. In particular, the Statute provided for the right of the economic operator in the CU Parties to bring a case against the decisions of the CU Commission to the EurAsEC Court (paragraph 2, Article 14). In accordance with the Statute, recourse to the Court by the economic operators and peculiarities of the judicial procedure were determined by the international treaty (paragraph 3, Article 14). Such treaty was the Treaty on Judicial Recourse to the EurAsEC Court of the Economic Operators on Disputes within the

Framework on the CU and Peculiarities of the Judicial Procedure on them, approved by the Decision of the Interstate Council of the EurAsEC No. 534 of 9 December 2010 (as described in paragraph 162).

620. The representative of the Russian Federation confirmed that, from the date of accession, compliance with the provisions of the Agreement on Implementation of Article VI of the GATT 1994, the Agreement on Subsidies and Countervailing Measures, and the Agreement on Safeguards, whether by the competent authorities of the Russian Federation or the competent bodies of the CU, would be ensured. He further confirmed that the Russian Federation would notify and implement, upon accession, all appropriate laws and regulations applicable in the Russian Federation in conformity with the provisions of these Agreements. The representative of the Russian Federation further confirmed that any trade remedy measure applied on the date of WTO accession of the Russian Federation and any trade remedy measure procedure launched before the date of accession as well as any trade remedy measure resulting therefrom, whether by the competent authority of the Russian Federation or the competent bodies of the CU, would be consistent with the relevant WTO Agreement, as of the date of accession. He also confirmed that all interested parties, as defined in the relevant WTO Agreement, would have access to any non-confidential information that was relevant to any trade remedy measure applied on the date of WTO accession of the Russian Federation, or adopted subsequently, on the basis of an investigation or review launched before its accession. The representative of the Russian Federation also confirmed that, from the date of WTO accession of the Russian Federation, any interested party could request the initiation of a review of any trade remedy measure, applied on the date of accession or adopted subsequently, on the basis of an investigation or review launched before the WTO accession of the Russian Federation, identifying the elements of that measure, which were, in their view, not consistent with the above-mentioned WTO Agreement. In addition, and with respect to the WTO Agreement on Safeguards, he confirmed that the Russian Federation would, in particular, hold consultations under Article 12.3 of the WTO Agreement on Safeguards with supplying Members and disclose information as provided for by Article 3 of that Agreement. He further confirmed that information in anti-dumping investigations would also be disclosed, as provided for in Articles 6.9 and 12 of the WTO Agreement on Anti-dumping and, in the case of countervailing investigations by Articles 12.3 and 12.8 of the WTO Agreement on Subsidies and Countervailing Measures, whether by the competent authorities of the Russian Federation or competent bodies of the CU. The Working Party took note of these commitments.

2. Export Regulations

- Export Duties

621. The representative of the Russian Federation stated that export duties were levied pursuant to Article 3 of the Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as last amended on 3 December 2008). The CU Agreement of 25 January 2008 "On Export Duties with regard to Third Countries" did not provide for unified export tariffs and export tariff regulation. Thus, after the establishment of the Customs Union, export duties remained subject to regulation at the national level.

622. The representative of the Russian Federation stated that export duties were applied on an MFN basis with the exceptions described in this Section. Goods exported to Parties of the Treaty on the Customs Union and Single Economic Space of 26 February 1999 (the Republics of Belarus, Kazakhstan, Tajikistan and the Kyrgyz Republic) were exempted from application of export duties.

623. The representative of the Russian Federation further informed Members that, taking into account the provisions of the Free Trade Agreement between the Russian Federation and Ukraine,

and, in accordance with the Government Resolution No. 291 of 30 April 2010 "On Rates of Export Customs Duties on Gas delivered from the Territory of the Russian Federation to the Territory of Ukraine", a special regime of export duties on natural gas had been established with respect to Ukraine. According to this Resolution, a certain volume of natural gas (up to 40 billion cubic metres per year, since 2011 until 2019, inclusive) exported from the Russian Federation to Ukraine could be exempted from export duties. The export duty on natural gas, exported from the Russian Federation to Ukraine, above this volume (that is, above 40 billion cubic metres per year, during the period from 2011 to 2019, inclusive) was determined based on Government Resolution No. 795 of 23 December 2006 "On the Establishment of the Rates of the Export Customs Duties on Goods Exported from the Territory of the Russian Federation beyond the Borders of Countries that are Parties to Agreements on Customs Union".

624. The representative of the Russian Federation noted that the Russian Federation applied export duties to goods exported to other CIS countries with which the Russian Federation had concluded Free Trade Agreements. All changes in export duties were published officially.

625. One Member expressed concern that the Russian Federation applied different export duties to oil produced in the Eastern Siberian fields and in Caspian fields, on the one hand, and oil produced in the rest of the country, on the other. Under Resolution No. 1110 of 24 December 2010 "On Approval of Rates of Export Duties on Crude Oil and Certain Types of Goods Produced from Crude Oil Exported outside the Territory of the Russian Federation and the Territories of States - Members of the Customs Union", the applied export duty for oil produced in the above-mentioned fields was US$117.5 per tonne, whereas the duty for oil produced in other fields was US$317.5 per tonne. This Member noted that, due to the existing transmission infrastructure, the oil with a lower export duty was not equally available to all WTO Members and this export duty differentiation could result in a *de facto* discrimination between oil exports on the basis of the country of destination. Furthermore, this Member noted that a slight chemical difference between these two types of crude oil, produced in the Russian Federation, might not be sufficient to consider that these two types of crude oil were not like products. This Member requested the Russian Federation to eliminate any existing unjustified discriminatory practices with regard to applied export duties for crude oil and to undertake a commitment to apply export duties in a non-discriminatory manner, in conformity with Article I of the GATT 1994.

626. In response to a question from a Member, the representative of the Russian Federation explained that in 1998 export duties had been imposed on raw materials and semi-finished goods, mainly for fiscal purposes, and now ranged from 3 to 50 per cent, with a few exceptions where higher export duties were applied. In very few cases (oil seeds, raw hides and skins), export duties had been imposed to ensure greater availability of raw materials for the domestic industry. Export duties on non-ferrous and ferrous metals waste and scrap (and those in the guise of other products, e.g., used axle-boxes) had been imposed to address problems of environmental protection.

627. The representative of the Russian Federation also explained that, over the last few years, the overall number of products subject to export duties had been reduced four times, from 1,200 to 310 tariff lines.

628. In response to requests from Members of the Working Party, the representative of the Russian Federation informed Members that export duties were subject to regular review (the latest changes to Government Resolution No. 795 of 23 December 2006 "On the Establishment of the Rates of the Export Customs Duties on Goods Exported from the Territory of the Russian Federation beyond the Borders of Countries that are Parties to Agreements on Customs Union" had been made on 12 November 2010). Export duties were also the subject of bilateral tariff negotiations with some Members.

629. Several Members of the Working Party were of the view that export duties acted as indirect subsidies to domestic downstream users and, thus, could distort international trade. Noting that the Russian Federation had argued that export duties were levied mainly for fiscal purposes, some Members expressed concerns that the effect of these duties was to discriminate against foreign buyers and to raise the level of the export price so that third-country producers encountered their own difficulties of supply for the products concerned; suffered from increased production costs resulting from higher input or energy costs; and/or faced a situation where they lost relative competitiveness on the global market for downstream products, as a result of the indirect price support given to domestic Russian producers competing in the same markets. This was particularly the case, as a result of export duties on minerals, petrochemicals, natural gas, raw hides and skins, ferrous and non-ferrous metals and scrap. Some Members also expressed a concern that export duties on certain products, notably, wood and ferrous and non-ferrous metals, were being used to distort investment decisions in processing industries and gave companies, which were producing in the Russian Federation, a cost advantage. These Members requested the Russian Federation to make a commitment to phase-out export duties under an established timetable describing specific modalities. The Russian Federation should also commit that export duties would not be applied on other products and that, once eliminated, export duties on products, currently affected, would not be re-introduced. In particular, some Members were concerned that the introduction of new export duties, or their re-introduction after elimination, created considerable uncertainty as to the reliability of supplies of certain raw materials from the Russian Federation. Some Members also requested the Russian Federation to reduce the number of products subject to export duties, especially the products with higher value added (e.g. a coniferous bonded wood), so that the negative impact in trade in such products could be minimized.

630. Some Members of the Working Party also stated that the Russian Federation should describe its future plans, in conjunction with its application of export duties, VAT, and excise charges to exports. In particular, those Members sought confirmation that the Russian Federation had removed some export duties, and information on plans in this regard. In light of improvements in the economic situation in the Russian Federation, those Members enquired whether the export taxes were still necessary to deal with external debt. Some Members sought clarification on the increase of export duties on oil and natural gas and expressed concern about the potential impact of such measures on prices. Some Members of the Working Party stated, however, that they considered that export duties could play a legitimate role as a tool for trade policy.

631. In response, the representative of the Russian Federation stated that certain export duties continued to play an important fiscal role in the Russian Federation. He noted that, in most cases, export duties did not affect the price at which an exported commodity (i.e. natural gas, oil, oil products, non-ferrous metals) was purchased abroad. He further noted that the level of export duties on crude oil and oil products was linked to the world price of crude oil and, therefore, fluctuated accordingly. They were being revised monthly, according to paragraph 14, point 4 of Article 3 of Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff". As for the 30 per cent export duty on natural gas, he explained that this export duty had replaced the pre-existing excise taxes on natural gas, which were eliminated (see Section "Excise Taxes"). Export duties of a fiscal nature permitted the Russian Federation to replenish the budget (which was also required to comply with the international financial commitments of the Russian Federation).

632. Export duties of a regulatory nature were used to influence the volume of exports and address both problems of environmental protection and economic needs. These duties concerned, for instance, such goods as non-ferrous scrap, which were mainly destined for exportation, as there was hardly any domestic demand (especially, for aluminium and nickel scrap). He further explained that the export duty was also linked to the need to prevent illegal production of non-ferrous scrap and was considered the most effective way to curb this phenomenon, as it made exports of those products

unprofitable or, substantially, reduced profitability. He added that his Government was considering other means to address this problem, such as a licensing mechanism to monitor exports. He stated that, in his view, export duties could not be considered as a subsidy in the sense of the WTO Agreement on Subsidies and Countervailing Measures.

633. As for the export duty rates on raw timber (HS 4403), which were increased several times since the beginning of 2007, the purpose of this measure was to accelerate the restructuring of the wood and paper industry of the Russian Federation and to address environmental concerns. Certain Members expressed doubts about the existence of environmental concerns that would justify this measure. Concerning timber, the latest changes to export duties were made by Resolution No. 442 of 16 June 2010 "On the Rates of Export Customs Duties Related to Certain Types of Timber, Exported Beyond the Borders of Countries that are Members of CU Agreements". According to this Resolution, the export duty rate for a small group of "other" precious woods was reduced from €100 per cubic metre to 25 per cent or not less than €15 per cubic metre.

634. In the non-ferrous metals sector, export duties on copper cathode and unalloyed nickel (HS Codes 7403 11 00 and 7502 10 00) were increased to 10 per cent (from zero for copper and from 5 per cent for nickel) following Resolution No. 893 of 12 November 2010 "On the Rates of Export Customs Duties related to Copper Cathode, Exported Beyond the Borders of Countries that are Members of CU Agreements" and Resolution No. 893 of 12 November 2010 "On the Rates of Export Customs Duties related to Unalloyed Nickel, Exported Beyond the Borders of Countries that are Members of CU Agreements".

635. The representative of the Russian Federation further observed that export duties were permitted under WTO rules, and that many Members of the WTO applied export duties as an instrument of trade policy. In this regard, his Government considered that the request of several Members that the Russian Federation established a timetable to completely phase-out export duties was excessive.

636. In response to the request of a Member to eliminate export duties on ferrous scrap and copper cathode well in advance of accession, the representative of the Russian Federation noted that export duties were the subject of bilateral negotiations and their results would be duly reflected. This Member indicated that it had accepted the invitation to engage in bilateral negotiations with the Russian Federation to reduce its export duties on the above-mentioned products, in the context of the accession of the Russian Federation to the WTO. In its view, the results of these negotiations, which could be found in Table 31, would form part of the balance of commitments and concessions in the terms of accession of the Russian Federation. This Member emphasized that, if the Russian Federation subsequently increased these export duties above the commitment level, it would disturb the balance of concessions established in the bilateral and multilateral negotiations for WTO accession, and this Member would have the right to take appropriate action to re-balance the concessions. Some other Members stated that this was without prejudice to their views in respect of the status and legality of export duties in the framework of the WTO Agreement.

637. As noted above, the Russian Federation undertook bilateral tariff negotiations on export duties with some Members of the Working Party. The tariff concessions and commitments resulting from these negotiations were contained in Part V of the Schedule of Concessions and Commitments on Goods of the Russian Federation, which formed Annex 1 to the Protocol on the Accession of the Russian Federation. The representative of the Russian Federation stated that Table 32 of this Report included all export duties applied by the Russian Federation.

638. The representative of the Russian Federation confirmed that the Russian Federation would implement, from the date of accession, its tariff concessions and commitments contained in Part V of

the Schedule of Concessions and Commitments on Goods of the Russian Federation. Accordingly, products described in Part V of that Schedule would, subject to the terms, conditions or qualifications set-forth in that Part of the Schedule, be exempt from export duties in excess of those set-forth and provided therein. The representative of the Russian Federation further confirmed that the Russian Federation would not apply other measures having an equivalent effect to export duties on those products. He confirmed that, from the date of accession, the Russian Federation would apply export duties in conformity with the WTO Agreement, in particular with Article I of the GATT 1994. Accordingly, with respect to export duties and charges of any kind imposed on, or in connection with exportation, any advantage, favour, privilege or immunity granted by the Russian Federation to any product destined for any other country shall be accorded immediately and unconditionally to the like product destined for the territories of all other WTO Members. The representative of the Russian Federation confirmed that the Russian Federation would, from the date of accession to the WTO, administer export tariff rate quotas (TRQs) in a manner that is consistent with the WTO Agreement and in particular the GATT 1994 and the WTO Agreement on Import Licensing Procedures. The Working Party took note of these commitments.

- **Application of VAT Refund to Exports**

639. In response to a question by a Member about the regulations relevant to VAT refund, the representative of the Russian Federation explained that the refund of VAT was made in accordance with the Tax Code of the Russian Federation (Federal Law No.117-FZ dated 5 August 2000, last amended on 7 March 2011). He reaffirmed that the implementation of VAT refund would be made promptly and properly within the period specified under the relevant laws and regulations.

- **Quantitative Export Restrictions, Including Prohibitions and Quotas**

640. The representative of the Russian Federation noted that, from 1 January 2010, the legal basis for the application of export restrictions, including prohibitions and quotas, on goods exported to third countries from the CU could be found in: (i) EurAsEC Board of Heads of States Decision No. 19 of 27 November 2009 and the Agreement on Common Measures of Non-Tariff Regulation in respect of Third Countries, signed on 25 January 2008 (hereafter: CU Agreement on Non-Tariff Regulation); (ii) the Agreement on the Procedure of Introduction and Implementation of Measures, Concerning Foreign Trade in Goods, on the Common Customs Territory in Respect of Third Countries (hereafter: CU Agreement on Measures Concerning Foreign Trade), signed on 9 June 2009; and (iii) the Agreement on Licensing Procedures in the Sphere of Foreign Trade in Goods, signed on 9 July 2009 (hereafter: CU Agreement on Licensing). As a consequence, decisions to impose non-tariff measures on exports from the CU Parties to third countries would be taken by the CU Commission. The CU Commission Decision No. 132 of 27 November 2009 "On a Single Non-Tariff Regulation of the Customs Union of the Republic of Belarus, Republic of Kazakhstan and the Russian Federation" approved the Common List of Goods that are Subject to Non-Tariff Measures (see Table 28), which also came into force on 1 January 2010. The representative of the Russian Federation explained, that, prior to the establishment of the CU, the imposition of non-tariff measures on exports was governed by Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006). He noted that this legislation would remain in effect, to the extent provided for in the CU legislation. In addition, separate CU Agreements (referred to in Section "Export Licensing Procedures") set-out the circumstances in which exports of precious metals and stones, as well as mineral raw materials were subject to bans or quantitative restrictions.

641. The representative of the Russian Federation further explained that, according to Article 3 of the CU Agreement on Non-Tariff Regulation, the export of goods from the Russian Federation, being a CU Party, was carried out without quantitative limitations, except to prevent or reduce a critical

shortage of foodstuffs or other goods considered essential for the domestic market. According to Article 7 of the CU Agreement on Non-Tariff Regulation, and in accordance with Federal Laws and international treaties, non-tariff measures could be imposed on exports from the Russian Federation, if those measures: (i) were necessary to maintain public morals or law and order; (ii) were necessary to protect the life or health of citizens, environment, life or health of animals and plants; (iii) were related to the import or export of gold or silver; (iv) were applied to protect cultural valuables and heritage; (v) were required to prevent the exhaustion of irreplaceable natural resources and implemented simultaneously with curtailment of the domestic production or consumption associated with the utilization of irreplaceable natural resources; (vi) were linked to a limitation of export of domestic raw materials to provide sufficient quantity of such materials for the domestic manufacturing industry in periods when domestic prices for such materials were kept lower than world prices, as the result of a stabilization plan implemented by the Government; (vii) were essential to acquire or distribute goods in case of their general or local shortage; (viii) were essential to comply with international obligations; (ix) were essential to ensure the defence of the country and security of the State; and (x) were necessary to ensure the observance of regulatory legal acts not contravening international commitments and related to the application of the Customs Law, preservation of the environment, protection of intellectual property, and other legal acts.

642. He further stated that, pursuant to Article 8 of the CU Agreement on Non-Tariff Regulation, the CU Commission was authorised to apply quantitative export restrictions and prohibitions to fulfil the obligations of a CU Party under international sanctions regimes or to protect the external financial situation and safeguard the balance of payments (see Section "Balance of payments" of this Report). To meet these situations, the CU Commission was authorised to apply quantitative export restrictions or grant exclusive licenses to import or export based on proposals from a CU Party. Such measures would be implemented in accordance with Federal Laws of the Russian Federation and the international Agreements to which the Russian Federation was a party. In response to a question from a Member, the representative of the Russian Federation explained that the list of general exceptions stipulated in Articles 7 and 8 of the CU Agreement on Non-Tariff Regulations was exhaustive and no other document within the CU provided for such exceptions. He further explained that although the imposition of export restrictions was not provided for under Article 7 of the CU Agreement on Measures Concerning Foreign Trade, the CU Parties would amend the CU Agreement on Measures Concerning Foreign Trade to include the authority to apply export restrictions in appropriate situations.

643. The representative of the Russian Federation explained that, as of 1 January 2010, pursuant to Article 9 of the CU Agreement on Non-Tariff Regulation and Article 1 of the CU Agreement on Measures Concerning Foreign Trade, the authority to impose non-tariff measures on exports from a CU Party to third countries was transferred from the individual Parties to the CU Commission. A proposal to apply a non-tariff measure could be filed by a Party or the CU Commission, and the CU Commission was required to make its determination within 30 days from the date the proposal was submitted. The decision, if positive, would come into force 45 days after the date of publication. Such non-tariff measures would be applied to goods destined for third countries, and applied equally to exports to all countries.

644. In response to a question from a Member, the representative of the Russian Federation explained that under Article 9 of the CU Agreement on Non-Tariff Regulation and Article 8 of the CU Agreement on Measures Concerning Foreign Trade, and pursuant to the procedures set-forth in the latter Agreement, a CU Party could unilaterally impose temporarily a non-tariff measure, if such a measure was aimed at: (i) the observance of public morality, law and order; (ii) defence and security; (iii) protection of life or health of the citizens, environment, life or health of animals and plants; (iv) protection of cultural values and cultural heritage; (v) protection of intellectual property; (vi) prevention of the exhaustion of irreplaceable natural resources; or (vii) prevention or reduction of

the critical shortage in the domestic market of food or other goods essential for the domestic market. He further noted that the CU Parties would amend the CU Agreement on Measures Concerning Foreign Trade to allow a CU Party to impose unilaterally a non-tariff measure on a temporary basis if such measure was aimed at the protection of the external financial position and safeguarding the balance of payments. Furthermore, based on its "national interest" a CU Party could, pursuant to Article 6.1 of the CU Agreement on Measures Concerning Foreign Trade, request the CU Commission to impose non-tariff measures on exports. If the CU Commission rejected the proposal, the CU Party could, under Article 6.7 of that Agreement, impose such measures unilaterally, in conformity with Articles 8 through 10 of the CU Agreement on Measures Concerning Foreign Trade. Under these Agreements, unilateral measures could be imposed for only six months. The CU Parties, not imposing the non-tariff measure, were to take the necessary steps to prevent the exportation of the subject good(s) from the CU Party applying the non-tariff measures to third countries. CU Parties, not applying the measure, were to require licenses and/or permits for exportation of the subject goods from their respective territories.

645. Some Members noted that quantitative export restrictions, including quotas, bans and non-automatic licensing restrictions were prohibited by the GATT 1994, unless specifically justified, and requested the Russian Federation to list (identifying by HS tariff number) and justify any current export bans or quantitative restrictions in place. These Members also requested additional information on exports of unprocessed precious metals and stones, the quantitative restrictions on the export of natural gas and the ban on exports of grain (and the consistency of these measures with the requirements of Article XI of the GATT 1994). Concerning gas, they noted that, as provided for in Federal Law No. 69-FZ of 31 March 1999 "On Gas Supply in the Russian Federation" and noted in the most recent OECD Economic Survey, Gazprom was required to supply the domestic market. They considered this to be a *de facto* restraint on exports. Members also asked the Russian Federation to provide a list of all quantitative restrictions eliminated since 1996 and to clarify the reference to "essential national interests", as a justification for export quotas and any possible relation of this reference to relevant WTO provisions that referred to essential security interest.

646. The representative of the Russian Federation explained that, pursuant to Government Resolutions No. 599 of 5 August 2010 and No. 654 of 30 August 2010, the temporary ban on grain exports was applied due to the severe drought conditions that had sharply reduced the 2010 harvest of the Russian Federation, in order to prevent critical shortages of food for human and animal consumption, which would occur, unless steps were taken to maintain domestic supplies. He further explained that the Russian Federation would terminate the export ban in accordance with the CU Agreement on Non-Tariff Regulation and the CU Agreement on Measures Concerning Foreign Trade, unless it was justified under the relevant provisions of the WTO Agreement, and the CU Commission decided that all CU Parties would apply the export ban.

647. In response to a question from a Member, the representative of the Russian Federation confirmed that upon accession to the WTO, the Russian Federation would apply such quantitative export restrictions, in accordance with Article XI of the GATT 1994 and Article 12 of the WTO Agreement on Agriculture.

- (a) Precious stones and metals

648. The representative of the Russian Federation noted that, as of 1 January 2010, the procedures for the import and export of precious metals and stones were set-forth in the Regulations "On the Order of Entry into the Customs Territory of the Customs Union within the Eurasian Economic Community and the Export from the Customs Territory of the Customs Union within the Eurasian Economic Community of Precious Metals, Precious Stones and Commodities Containing Precious Metals" (hereafter in this Section: the Regulations) adopted by the CU Commission Decision No. 132

of 27 November 2009. Pursuant to these Regulations, those products listed in section 2.9 and 2.10 of the Common List attached to Decision No. 132 of 27 November 2009 (see Table 28) were subject to licensing requirements. In addition, the relevant provisions of the Presidential Decree No. 1137 of 20 September 2010 as well as the Agreement on Licensing, continued to apply, as provided in the Regulations on Precious Stones and Metals.

649. The representative of the Russian Federation further stated that the exportation from the Russian Federation under the customs regime of export of natural diamonds (except for unique natural diamonds and the natural diamonds of the form "board" and "drilling", regardless of their sizes and degrees of processing, sieve diamonds of "-3+2" classes and lower classes), refined platinum and metals of platinum group in the form of bullions, plates, powder and granules, and also nuggets of the precious metals, the raw precious metals, ores and concentrates of precious metals, the raw goods, containing precious metals, scrap and waste products of precious metals was implemented without quantitative restrictions on the basis of the licenses, which had been given out by the Ministry of Industry and Trade (MIT) of the Russian Federation. He explained that Presidential Decree No. 742 of 21 June 2001 "On the Procedure for Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones" and Presidential Decree No. 1373 of 30 November 2002 "On Regulations on Importation to the Russian Federation and Exportation from the Russian Federation of Natural Diamonds and Cut Diamonds" had been amended. These amendments abolished quantitative export restrictions on natural diamonds, unwrought platinum and metals of the platinum group and raw materials, containing precious stones, and removed bans on the export of certain types of goods, such as wastes and scraps of precious metals; precious metals ores and concentrates.

650. With regard to procedures for exporting precious stones and precious metals, the representative of the Russian Federation explained that information on the formalities for obtaining an export licence was provided in the Section "Export Licensing Procedures" of this Report. He also explained that all documentation and procedures for exports or imports of these goods were to be completed at specific customs checkpoints (see Sections "Other Customs Formalities (Import)" and "Other Customs Export Formalities" of this Report).

651. In response to a question from a Member, the representative of the Russian Federation noted that the Russian Federation had eliminated all quantitative restrictions on exports of precious stones and metals, and that it had brought its national legislation on export restrictions for precious metals and stones into accordance with WTO disciplines. Presidential Decree No. 742 of 21 June 2001 "On the Procedure for Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones" (as amended on 11 January 2007) had abolished quantitative export restrictions and export licensing of articles made of precious stones and meant for industrial-technical purposes; precious metals in the form of products and articles; as well as articles of precious stones and natural pearls and coins. Presidential Decree No. 1373 of 30 November 2002 "On Regulations on Importation to the Russian Federation and Exportation from the Russian Federation of Natural Diamonds and Cut Diamonds" had abolished the need to obtain a licence to export cut diamonds. Under Presidential Decree No. 1373, agents engaged in the manufacturing of cut diamonds were entitled to export and/or remove from customs treatment for processing outside the customs territory up to 15 per cent of the value of natural diamonds, they had purchased within the year from agents of natural diamonds' extraction or the State Fund of Precious Metals and Precious Stones of the Russian Federation. The MIT issued licenses for the exportation of natural diamonds. Presidential Decree No. 26 of 11 January 2007 "On Improvement of State Regulation for Importation into the Russian Federation and Exportation from the Russian Federation of Precious Metals and Precious Stones" had abolished export quota requirements for precious metals, unprocessed natural diamonds, as well as the prohibition for exportation of precious metals ores and concentrates, wastes and scraps of precious metals and unprocessed precious metals.

652. A Member of the Working Party sought information about matters relating to the Regulations on Precious Stones and Metals, other than measures applied to facilitate the participation of the Russian Federation in the Kimberley Process. Information was sought on: the registration requirements applied to organizations involved in the production, domestic or foreign sale of those products; whether any legal or natural person, domestic or foreign, had the right to freely engage in the exportation, or the domestic purchase for export sale, of precious metals and precious stones produced in the Russian Federation; whether owners of precious metals and precious stones could freely sell any amounts of those products, they owned, to any intending exporter; the re-importation requirement for processed diamonds applied to exports of raw diamonds up to 15 per cent of the value of raw diamonds purchased during the current year; and the date of termination of the export quota provided to Alrosa. The Member also requested the elimination of all quantitative export restrictions and other restrictions on the exportation of precious metals and precious stones without an appropriate WTO justification by the date of accession, including all export bans, export quotas, restrictions on the right to export, export reporting requirements, re-importation requirements in relation to foreign processing of domestic raw diamonds, unjustifiable customs checkpoint requirements and the right of first purchase of Gokhran of precious metals and precious stones produced in the Russian Federation, and sought a commitment by the Russian Federation not to introduce or re-apply such measures after accession and to only apply measures relating to or in connection with the exportation of these products, where justified, under and in conformity with WTO provisions. The Member, moreover, urged the Russian Federation to consider monitoring exports of precious metals and precious stones through the adoption of automatic licensing, as alternative to export registration, reporting requirements, and other restrictions.

653. The representative of the Russian Federation said that the information concerning persons who had the right to engage in the exportation of precious metals and precious stones produced in the Russian Federation, and the registration requirements for them were contained in the Section "Registration Requirements for Import/Export Operations" of this Report. The Regulations on Precious Stones and Metals, as well as Presidential Decree No. 742 of 21 June 2001 "On the Form of Import and Export on the Territory of the Russian Federation of Precious Metals and Precious Stones" and Presidential Decree No. 1373 of 30 November 2002 "On Approval of the Regulations on Import into the Territory of the Russian Federation and Export from the Territory of the Russian Federation of Natural Diamonds and Brilliants" formed the legal basis for these issues. He added that all organizations, which were involved in operations with precious stones and metals, had to be registered at State inspections of assay (Federal Law No. 41-FZ of 26 March 1998). A mandatory requirement for registration entailed reporting to the fiscal authorities of the Russian Federation.

654. In accordance with paragraph 14 of the Regulations on Precious Stones and Metals, legal entities and individual entrepreneurs that had legal possession of the precious stones and metals, and were authorised to carry out operations with precious stones or metals, or their agents, may export precious stones and metals (excluding diamonds) from the CU, in accordance with the laws of the Russian Federation. Similarly, under paragraph 24 of the Regulations on Precious Stones and Metals, the export for processing of precious metals and gemstones might be carried out only by legal persons or individual entrepreneurs who held an activity licence. The regulations further established minimum pricing requirements for diamonds as well as raw precious metals, ores and concentrates of precious metals, and prohibited the exportation of raw materials for further processing only upon the finding from the CU Party that the raw materials could not be processed within the CU. In response to the question from some Members, the representative of the Russian Federation explained that the export quota of Alrosa had been eliminated in Presidential Decree No. 1137 of 20 September 2010. He further informed Members, that the prohibition on exports of raw materials for further processing under the condition, that such materials could not be processed in the territory of the CU, applied only to goods, exported under the customs procedure of the processing beyond the CU customs territory. According to the above-mentioned customs procedure, goods were exported from the customs

territory without any restrictions and payments under condition that products processed from these raw materials would be re-imported to the customs territory of the CU.

655. The representative of the Russian Federation added that Federal Law No. 90-FZ of 18 July 2005 "On Amending of Legislative Acts of the Russian Federation", amended Federal Law No. 41-FZ of 26 March 1998 "On Precious Metals and Precious Stones", in accordance with the new legislation, namely, Federal Law No. 173-FZ of 10 December 2003 "On Currency Regulation and Currency Control" and Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity". Under Federal Law No. 173-FZ, precious stones and metals were not recognised as currency valuables. Furthermore, pursuant to Federal Law No. 153-FZ of 11 November 2003 "On Amending Article 5 of the Law of the Russian Federation "On State Secrets'", and Presidential Decree No. 243 of 3 March 2005 "On Amendments to the List of State Secret Data, Approved Decree of the President of the Russian Federation No. 1203 of 30 November 1995", data on extraction, transfer, consumption of precious stones and metals had been excluded from the list of State secret data. The amendments simplified the procedure for performing transactions with precious stones and metals, and made these transactions more transparent.

- Export Licensing Procedures

656. The representative of the Russian Federation stated that, as with import licensing, as of 1 January 2010, the legal basis for the export licensing system in the Russian Federation was established in: (i) the Agreement on Common Measures for Non-Tariff Regulation in Respect of Third Counties, signed on 25 January 2008 (hereafter: CU Agreement on Non-Tariff Regulation); (ii) the Agreement on the Introduction and Application of Measures Concerning Foreign Trade in Goods on the Common Customs Territory in Respect of Third Countries, signed on 9 June 2009 (hereafter: CU Agreement on Measures Concerning Foreign Trade); and (iii) the Agreement on Licensing in the Area of Foreign Merchandise Trade of 9 July 2009 (hereafter: CU Agreement on Licensing). The CU Commission Decision No. 132 of 27 November 2009 approved the Common List of Goods that might be subject to non-tariff measures (see Table 28), including those subject to export licensing, which also came into force on 1 January 2010.

657. The representative of the Russian Federation explained that in addition to the CU Agreements and Commission Decisions, national legislation of the Russian Federation, including Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006), and Resolution No. 364 of 9 June 2005 "On the Approval of the Regulations for Licensing in the Area of Foreign Trade in Goods and on Creating and Keeping a Federal Data Bank of Issued Licenses", continued to regulate the application of the licensing regime in the Russian Federation. For example, Federal Law No. 164-FZ established the conditions and procedures for applying supervision of export and/or import of certain kinds of goods. Similarly, Federal Law No. 164-FZ set-forth the procedures for applying for an export licence or permit.

658. The most sensitive goods were subject to non-automatic licensing (Table 33). Among the goods subject to non-automatic licenses, were goods with cryptographic capabilities, governed by the Regulations of 27 November 2009 "On the Order of Entry into the Customs Territory of the Customs Union and Removal of the Customs Territory of the Customs Union of Encryption (Cryptographic) Means", and mineral raw materials, governed by Regulations "On the Order of Exportation of Mineral Raw Materials from the Customs Territory of the Customs Union", adopted by CU Commission Decision No. 132. A limited number of goods were subject to automatic licensing for the purpose of monitoring trade flows (see Table 28). He confirmed that Table 28 was comprehensive and that there were no other exports subject to licensing requirements at this time.

659. The representative of the Russian Federation explained that according to the CU Licensing Agreement, the Ministry of Industry and Trade (hereafter: authorised state body of executive power in the Russian Federation) issued three types of licenses: (i) one-time; (ii) general; and (iii) exclusive. One-time licenses were issued to applicants on the basis of a foreign trade contract relating to goods subject to export licensing. One-time and general licenses were issued to applicants, upon decision of the authorised body of the Russian Federation. Both types of licenses granted the right to export certain types of goods, subject to licensing, in the quantity determined by the licence and were valid for one year or, for goods with respect to which provisional quantitative restrictions had been introduced, until 1 January of the following calendar year. Exclusive licenses gave the applicant the exclusive right to export certain types of goods. The goods subject to exclusive licenses were to be decided by the CU Commission; the holders of an exclusive licence would be designated by the authorised body of each CU Party. The representative of the Russian Federation noted that, in 2007, prior to the establishment of the CU export licensing regime, Gazprom had been granted an exclusive export licence that was effective in the territory of the Russian Federation. He explained, however, that until now, no CU exclusive export licenses had been issued in the Russian Federation. The territorial application of a CU exclusive export licence was currently being negotiated by the CU Parties.

660. One-time and general licenses were issued by the Ministry of Trade and Industry, with the exception of licenses for the exportation of military products and goods that could be used to create weapons of mass destruction, means of transportation of such weapons, and other armament and defence technology, which were delivered by the Ministry of Defence of the Russian Federation. Licenses were issued upon receipt of the following documents: (i) an application for the licence; (ii) an electronic version of the application; (iii) a copy of the contract; (iv) a copy of a certificate confirming that the applicant was registered by a regional tax authority as a tax-payer; (v) a copy of the activity licence, if applicable; and (vi) other documents, as required.

661. The representative of the Russian Federation explained that, if the good in question was subject to a quota, export licenses would be required. Pursuant to Government Resolution No. 1299 of 31 October 1996, tender announcements for quota allocations had to be published in mass media ("Rossiiyskaya Gazeta", "Parlamentskaya Gazeta", etc.), at least 30 days prior to the date of the tender. Information on tenders, auctions and procedures for holding tenders and auctions for the sale of a quota were published on the website of the Ministry of Economic Development (www.economy.gov.ru). Additional information was provided in the Section "Import Licensing Systems" of this Report.

662. Several Members of the Working Party expressed concerns about the export licensing regime of the Russian Federation, whilst noting that the Russian Federation did not presently apply many export quotas. The same Members considered that a system of non-automatic export licensing, however, applied to a wide range of products and that such measures had the potential to be applied in a manner contrary to the general prohibition of quantitative restrictions on exports, provided for in Article XI of the GATT 1994. In the case of precious stones and metals, the legislation on export licensing was applied to certain products listed in Table 28, as provided for in Presidential Decree No. 742 of 21 June 2001 "On the Procedure of Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones". Pursuant to the Decree, exports of platinum were permitted under licenses within quantitative limits. While a rationale could exist for the application of certain controls on exports under the relevant GATT exception clauses (including Articles XX and XXI of the GATT 1994), for example, in respect of the exports of dual use goods, hazardous products, endangered species, etc., the rationale for such controls on the exports of other goods, particularly pharmaceuticals, precious stones and metals, other than gold and silver, was less clear. Automatic licensing, which was already applied for exports of raw hides and skins, provided a mechanism to monitor export flows, if this was considered desirable. However, as

discretionary controls on these particular products were unlikely to meet the relevant criteria of the exceptions clauses of the GATT 1994, it was essential that any licensing regime be genuinely automatic in order to avoid restrictions on trade.

663. Several Members also requested more information on the procedures followed and fees charged in connection with the issuance of export licenses. They requested confirmation that any fees charged on exports were related to the cost of services rendered, in accordance with WTO provisions. Some Members questioned whether the restrictions on precious stones and metals, semi-precious stones, objects made thereof, certain alloys, semi-fabricates, ores, concentrates and wastes could be justified under the WTO provisions invoked by the authorities of the Russian Federation. These Members considered that the Russian Federation should provide a more detailed explanation of the measures applied to these products that the Russian Federation was seeking to justify under Article XV:9(b) of the GATT 1994, including: (i) a description of each measure and its legal basis; (ii) the bodies involved in applying those measures, including details of their responsibilities; (iii) the products affected by each measure; (iv) the export licensing procedures applicable, including details of any restrictions on eligibility for export licenses, and other terms and conditions associated with their issuance; (v) the provisions of the exchange arrangements of the Russian Federation with the IMF, which were currently in force and required the Russian Federation to adopt or maintain the measures applied by means of non-automatic export licensing that the Russian Federation was seeking to justify under Article XV:9(b) of the GATT 1994; and (vi) the plans of the Russian Federation to eliminate all measures applied by means of non-automatic export licensing that might be required under those arrangements at the conclusion of their term.

664. In response, the representative of the Russian Federation stated that the Register of Licensed Goods in the Russian Federation was available on the official website of the MIT (www.minpromtorg.gov.ru), which contained: (i) the code of the goods, according to the Commodity Nomenclature of the Russian Federation; (ii) the basis for licensing; (iii) the Federal enforcement authority responsible for licensing; and (iv) the reference to the normative act defining the order of licensing. According to Government Resolution No. 364 of 9 June 2005 "On the Approval of Regulations about the Order of Licensing in the Sphere of Foreign Trade in Goods and about the Order of Formation and Conducting Federal Bank of the Given Licences in the Sphere of Foreign Trade", the fee for the issuance of the licence was RUB 1,000, the fee for re-issuance was RUB 100 and the fee for the processing of the application for issuance of the licence was RUB 300.

665. The representative of the Russian Federation explained that work was on-going to bring national and CU export licensing provisions into conformity with WTO disciplines. Federal Law No. 157-FZ "On the State Regulation of Foreign Trade Activity" had been replaced by Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity". This Federal Law, which had been adopted on 8 December 2003, came into force on 15 June 2004. Corresponding amendments would be made to Government Resolution No. 364 of 9 June 2005 "On the Approval of Regulations about the Order of Licensing in the Sphere of Foreign Trade in Goods and about the Order of Formation and Conducting Federal Bank of the Given Licences in the Sphere of Foreign Trade". Further work was required on, *inter alia*, the Agreement on Non-Tariff Regulation and the Regulations on Precious Stones and Metals.

666. He further noted that work was also being conducted to bring the export licensing regime for precious stones and metals of the Russian Federation in accordance with WTO disciplines. Specifically, Presidential Decree No. 742 of 21 June 2001 "On the Procedure of Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones" and Presidential Decree No. 1373 of 30 November 2002 "On Regulations on Importation to the Russian Federation and Exportation from the Russian Federation of Natural Diamonds and Cut Diamonds" had been amended, taking due account of other international commitments, relevant for trade in natural and cut

diamonds. In this regard, the Russian Federation had replaced the licensing restrictions on exports of precious stones, diamonds, and metals with an automatic licensing regime. These amendments reduced the number of licensed goods and removed bans and other quantitative restrictions on the export of certain types of goods, as well as providing for future liberalization of international trade involving this category of goods. The representative of the Russian Federation also noted, that documents required for the issuance of a licence included: (i) for exports of precious stones and metals, a certificate of special registration in the State Assay Chamber of the Ministry of Finance (Federal Law No. 41-FZ of 26 March 1998 "On Precious Metals and Precious Stones") and for crediting organizations, an authorization of the Central Bank or of a credit institution, licensed by the Central Bank to perform operations with precious metals (Federal Law No. 395-1 of 2 December 1990 "On Banks and Banking Activities", as amended on 27 July 2010); and (ii) for exports of ores of non-ferrous metals containing precious metals, a decision of the Ministry of Finance and the Ministry of Industry and Energy regarding the practicability and feasibility of commercial recovery of precious metals (Presidential Decree No. 742 of 21 June 2001 "On the Procedure of Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones"). Concerning queries by Members of the Working Party on export licensing of medicines and pharmaceuticals, the representative of the Russian Federation explained that, previously, under Federal Law No. 86-FZ of 22 June 1998 "On Medicines" (as amended on 18 December 2006), pharmaceuticals, which included raw materials for the manufacture of pharmaceuticals, could be exported only by legal persons having a licence for the production or wholesale trade of these goods, and pursuant to Government Resolution No. 854 of 6 November 1992 (as amended on 27 November 2006), exports of raw materials for the manufacturing of medicines had been subject to an export licence issued by the MIT, in coordination with the Federal Service for Supervision in the Sphere of Healthcare and Social Development of the Russian Federation. Under the CU Agreement on Non-Tariff Regulation, export licensing was permitted, in accordance with national legislation, for only those pharmaceuticals listed in section 2.12 of Table 28. Raw materials for manufacturing pharmaceuticals were not included in the list, and thus, export licensing of these materials was not provided for. He further explained, that under Federal Law No. 61-FZ of 12 April 2010 "On Circulation of Medicines", no restrictions were placed on the export of pharmaceuticals from the Russian Federation. Finally, Government Resolution No. 854 continued to apply only to the extent that it did not conflict with CU Decisions, and thus, did not provide a basis for restricting the exports of raw materials for the manufacture of medicines.

667. In response to questions regarding licensing requirements in the field of energy, the representative of the Russian Federation clarified that Federal Law No. 117-FZ of 18 July 2006 "On Export of Gas" applied to the gas (Commodity Classification of Foreign Economic Activity of the Russian Federation codes: 2711210000 and 2711110000) produced at all types of fields of hydrocarbon raw materials and transported in the gaseous or liquefied state. Federal Law No. 117-FZ established that the exclusive right to export gas (and respective licenses) would be granted to the organization being the owner of the unified gas supply system or to its 100 per cent subsidiary. The MIT was responsible for issuing the licence for the export of gas.

668. The representative of the Russian Federation confirmed, that, from the date of accession, quantitative restrictions on exports or restrictions on the sale for export of goods, such as quotas, bans, permits, prior authorization requirements, licensing requirements (including the requirements listed in Table 33), domestic market supply requirements or measures having equivalent effect that could not be justified under the provisions of the WTO Agreement, would be eliminated and not introduced, re-introduced or applied, whether by the Russian Federation or the competent bodies of the CU. He further confirmed that discretionary authority to temporarily ban exports or otherwise restrict exports, including under provisions of the Agreement on Licensing, the Precious Stones and Metals Regulations, or Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" whether exercised by the Russian Federation or the competent

bodies of the CU, would be applied from the date of accession in conformity with the provisions of the WTO Agreement. He also confirmed that, if the Russian Federation took recourse to Article XX(i) of the GATT 1994, with respect to any measures, whether applied by the Russian Federation or the competent bodies of the CU, restricting exports of domestic materials necessary to ensure essential quantities of such materials to a domestic or CU processing industry, such measures would not operate to increase the exports of or the protection of such industry. The Working Party took note of these commitments.

669. The representative of the Russian Federation explained that the conditions that had led to the need to protect its exchange position had significantly improved and that the IMF arrangements had terminated. In light of these developments, the Russian Federation would ensure, from the date of accession, that the export licensing regime for precious stones and metals, semi-precious stones, objects made thereof, certain alloys, semi-fabricates, ores, concentrates and wastes, whether adopted and applied by the Russian Federation or the competent CU body, was consistent with WTO requirements. The Working Party took note of this commitment.

- **Other Customs Export Formalities**

670. Members of the Working Party expressed concern about the practice of the Russian Federation of maintaining only a very limited number of customs checkpoints designated for declaration and exportation of certain products, for example, timber products such as logs, and metal scrap, and also the practice to close promptly certain customs checkpoints, thus creating serious impediments to trade. Some Members requested further clarification on the State Customs Committee (SCC) Order No. 1002 of 19 October 2001 "On Appointing Exportation Checkpoints" which stipulated the customs clearance checkpoints (now referred to as "customs checkpoints for declaration") that might be used for exportation of certain timber products by rail or road. A Member noted that this Order had been provisionally amended on 14 January 2002 to include customs checkpoints for declaration at its country borders with the Russian Federation and asked whether the Russian Federation intended to make a definitive amendment to SCC Order No. 1002, so as to avoid possible trade distorting effects. Another Member asked for information on the sorts of timber products covered by measures of the Russian Federation and a clarification on whether the restricted use of customs checkpoints for declaration of exports would also cover additional products. Members also raised concerns about SCC Order No. 1219 of 27 December 2000 "On Defining Places for the Customs Formalization and Export of Ferrous and Non-Ferrous Metals Scrap and Wastes", which provided that non-ferrous and ferrous metal scrap could be declared and exported only through the seaports of the Russian Federation. These Members were concerned that, in addition to creating potential delays and bottlenecks and adding to shipment costs, such restrictions could also act as *de facto* trade barriers. They asked the Russian Federation to provide additional information on these and other restrictions on which customs checkpoints could be used to declare and to export these products, to update the Working Party on steps being taken to increase the number of customs checkpoints authorised for the declaration and export of specific products such as metal scrap and timber products, and to ensure that these and other measures related to exportation would be brought in full conformity with WTO provisions upon accession.

671. One Member expressed concern about the limitation of customs checkpoints for exit and for declaration of certain products, specifically for wood. This Member asked about the implementation of Federal Customs Service (FCS) Order No. 1327 of 10 December 2002 "On Import Duty Rates". This Member noted that those measures must be based on justifiable reasoning and impede rightful trade flows as little as possible by ensuring a sufficient number of designated customs checkpoints relative to the importance of the trade flows, taking into account the geographic situation.

672. The representative of the Russian Federation explained that the policy of his Government was to base identification of designated customs checkpoints on the provisions of the International Convention on the Simplification and Harmonization of Customs Procedures (Revised Kyoto Convention, 1999), in particular, its Specific Annex A, Chapter 1. He further stated that, pursuant to Article 190 of the CU Customs Code, Articles 10.4 and 205 of Federal Law No. 311-FZ of 27 November 2010 "On Customs Regulation", the FCS was authorised to designate specific customs checkpoints for the declaration of specific types of goods for export for the purpose of ensuring the effectiveness of control over the implementation of customs legislation. The grounds for establishing such points were the same as those for imports, which were specified in paragraph 553 of the Section "Other Customs Formalities for Imports". He also noted that a comprehensive list of categories of goods currently subject to measures requiring declaration at designated customs checkpoints was reflected in Table 13 and Table 14.

673. In response to the specific concerns expressed by some Members, the representative of the Russian Federation said that the selection of designated customs checkpoints for the declaration of wood for export, listed in FCS Order No. 1327 of 10 December 2002 "On Import Duty Rates", was based on the following criteria: (i) availability of equipment necessary for customs control in respect of specified goods; (ii) conditions of transport infrastructure; and (iii) existing flows of trade in specified goods. He added that the said Order had been amended by FCS Order No. 362 of 2 April 2008, and the list of designated customs checkpoints for export declaration had been extended, based on the same criteria, up to 139 checkpoints. He further stated that the FCS Order No. 1327 was superseded by the FCS Order No. 801 of 20 April 2010 "On Checkpoints for Declaration of Certain Types of Goods", which also envisaged the list of 139 authorised checkpoints for declaration of wood for export.

674. He added that SCC Order No. 1002 of 19 October 2001 "On Appointing Exportation Checkpoints" for certain types of timber products (Codes of Commodity Nomenclature of Foreign Economic Activity of Russia: from 4401 10 0000 fuel wood in the form of logs and lumber; 4403; from 4404 chopped wood, piles and spiles, sharpened but not length sawed; 4406; 4407; 4409) had been invalidated by Order of the Ministry of Economic Development (MED) No. 105 of 25 May 2005 "On the Invalidation of some Legal Acts of the State Customs Committee of Russia". In addition, SCC Order No. 1219 of 27 December 2000 "On Defining Places for the Customs Formalization and Export of Ferrous and Non-Ferrous Metals Scrap and Wastes" had been invalidated by SCC Order No. 98 of 28 January 2004.

675. Pursuant to Law of the Russian Federation No. 4730-1 of 1 April 1993 "On the State Border of the Russian Federation" (as last amended on 31 January 2010), State border checkpoints were established by international agreements of the Russian Federation or by the Government, upon proposal of Federal executive bodies; or upon proposal of the subjects of the Russian Federation, as approved by the border guard agencies and frontier troops and the other Federal executive bodies concerned, taking into account the interests of adjacent and other foreign states. According to Article 162 of the CU Customs Code and Article 195 of Federal Law No. 311-FZ, goods and vehicles could depart from the territory of the Russian Federation at State border checkpoints or at other places established in compliance with the legislation on the State border of the Russian Federation during the customs bodies' working hours. The provisions of Article 162 of the CU Customs Code, however, did not extend to goods carried by sea (river) vessels and aircraft crossing the CU customs territory without stopping at a port or an airport located in the CU customs territory, as well as to the goods transported by pipeline and power lines/electricity transmission lines. Each exit checkpoint from the territory of the Russian Federation had a customs office responsible for accepting notifications of departure of goods and means of transport (such as vessels, lorries, or railway cars) from the CU customs territory, formalizing the completion of customs transit procedure, accepting customs

declarations, and performing customs operations necessary for the departure of goods and means of transport and other customs operations.

676. With regard to the designated customs exit checkpoints, the representative of the Russian Federation added that, according to Article 195 of Federal Law No. 311-FZ, the Government of the Russian Federation had the right to designate customs exit checkpoints for certain categories of goods and could establish certain places for exit at the border in compliance with the legislation of the Russian Federation regarding the State border.

677. The representative of the Russian Federation confirmed that Table 13 and Table 14 were comprehensive lists of the categories of goods currently subject to measures requiring their declaration and/or exit at designated customs checkpoints. He further confirmed that, if any such measures were contrary to the WTO Agreement, they would be eliminated as of the date of accession of the Russian Federation to the WTO and that future measures concerning the declaration and/or exit of specific categories of goods at designated customs checkpoints, whether introduced, re-introduced or applied pursuant to national legislation, or CU Agreements or other CU Legal Acts, would be consistent with the WTO Agreement. Furthermore, he confirmed that from the date of accession all laws, regulations, decrees, decisions, judicial decisions and administrative rulings of general application connected with the exportation of goods, including those related to statistical control, customs clearance, documentation, and any changes to these laws, regulations, decrees, decisions, judicial decisions and administrative rulings of general application, whether introduced, re-introduced or applied by the Russian Federation or the competent bodies of the CU, would be published promptly and posted on the official websites of the responsible governmental bodies in such a manner as to enable governments and traders to become acquainted with them and that the Russian Federation would also publish the names of the governmental bodies responsible for administering them. Further, he confirmed that the Russian Federation would administer these laws, regulations, decrees, decisions, judicial decisions and administrative rulings of general application in a uniform, impartial and reasonable manner throughout its territory as required by the WTO Agreement. The Working Party took note of these commitments.

3. Internal Policies Affecting Foreign Trade in Goods

- Industrial policy, including subsidy policies

678. The representative of the Russian Federation stated that the provision of subsidies in the Russian Federation was regulated by budget, tax, customs, and anti-monopoly (competition) legislation. Under the relevant legislation, the following types of State support (financial contributions) were available to a recipient: (i) direct transfers of budgetary funds, including those under Federal-targeted and investment programmes; (ii) budgetary loans, credits, and guarantees; and (iii) postponements of payments of or exemptions from taxes and customs duties. Subsidies were being provided both at the Federal and Sub-Federal levels. In response to questions from Members, the representative of the Russian Federation stated, that, except as otherwise stated in the Working Party Report, his authorities had not identified any subsidies prohibited under Article 3 of the WTO Agreement on Subsidies and Countervailing Measures provided at any level of government in the Russian Federation. The Russian Federation had submitted a "Notification on Industrial Subsidies Granted from the Federal Budget of the Russian Federation" and a "Notification of Industrial Subsidies Allocated from the Budgets of the Subjects of the Russian Federation" for the year 2002 circulated to Members of the Working Party in WT/ACC/RUS/52 of 25 May 2005 and WT/ACC/RUS/51 of 23 May 2005, respectively, and additional information in documents WT/ACC/SPEC/RUS/31 of 20 February 2003, and WT/ACC/RUS/57 of 27 June 2008.

679. State support to the industrial sector of the Russian economy was mainly provided under Federal-targeted programmes. Direct transfers from the Federal budget or a regional budget to industries were also available. For details, he referred to Notifications on Industrial Subsidies Granted within the Territory of the Russian Federation, provided to Members in documents WT/ACC/SPEC/RUS/31 and WT/ACC/RUS/57. In response to questions of some Members about support to the coal industry, the representative of the Russian Federation explained that under the Resolution of the Government of the Russian Federation No. 1523 of 3 December 1997 "On State Financing of Restructuring of the Coal Industry" there were RUB 595.6 million (US$20 million) provided in the years 2001 to 2005. This Governmental Order was replaced by the Resolution of the Government of the Russian Federation No. 840 of 24 December 2004 (as amended on 22 October 2007) "On the List of Measures for the Coal Industry Restructuring". Under this Governmental Resolution, State support to the coal industry had been provided mainly to enhance social security of employees, secure safe work conditions in coal mining and liquidate major loss-making mines. No prohibited subsidies of any kind within the definition of Article 3 of the WTO Agreement on Subsidies and Countervailing Measures were available to the coal industry.

680. He added that the principles and mechanisms for granting export credits and export credit guarantees were foreseen in the Concept of Development of Financial Support (Guarantees) of Export of Industrial Products in the Russian Federation, adopted under Order of the Government of the Russian Federation No. 1493-r of 14 October 2003. The Concept envisaged procedures for granting:

- state guarantees against political and commercial risks arising during implementation of export contracts with foreign importers. State guarantees could only be provided if the Government of the foreign importer had provided counter-guarantees, or the contract was concluded with a sovereign buyer or the bank-creditor had provided credit to the foreign country. Under certain circumstances, counter-guarantees were not obligatory, e.g., if the foreign buyer had an investment-grade rating and was a resident of a country with an investment-grade sovereign rating;
- export credits including supplier credit; and
- partial compensation of interest rates of export credits including supplier credits.

681. Funding of export credits, guarantees, and partial compensation of credit stakes were envisaged in the Federal Budget. The total sum of the State export guarantees issued in 2005 to 2009 was US$990 million, of which US$282 million was issued in 2009. Also in 2009, export credits were provided in the total amount of RUB 55 billion (US$1.8 billion) and partial compensation of credit stakes for the total amount of US$300 million. A mechanism for granting credits and guarantees compliant with the rules and norms of the WTO Agreement on Subsidies and Countervailing Measures, which incorporates by reference the OECD Arrangement on Officially Supported Export Credits, was being elaborated in furtherance of the Concept.

682. A Member asked about more recent developments with respect to this mechanism. This Member also inquired how premiums were determined and if there was mechanism to ensure that the premiums were sufficient to cover long term operating costs and losses of the programme.

683. In response, the representative of the Russian Federation noted that "Eximbank of Russia" (Joint-Stock Company) had been designated as an agent for the Government of the Russian Federation in providing State financial (guarantee) support for industrial exports, and the terms of its functioning were stipulated in the Agreement between the Ministry of Finance and Eximbank of Russia No. 01-01-06/04-28 on Performing the Functions of an Agent of State financial (guarantee) Support for Industrial Exports of 22 April 2006, which was replaced by the Agreement No. 01-01-06/04-102 of 28 May 2009. The possibility of issuing State guarantees was examined by the Committee of Directors of JSC "Eximbank of Russia" based on the ability of the exporter to meet

repayment commitments, financial performance and sufficiency of the loan coverage. Positive findings of the bank in respect of exporters were not directed by the authorities of the Russian Federation. Commission rates for bank guarantees were estimated on the basis of an agreement between JSC "Eximbank of Russia" and a principal. In accordance with the tariff of commission rates of the Bank, the minimum level of commission rate for bank guarantees was set at the level of 0.15 per cent of the guarantee amount, but the actual rate, which was charged, depended on a risk assessment that was carried out for each recipient.

684. In response to requests from some Members for information on prohibited subsidies, both at the Federal and Sub-Federal levels of governments, the representative of the Russian Federation replied that, according to the Budget Code of the Russian Federation, budget funds were provided to recipients with the purpose specified in the drafts of both Federal and regional budgets, which were also examined and approved by Federal authorities. The Federal Service for Financial and Budget Surveillance and Federal Treasury, subordinated to the Ministry of Finance, ensured that budget funds were properly allocated. Provision of State aid within the entire territory of the Russian Federation was regulated by Federal Law No. 135-FZ of 26 July 2006 "On Protection of Competition" (as amended on 5 April 2010). According to this Federal Law, funds could be granted in accordance with a relevant Federal law; a relevant regional law establishing the regional budget for the corresponding financial year; or a local law of the same kind. Funds also could be granted from a reserve fund (federal, regional, or local) in case of emergency situations, armed conflicts, or execution of anti-terrorist operations. In all other cases, State aid could only be granted upon a preliminary written permission of the anti-monopoly authority, for the following goals, as provided by the Federal Law:

- support of activities of people living in the Far North and similar territories;
- carrying out of fundamental scientific research;
- protection of the environment;
- development of culture and preservation of the cultural inheritance;
- agricultural production;
- support of small enterprises engaged in high-priority activities;
- social services provided for the population; and
- social support of jobless citizens.

685. The Sub-Federal Governments of the Russian Federation generally provided the same forms of State support to industrial production sectors as did the Federal Government. Such support was mostly aimed at the financial rehabilitation of enterprises, resolution of social problems, and reimbursement of losses. For details, he referred to the Notifications on Industrial Subsidies Granted within the Territory of the Russian Federation, circulated to Members in documents WT/ACC/RUS/52, WT/ACC/RUS/51, WT/ACC/SPEC/RUS/31 and WT/ACC/RUS/57.

686. The representative of the Russian Federation stressed that in accordance with the principles established by the budget and anti-monopoly legislation of the Russian Federation, including those related to the respective responsibilities of the Federal and Regional Authorities, the Ministry of Finance and the Federal Antimonopoly Service ensured that the subsidies provided both on Federal and Sub-Federal levels were consistent with the national legislation and international commitments of the Russian Federation. He added that, according to Order of the Government of the Russian Federation No. 1505-r of 19 October 1998 (as amended of 23 July 2001), the executive authorities of the subjects of the Russian Federation reported on a regular basis (quarterly) the forms and amounts of industrial and agricultural subsidies, granted from the regional budgets, specifying its purposes, to the Ministry of Economic Development of the Russian Federation, the Ministry of Finance of the Russian Federation and the Ministry of Agriculture of the Russian Federation.

This allowed the Federal Authorities to control the conformity of the subsidies, granted by the regional governments, with all Federal legislation and the obligations under international treaties of the Russian Federation.

687. Some Members of the Working Party asked to what extent loans at below market interest rates provided under Government Resolution No. 538 of 15 May 1999 "On Providing Budgetary Loans to Finance the Implementation of High-Return Contracts for Production and Supply of Products, Including Export Supplies" were contingent upon export performance, and requested clarification whether that Resolution had been repealed. Some Members of the Working Party also noted that certain subsidy programmes, such as production sharing agreements and other programmes for the automotive, farm equipment, and civil aircraft industry appeared to provide subsidies, which constituted prohibited subsidies pursuant to Article 3.1(b) of the WTO Agreement on Subsidies and Countervailing Measures. In addition, aspects of certain rail freight tariffs, as well as programmes for the consumer goods industry and textile industry also appeared to conflict with Article 3.1(a) of that Agreement. Members of the Working Party requested that the Russian Federation eliminate all such programmes from the date of accession.

688. The representative of the Russian Federation replied that pursuant to Government Resolution No. 538 of 15 May 1999 "On Providing Budgetary Loans to Finance the Implementation of High-Return Contracts for Production and Supply of Products, Including Export Supplies" loans equal to RUB 50.0 million had been granted from the Federal Budget to OAO "Rostselmash" in 1999. Since 2000, that Resolution had not been applied and no funds had been granted from the Federal Budget. He further stated that production-sharing agreements and the automotive programmes established under Presidential Decree No. 135 of 5 February 1998 "On Additional Measures to Attract Investments for Development of Domestic Car Making", and Government Resolution No. 413 of 23 April 1998 "On Additional Measures to Attract Investments for Development of Domestic Car Making" and the Resolution of the Government of the Russian Federation No. 166 of 29 March 2005 "On Introduction of Amendments to the Customs Tariff of the Russian Federation with Respect to the Spare Parts Imported with Aim of Industrial Assembling", Joint Order No. 73/81/58n of the Ministry of Economic Development, the Ministry of Industry and Energy of the Russian Federation and the Ministry of Finance of the Russian Federation of 15 April 2005 "On Approval of the Order, Defining the Term "Industrial Assembling" (as amended on 24 December 2010 by Joint Order No. 678/1289/184n) and Establishing Conditions for Its Application to Imports to the Territory of the Russian Federation of Car Parts for Motor Vehicles (Tariff Positions 8701-8705) and Their Components" were discussed in the Section "Trade-Related Investment Measures" of this Report. Regarding civil aircraft programmes, he referred to the information in the Section "Trade in Civil Aircraft" of this Report. As to the issue of certain rail freight tariffs, the representative of the Russian Federation stated that this issue, from his view, was not connected with a violation of any provision of the WTO Agreement on Subsidies and Countervailing Measures. He added that railway tariffs were addressed in the Section "Pricing Policies" of this Report.

689. Concerning "OAO Rosagroleasing", a Russian agricultural equipment leasing company, the representative of the Russian Federation explained that the open Joint Stock Company Rosagroleasing had been established in February 2001 to support agricultural producers using the new national system of agricultural leasing. He mentioned that the activity of this entity was described in the Section "Polices Affecting Foreign Trade in Agricultural Products" of this Report. In addition the representative of the Russian Federation noted that under Government Resolution No. 90 of 4 February 2009, the Ministry of Agriculture provided loans to farmers at an interest rate below the market rates for the purchase of farm machinery manufactured in the Russian Federation. In 2009, the total funding of the programme for purchase of such farm machinery was RUB 1,200 million (US$40 million).

690. Some Members noted that the loan programme of the Ministry of Agriculture for farm machinery was limited to purchases of domestically-produced farm machinery. These Members expressed concerns regarding this limitation and sought a commitment that any programme that the Russian Federation made available would comply with WTO requirements and would not provide subsidies contingent upon the use of domestic rather than imported products and would not otherwise discriminate against imported products.

691. Some Members expressed concerns regarding subsidies granted under Government Resolution No. 1194 of 31 December 2009 to private persons purchasing automobiles, and in particular with regard to the limitations of this programme to automobiles produced in the Russian Federation. These Members sought a commitment that, in the future, any programme that the Russian Federation made available would comply with WTO requirements, would not provide subsidies contingent upon the use of domestic rather than imported products and would not otherwise discriminate against imported products.

692. Some Members expressed concerns regarding subsidies granted to those purchasing or leasing civil aircraft in the Russian Federation and, in particular, on the limitations of this programme to civil aircraft produced in the Russian Federation. These Members sought a commitment that, in the future, any programme that the Russian Federation made available would comply with WTO requirements and would not discriminate against imported products. These Members also referred to the discussions and commitment undertaken by the Russian Federation in relation to civil aircraft in the Section on "Trade in Civil Aircraft" of this Report.

693. Some Members noted that the Ministry of Industry and Trade loan programme for consumer goods and textiles industries on technical retooling, reportedly, was contingent upon the export of the subsidised products. These Members sought a commitment that any programme that the Russian Federation made available in the future would comply with WTO requirements and would not provide subsidies contingent upon the export of the subsidised goods and would not discriminate against imported products.

694. In response to concerns from some Members about the loan programme for consumer goods and textiles industries referred to in paragraph 693, the representative of the Russian Federation explained that, in accordance with the Resolution of the Government of the Russian Federation No. 993 of 29 December 2007, the programme was neither in law nor in fact contingent upon export performance.

695. Some Members stated that the Russian Federation should recognise that the government regulation of natural monopoly prices could constitute a subsidy under the WTO Agreement on Subsidies and Countervailing Measures. These Members asked the Russian Federation to provide a description of the existing pricing mechanisms and any reforms under way to bring domestic prices for oil, natural gas and electricity closer to market prices. In particular, those Members requested that the Russian Federation provide details of the recent reforms of the pricing of electricity to commercial consumers.

696. In response, the representative of the Russian Federation pointed out that his authorities continued to believe that the government regulation of natural monopoly prices did not constitute a subsidy under the WTO Agreement on Subsidies and Countervailing Measures. Regarding domestic prices for oil, natural gas and electricity, he referred to the information provided in the Section "Pricing Policies" of this Report.

697. Several Members asked the Russian Federation to confirm that all subsidy programmes at all levels of government would be administered in line with the WTO Agreement on Subsidies and

Countervailing Measures and that, upon accession, all necessary information on all subsidies programmes at all levels of government would be notified to the WTO Committee on Subsidies and Countervailing Measures in accordance with Article 25 of the WTO Agreement on Subsidies and Countervailing Measures.

698. The representative of the Russian Federation confirmed that, except as otherwise provided in the Working Party Report, upon accession, the Russian Federation would eliminate all subsidies programmes administered within its territory falling within the scope of Article 3 of the WTO Agreement on Subsidies and Countervailing Measures or modify these programmes so that any subsidy provided would not be contingent upon exportation or the use of domestic over imported goods. He also confirmed that any subsidy programme in place or established after accession within the territory of the Russian Federation would be administered in conformity with the WTO Agreement on Subsidies and Countervailing Measures. In addition, the Russian Federation would provide a subsidies notification in accordance with Article 25 of the WTO Agreement on Subsidies and Countervailing Measures to the WTO Committee on Subsidies and Countervailing Measures as provided in paragraph 1430. He also confirmed that the Russian Federation would not invoke any of the provisions of Articles 27 and 28 of the WTO Agreement on Subsidies and Countervailing Measures. The Working Party took note of these commitments.

- **Technical Barriers to Trade**

- **(a) Legal Framework**

699. The representative of the Russian Federation informed Members of the Working Party that the legal framework of his country for technical regulations, standards and conformity assessment systems was governed by international agreements of the EurAsEC[7] and of the CU[8], by other EurAsEC and CU Acts, and the national legislation of the Parties to these agreements. He noted that the legal framework outlined in these Agreements and Acts required certain products circulating in the territories of the EurAsEC and CU Parties respectively to meet established mandatory technical, as well as sanitary and phytosanitary (SPS), requirements. In particular, trade (including both importation and circulation in the domestic market) in products in the territory of the Russian Federation could be restricted or banned if the products in question did not meet these requirements. The CU Parties, all of whom also were members of EurAsEC, had agreed to harmonize their policies and regulatory systems in the area of technical regulation within the established EurAsEC system and sought to confirm and to intensify their cooperation in this area within the framework of the CU. The goal of this harmonization was to ensure uniform requirements for the circulation of goods within the territories of the CU Parties in the area of technical regulation, realized through common technical regulations that had been developed using procedures established in conformity with CU or EurAsEC Acts adopted as international agreements or decisions among the participating EurAsEC and CU Parties. These technical regulations were applied directly in the territories of the CU Parties, and no separate national legislation was necessary. The provisions of the EurAsEC and CU Agreements and other EurAsEC and CU Acts were based on the WTO Agreement on Technical Barriers to Trade (TBT Agreement), and technical regulations were applied with the purpose of protecting the life and (or) health of humans, property, environment, animal and plant life and (or) health, and preventing actions that might mislead consumers, as well as for the purpose of ensuring energy efficiency and saving resources. The representative of the Russian Federation emphasized that technical regulations adopted and applied within the EurAsEC and CU were not adopted for any other purposes.

[7] Russian Federation, Kazakhstan, Belarus, Kyrgyz Republic, and Tajikistan.
[8] Russian Federation, Kazakhstan, and Belarus.

700. The representative of the Russian Federation stated that the legal basis for the common policy was the EurAsEC Agreement on the Basics of Harmonization of Technical Regulations of the Member States of the Eurasian Economic Community of 24 March 2005 (hereafter: EurAsEC Agreement on Basics of Technical Regulation Harmonization) and the EurAsEC Agreement on Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 25 January 2008 (hereafter: EurAsEC Agreement on Technical Regulation Policy Coordination), as well as the Agreement on Uniform Principles and Rules of Technical Regulation in the Republic of Belarus, Republic of Kazakhstan and the Russian Federation of 18 November 2010 (hereafter: CU Agreement on Uniform Technical Regulation Principles); Regulation on Development of Technical Regulations of Eurasian Economic Community, approved by EurAsEC Interstate Council Decision No. 1175 of 17 August 2008, Regulation on Development of Technical Regulations of Eurasian Economic Community; and CU Commission Decision No. 527 of 28 January 2011, Regulation on Development, Adoption, Amendment and Cancellation of Technical Regulations of the Customs Union (CU Commission Decision No. 527). These Agreements and Decisions established the main instruments of the common policy applied in the Russian Federation in the following areas:

- harmonization of national legislation in the area of technical regulation;
- development and adoption of technical regulations of the CU and of EurAsEC stipulating mandatory and binding requirements for the goods subject to technical regulation;
- implementation of common procedure on development of technical regulations in the territory of each CU and EurAsEC Party;
- harmonization of standards and the implementation of relevant international standards as a basis for the elaboration of technical regulations;
- implementation of common forms and rules for conformity assessment;
- conducting conformity assessment (confirmation) of products or product-related production processes, installation, set-up, operation (use), storage, carrying (transportation), sale and disposal, including testing and certification; as well as
- accreditation and/or designation of certification (conformity confirmation) bodies and accreditation of test laboratories (centres) participating in the process of mandatory confirmation of conformity.

701. He added that the CU Agreement on the Circulation of Goods Subject to Mandatory Conformity Assessment on the Customs Territory of Customs Union of 11 December 2009 (hereafter: CU Agreement on Mandatory Conformity Assessment) provided for development of a list of goods for which it was possible to issue a certificate and to register a declaration of conformity assessment using a common form during the transition period, until the adoption of CU technical regulations. The CU Agreement on Mutual Recognition of Accreditation of Certification (Conformity Assessment) Bodies and Test Laboratories (Centres) Performing Work on Conformity Assessment of 11 December 2009 (hereafter: CU Agreement on Mutual Recognition of Accreditation Bodies) established the principles for a common CU system of mutual recognition of accreditation, the responsibilities of the accreditation bodies of the CU Parties, and general principles of accreditation, pending the gradual replacement of this mutual recognition system by the adoption and application of common EurAsEC and CU technical regulations by the CU Parties.

702. Responding to questions from Members on the relationship between EurAsEC and CU technical regulations and international standards, the representative of the Russian Federation affirmed that Article 5.2 of the EurAsEC Agreement on Technical Regulation Policy Coordination and Article 4.4 of the CU Agreement on Uniform Technical Regulation Principles established that the relevant international standards, and other documents (i.e., rules, directives and recommendations or any other documents accepted by international standardizing organizations) would be used as the

basis for elaborating the EurAsEC and CU technical regulations, except in cases where such documents were absent, or did not conform with the purposes of the technical regulations of the Customs Union, in particular, due to climatic and geographical factors or technological and other particularities. CU Commission Decision No. 527 which provided for regulations for the development, adoption, amendment and cancellation of technical regulations on the territories of the CU Parties, was amended and improved by CU Commission Decision No. 606 of 7 April 2011 "Amendments to the Regulations on the Development, Adoption, Amendment and Cancellation of the Technical Regulations of the Customs Union" (hereafter: CU Commission Decision No. 606). CU Commission Decision No. 319 of 18 June 2010 "On Technical Regulation in the Customs Union" (hereafter: CU Commission Decision No. 319) established the CU Unified List of Products for which it was possible to use a certificate or to register a declaration of conformity assessment using a CU common form or national form during the transition period until the adoption of CU technical regulations. This list was replaced by CU Commission Decision No. 620 of 7 April 2011 "On the Unified List's Update with Regard to Products Subjected to Mandatory Conformity Assessment (Confirmation) within the Framework of the CU with Issuance of Single Documents", approved by CU Commission Decision No. 319 of 18 June 2010. In accordance with Explanatory Note 1, paragraph 2 to the list of products adopted by CU Commission Decision No. 620, a declaration of conformity based on the CU common form could not be used for goods produced by foreign manufacturers located outside the territory of the CU. However, CU Commission Decision No. 620 still provided for the possibility of using a certificate of conformity for such goods based on the CU common form. In the Russian Federation, a declaration of conformity for goods manufactured outside of the Russian Federation could be done under Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010) (hereafter in this Section: Federal Law No. 184-FZ). CU Commission Decision No. 319 also determined the criteria for the inclusion of conformity assessment bodies and test laboratories into a Unified Register of certification bodies and testing laboratories of the Customs Union (hereafter: the CU Unified Register) and established the rules for the formation and maintenance of the Unified List and Unified Register by the national authorised bodies. CU Commission Decision No. 319 also established the regulations for the importation of products listed on the CU Unified Register. Article 4 of the CU Agreement on Uniform Technical Regulation Principles provided that technical regulations could only be developed for goods on the Unified List of 61 "risky" products in respect of which mandatory requirements (technical regulations) could be established in the framework of the Customs Union. The list of 61 products was approved by CU Commission Decision No. 526 of 28 January 2011 "On the Unified List of Products, in Respect of Which Mandatory Requirements are Established in the Frame of the Customs Union" (hereafter: CU Commission Decision No. 526). This list could be expanded by subsequent CU Commission Decisions if new risks were identified. Of these 61 products, 47 had been identified for priority attention in the development and adoption of CU technical regulations. However, in instances where EurAsEC technical regulations also had been adopted, the EurAsEC technical regulations prevailed to the extent that they duplicated the CU technical regulations in whole or in part. Schedules for the development of priority EurAsEC and CU technical regulations that would establish the desired harmonized regime were provided in the EurAsEC Interstate Council Decision No. 521 of 19 November 2010 "the Schedule of Development of EurAsEC First-Priority Technical Regulations" (hereafter: EurAsEC Interstate Council Decision No. 521) and CU Commission Decision No. 492 of 8 December 2010 "On Schedule of Development of Priority Technical Regulations of the Customs Union" (hereafter: CU Commission Decision No. 492), respectively, with a view to their development during 2011. CU Commission Decision No. 621 of 7 April 2011 "On the Regulation on the Application of Model Schemes of Conformity Assessment (Confirmation) in the Technical Regulations of the Customs Union" (hereafter: CU Commission Decision No. 621), established common forms and regulations on the application of model conformity assessment schemes to ensure compliance with the requirements of technical regulations of the Customs Union. The CU Commission had also approved a draft Agreement submitted for approval by the CU Parties establishing types of administrative violations and charges for the violations in the

sphere of technical regulation and the application of the sanitary, veterinary, and phytosanitary measures. Once CU or EurAsEC technical regulations came into effect, they would be applied with direct effect, and relevant national requirements, established by laws of the CU or EurAsEC Parties, would no longer be applied in the territories of those Parties. Additional certification among the CU Parties would no longer be necessary. It was expected that, by 31 December 2012, the CU Commission would have adopted all of the 47 priority CU technical regulations which would enter into force no later than 31 December 2014, after a transitional period before application of the relevant CU technical regulations to allow producers, importers, and exporters to become acquainted with the new technical regulations. By that date, all other national mandatory technical requirements applied on the territory of CU Parties would be replaced by CU technical regulations or would no longer be applied. Notification of when implemented CU technical regulations superseded national technical regulations would be posted on the MIT website and in the official journal of Rosstandart, the Herald. Certificates of conformity issued under national mandatory technical requirements before entry into force of relevant CU or EurAsEC technical regulations could be used for the full term of their validity.

703. The representative of the Russian Federation noted that these EurAsEC and CU Agreements and the EurAsEC and CU Acts implementing the CU policy on technical regulation substantially had replaced Federal Law No. 184-FZ as the overall legal framework for technical regulations, standards, and conformity assessment systems in the Russian Federation with the establishment of the CU regime on 1 January 2010. Certain provisions of Federal Law No. 184-FZ remained in effect, however (to the extent they did not conflict with CU and EurAsEC Agreements and EurAsEC and CU Acts, including CU Commission Decisions). The development and application of standards, conformity assessment, state control and supervision, metrological control, and liability issues in the Russian Federation would continue to be administered on the national level under the CU and EurAsEC regimes, with regard to the following issues:

- national standards within the meaning of the TBT Agreement (development, adoption) and standards organizations;
- sets of rules;
- state control and supervision (inspection) to ensure compliance with the requirements of technical regulations;
- assurance of uniformity of measurements;
- violations of technical regulations and withdrawal of products from the domestic market;
- operation of the national aspects of developing and maintaining the system of certificates of conformity assessment and declarations of conformity, including national part of the Unified Register of certificates and declarations;
- operation of the national aspects of developing and maintaining the system of certification bodies and testing laboratories (centres) of the CU, including accreditation and national part of the Unified Register of certification bodies and testing laboratories;
- voluntary conformity assessment;
- rights and obligations of applicants in the field of mandatory conformity assessment;
- coordination of the activities, positions and procedures of the Government in the field of technical regulation;
- procedures for the determination of liability in the case of violation of technical regulations and sanctions therefore until the decision to transfer these issues to the CU was made;
- providing required transparency; and
- financing in the field of technical regulation.

Other EurAsEC and CU Acts and domestic legislation pertaining to standards, technical regulations, and conformity assessment in the Russian Federation were listed in Annex 3 to the Report.

704. A Member noted that the Russian Federation continued to adopt mandatory phytosanitary measures under its national law on plant quarantine, through measures that were not considered to be technical regulations. This Member requested an explanation of this practice. In response, the representative of the Russian Federation explained that technical regulations applied only to matters related to the life and health of humans and animals. Since phytosanitary measures related to plant life and health they were not considered to be technical regulations, but were purely SPS measures and were adopted under procedures that ensured transparency and compliance with the WTO SPS Agreement.

- (b) Institutions

705. The representative of the Russian Federation stated that draft technical regulations were developed in the participating countries using internal procedures before being proposed by the authorised national bodies in the field of technical regulation to the designated EurAsEC or CU bodies for harmonization, further review, and adoption as provided for in the relevant international agreements or CU decisions. For EurAsEC, the Commission for Technical Regulation and Sanitary, Veterinary and Phytosanitary Measures in Trade of the EurAsEC Integration Committee (hereafter: the EurAsEC Commission for Technical Regulation), through the authorised national bodies of the EurAsEC Parties, coordinated the Parties' efforts on the development of technical regulations, including sanitary and phytosanitary measures. After publishing a draft technical regulation and collecting public comments, the EurAsEC Integration Committee then forwarded the agreed draft technical regulation to the EurAsEC Interstate Council for adoption as an Agreement as provided for in Article 3 of the EurAsEC Agreement on Technical Regulation Harmonization. In the CU framework, this coordination and transparency role was fulfilled by the Coordination Committee on Technical Regulation, Sanitary and Phytosanitary Measures (hereafter: the CU Coordination Committee) which received draft technical regulations from the authorised bodies of the CU Parties, coordinated the development of a draft text and resolved disputes concerning it among the CU Parties' authorities. The Coordination Committee, with the assistance of the CU Commission Secretariat, then circulated the draft technical regulation for public review and comment and prepared analysis and recommendations on the draft technical regulations before forwarding the proposals to the CU Commission for adoption through decisions. As set-out in Article 6.1 of the EurAsEC Agreement on Technical Regulation Policy Coordination and Article 7.2 of the CU Agreement on Uniform Technical Regulation Principles, Mandatory Assessment (Confirmation) of Conformity (Compliance) of Products with Requirements of the EurAsEC and CU Technical Regulations, was confirmed by a declaration of compliance or certification that was issued by a certification body listed in the Unified Register, based on tests performed by accredited laboratories and testing centres. Among CU Parties, unified conformity assessment procedures were established in the technical regulations on the basis of model schemes of conformity assessment.

706. Concerning accreditation of conformity assessment bodies: accreditation enabled a conformity assessment body included in the Unified Registry to issue documents on conformity assessment within the area of its accreditation that would be accepted within the territory of the Russian Federation as well as the rest of the CU. Articles 2 and 3 of the CU Agreement on Mandatory Conformity Assessment, established the responsibility of the CU Parties' accreditation bodies to conduct comparative examinations (peer assessment) of procedures in the bodies of other CU Parties and to implement, where possible, relevant international standards in the national accreditation system; to maintain the national Register of accredited certification bodies and laboratories; and, to consider complaints from enterprises connected with an accredited certification

body or laboratory. Article 4 authorised the CU Commission to create and maintain the Unified List of Products for which it was possible to issue a certificate and to register a declaration of conformity assessment using a common form during the transition period, until the adoption of CU technical regulations (CU Commission Decision No. 620). The CU Commission also was charged to create common forms for the certification and declaration of conformity; the Unified Register of certification bodies and testing laboratories at the level of the CU; and the Unified Register of certificates of conformity and declarations of conformity. CU Commission Decision No. 319 established these facilities and the regulations for their maintenance. In contrast, EurAsEC did not maintain either a Unified Register of certification bodies and testing laboratories or a Unified List of Products subject to technical regulations and mandatory conformity assessment at the Community level. Therefore, each EurAsEC Party determined the products subjected to mandatory confirmation of conformity with respect to EurAsEC technical regulations. The same situation currently existed with certification bodies and test laboratories. With time, as the CU and EurAsEC systems of technical regulation evolved, it was expected that the EurAsEC Interstate Council would adopt the CU Unified Register of accepted certification bodies and laboratories, but currently, each EurAsEC Party determined its own list of certification bodies and laboratories.

707. The representative of the Russian Federation explained that the Federal Agency for Technical Regulation (formerly Gosstandart and now known as Rosstandart) currently was the State body responsible for accreditation within the GOSTR conformity assessment system which was the most widely applicable system in the Russian Federation. There were 15 other Federal Ministries and agencies responsible for accreditation in the mandatory sphere in specific areas: the Ministry for Emergency Situations (accreditation of bodies carrying out certification of fire fighting equipment): Rostehnadzor; Rosgeldor; Rosreestr; and Rospotrebnadzor. In accordance with the Presidential Decree of the Russian Federation No. 86 of 24 January 2011 "On Single National System of Accreditation" (hereafter: Presidential Decree No. 86) a single national accreditation body under the authority and control of MED would be established and would replace both Rosstandart and the other existing accreditation bodies in the Russian Federation by the end of 2011. This Body would accredit conformity assessment bodies in accordance with ISO/IEC, Guideline 2, Guideline 65 and ISO/IEC Standard 17000, Standard 17011, and Standard 17025 that would perform conformity assessment procedures related to CU and EurAsEC technical regulations. He noted that the order of determination of fees for the accreditation procedures currently was established by the accreditation bodies themselves; however it was planned that a single order would be created when the single national accreditation body was established.

708. The representative of the Russian Federation also informed Members of the Working Party that, in accordance with Government Resolution No. 438 of 5 June 2008 "On the Ministry of Industry and Trade of the Russian Federation", the MIT was the national executive authority in the Russian Federation responsible for the development and elaboration of national policy in the area of technical regulation, including standardization, conformity assessment procedures (including testing and certification) and for coordinating the development of technical regulations. MED was the national executive authority in the Russian Federation responsible for the development, elaboration of national policy and legal regulation in the area of accreditation (Presidential Decree No. 86). Rosstandart was the national authorised body on standardization of the Russian Federation, pursuant to Government Resolution No. 294 of 17 June 2004 "On the Federal Agency for Technical Regulation and Metrology" (as last amended on 6 April 2011) (hereafter: Government Resolution No. 294). Rosstandart was authorised (pursuant to Government Resolution No. 294), *inter alia*, to carry out expert assessment of national standards; publish notifications about development of drafts of technical regulations (which were required to contain, pursuant to Article 7(3) of Federal Law No. 184-FZ, the rules and forms of the conformity assessment procedures to comply with such regulations) and national standards; develop a programme for the elaboration and approval of national standards; carry out accreditation procedures with respect to conformity assessment bodies within the area of its

responsibility until the establishment of the single national accreditation body (for further details, see paragraph 802 below); and, execute the functions of the national body on standardization. Rosstandart also maintained the national information database containing technical regulations and standards, the list of goods subject to mandatory conformity assessment, as well as the following registers of: conformity declarations that had passed registration; certificates that had been issued; registered systems of voluntary certification; and on ensuring the unity of measurements on the territory of the Russian Federation, as provided for in Government Resolution No. 248 of 6 April 2011 "On Amendments to the Regulations of the Federal Agency on Technical Regulation and Metrology", and CU Commission Decision No. 319. Rosstandart also carried out the publication of the technical regulations. A detailed description of the current responsibilities of the CU Bodies and Federal Executive authorities were given in Table 37.

709. One Member of the Working Party asked a question regarding the responsibilities of MIT in carrying out the CU harmonized regime: which organizational measures had been taken to avoid a conflict of interest between its accreditation, certification, standardization and regulatory tasks. In response, the representative of the Russian Federation stated that MIT did not perform certification, standardization and accreditation activities. He also explained that Article 3 of Federal Law No. 184-FZ as well as Article 3 of the CU Agreement on Mutual Recognition of Accreditation Bodies prohibited any person or body from performing certification and accreditation activities simultaneously (these activities must always be performed by different entities). MIT was responsible for developing national policy in the area of technical regulation and metrology in accordance with EurAsEC and CU Agreements and EurAsEC and CU Acts as well as for supervising the development of draft technical regulations. Pursuant to Presidential Decree No. 86, MED developed policy in the area of accreditation, and would, from the end of 2011, oversee the single national accreditation body that would be responsible for accreditation and inspection of bodies that performed conformity assessment in the Russian Federation, for national, CU, and EurAsEC technical regulations and for the remaining mandatory national standards. Obligatory certification of compliance for products circulated on the territory of the Russian Federation was carried out by separate legal entities (legal persons, e.g. Joint Stock Companies). These conformity assessment bodies must either be accredited by the single national accreditation body, or by similar national authorities in other CU Parties and included in the CU Unified Register. He noted that use of the term "body" in respect of these entities was the result of international practice, and did not mean that these entities were governmental or administrative bodies.

710. The representative of the Russian Federation further explained that the Sub-Commission on Technical Regulation of the Governmental Commission on Economic Development and Integration, created in accordance with Government Resolution No. 1166 of 30 December 2009 "On the Governmental Commission on Economic Development and Integration", was an inter-ministerial body, which was responsible for coordination of the Federal Executive bodies of the Russian Federation regarding implementation of policy in the field of technical regulation. The Sub-Commission included representatives of all relevant Federal Executive authorities, involved in technical regulation procedures (for further details, see Table 37).

711. A separate group, the Public Board on Technical Regulation, which was established in accordance with the Order of the Ministry of Industry and Trade of the Russian Federation No. 84 of 26 January 2011 (as last amended on 27 May 2011) (Order No. 84), was empowered to submit recommendations and proposals to MIT aimed at improving technical regulation. The Board was organized as a forum for interested representatives of business, science, academia, government, and other fields to discuss matters related to technical regulations. Any person representing the interests of domestic or foreign companies or a public organization (including business associations) established in the Russian Federation could apply for membership. There were no requirements for citizenship or residence, as stipulated by the provisions of Order No. 84. The recommendations and

proposals of the Board were regarded only as advice. Although it was an independent body, the Board closely cooperated with relevant CU and Federal Executive bodies, as well as scientific, research, and other organizations, on a regular basis. The Board also organized and held additional public consultations on draft technical regulations. MIT performed only the secretarial functions of the Board.

712. The representative of the Russian Federation confirmed that pursuant to national, CU and EurAsEC mechanisms for consultation with the public (including interested persons from countries not Members of the EurAsEC and CU) would be maintained from the date of accession in conformity with the provisions of the WTO TBT Agreement to inform and consult with, on an ongoing basis, CU and EurAsEC bodies, government agencies and ministries (at the national and sub-national levels), and private sector interests on the development and application of technical regulations, standards, including sets of rules, and conformity assessment procedures to be applied on the territory of the Russian Federation. The Working Party took note of this commitment.

- **(c) Technical Regulations, International and National Standards, and Conformity Assessment Procedures**

- **(i) Technical Regulations**

713. The EurAsEC Agreements on the Basics of Technical Regulation Harmonization and on Technical Regulation Policy Coordination; the CU Agreements on Uniform Technical Regulation Principles, on Mandatory Conformity Assessment, and on Mutual Recognition of Accreditation Bodies; and Federal Law No. 184-FZ provided for the implementation of the following principles based on the provisions of the WTO TBT Agreement:

- Application of non-discrimination and a national treatment regime. Technical regulations were to be applied in the same manner and to the same extent irrespective of the country and/or place of origin of products, the nature and details of the transactions and/or natural or legal persons (Article 7(6) of Federal Law No. 184-FZ).
- Elimination of technical barriers to trade. Requirements of technical regulations must not create any barriers to business activity beyond the levels necessary to achieve legitimate objectives, such as the protection of human life or health, property, environment, life or health of animals and plants, and prevention of actions that might mislead consumers (Article 5.1 of the EurAsEC Agreement on Technical Regulation Policy Coordination); as well as for the purpose of ensuring energy efficiency and resource saving (Articles 6(1) and 7(2) of Federal Law No. 184-FZ and Article 4.2 of the CU Agreement on Uniform Technical Regulation Principles); and removing unnecessary restrictions in mutual trade (Article 2.1 of the Agreement on the Basics of Technical Regulation Harmonization).
- Harmonization of technical regulations with relevant international standards. (Articles 7(8) and 7(9) of Federal Law No. 184-FZ, Articles 5.2 and 10 of the EurAsEC Agreement on Technical Regulation Policy Coordination, Articles 4.4 and 4.5 of the CU Agreement on Uniform Technical Regulation Principles, CU Commission Decision No. 625 as amended by CU Commission Decision No. 722 of 22 July 2011).
- Harmonization of conformity assessment procedures with relevant international standards, relevant guides, or recommendations issued by international standardizing bodies.
- Harmonization and voluntary application of standards. Standardization must be carried out according to the principle of use of a relevant international standard as the basis for development of a national standard, except where such documents do not comply with purposes of adoption of technical regulations, including due to the effects of climatic and geographic factors or technology problems. (Article 12 of Federal Law No. 184-FZ and Article 8.1(d) of the EurAsEC Agreement on Technical Regulation Policy Coordination).

- Transparency in the development of technical regulations and standards (Articles 9 and 9.1 of Federal Law No. 184-FZ), CU Commission Decision No. 527, and EurAsEC Interstate Council Decision No. 1175): Any legal or natural person, foreign or domestic, or governmental or non-governmental body may act as the developer of a draft technical regulation. A notification about the development of a draft technical regulation must be published in the print media of Rosstandart, on the official websites of the government body on technical regulation (MIT), the CU Commission or EurAsEC, as relevant at an early appropriate stage in its development. The notification must contain information on name and object of the technical regulation; object characteristics in relation to which the requirements had been developed, with a summary of the purpose of the technical regulation. The notification would specify whether the requirements being developed, differed from relevant international standards or obligatory requirements valid in the territory of the Russian Federation and would indicate the source of information on the draft technical regulation, i.e., the name of the developer of the given draft technical regulation, as well as his contact information for the receipt of written comments from interested persons and the last day for the submission of comments. The draft technical regulation would be available to interested persons as of the date of publication of this notification. The developer was required to supply, upon demand, any interested person with a copy of the draft technical regulation. The payment for providing the copy was not to exceed the cost of its issuance. The developer was required to carry out a public consultation on the draft technical regulation, consolidate written comments received from interested persons, provide responses to comments received and update the draft technical regulation taking into account the written comments received. The developer was required to save the written comments received from interested persons up to the date of entry into force of the technical regulation, and, upon request, to hand them over to representatives of the government bodies of the Parties on technical regulation (e.g., in Russia, MIT) and the CU Commission or the Interstate Council of EurAsEC as relevant. In all cases, expert examination of a draft technical regulation was carried out by an Expert Commission on technical regulation, composed of, *inter alia*, representatives of relevant government bodies, research institutions, self-regulated organizations, public associations of entrepreneurs and consumers. Meetings of the Expert Committee were held in open session, and its conclusions and recommendations must be subject to mandatory publication in the print media of Rosstandart and in the public information system in electronic digital form. The procedure for the publication of such conclusions and the amount of charge for their publication was established by the Government of the Russian Federation. The period for public discussion of the draft technical regulation - from the date of publication of the notification about development of the draft technical regulation up to the date of publication of the notification about completion of the public discussion - could not be less than two months. The notification about completion of public discussion on the draft technical regulation had to be published in the print media of Rosstandart and on the official websites of the government body on technical regulation (MIT) and the CU Commission and the EurAsEC, as relevant, in electronic form. The notification about completion of the public discussion would include the sources of information on the draft technical regulation, the list of written comments received from interested persons, responses to comments received, and the name of the developer of the draft technical regulation, along with his/her contact information. From the date of publication of the notification about completion of the public discussion, the updated draft technical regulation and the list of written comments received would be available to interested persons (Article 9 of Federal Law No. 184-FZ, CU Commission Decision No. 527, EurAsEC Intestate Council Decision No. 1175). The Russian Federation would provide notification of the development of a draft technical regulation in accordance with Article 2.9 of the WTO TBT Agreement.

- Natural and legal persons also could propose draft technical regulations to MIT for the Ministry to decide whether development of the technical regulation was reasonable. In case of a positive decision, MIT would submit a proposal to develop a technical regulation to the CU Commission or EurAsEC, as appropriate. Procedures for development of a technical regulation were set-out in CU Commission Decision No. 527 or EurAsEC Interstate Council Decision No. 1175 respectively.
- Establishment of conformity assessment procedures (including the criteria by which the Russian Federation designated or otherwise recognised conformity assessment bodies and their results) was according to the following principles: non-discrimination between domestic and imported products and among suppliers of imported products, both in terms of procedures and in terms of fees; proportionality of procedures to the level of risk; transparency and predictability of the procedures; and protection of confidentiality.
- Recognition of conformity assessment results in accordance with international treaties of the Russian Federation and other international arrangements: Documents of the confirmation of compliance and reports of research (tests) and measurement of products, obtained outside the Russian Federation, could be recognised in accordance with the international treaties of the Russian Federation (Article 30 of Federal Law No. 184-FZ and Article 5 of the CU Agreement on Mandatory Conformity Assessment) and other international arrangements. Currently, the Russian Accreditation Body Association of Analytical Centres "Analitica" (AAC Analitica) was a member of the International Laboratory Accreditation Cooperation (ILAC) and a signatory to the ILAC Arrangement with regard to standards. Once the single national accreditation body of the Russian Federation was established, as expected by 30 June 2012, it intended to join ILAC which would facilitate recognition of the results of the assessments of the laboratories and assessment bodies accredited by ILAC Members. Before this occurs, the Russian Federation was ready to conclude bilateral and multilateral arrangements with interested WTO Members, including recognition of results of activity of third-country certification bodies.
- Technical regulations were to contain requirements in terms of performance of product characteristics or their related processes or production methods, including design criteria (including testing), production, construction, assembly (set-up), operation, storage, transportation, realization and utilization, as well as rules of identification, forms, schemes and procedures of assessment (confirmation) of compliance, rules for identifying the requirements for terminology, packing, marking or labelling rules and their application and reclamation, rather than requirements regarding design or descriptive characteristics, except where the purposes of adopting such technical regulations could not be achieved in the absence of requirements in respect of design and descriptive characteristics in view of the risk of damage (Article 7(4) of Federal Law No. 184-FZ; Article 2.2 of the EurAsEC Agreement on the Basics of Technical Regulation Harmonization; and Article 4.3 of the CU Agreement on Uniform Technical Regulation Principles).

714. The representative of the Russian Federation confirmed that the Russian Federation would, from the date of accession, ensure that all technical regulations, standards, and conformity assessment procedures applied in the territory of the Russian Federation would continue to respect the principles set-out in paragraph 713 above, and the provisions set-out in the WTO TBT Agreement, such as transparency, non-discrimination and national treatment. The Working Party took note of this commitment.

715. The representative of the Russian Federation confirmed that, from the date of accession, its Federal Governmental Bodies would prepare and apply all technical regulations, including those adopted by the competent bodies of the EurAsEC and the CU, in accordance with the WTO Agreement, in particular with the provisions of Article 2 of the WTO TBT Agreement. He also

confirmed that the Federal government would take such reasonable measures as may be available to it to ensure compliance by local governmental and non-governmental bodies with the provisions of Article 2 of the TBT Agreement, as provided for in Article 3.1 of the WTO TBT Agreement, and would act in accordance with other provisions of Article 3 of the WTO TBT Agreement. The Working Party took note of these commitments.

716. Members thanked the representative of the Russian Federation for this explanation of the revised regime of the Russian Federation for developing technical regulations, standards and conformity assessment systems as provided for in EurAsEC and CU Agreements, in other EurAsEC and CU Acts, and in Federal Law No. 184-FZ. Some Members requested clarification that these international agreements and other CU and EurAsEC Acts, some of which were directly applied in the Russian Federation, and Federal Law No. 184-FZ met other requirements of the WTO TBT Agreement. With respect to the purposes of technical regulation noted in Federal Law No. 184-FZ, as well as in the EurAsEC Agreement on Technical Regulation Policy Coordination and the CU Agreement on Uniform Technical Regulation Principles, some Members noted that some of the fundamental purposes, in particular protection of property, set-out in the Law and these Agreements were not contained in the illustrative list of legitimate objectives in Article 2.2 of the WTO TBT Agreement. In response, the representative of the Russian Federation explained that with respect to the aim of protecting property, this purpose related to matters such as regulations governing fire codes for warehouses, which were typically unoccupied.

717. In response to a question from a Member about consistency of the provisions of Article 7.4 of Federal Law No. 184-FZ with the relevant provisions of the WTO TBT Agreement in terms of establishing requirements of design characteristics of products, the representative of the Russian Federation stated that Article 5.1 of the EurAsEC Agreement on Technical Regulation Policy Coordination and Article 4.2 of the CU Agreement on Uniform Technical Regulation Principles established the purposes for which technical regulations applied on the territory of the Russian Federation could be established. This would preclude requirements for the design and descriptive characteristics of a product, unless it was clear, after taking into account the risk of potential harm, that design and descriptive characteristics were necessary to attain the goals of the technical regulation, as indicated in these provisions. These provisions, in his view, were fully consistent with the provisions of Article 2.8 of the WTO TBT Agreement.

718. With respect to elimination of barriers to trade (business activity), Members sought assurances that the Russian Federation would consider, *inter alia*, available scientific and technical information, related to processing technology or intended end-uses of products and the risks that non-fulfilment of such legitimate objectives would create when assessing whether legitimate objectives had been met, and would ensure that Rosstandart and the EurAsEC and CU bodies involved in the preparation of technical regulations would consider these factors as well. With respect to adoption of technical regulations, where technical regulations were required and relevant international standards existed or their completion was imminent, Members sought confirmation that the Russian Federation would use such standards, or the relevant parts of them, as a basis for its technical regulations, and would ensure that EurAsEC and CU bodies adopting technical regulations applied on the territory of the Russian Federation would do so as well, except when such international standards or relevant parts would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued, for instance because of fundamental climatic or geographical factors or fundamental technological problems. One Member reiterated that the Russian Federation should only seek exceptions to international standards where there was a legitimate reason to do so (as envisaged by the WTO TBT Agreement).

719. In response, the representative of the Russian Federation referred to paragraph 702 of this Report. Article 4.4 of the CU Agreement on Uniform Technical Regulation Principles provided for

the use of international standards or relevant parts as the basis for the development of technical regulations "except in cases where such documents did not conform with the purposes of the technical regulations of the Customs Union." He confirmed that this provision would be interpreted and applied in accordance with Article 2.4 of the WTO TBT Agreement, i.e., that such international standards or relevant parts would be used for the development of technical regulations unless they were "an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued." The Working Party took note of this commitment.

720. One Member noted, regarding transparency in the development of technical regulations and standards, that, according to Article 2.9.3 of the WTO TBT Agreement, the Russian Federation should, upon request, provide to other Members, particulars or copies of the proposed technical regulations, and that the supply of the copies must be free of charge. In response, the representative of the Russian Federation explained that, according to provisions of Federal Law No. 184-FZ, the developer of a technical regulation was required to provide copies of drafts of technical regulations upon payment of a fee that could not be more than the cost of producing the copy. He noted that this provision did not relate to the obligation of the Russian Federation to provide drafts of technical regulations to WTO Members as required under the WTO TBT Agreement. Accordingly, the Single Enquiry Point on TBT would provide drafts of technical regulations at the request of a WTO Member free of charge. He added that existing drafts of technical regulations in preparation by EurAsEC and CU bodies already were publicly available free of charge in digital electronic form on the EurAsEC or CU Commission websites respectively and at the website of Rosstandart. The 24 national technical regulations of the Russian Federation, already adopted under the process provided for in Federal Law No. 184-FZ, also were available on the website of Rosstandart.

721. In response to a question from a Member about availability of draft technical regulations in languages other than Russian, the representative of the Russian Federation explained that, as a rule, the drafts were available in the language in which they had been developed for adoption, i.e., in Russian. However, the right of the developer to provide to interested persons copies of drafts also in any other languages was not restricted.

722. Another Member asked the Russian Federation to provide a more detailed explanation of the procedure of development and adoption of technical regulations in the Russian Federation. In response, the representative of the Russian Federation explained that the development, adoption, amendment and cancellation of technical regulations of the CU and EurAsEC were carried out in accordance with Articles 9 and 9.1 of Federal Law No. 184-FZ, CU Commission Decision No. 527, and EurAsEC Interstate Council Decision No. 1175.

723. In response to questions by some Members concerning ongoing activity of the Government of the Russian Federation aiming at implementation of Federal Law No. 184-FZ, the representative of the Russian Federation informed Members of the Working Party that the Government of the Russian Federation had adopted the Program of Development of Technical Regulations, approved by Order No. 1421-r of 6 November 2004 (as last amended on 9 March 2010). The Program, reviewed annually, eventually developed 49 draft national technical regulations and ultimately adopted 24 national technical regulations by the end of 2010, with a special focus on the priority technical regulations that had been listed in Federal Law No. 184-FZ. The Program had been replaced when the Russian Federation agreed with Kazakhstan and Belarus to establish the harmonized system of technical regulation within the CU described in paragraphs 699 through 706 of this Report, and the development of technical regulations in the Russian Federation from that time focused on the development and adoption of the list of priority technical regulations contained in EurAsEC Interstate Council Decision No. 521 and CU Commission Decision No. 492. These priority technical regulations were listed in Table 36.

724. The representative of the Russian Federation continued to explain that under the CU any domestic or foreign physical or legal person or governmental or non-governmental body could develop a draft technical regulation. Such person or entity was required to publish a notice on the development of the draft technical regulation and then to provide for a public consultation and comment on the draft, in accordance with the requirements, described in paragraph 705 above. In addition, third-country interested parties could provide comments on draft technical regulations proposed by any of the EurAsEC or CU Parties, as established in Article 6 of the EurAsEC Interstate Council Decision No. 1175 and Article 7 of the CU Commission Decision No. 527, respectively. After the public consultation process, the draft was submitted to the national body responsible for technical regulation policy (MIT) which approved it. Responding to a question on how draft technical regulations, not based on international standards, could be revised prior to application, he stated that the applicable laws and acts specified the priority use of international standards as the basis for technical regulations and that the technical regulation developer was required to provide his assessment on how the draft was consistent with international standards in his notification of the draft for public comment. The technical regulation developer was also required to identify the standards used in constructing the draft technical regulation. When the national authorised body received comments provided by the public on these materials, it forwarded them to the relevant expert commission established in accordance with Article 9.9 of Federal Law No. 184-FZ and described in paragraph 713. This commission included an equal number of experts representing government bodies, academia and business/consumers associations. The meeting of the relevant commission was public and its decisions were publicly available. The commission would take into account the requirement to use international standards and, if necessary, urge appropriate changes. The resulting draft was submitted to the national authorised body which forwarded it to the CU Commission. The CU Commission in turn placed the draft technical regulation, a notice on how it was developed, and an explanatory note on its own official website and on the official websites of the authorised bodies for technical regulation of the other CU Parties. Interested domestic and foreign legal and natural persons (including those from non-members of the CU) could submit their comments and suggestions on the draft technical regulations to the authorised body of the CU Party that proposed it and to the Secretariat of the CU Commission. The period for comments was at least 60 days following the publication of the first draft of the technical regulations by a CU body. He noted that government bodies submitted draft technical regulations and other documents to the CU Commission for adoption and that any amendments to a technical regulation were adopted within the same procedure.

725. One Member invited the Russian Federation to confirm that "trade impact" was part of the risk assessment included in the summary submitted by the developer of the draft technical regulation. In response, the representative of the Russian Federation explained that the developer was obliged to compose this summary objectively. Thus, if some of the comments received from the interested persons contained information on "trade impact", this must be included in the summary. In addition, MED was responsible for carrying out an assessment of the impact on trade of the draft technical regulations, pursuant to Government Resolution No. 437 of 5 June 2008 "On the Ministry of Economy of the Russian Federation". The trade impact assessment of MED was forwarded to the Government of the Russian Federation and used as part of the analysis by the Government on whether to approve the draft technical regulation.

726. One Member requested further information on the operations of the expert commission of the Russian Federation and the CU Committee on Technical Regulation with regard to the nature of the reviews these bodies would conduct and any systematic regulatory impact analysis that would be performed on each technical regulation proposal. This Member asked for explanation and assurances that proper mechanisms were in place at each stage to ensure conformity of draft regulations with rights and obligations under the WTO TBT Agreement. It also asked how the meetings and decisions of the expert commissions and the CU Committee on Technical Regulation were made public and

whether they were accessible to interested international, as well as domestic, parties. In response, the representative of the Russian Federation stated that the commissions of experts were empowered to provide expert evaluations of draft technical regulations and proposals regarding their adoption, but the decision on what to submit to the CU Committee on Technical Regulation for coordination and review at the CU level was taken by the MIT. Such decisions could take into account expert commission proposals. The expert commission would review the draft of a technical regulation and other relevant information, including all comments regarding the draft, received from the interested persons. Regarding the mechanism of ensuring conformity of draft regulations with the provisions of the WTO TBT Agreement, he noted that the expert commissions, supervised by the MIT, were to act in conformity both with Federal Law No. 184-FZ and with the relevant EurAsEC and CU Agreements and other CU Acts which reflected the provisions of the WTO TBT Agreement. Specifically, these bodies were obliged to include in their evaluations the founded conclusions regarding the compliance of the drafts with the legislation of the Russian Federation and international norms and rules, including the WTO TBT Agreement. The meetings of the expert commissions were open to the public, and their decisions were published in the official journal of Rosstandart.

727. One Member asked whether, in those cases where the draft technical regulation differed from international standards, the Russian Federation had a policy requirement that regulators justify a deviation from the international standard. In response, the representative of the Russian Federation stated that, according to the provisions of Article 9.7 of Federal Law No. 184-FZ and CU Commission Decision No. 527, the procedure required that the cases of deviations from the international standards must be specifically justified in the findings supporting the adoption of the draft technical regulation, which must accompany the draft when it was submitted for adoption.

728. The representative of the Russian Federation confirmed that the Russian Federation would comply with all obligations of the WTO TBT Agreement, including those related to not creating unnecessary obstacles to trade. In addition, he confirmed that from the date of accession, relevant international standards, guides and recommendations as described in paragraph 747 would be used as the basis for technical regulations, whether developed by the Russian Federation or developed and adopted by the competent bodies of the CU as provided for by the WTO TBT Agreement. To this end, the Russian Federation would ensure that any exceptions to the use of international standards found in Federal Law No. 184-FZ or in EurAsEC and CU Agreements and other relevant EurAsEC and CU Acts corresponded to the exceptions permitted under the WTO TBT Agreement. The Working Party took note of these commitments.

- **(ii) Technical requirements not subject to Federal Law No. 184-FZ**

729. The representative of the Russian Federation stated that in accordance with the provisions on technical regulation of the EurAsEC and CU Agreements and EurAsEC and CU Acts, mandatory technical regulations and mandatory conformity assessment procedures applied on the territory of the Russian Federation, could only be established by Decisions of the EurAsEC Interstate Council and the CU Commission, respectively. National technical regulations established by Federal Laws, Government Resolutions, and Presidential Decrees would be replaced by these instruments. In a few areas, however, mandatory requirements for products were laid out in domestic laws of the Russian Federation. For example, there were exemptions concerning requirements connected with ensuring the integrity and sustainable functioning of the national communications network of the Russian Federation and the use of the radio frequency spectrum or with ensuring national security (for instance, procurement of defence products) including nuclear safety, which were regulated by other legislation such as Federal Law No. 126-FZ of 7 July 2003 "On Communications," (as last amended on 7 February 2011) (hereafter: Law No. 126-FZ), Federal Law No. 170-FZ of 21 November 1995 "On the Use of Atomic Energy" (as last amended on 27 December 2009), and Federal Law No. 3-FZ of 9 January 1996 "On Radiation Safety of the Population" (as last amended on

23 July 2008). In his view, such legislation was applied in conformity with the provisions of the WTO TBT Agreement.

730. In addition, Articles 1(3) and 1(4) of Federal Law No. 184-FZ provided that social and economic, organizational, sanitary and hygienic, medical and preventive, and rehabilitation requirements in the sphere of labour protection; application of measures on prevention of the onset and spread of mass infectious diseases of humans, prevention and treatment of human diseases with the exception of requirements regarding medicines, medical equipment and food products which thus were not excluded from the coverage of the Law; and application of measures on protection of soil, air, and bodies of water at resorts, tourist destinations, and places for mass public recreation, were exempted from the coverage of Federal Law No. 184-FZ. Those requirements were regulated by other domestic legislation, such as the Law of the Russian Federation No. 5487-1 of 22 July 1993 "The Basis of the Legislation of the Russian Federation on the Protection of Health of Citizens (as amended on 28 September 2010); "Water Code of the Russian Federation" adopted by Federal Law No. 74-FZ of 3 June 2006 (as amended on 28 December 2010); "Forest Code of the Russian Federation" adopted by Federal Law No. 200-FZ of 4 December 2006 (as amended on 29 December 2010); and Federal Law No. 96-FZ of 4 May 1999 "On the Protection of Atmospheric Air" (as amended on 27 December 2009). These requirements typically did not concern the elaboration, enactment, and implementation of mandatory requirements for product characteristics or their related processes or production methods, including processes of design (including survey), production, construction, assembly (setup), operation, storage, transportation, sale, and reclamation. Mostly, these requirements provided for norms of human activity (economic or non-economic), including rules of use of natural objects (for example, regulations for construction work in the proximity of bodies of water or establishing responsibility for pollution of air and water; in specific areas connected with risks for human, animal or plant life and health. He reiterated that the requirements with respect to medicines, medical equipment, and food products were not covered by the exemptions and thus were subject to the provisions of the relevant EurAsEC and CU Agreements and other EurAsEC and CU Acts and Federal Law No. 184-FZ.

731. While this statement was considered as helpful to clarify the question of exceptions from the scope of Federal Law No. 184-FZ, some Members asked how these exceptions were addressed in EurAsEC and CU Agreements and other EurAsEC and CU Acts. They asked if the mandatory requirements established in these laws were considered to be technical regulations within the provisions of the relevant EurAsEC and CU Agreements and EurAsEC and CU Acts. They also expressed the concern that, at least in some cases, these exceptions could nevertheless relate to the elaboration, enactment and implementation of mandatory requirements for product characteristics or their related processes or production methods outside established regulatory norms that observed WTO provisions. Furthermore, these Members asked whether, if this were to be the case, the applicable legislation would contain sufficient guarantees that the principles of transparency, non-discrimination, and predictability as well as other principles of the WTO TBT Agreement would be fully respected when the relevant normative legal acts were elaborated, enacted, and implemented.

732. Concerning the relationship of the technical and other requirements for goods exempted from the coverage of Federal Law No. 184-FZ with CU Agreements and other CU Acts establishing the legal framework for technical regulation in the territory of the CU Parties and with the WTO TBT Agreement, the representative of the Russian Federation stated that in areas where mandatory requirements were not covered under Federal Law No. 184-FZ, e.g., sustainable functioning of the national communications network and nuclear equipment, or CU and EurAsEC Agreements and Acts, these goods were regulated by specific national legislation. While specific safety issues could be covered by technical regulations (e.g., safety to humans using telecommunications or nuclear equipment), other issues like system compatibility in telecommunications, labour safety requirements, and security aspects of nuclear products were

managed separately. Not all mandatory requirements could be considered to be technical regulations. Current plans called for amendments to be made in the first half of 2012 to 51 laws containing such mandatory requirements. These amendments would clearly define those requirements that were technical regulations, and those that were not, even if they had a mandatory character.

733. In response to the questions of some Members in respect to specific features of technical regulation in the communication sector, the representative of the Russian Federation noted that the requirements connected with ensuring the integrity and sustainable functioning of the national communications network of the Russian Federation were established and governed by the legislation of the Russian Federation on communication. Pursuant to Article 41 of Federal Law No. 126-FZ, conformity assessment was mandatory for telecommunication equipment used in public telecommunication networks, as well as for industrial telecommunication networks and special telecommunication networks if they were connected to public networks. He noted that, in his view, this requirement was in compliance with the provisions of the Annex on Telecommunications to the WTO GATS (Item 5.e), which provided for the right of WTO Members to establish conditions on access to and use of public telecommunications networks which were necessary to protect the technical integrity of those networks. Conformity of this telecommunication equipment to technical regulations adopted by regulatory legal acts of the Federal Executive authority responsible for communications could be confirmed by mandatory certification or conformity declaration. Communications equipment also was subject to the following technical regulations: the technical regulation on low voltage equipment, the technical regulation on electromagnetic compatibility and the technical regulation on machines and equipment security. The list of telecommunication equipment subject to mandatory certification was approved by Government Resolution No. 896 of 31 December 2004 "On Approval of the List of Communication Equipment Subject to Mandatory Certification". According to Item 2 of that Resolution, telecommunication equipment subject to mandatory certification was excluded from the list of goods subject to mandatory confirmation of conformity at the moment of its importation to the territory of the Russian Federation. He also noted that the Ministry of Telecommunications and Mass Communications of the Russian Federation (MinComSvyaz) did not establish mandatory requirements for the products not included in the above mentioned list.

734. He further stated that the Government of the Russian Federation had adopted some normative legal acts aiming at implementation of Federal Law No. 126-FZ, namely Government Resolutions No. 165 of 29 March 2005 "On Approval of Rules of Accreditation of Certification Bodies and Test Laboratories (Centres) Engaged in Certification Testing of Communication Equipment" (as last amended on 4 May 2010) and No. 214 of 13 April 2005 "On Adoption of Rules for Organization and Performance of Compulsory Verification of Conformity of Communication Equipment" (as last amended on 13 October 2008). Since these requirements, technical regulations, and the other normative legal instruments existed for the technical regulation of telecommunications equipment in each of the CU Parties already, presently it was not planned to develop a unified technical regulation related to communication equipment within the Customs Union.

735. One Member requested clarification as to whether the Federal Executive authority responsible for communications also established any requirements for the equipment used in private networks. In response, the representative of the Russian Federation stated that MinComSvyaz did not establish technical requirements to the equipment used in telecommunications networks which were not connected to the national telecommunications network.

736. In response to a question by a Member about the plans of the Russian Federation to implement the APEC TEL Mutual Recognition Arrangement on conformity assessment for telecommunications equipment the representative of the Russian Federation explained that according to Article 41.2 of Federal Law No. 126-FZ the documents on conformity confirmation of

telecommunications equipment, as well as the results of the tests of the communication equipment, shall be accepted in accordance with international treaties of the Russian Federation (see also the description of the relevant general provisions of Federal Law No. 184-FZ and the CU Agreement on Mandatory Conformity Assessment in paragraph 713 above). He noted, however, that the APEC TEL Mutual Recognition Arrangement was a regional initiative rather than an international treaty to which the Russian Federation was a party. In this context, the provisions of this arrangement did not currently have a binding character for the Russian Federation and would not be implemented in connection with the accession of the Russian Federation to the WTO.

737. Some Members expressed concern that Federal Law No. 126-FZ did not contain enough guarantees that the elements of transparency and predictability of the WTO TBT Agreement would be fully respected, namely, when the normative legal acts were drafted and approved. Furthermore, they considered that Federal Law No. 126-FZ did not provide for sufficient guarantees that the current system of conformity assessment, according to which all information technology and telecommunications equipment were subject to mandatory certification and to certificates of a limited validity period (maximum 36 months), would be revised. These Members requested the Russian Federation to take commitments that it would take measures to facilitate trade in information technology and telecommunications equipment products by addressing these concerns by the time of its WTO entry.

738. The representative of the Russian Federation confirmed that his Government would base all normative legal acts defining technical requirements for communications equipment and elaborated in accordance with Federal Law No. 126-FZ of 7 July 2003 "On Communications" (as last amended on 23 February 2011) on the principles of transparency, non-discrimination, and predictability of the EurAsEC Agreement on Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 25 January 2008, the CU Agreement on Uniform Principles and Rules of Technical Regulation in the Republic of Belarus, Republic of Kazakhstan and the Russian Federation of 18 November 2010, and Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010). To that purpose, prior to the date of accession, a Government Resolution would be adopted, which would require that "normative legal acts" of MinComSvyaz must comply with the transparency and all other principles set-forth in the WTO TBT Agreement for the adoption of normative legal acts. The Russian Government would also limit the scope of application of these "normative legal acts" to technology-neutral regulation of legitimate public interest objectives as defined in the WTO TBT Agreement and the Annex on Telecommunications in the WTO General Agreement on Trade in Services (GATS). He added that, by the end of 2015, mandatory requirements for telecommunication equipment used in or connected to public networks would be limited to those requirements of technical regulations adopted in accordance with the relevant EurAsEC and CU Agreements on technical regulation. However, where duly justified, mandatory requirements in order to ensure integrity, stability, and security of operation of the national communications network could be maintained. The Working Party took note of these commitments.

739. In response to a question from Members, the representative of the Russian Federation confirmed that, until relevant technical regulations are adopted, sanitary and phytosanitary regulations would be applied in accordance with the provisions of Federal Law No. 99-FZ of 15 July 2000 "On Quarantine of Plants" (as last amended on 28 December 2010) and Law of the Russian Federation No. 4979-1 of 14 May 1993 "On Veterinary Practices" (as last amended on 28 December 2010) and, to the extent that these laws and matters regulated by these laws were covered by the WTO TBT Agreement, these laws, regulations, and any measures taken pursuant to them would be applied only to the extent that they complied with that Agreement. Similarly, until the adoption of technical regulations with respect to nuclear and radiological safety, current nuclear and radiological safety technical regulations would be applied in accordance with Federal Law

No. 170-FZ of 21 November 1995 (as last amended on 27 December 2009) "On the use of Atomic Energy" and Federal Law No. 3-FZ of 9 January 1996 "On Radiation Safety of the Population" (as last amended on 23 July 2008) and, to the extent that matters regulated by these laws were covered by the WTO TBT Agreement, these laws, regulations, and any measures taken pursuant to them would be applied only to the extent that they complied with that Agreement, without prejudice to the obligations of the Russian Federation under the International Atomic Energy Agency (IAEA) and other international agreements in the nuclear sphere. The Working Party took note of these commitments.

740. Concerning safety and security requirements for civil aircraft, the representative of the Russian Federation stated that the Russian Federation was a Party to the CIS Intergovernmental Agreement on Civil Aviation and use of Airspace. In accordance with Government Resolution No. 367 of 23 April 1994, "On Improvement of the Certification System and of the Order of Accident Investigation in Civil Aviation of the Russian Federation", the Russian Federation delegated its certification authority concerning the airworthiness of civil aircraft to the Interstate Aviation Committee (IAC) that operates under the auspices of that Agreement. The IAC was authorised to act as the Federal Executive body of the Russian Federation for this purpose, and *inter alia*, to certify types of aircraft and components, and to accredit other organizations that conduct certifications. Pursuant to Government Resolution No. 316 of 7 April 1995, "On Amendments to Government Resolution No. 367 of 23 April 1994", the IAC was also authorised, on behalf of the Russian Federation, to conduct negotiations for reciprocal acceptance of certification of safety of types of aircraft for civil aviation. Other major activities of the IAC included the development and harmonisation of aviation rules and standards among the Parties to the Agreement; the certification of aeronautical repair facilities, aerodromes, and airways equipment; and the investigation of accidents involving civil aircraft.

741. The representative of the Russian Federation also commented that, in his view, the civil aviation certification requirements used by the IAC, including airworthiness requirements and certification procedures, were harmonized with corresponding norms and procedures of the United States of America (FAR - Federal Aviation Regulation) and the European Union (CS - Certification Specifications) and also corresponded to standards and recommended practices of Annex 8 to the Convention on International Civil Aviation. This, according to the representative of the Russian Federation, was confirmed by an audit conducted by the International Civil Aviation Organization (ICAO) carried out on the Russian Federation. He emphasised, that this harmonization had allowed for the conclusion of more than 30 inter-governmental and international agreements in the field of acceptance of airworthiness approvals of civil aircraft with all major manufacturers of civil aircraft.

742. Some Members of the Working Party recalled that civil aircraft certification requirements were a type of "technical regulation", as defined in the WTO TBT Agreement, and that the procedures for ensuring conformity with these requirements were "conformity assessment procedures" as defined in the WTO TBT Agreement. Members of the Working Party stated that they expected the Russian Federation to ensure compliance with the WTO TBT Agreement with respect to the preparation, adoption, and application of technical regulations and conformity assessment procedures for civil aircraft.

743. Some Members also noted their view that in some ongoing cases, the process of civil aircraft certification carried out by the IAC had lacked transparency and predictability, which raised concerns for those aircraft producers of those Members seeking aircraft certification in the Russian Federation. These Members considered that the Russian Federation should ensure that all civil aircraft certification and conformity assessment procedures were carried out in an expeditious, non-discriminatory, transparent, fair and objective manner, based on technical criteria only, in order to

ensure that its certification and conformity assessment procedures did not operate as an unnecessary barrier to trade.

744. The representative of the Russian Federation confirmed that upon accession to the WTO, the civil aircraft certification requirements and conformity assessment procedures applied in the Russian Federation would comply with all relevant provisions of the WTO TBT Agreement. In particular, he confirmed that these civil aircraft requirements would be prepared, adopted, and applied in a non-discriminatory manner and would not be more trade restrictive than necessary. The representative of the Russian Federation further confirmed, that the Russian Federation would ensure that upon its accession to the WTO, the procedures for assessing conformity with these certification requirements, as carried out by the Russian Federation and the IAC, were applied equally to all like aircraft regardless of origin, and were carried out expeditiously and in a transparent manner. The representative of the Russian Federation further confirmed that any fees for the certification procedures would be imposed equitably for assessing the conformity of products of Russian or foreign origin in accordance with the provisions of Article 5.2.5 of the WTO TBT Agreement. The Working Party took note of these commitments.

745. The representative of the Russian Federation confirmed that all technical requirements applied to goods on the territory of the Russian Federation, including those applied as technical regulations as provided for in Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010) and other domestic legislation and the relevant EurAsEC and CU Agreements and other EurAsEC and CU Acts, to the extent that they corresponded to the definition of a "technical regulation" under the WTO TBT Agreement, would comply with the principles of the WTO TBT Agreement, relating in particular to transparency, predictability, and avoiding the creation of unnecessary obstacles to trade. The Working Party took note of these commitments.

- **(iii) Voluntary National and International Standards**

746. Article 13 of Federal Law No. 184-FZ envisaged the following types of voluntary standards within the meaning of the WTO TBT Agreement to be used in the Russian Federation:

- national standards;
- rules, norms and recommendations in the sphere of standardization;
- classifications applied in accordance with the established procedure, all-Russian classifiers of technical-and-economic and social information;
- standards adopted by organizations (standards of enterprises, scientific, technical, engineering institutions and other societies),
- sets of rules, (voluntary documents, elaborated and approved by the Federal Executive bodies regarded as related to the standardization area);
- international standards, regional standards, regional sets of rules, standards of foreign states and sets of rules of foreign states registered with the Federal Information Fund of Technical Regulations and Standards; and
- duly certified Russian translations of international standards, regional standards, regional sets of rules, standards of foreign states and sets of rules of foreign states accepted for account by Rosstandart.

Sub-national standards were not envisaged under the Federal Law.

747. The representative of the Russian Federation stated that standards, guides, and recommendations developed according to the principles set-out in the Decision of the

WTO Committee on Principles for the Development of International Standards, Guides and Recommendations with Relation to Articles 2, 5 and Annex 3 (G/TBT/1/Rev.8, Section IX of 23 May 2002) of the WTO Agreement on Technical Barriers to Trade, were regarded by the Russian Federation as international standards that could be used for the development of national standards. Chapter 3 of Federal Law No. 184-FZ also provided the basis for the implementation of the rules of the Code of Good Practice for the Preparation, Adoption, and Application of Standards (Annex 3 of the WTO TBT Agreement). He recalled that, since 1997, authorities of the Russian Federation were involved in the annual development and implementation of new standards. The level of harmonization of national standards in force with international standards was currently about 47 per cent.

748. He further informed Members of the Working Party that Government Resolution No. 266-r of 28 February 2006 "On the Approval of the Concept of Development of a National Standardization System in the Russian Federation" had promoted the progressive harmonization of national with international standards and encouraged due application of international standards. It also encouraged the State authorities to co-operate with the business community in drafting new national standards, aiming at the development of international trade relations and elimination of barriers to trade. All of these activities would continue under the framework established for standardization, technical regulation, and conformity assessment by CU and EurAsEC Agreements and other EurAsEC and CU Acts.

749. Some Members of the Working Party emphasized the importance of applying international standards and harmonizing national standards with international standards. They recalled efforts made by the Russian Federation under Federal Law No. 184-FZ to bring its regime on standards, technical regulations, and conformity assessment procedures into conformity with WTO provisions. They sought assurances that under the new regime based on EurAsEC and CU Agreements and other legal acts compliance with national standards would be voluntary and requested that the Russian Federation complete the process of harmonization with international standards as quickly as possible. In the event that the national standards of the Russian Federation differed from international standards, these Members sought confirmation that any national standards would be prepared, adopted and applied in accordance with the Code of Good Practice set-out in Annex 3 of the WTO TBT Agreement and any current national standards that were not consistent with the criteria set-out in the Code would be replaced.

750. In response to questions from a Member, the representative of the Russian Federation reiterated that Federal Law No. 184-FZ had established the main principles of the Russian system of standardization and technical regulation with its implementation in 2003, and these principles, in his view, had complied with the provisions of the WTO TBT Agreement. According to Article 12 of the Law, standards were applied voluntarily. Both Federal Law No. 184-FZ and the CU Agreement on Uniform Technical Regulation Principles established the following principles for the development and harmonization of standards:

- voluntary application of documents (standards) in the sphere of standardization;
- elaboration of standards with maximum account of interested parties' interests;
- application of an international standard as the basis for elaboration of a national standard, except when such standards were irrelevant to the purposes of demonstrating compliance with technical regulations, including due to the effects of climatic and geographic factors or technology problems;
- inadmissibility of creating obstacles to the manufacture and circulation of products, performance of works and rendering of services to a greater degree than it was minimum needed for the attainment of the goals specified in Article 11 of Federal Law No. 184-FZ;

- inadmissibility of the establishment of standards conflicting with established technical regulations; and
- provision of conditions for unified application of standards.

751. In response to a question from a Member about the procedure for elaboration and approval of national standards, the representative of the Russian Federation stated that the rules of elaboration and approval of voluntary standards were set-out in Article 16 of Federal Law No. 184-FZ. The national body for standardization (Rosstandart) was required to elaborate and approve the programme for the elaboration of national standards and ensure public availability of this programme. Any person (including foreigners) could act as the developer of a national standard. The developer must submit the notification of the elaboration of a national standard to the national body for standardization, which must then publish it in the public information system in digital electronic form and in the publication of the Federal Executive body for technical regulation. The notification must contain information about provisions in the draft national standard that differed from the provisions of the respective international standards. The developer of a national standard must provide interested persons access to the draft, including providing a copy of the draft national standard to an interested person on request at charges that did not exceed the cost of its manufacture. The developer must finalise the draft national standard taking account of any comments by interested persons obtained in written form, hold public consultation on the draft national standard, and compile a list of any comments received, with a brief outline of their content and of the results of the consultation and, present this list to the national body for standardization and the technical committees for standardization. The time limit for public consultation must not be less than two months, at the end of which the national body for standardization would publish a notice that the period for public consultation had ended. Interested persons must be provided access to the final draft national standard and to the list of comments.

752. He further stated that the draft national standard together with the list of comments received on the draft must be presented by the developer to the technical committee for standardization which then organized examination of the draft. Taking account of the results of the examination, the technical committee for standardization was required to prepare a proposal, together with a statement of reasons, on approval or rejection of the draft national standard. This proposal must be sent together with the draft standard, the list of comments, and the results of the examination to the national body for standardization, which must then take a decision on adoption or rejection of the draft standard and publish the relevant notification in its official publication in digital electronic form within 30 days from the day of approval of the national standard. The procedure established for development and approval of national standards also was to be used to amend national standards.

753. He further explained that in the case of lack of national standards applicable to certain requirements of technical regulations or objects of technical regulation, sets of rules could be elaborated as a means of ensuring compliance with requirements of the technical regulations for product characteristics or their related processes or production methods, including processes of design (including survey), production, construction, assembly (setup), operation, storage, transportation, sale, and reclamation, as described in Articles 2 and 16(10) of Federal Law No. 184-FZ. Sets of rules were documents of standardization that were applied on a voluntary basis in line with the aims and principles set-out by Federal Law No. 184-FZ. Sets of rules were rules that were approved by the Federal Executive bodies within the limits of their authority and did not differ from national standards by their character or result, but by their format. The representative of the Russian Federation considered that both national standards (issued after 1 July 2003) and sets of rules were standards, i.e., voluntary, as that term was defined by the WTO TBT Agreement.

754. Elaboration and approval of sets of rules would be carried out by the Federal Executive bodies within the limits of their authority. Draft sets of rules would be published in the public information system in digital electronic form at least two months prior to their approval. The procedure for the elaboration and approval of sets of rules was established by the Government of the Russian Federation according to the provisions of Article 16 of Federal Law No. 184-FZ related to the respective procedures set for the elaboration of national standards, in Government Resolution No. 858 of 19 November 2008 "On Order on Development and Adoption of Set of Rules".

755. In response to a question from one Member about different time-frames mentioned in paragraphs 752 and 799, the representative of the Russian Federation explained that those time-frames related to two different procedures. The time-frame of 30 days mentioned in paragraph 752 was relevant to the time period between adoption of a national standard and publication of the relevant public notice. Time-frames mentioned in paragraph 799 were relevant to the procedure of elaboration and adoption of technical rules (methods of measurement, etc.) if such rules were necessary for implementation of a technical regulation; the two time periods related to technical regulations together must be observed within the 180-day minimum time period between the adoption of a technical regulation and its entry into force.

756. The representative of the Russian Federation confirmed that the definition of "sets of rules" in Article 2 of the Law on Technical Regulation had been amended to make clear that sets of rules have the same goals and are subject to the same principles and procedures as were established for the adoption of WTO TBT Agreement compatible standards. Furthermore, Article 16.10 of the Law on Technical Regulation would be applied so that sets of rules were adopted through procedures that were at least as transparent as the procedures set-out in Article 16.3 through 16.6 of Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010) and that such sets of rules would be used as a voluntary means of demonstrating compliance with technical regulations. The Working Party took note of these commitments.

- (iv) Disposition of Mandatory National Standards of the Russian Federation

757. The representative of the Russian Federation stated that Federal Law No. 184-FZ and the new framework for standards and technical regulation set-out in EurAsEC and CU Agreements and other EurAsEC and CU Acts were based on WTO provisions. According to Article 7(2) of Federal Law No. 184-FZ, Article 2.2 of the EurAsEC Agreement on Common Technical Regulation Policy and Article 4 of the CU Agreement on Uniform Technical Regulation Principles, requirements for products and related processes of production, assembly, set-up, operation (use), storage, transportation, realization and utilisation, as well as rules of identification (labelling), forms, schemes and procedures of assessment (confirmation) of compliance, where they were to remain mandatory, must be contained in technical regulations bearing in mind the principle that requirements should not be more trade restrictive than to fulfil a legitimate objective. These technical regulations were applied directly throughout the territory of the Russian Federation and could be modified only by introducing amendments and supplements to the corresponding technical regulation, according to EurAsEC and CU Commission decisions. Any provision that related to the application of the relevant technical regulation and was not included in that technical regulation was not mandatory. Russian national standards containing mandatory requirements were to have been reviewed and replaced with technical regulations by 1 July 2010. While that deadline was no longer operational, Federal Law No. 184-FZ still provided that national standards applied prior to 1 July 2003 containing mandatory requirements would stay in force, but only to the extent that they did not contradict the principles set-out in the Law, and which complied with the principles of the WTO TBT Agreement. No additional national standards containing a mandatory requirement had been adopted in the Russian Federation after 1 July 2003, only technical regulations were developed and adopted according to Federal Law No. 184-FZ. The exceptions to this general rule were described in paragraphs 731 to 745. If any

problems arose from the application of national standards with mandatory requirements, connected with the inconsistency of the national standard with the provisions of the Law, a procedure set-out in Article 46 of the Law for amending the national standard without waiting until it was replaced with a technical regulation consistent with the international obligations of the Russian Federation.

758. He also explained that Federal Law No. 184-FZ had required replacement of all national standards containing mandatory requirements with technical regulations prior to 1 July 2010. Because of technical, organizational and other difficulties this deadline had been eliminated, but all remaining national standards containing mandatory requirements would be replaced by EurAsEC and CU technical regulations as part of the CU technical regulation harmonization process, based on the work plan and timetable for adoption of priority technical regulations found in CU Commission Decision No. 492 and EurAsEC Interstate Council Decision No. 521.

759. One Member indicated that it would like to see a firm commitment to the completion of the process of converting the national standards of the Russian Federation with mandatory requirements into technical regulations from the date of accession. It noted that the WTO TBT Agreement covered three types of measures: standards which were voluntary and technical regulations and conformity assessment procedures that were linked to technical regulations which were mandatory. Furthermore, prior to commencing the process of WTO accession, the Russian Federation had developed national standards, some of which contained mandatory requirements. This Member further noted that both Federal Law No. 184-FZ and EurAsEC and CU Agreements and other EurAsEC and CU Acts on technical regulations foresaw the completion of the process of converting standards with mandatory requirements into technical regulations. This Member requested that the Russian Federation confirm a specific date for completing this process.

760. The representative of the Russian Federation explained that, pending their replacement by EurAsEC and CU technical regulations, national standards issued by the Federal Executive authorities prior to 1 July 2003, which contained mandatory requirements were in force only to the extent that they ensured: protection of human life or health, property of natural and legal persons, and State or municipal property; protection of the environment and of animal and plant life or health; prevention of deceptive practices and energy efficiency (all of which were set-out in Article 6.1 of Federal Law No. 184-FZ, the EurAsEC Agreement on Technical Regulation Policy Coordination and the CU Agreement on Technical Regulation Principles). Further, such national standards, were considered by his Government to be "technical regulations" as that term was defined in Annex 1 of the WTO TBT Agreement. In addition, 24 technical regulations had been established under the provisions of Federal Law No. 184-FZ.

761. The representative of the Russian Federation confirmed that any concerns of interested parties and Members regarding compatibility of such mandatory requirements with the WTO TBT Agreement would be duly and effectively addressed in the framework of mechanisms and procedures provided for in the legislation of the Russian Federation and in CU and EurAsEC technical regulations. He added that information about the opportunities offered by these procedures would be made available to interested parties and Members, *inter alia*, through the Enquiry Point on TBT. The representative of the Russian Federation also confirmed that imports of goods for which no mandatory requirements were in force would be allowed without being required to satisfy formalities related to establishing compliance with technical regulations. The Working Party took note of these commitments.

762. In response to a question from a Member inquiring whether amendments to mandatory requirements in CU and EurAsEC technical regulations would be reviewed *vis-a-vis* their consistency with the WTO TBT Agreement, the representative of the Russian Federation responded that the consistency of such amendments and draft technical regulations with the WTO TBT Agreement

would be verified for their consistency with the WTO TBT Agreement, including through testing their consistency with the relevant provisions of CU and EurAsEC Agreements and Acts. Item 20 of CU Commission Decision No. 527 provided that procedures on amendments were the same as for the adoption of technical regulations and, in his view, were compliant with the provisions of the WTO TBT Agreement.

763. The representative of the Russian Federation explained that an applicant (Russian or foreign person) could request consideration of amendments to a mandatory requirement and/or rules for its application with the aim of bringing the mandatory requirement and/or rules for its application into compliance with CU and EurAsEC Agreements and Acts, in accordance with the procedures established by CU Commission Decision No. 527 and similar provisions of EurAsEC. Such a request also could be addressed to the government agency that had jurisdiction in a particular regulatory area. In such case, the agency would study the matter and present its opinion and, if relevant, a proposal on an amendment to the national body on standardization, i.e. Rosstandart. Finally, the representative of the Russian Federation explained that it was possible at any time to challenge in court any mandatory requirements within the scope of technical regulations established under Federal Law No. 184-FZ or CU and EurAsEC technical regulations if such requirements did not comply with the criteria set-out in the Law or in CU and EurAsEC Agreements.

764. The representative of the Russian Federation explained that an applicant could use an international or regional or foreign standard for purposes of confirmation of conformity. To this end, the applicant needed to submit to Rosstandart a translation into Russian of such standard. Rosstandart considered this standard within 45 days with the relevant technical committee in this area (see paragraph 5 of Article 44 of Federal Law No. 184-FZ), and provided a reasoned conclusion in terms of the possible application of the standard that the applicant submitted for purposes of confirmation of conformity. If the use of this standard was possible, it was included in the corresponding list of documents used for confirmation of conformity and to the Information Fund of Standards. Where required, the CU Commission included the foregoing standard in the list of standards which were in use for confirmation of conformity, as provided for in CU Commission Decision No. 527 of 28 January 2011, Regulation on Development, Adoption, Amendment and Cancellation of Technical Regulations of the Customs Union. He also stated that Federal Law No. 184-FZ provided for review of standards which were in use for purposes of confirmation of conformity at least once every five years (Article 16.5 of Federal Law No. 184-FZ).

765. The representative of the Russian Federation confirmed that all standards currently in force in the Russian Federation containing mandatory requirements would be applied in compliance with the WTO TBT Agreement from the date of accession. In case of their inconsistency with the provisions of the WTO TBT Agreement, such standards would be modified in accordance with the procedures set-out in CU Commission Decision No. 527 of 28 January 2011, Regulation on Development, Adoption, Amendment and Cancellation of Technical Regulations of the Customs Union and national legislation. He confirmed that the Russian Federation would fulfil all requirements of the WTO TBT Agreement, including those on notifications, as of the date of accession. The Working Party took note of this commitment.

- (v) Transparency and Notification

766. In response to a question from a Member, the representative of the Russian Federation explained that all technical regulation proposals would be published in the public information system of the Russian Federation, the CU and the EurAsEC in digital form at least 60 days prior to their adoption. Neither Federal Law No. 184-FZ nor CU and EurAsEC Agreements and Acts on standardization or technical regulation defined or limited the number or character of interested persons who could submit commentary or suggestions to drafts of technical regulation.

CU Commission Decision No. 527 explicitly provided for participation of all interested persons. Draft amendments would be revised after taking into account the comments of interested persons. He also noted that the relevant international agreements and other legal acts did not provide for any restrictions for foreign persons to participate in the public review of draft technical regulations as interested persons. In accordance with CU Commission Decision No. 527, interested persons including persons from third countries could submit their proposals and remarks on drafts of CU and EurAsEC technical regulations to the relevant national authorities as determined by the Government, to the CU Party-developer of the technical regulation, to the CU Commission or to the Integration Committee of the EurAsEC (in the event of the technical regulation of EurAsEC), as relevant. Proposals would be considered and upon the review there would be prepared a summary of comments on the draft of the technical regulation and a decision on each of them, including reasons for such decisions.

767. The Federal Executive body authorised by the Government to be responsible for the draft technical regulation would send the list of comments received from all these sources in written form to the commission of experts which was elaborating the amendments, at least 30 days prior to adoption of the amendments. The commission of experts would consist of the representatives of the respective Federal Executive body, other interested Federal Executive bodies, research institutions, self-regulating organizations, public associations of entrepreneurs and consumers. The decision on the amendment of the draft technical regulation in conformity with the comments and/or referral of the draft technical regulation to CU or EurAsEC bodies for further review, harmonization and approval or rejection would be made by the Federal body responsible for development of the technical regulation on the basis of documents presented by the commission of experts. The WTO TBT Committee would be notified when draft technical regulations were circulated for comment domestically and when amendments to national standards were proposed. He assured Members of the Working Party that this procedure would operate with the aim of securing effective and timely consideration of proposals on draft technical regulation proposals and amendments to draft technical regulation proposals.

768. In response to a Member inquiring whether the comment period would be initiated only when notified, the representative of the Russian Federation stated that this 60 day period was not a specific "comment period" but a minimum allowed time-frame between publication of the draft and the publication of notification of the end of the comment period. The commission of experts initiated their review after this period had concluded. However, the CU Commission considered initial comments collected by the Federal Executive as well as any other comments received during examination of the draft. He explained that an additional period of comment was provided for in the process of development and/or adoption of CU and EurAsEC technical regulations, as provided for in CU Commission Decision No. 527 and in other CU and EurAsEC Acts.

769. In response to some Members' questions concerning matters of transparency in the area of technical regulation, the representative of the Russian Federation informed Members of the Working Party that the Federal Data Bank of Technical Regulations and Standards had been established to perform all information procedures, including WTO notifications. It also contained information on all remaining national technical regulations and national standards containing mandatory requirements that were in force. He also informed Members that a Single Enquiry Point, as contemplated under the WTO TBT Agreement and the WTO SPS Agreement, was operative within this structure, providing access to Russian regulations, standards, rules, and conformity assessment procedures, as well as drafts of respective documents. Rosstandart was the enquiry point and its website and e-mail address were the following: http://www.gostinfo.ru; and enpoint@gostinfo.ru. When national technical regulations were fully replaced with technical regulations established in accordance with relevant CU and EurAsEC Agreements and Acts, a new Single Enquiry Point would be established for the CU and EurAsEC.

770. Since December 2003, "Newsletter (Vestnik) of Technical Regulation" was published by Gosstandart (afterwards by Rosstandart). This was an official publication, which contained all domestic notifications on the development and outcome of public consultations on technical regulations, conformity assessment procedures, and standards, reports of expert commissions on technical regulations, draft legislative acts, and other regulatory legal documents in the area of technical regulation. The CU Commission website, www.tsouz.ru, was the point of publication for such documents related to the development, adoption, and application of CU technical regulations. For EurAsEC technical regulations, the website was www.evrazes.com/en.

771. Some Members expressed a concern that under the CU Commission Decision No. 620, as described in paragraph 702, foreign manufacturers not located in the territory of the CU, in contrast to manufacturers located within the territory of the CU, did not have the option to use declarations of conformity based on the CU common form. To these Members, this constituted discrimination in breach of the TBT Agreement. These Members sought a commitment that the Russian Federation, by the date of accession, would eliminate this discriminatory treatment.

772. In response, the representative of the Russian Federation confirmed that in order to comply with the WTO TBT Agreement, and in particular Article 2.1 thereof, the said discriminatory treatment would be eliminated by the date of accession of the Russian Federation to the WTO through the amendment of CU Commission Decision No. 620 of 7 April 2011 "On the Unified List's Update with Regard to Products Subjected to Mandatory Conformity Assessment (Confirmation) within the Framework of the CU with Issuance of Single Documents", approved by CU Commission Decision No. 319 of 18 June 2010 to ensure that foreign manufacturers not located within the territory of the CU would be able to demonstrate the conformity of the products imported into the territory of the CU through use of declarations of conformity using the CU common form. The Working Party took note of this commitment.

- **(vi) Conformity Assessment Procedures including the Accreditation of Conformity Assessment Bodies**

773. The representative of the Russian Federation explained that, under Federal Law No. 184-FZ, the cost of mandatory conformity assessment would be paid by the applicant. Furthermore, the cost of obligatory confirmation of compliance was to be determined regardless of the country and/or place of their origin or of the persons acting as applicants. He confirmed that the cost incurred by a conformity assessment body formed the basis for determining the cost to the applicant. The elements that would typically be considered by a conformity assessment body in the territory of the Russian Federation in determining fees included the costs of labour, any necessary materials or equipment, and tests, as well as other usual costs and profits typical to commercial practices in this sphere. The representative of the Russian Federation confirmed that, under Article 19(1) of Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010) (hereafter: Law No. 184-FZ), the procedures for the obligatory confirmation of compliance must be organized and applied in accordance with the principle of minimizing time duration and cost to the applicant. The elements and procedures for determining cost to the applicant were indicated by guidelines established by the national standardization body and, pursuant to Article 23.4 of Law No. 184, applied equally to imported and domestic products. The applicant had the right to apply to court to seek compliance with these provisions, including cases when Federal or local government or non-governmental measures or those of the CU or EurAsEC were concerned. He also noted that the provisions of Law No. 184-FZ as a whole reflected the principle of uniform application of the Technical Regulation system and of the rules of conformity assessment, regardless of the country of origin of the products or the nationality of conformity assessment bodies. Article 23(4) of Law No. 184-FZ specifically provided that the cost to be paid for work on obligatory conformity assessment of goods would be established regardless of the country and/or place of their

origin, or the origin of the persons applying for conformity assessment. The Working Party took note of these commitments.

774. In response to a question of a Member, whether conformity assessment bodies could generate profit from the fees they charge or whether they were limited to cost recovery only, the representative of the Russian Federation replied that conformity assessment bodies were commercial organizations and may generate profit.

775. The representative of the Russian Federation explained that the issues of liability for releasing to the market, products which did not meet the requirements of technical regulations (including the judicial procedure of coercive retraction of products; liability of certification bodies, accredited testing laboratories and their employees) were described in Articles 36 to 42 of Federal Law No. 184-FZ.

776. The representative of the Russian Federation explained that recognition of conformity assessment certificates issued in foreign countries was carried out in line with interstate agreements and international certification systems to which the Russian Federation had acceded and, in such cases, did not require the conclusion of a mutual recognition or other agreement. Those interstate agreements and international certification systems to which the Russian Federation had acceded and for which the Russian Federation recognised the results of conformity confirmation procedures, included the Geneva Agreement of 1955 on Mechanical Vehicles, Brussels Convention on Reciprocal Recognition of Proof Marks of Handguns and Cartridges, IEC Quality Assessment System for Electronic Components (IECQ), IEC System for Conformity Testing and Certification of Electrical Equipment (IECEE), and IEC Scheme for Certification to Standards for Electrical Equipment for Explosive Atmospheres (IECEx). For importation and transit of goods regulated by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), a permit issued by a CITES agency in the exporting country was accepted. Recognition of results of conformity assessment procedures was done through accreditation of foreign certification bodies within the national mandatory certification system based on Mutual Recognition Agreements (MRAs) and would be the responsibility of the single national accreditation body once this was established. Its first task would be to secure membership in ILAC. Membership would provide the basis for accepting the results of conformity assessment procedures of conformity assessment bodies accredited by other ILAC members. But even before joining ILAC, the Russian Federation was ready to start preparation of bilateral and multilateral arrangements with interested Members, including recognition of results of activity of certification bodies. The procedures for recognising foreign conformity assessment documents (i.e., documents for the confirmation of compliance and reports of examination (tests) and measurements of products) were also determined on the basis of relevant multilateral and bilateral agreements on mutual recognition of certificates and schemes of conformity. CU Commission Decision No. 621 of 7 April 2011 established such schemes, including scheme No. 9 which addressed the recognition of certificates of conformity of third-country conformity assessment bodies. In other cases, due to differences in requirements for the products and procedures of accreditation of certification bodies adopted in the Russian Federation compared to some other countries, foreign certificates were not recognised.

777. A Member requested information on the agreements or arrangements (multilateral, plurilateral or bilateral) that the Russian authorities or conformity assessment bodies were party to, that would facilitate the mutual recognition of certificates of conformity. In response, the representative of the Russian Federation noted that the list of multilateral and bilateral agreements to which the Russian Federation was a party, including those containing provisions on mutual recognition, was available at www.gost.ru, as was the list of acceptable conformity assessment bodies and the Unified Register of conformity assessment bodies accepted by the CU Parties.

778. A Member asked whether these lists would be made publicly available in any other languages. In response, the representative of the Russian Federation stated that upon accession, the Russian Federation would officially notify these agreements in accordance with the provisions of the WTO TBT Agreement on notification, in one of the WTO official languages.

779. Some Members of the Working Party requested clarification of the basis for acceptance of the results of conformity assessment procedures done in WTO Members, in particular on how the Russian Federation would implement Article 6.1 of the WTO TBT Agreement. They also sought confirmation that interstate agreements, international treaties, and international certification systems to which the Russian Federation had acceded included the WTO Agreement. Members noted that the Russian Federation ratified the EurAsEC Agreement on Technical Regulation Policy Coordination, Article 9.2 of which stated that "the documents of conformity assessment (confirmation) received outside the common customs area, including documents regarding test results and products imported for distribution within the common customs area, shall be recognised, only in case all States of the Parties have acceded to the relevant international treaties". They also noted that the Russian Federation had confirmed that, in practice, this meant that the documents of conformity assessment received outside the common customs area would be recognised only in cases where a mutual recognition agreement was applied between CU Parties and the relevant foreign state. They asked the Russian Federation to explain how the provisions of Article 6 of the WTO TBT Agreement, i.e., that WTO Members shall ensure, whenever possible, that the results of conformity assessment procedures in other WTO Members were accepted, even when those procedures differed from their own, provided they were satisfied that those procedures offered an assurance of conformity with applicable technical regulations or standards equivalent to their own procedures, could be implemented in light of the EurAsEC Agreement on Technical Regulation Policy Coordination.

780. With respect to accreditation, the representative of the Russian Federation explained that the main principles of the organization of the current system of accreditation were set-out in Article 31 of Federal Law No. 184-FZ and would continue to be implemented until the establishment of a single national accreditation body in 2012. Pursuant to this Law and Government Resolution No. 163 of 24 February 2009 "On Accreditation of Certification Bodies and Testing Laboratories Carrying out the Work on Conformity Assessment" (as amended on 17 June 2010) foreign certification bodies and laboratories operating in the mandatory sphere could not be accredited in the Russian Federation. Similarly, according to the CU Commission Decision No. 319 foreign certification bodies and laboratories could not be included into the CU Unified List of accredited bodies. However, pursuant to Article 30 of Federal Law No. 184-FZ, the Russian Federation was able to accept the results of foreign conformity assessment bodies and similar provisions were incorporated in CU Commission Decision No. 621 of 7 April 2011. When the single national accreditation body of the Russian Federation joined ILAC, acceptance of the results of conformity assessment bodies accredited by other ILAC members would be facilitated.

781. The representative of the Russian Federation explained that accreditation of certification bodies and test laboratories, according to the provisions of Article 31 of Federal Law No. 184-FZ, was voluntary and organised in conformity with the principles set-out in that Article, which included requirements for the certification body and/or test laboratory to provide free access to its rules for the accreditation of certification bodies and test laboratories, to establish its independence and competence, not to restrict competition, and to provide equal access for all applicants to accreditation. Any limitations which could adversely affect or impede the recognition of these accredited bodies in the different regions of the Russian Federation were prohibited. Therefore, anybody accredited by the Russian Federation to conduct conformity assessment was recognised anywhere in the territory of the Russian Federation and with the implementation of the CU Treaty on the Functioning of the Customs Union In Compliance with Customs Union Party Commitments under the Multilateral Trading

System, would be recognised in the territory of the other CU Parties as well. Further, as noted in paragraph 709, neither Federal Law No. 184-FZ nor the CU Agreement on Mutual Recognition of Accreditation Bodies permitted the same entity to engage in both certification and accreditation activities. The rules of accreditation and list of the accreditation bodies, including submissions to the CU Unified Register of conformity assessment bodies were set by the Government of the Russian Federation, as further described in paragraphs 702 through 709.

782. One Member requested the Russian Federation to provide a list, in English, of the certification bodies authorised to provide the GOST R certification for electronic/electrical (including IT), mechanical and chemical products. In response, the representative of the Russian Federation stated that such list was available on the website of Rosstandart, www.gost.ru but not yet in English.

783. One Member of the Working Party noted that accreditation of conformity assessment bodies in a foreign country by an accreditation body fulfilling the requirements of ISO 17011, should be sufficient. In response, the representative of the Russian Federation stated that, in his view, all of the accreditation procedures in the Russian Federation were based on standard ISO 17011, which set-out guidelines for accreditation bodies. Thus, simplifying accreditation procedures and avoiding re-accreditation could be accomplished, *inter alia*, through the agreements on mutual recognition of accreditation bodies, if the relevant accreditation body was a signatory of the ILAC Arrangement or the IAF Multilateral Agreement or the relevant conformity assessment body participates for example, in an IEC scheme. He emphasized that one Russian accreditation body, the Association of Analytical Centres "Analitica" (AAC Analitica), was a signatory to the ILAC Arrangement in the voluntary sphere and that the single national accreditation body of the Russian Federation intended to become a Member of ILAC after its establishment.

784. In response, the representative of the Russian Federation confirmed that the WTO Agreement was an international treaty within the meaning of Article 30 of Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010) (Law No. 184-FZ). Thus, it was possible under Law No. 184-FZ for the Russian Federation to accept the results of conformity assessment procedures done in WTO Members on the basis of, and in compliance with, Article 6.1 of the WTO TBT Agreement, without requiring the conclusion of a mutual recognition or other agreement. The acceptance of such results throughout the CU would be established by the CU Treaty on the Functioning of the Customs Union in Compliance with Customs Union Party Commitments under the Multilateral Trading System. Therefore, from the date of its accession to the WTO, the Russian Federation would ensure, whenever possible, that results of conformity assessment procedures of conformity assessment bodies located in other WTO Members were accepted, provided that the Russian Federation was satisfied, as provided in Article 6.1 of the WTO TBT Agreement, that those procedures offered an assurance of conformity with applicable technical regulations or standards equivalent to the own procedures of the Russian Federation. The representative of the Russian Federation also confirmed that as provided in Article 6 of the WTO TBT Agreement, such acceptance also could, for example, be achieved through the membership of the single national accreditation body of the Russian Federation, once established, in ILAC and the International Accreditation Forum (IAF) and signing of the ILAC Arrangement, which would build confidence in the adequacy and technical competence of the conformity assessment bodies of third countries accredited by other ILAC and IAF members, including acceptance of the results of such conformity assessment bodies, conclusion of a Mutual Recognition Agreement and other appropriate means. The Working Party took note of these commitments.

785. The representative of the Russian Federation explained that in accordance with the authority conferred in Article 31(3) of Federal Law No. 184-FZ, the current list of accredited certification bodies and test laboratories was published on the Rosstandart website (www.gost.ru).

The representative of the Russian Federation confirmed that the accreditation bodies certified pursuant to Article 31(3) of Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010) would be replaced by a single national accreditation body by 30 June 2012, and the name and other information on this Body would be duly published along with the accredited bodies listed in the CU Unified Register, on the Rosstandart website (www.gost.ru) and the website of the CU Commission (www.tsouz.ru), respectively. The Working Party took note of this commitment.

786. In response to a question from a Member, the representative of the Russian Federation noted that the development of draft technical regulations could proceed in parallel with the development of draft national standards. When developing technical regulations, the Russian Federation would use relevant international standards, or the relevant parts thereof, as a basis, in accordance with Article 2.4 of the WTO TBT Agreement. Before a technical regulation entered into force, Rosstandart, as the national standardization body, must approve and publish in a publication of the Federal Executive Body for technical regulation (Newsletter (Vestnik) of Technical Regulation) and in the public information system in digital electronic form (www.gost.ru) the list of national standards and (or) sets of rules, the voluntary application of which results in compliance with the requirements of the approved technical regulations. The requirements of the particular technical regulation for which voluntary compliance with national standards and (or) sets of rules established compliance with the technical regulation, could be indicated in the national standards and (or) sets of rules. The application of national standards and (or) sets of rules on a voluntary basis would suffice to establish compliance with the requirements of the corresponding technical regulations. In case national standards and (or) sets of rules were applied for compliance with the requirements of the technical regulations, the assessment of compliance with the requirements of the technical regulations could be carried out on the basis of confirmation of compliance with the national standards and (or) sets of rules. These procedures were also relevant in terms of the CU system. Article 6 of the CU Agreement on Uniform Technical Regulation Principles stated that "the Commission shall approve the list of international and regional standards, and in the absence thereof - national standards of the CU Parties - voluntary application whereof ensures observance of requirements of the adopted technical regulations of the Customs Union and the methods of establishing conformity with CU technical regulations".

787. The representative of the Russian Federation confirmed that, depending on the technical regulation at issue, documents establishing compliance with the requirements of the technical regulation could include a supplier's own evidence, such as declaration of conformity with the relevant technical regulation, test reports, and other documents as relevant, in accordance with the legislation of the Russian Federation, CU and EurAsEC Agreements and other EurAsEC and CU Acts, or the results of conformity assessment procedures that the Russian Federation may accept pursuant to Article 6.1 of the WTO TBT Agreement. The Working Party took note of these commitments.

788. The representative of the Russian Federation stated that, Federal Law No. 184-FZ provided that until corresponding technical regulations had come into effect, the Government would approve a unified list of products that would be subject to obligatory certification, and a unified list of products, that would be subject to declaration of conformity, and would supplement these lists every year. In addition, these lists had formed the basis for the contribution of the Russian Federation to the Unified List compiled by the CU Commission, in accordance with CU Commission Decision No. 319.

789. He confirmed that the Russian Federation would review not only its lists of products subject to obligatory certification or declaration of conformity, but all the technical regulations applied on the territory of the Russian Federation, including CU and EurAsEC technical regulations, on an ongoing basis to ensure that they remained necessary to achieve the desired legitimate objective, in accordance

with Article 2.3 of the WTO TBT Agreement. Technical regulations would not be maintained if the circumstances or objectives giving rise to their adoption no longer existed or if the changed circumstances or objectives could be addressed in a less-restrictive manner. The Working Party took note of the commitments.

790. The representative of the Russian Federation further explained that, pursuant to Article 24(1) of Federal Law No. 184-FZ and Article 7.2 of the CU Agreement on Uniform Technical Regulation Principles, persons submitting a conformity declaration had to be registered in the Russian Federation or in one of the CU Parties, respectively, as legal persons or individual entrepreneurs, who were producers or sellers, or who were representing a foreign producer. In the latter case, a contract establishing delegation of authority to apply for conformity of the products to technical regulations and liability for non-conformity of the delivered products was required. Pursuant to Article 46(4) of Federal Law No. 184-FZ and the CU Agreement on Uniform Technical Regulation Principles, until the corresponding technical regulations had come into effect only producers or persons resident in one of the CU Parties representing a foreign producer could declare conformity on the basis of its own proofs (i.e., the declaration of conformity of a manufacturer or supplier). Importers could do so for foreign goods they imported into the Russian Federation based on a contract for that importation.

791. Some Members expressed concerns about the requirement that, in the case of imports, the person submitting a conformity declaration was required to supply a contract including certain conditions when this was not required for submission of a conformity declaration for domestically produced articles. This additional requirement raised concerns about national treatment and that the decision on whether to provide the conformity declaration would be based on conformity with the contract, including provisions on quality, rather than technical regulations. These Members requested that the Russian Federation eliminate the requirement to submit a contract and to ensure that conformity assessment was for compliance with technical regulations and not the terms of a contract.

792. In response, the representative of the Russian Federation explained that Article 24(1) of Federal Law No. 184-FZ did not require that the contract contain provisions on the safety of goods which would then be subject to conformity assessment. The purpose for requiring a contract was to establish existence of the contractual obligation of the foreign supplier to the person who represented such supplier to ensure that the imported goods would be in conformity with applicable technical regulations, and that the person who represented such supplier would assume liability for any injury resulting from non-conformity with technical regulations**.** He added that the authorities of the Russian Federation did not influence or interfere in the economic and legal relations between entrepreneurs in respect of terms of contract.

793. Some Members expressed concern that the provisions imposing liability on local suppliers for goods not meeting the technical regulations or standards-related-requirements implied that the goods manufacturer would be forced to share proprietary and confidential information with the local supplier in order for the latter to exercise its right of defence before the court. They noted that the manufacturer was the only entity which was ultimately responsible for the non-conformity of the good with the technical regulations or standards and, thus, should have the right to stand before the court in defence of conformity claims.

794. In response, the representative of the Russian Federation explained that a foreign manufacturer, who intended to participate in a dispute between a person who represented its interests in the Russian Federation and a consumer who had suffered damages due to the product it had produced, was entitled to do so in accordance with Article 43 of the Civil Procedural Code of the Russian Federation. Under this Article such producer would be qualified as a "third party who does not submit a separate claim" in case the outcome of the dispute could affect its rights and obligations as regards any party of the dispute. In accordance with the said Article such producer could also be

involved in the case as a "third party who does not submit a separate claim" at the request of any party to the dispute or at the initiative of the Court. Therefore, the representative of the Russian Federation explained that the manufacturer of the product(s), being the entity possessing the most complete information that could provide evidence on compliance of the good(s) with applicable technical regulations, would be entitled to demonstrate directly to competent judicial and administrative authorities the conformity of the good(s). He also explained that the following provisions of the Federal Law of 29 July 2004 No. 98-FZ "On Commercial Secrets", in particular Articles 10 and 14 thereof that provided for measures that ensured security of the information constituting commercial secret as well as criminal, civil and administrative liability of the persons responsible for illegal disclosure of that type of information, further specified in Article 13.14 of the Code of the Russian Federation on Administrative Offences, Article 183 of the Criminal Code of the Russian Federation, and Article 1472 of the Civil Code of the Russian Federation, guaranteed that confidential and proprietary information would be fully protected.

795. He further stated that, pursuant to Article 24(2), (3), and (4) of Federal Law No. 184-FZ, when declaring conformity on the basis of the applicant's own proofs and those obtained with participation of a third party, an applicant, at his own choice and in addition to providing his own proof:

- could include in evidentiary materials the reports of research (tests) and measurements carried out in an accredited test laboratory (centre); and
- could submit the certificate of quality system, in relation to which there was provided for the control (supervision) of certification body, which has issued the given certificate, over certification object.

796. The representative of the Russian Federation explained that the certificate of a quality system may be used together with other proofs when assessing the supplier's declaration for any products, except for the case when technical regulations stipulated for such products another form of conformity assurance. The contents of the documentary evidence were to be determined by a particular technical regulation.

797. The representative of the Russian Federation noted that, in respect of mandatory certification, Federal Law No. 184-FZ provided that certification schemes applied for certification of products would be determined in the relevant technical regulations and not by the certification authority (Article 25(1)). The duration of validity of conformity certificates and conformity declarations were to be established in the relevant technical regulation. Further, according to Article 27 of Federal Law No. 184-FZ, products whose compliance with the requirements of technical regulations had been confirmed in accordance with the procedure stipulated by Federal Law No. 184-FZ must be labelled with the mark of circulation on the market. The applicant must label products with the mark of circulation on the market on his own, by any method (way) suitable for him.

798. Some Members noted that there did not appear to be a commitment to ensure that regulatory authorities allow a reasonable period of time between the final publication of a conformity assessment procedure and its entry into force so that suppliers can adapt. The representative of the Russian Federation replied that Article 7(10) of Federal Law No. 184-FZ of 27 December 2002, "On Technical Regulation" (as last amended on 28 September 2010) (Federal Law No. 184-FZ) provided that final technical regulations would not enter into force earlier than six months after their official publication. He clarified that the rules of conformity to a technical regulation generally would be contained within the regulation itself. In this context, the reference to "technical regulations" in Article 7(10) of Federal Law No. 184-FZ referred to conformity assessment procedures as well; thus, there would be no less than six months between the official publication of a conformity assessment

procedure and its entry into force. He confirmed that Article 7(2) of Federal Law No. 184-FZ provided that the requirements of technical regulations must not be applied so as to create obstacles to trade to a greater extent than necessary to achieve the aims set-out in Article 6(1) of Federal Law No. 184-FZ. The Working Party took note of the commitment.

799. The representative of the Russian Federation further explained that, in cases where a positive assurance of conformity with technical regulations was required and technical rules and methods for ensuring compliance with technical regulations (i.e., elements of conformity assessment procedures, defining the methods of research, tests, measurements, or selection of samples that could be used to comply with the technical regulations) were not included in a technical regulation, such rules and methods would be developed in accordance with CU Commission Decision No. 527 of 28 January 2011, Regulation on Development, Adoption, Amendment and Cancellation of Technical Regulations (CU Commission Decision No. 527). He confirmed that CU Commission Decision No. 527 provided for the placement of such rules and methods in digital electronic form not later than 90 days before the day of their adoption, approved by the CU Commission not later than 60 days before the entry into force of the relevant technical regulation and published on websites of the CU Commission and of MIT (www.tsouz.ru and www.minpromtorg.gov.ru/eng, respectively). He added that these rules were to be based on relevant guides or recommendations issued by international standardizing bodies, in accordance with Article 5.4 of the WTO TBT Agreement, and would define the methods of research, tests, measurements, or selection of samples that may be used to comply with the technical regulations. The rules must, where possible, list a choice of compliance methods and, in order to ensure compliance with Article 5.1.2 and other provisions of the WTO TBT Agreement, conformity assessment procedures would not be more strict or be applied more strictly than necessary to give adequate confidence that products conform with the applicable technical regulations, taking account of the risks non-conformity would create. He confirmed that the above-mentioned rules would not create a bigger impediment to business activity than was necessary to fulfil the goals that are specified in Article 4.2 of the CU Agreement on Uniform Principles and Rules of Technical Regulation in the Republic of Belarus, Republic of Kazakhstan and the Russian Federation of 18 November 2010. The Working Party took note of these commitments.

800. The representative of the Russian Federation noted that pursuant to Article 29(1) of Federal Law No. 184-FZ, customs clearance of products subject to mandatory conformity assessment required submission of a conformity certificate or a conformity declaration registered with the authorised body. Such a certificate or a conformity declaration was submitted to customs authorities together with the customs declaration, and was necessary to obtain permission to import the products in question into the Russian Federation. Lists of products requiring mandatory certification, including the HS Codes, were to be approved on the basis of technical regulations by the Government. Currently, the national list of products subject to mandatory certification or declaration of conformity was provided in Government Resolution No. 982 of 1 December 2009 "On the Approval of the Single List of Goods Subject to Mandatory Certification and Single List of Goods whose Conformity may be Confirmed by Conformity Declaration" (as last amended 13 November 2010). He noted that 24 current national technical regulations in effect in the Russian Federation also included the list of goods subject to mandatory certification or declaration of conformity. He further recalled that, since 1999, a wide range of products subject to mandatory certification had been consequently transferred to the conformity declaration procedure (in accordance with amendments to the above regulations, provided by Government Resolutions No. 287 of 29 April 2002, No. 72 of 10 February 2004, No. 775 of 17 December 2005, and No. 982 of 1 December 2009). According to preliminary assessments, upon entry into effect of all envisaged technical regulations, approximately 60 per cent of goods would be subject to conformity declaration and 40 per cent to conformity certification. CU and EurAsEC Agreements and Acts also had established the Unified Register of declarations of conformity and certification accepted within the CU. The Unified List of Goods subject to mandatory certification and confirmation by conformity declaration was contained in CU Commission Decision No. 620.

801. In response to concerns of one Member in respect of transparency of mandatory requirements which were currently applied to imported goods and would stay in effect until the adoption of the relevant technical regulations, the representative of the Russian Federation informed Members of the Working Party that a unified list of products subject to mandatory certification and certification of conformity, adopted in accordance with Article 46(3) of Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010) (Law No. 184-FZ), as well as in accordance with CU Agreement on Circulation of Goods Subject to Mandatory Conformity Assessment on the Customs Territory of Customs Union of 11 December 2009 and CU Commission Decision No. 526 of 28 January 2011, "On the Unified List of Products, in Respect of which Mandatory Requirements are Established in the Framework of the Customs Union" was available at the website www.minpromtorg.gov.ru and the CU Commission website www.tsouz.ru. These lists were legally binding. The Unified List of Goods established by CU Commission Decision No. 620 of 7 April 2011 "On the Unified List's Update with Regard to Products Subjected to Mandatory Conformity Assessment (Confirmation) Within the Framework of the CU" with issuance of single documents, approved by CU Commission Decision No. 319 of 18 June 2010 indicated particular national standards and/or their parts which defined mandatory requirements for such goods and would stay in force until the relevant CU and EurAsEC technical regulations entered into force. He emphasized that the national list would be duly revised and updated in accordance with the procedures provided for by Article 46(3) of Federal Law No. 184-FZ, i.e. upon adoption of new technical regulations or updating of existing national standards due to developments of technologies. Interested parties and Members would be able to participate in such updating, in accordance with the procedures described in paragraph 766. The Unified List would be amended in accordance with normal CU Commission procedures. He stated that in his view such lists would be an effective mechanism ensuring the transparency of mandatory requirements and facilitation of trade.

802. The representative of the Russian Federation explained that documents (national standards and others) relevant to goods subject to mandatory certification and declaration of conformity were developed in accordance with Government Resolution No. 982 of 1 December 2009 "On Approval of the Single List of Goods Subject to Mandatory Certification and Single List of Goods Subject to Conformity Confirmation Procedures by means of Conformity Declaration" and published on the website of Rosstandart. Rosstandart, the successor of Gosstandart, was in charge of accreditation. The procedures of conformity confirmation of products determined before 1 July 2003 by Rosstandart or other governmental bodies of the Russian Federation, in conformity with established international practices, would remain in effect until the issuance of CU or EurAsEC technical regulations or would be eliminated if the relevant technical regulation was eliminated or transformed into a voluntary standard. Since the entry into force of Federal Law No. 184-FZ, mandatory assessment of conformity with technical regulations has been governed exclusively by the relevant provisions of the Law, specifically Articles 20 (Forms of Compliance Confirmation) and 23 (Obligatory Confirmation of Compliance). The provisions of technical regulations containing the conformity assessment procedures used in respect of particular products must be in compliance with those Articles and with the relevant CU and EurAsEC Agreements and EurAsEC and CU Acts. He noted that work on mandatory certification of goods was currently conducted by Russian authorities and laboratories accredited by Rosstandart and other accreditation bodies in accordance with the established procedure and later, after the new CU System was developed, by a single national accreditation body. This single national accreditation body would be solely responsible for the accreditation of assessment bodies. In response to the request of a member, the representative of the Russian Federation said that a list of certification bodies accredited to provide the GOST R certification for electronic/electrical (including information technology), mechanical and chemical products had been provided on the website of Rosstandart: www.gost.ru.

803. The representative of the Russian Federation explained that the Russian Federation would, from the date of accession, ensure that central government bodies use existing (or soon-to-be-

completed) relevant guides or recommendations, or the relevant parts of them, issued by international standardization bodies as a basis for their conformity assessment procedures, except where, as provided for in Article 5.4 of the WTO TBT Agreement, such guides or recommendations or relevant parts of them are inappropriate for the Russian Federation. In addition, he confirmed that the Russian Federation would in accordance with Articles 7 and 8 of the WTO TBT Agreement, from the date of accession, take all reasonable measures to ensure that local government bodies and non-governmental bodies within its territory to the extent that they operated conformity assessment procedures, complied with the respective provisions of the WTO TBT Agreement. He also confirmed that in accordance with Article 5.1.2 of the WTO TBT Agreement, in respect of products subject to mandatory certification the conformity assessment procedure provided for in CU and EurAsEC Agreements and Acts would not be more strict or be applied more strictly than was necessary to give the Russian Federation adequate confidence that products conformed to the applicable technical regulations or standards. He confirmed that the products subject to mandatory certification set-out in the CU Unified List described in paragraph 801 would be defined in accordance with the provisions of the TBT Agreement, including the provisions of Article 5.1.2 thereof. The Working Party took note of these commitments.

804. The representative of the Russian Federation confirmed that the Russian Federation would, from the date of accession, ensure that a procedure was maintained to review complaints concerning the operation of conformity assessment procedures and ensure that corrective actions were taken in response to justified complaints in accordance with the requirements of Article 5.2.8 of the WTO TBT Agreement. The Working Party took note of these commitments.

805. In response to a question from a Member regarding the number of products subject to mandatory certification, the representative of the Russian Federation explained that, as more low risk products would become subject to supplier's declaration of conformity, the overall number of products currently subject to mandatory certification could be expected to decline in future compared to today.

806. In response to the question from one Member regarding the perspectives of transferring electronic equipment to the sphere of declaration of conformity, the representative of the Russian Federation noted that, while taking a decision of transferring of particular types of electronic equipment to the sphere of declaration of conformity, the factor of risk to cause harm is considered. Taking into account that electronic equipment, which was intended for non-professional users (those not having special education), carried elevated risk, currently such products should be subject to certification, in accordance with the existing norms of technical regulation based on international rules. Electronic equipment such as computers and audio-visual equipment, intended for professional users, would be subject to declaration of conformity. He stated that the Russian Federation would seek and duly consider a position of interested WTO Members regarding changes of the form of conformity assessment (certification) for electronic equipment such as television (TV), audio-visual (AV) and personal computers, within the procedures described in paragraph 724. He also explained that the Russian Federation would permanently conduct a review of products under certification, with the purpose to expand the scope of products under declaration of conformity, on the base of new data, provided, *inter alia*, by manufacturers. In addition, he stated that in accordance with the adopted CU technical regulation on safety of low-voltage equipment (which regulated also electrical safety of TV, AV and personal computers) the validity of certificates was extended from three to five years.

807. In response to a request from a Member regarding automatic extension of the term of validity of automobile-type approval, the representative of the Russian Federation explained that, according to the technical regulation on Safety of Wheeled Vehicles, adopted by the Russian Federation, for extension of the term of validity of automobile-type approval, analysis of the changes affecting the safety of the vehicle should be done. If there were no such changes, the automobile-type approval would be extended without additional tests. The representative of the Russian Federation assumed

that such approach, aimed at simplification of automobile-type approval procedure, complied with the provisions of the WTO TBT Agreement. The representative of the Russian Federation stated that the same approach, as described above in this paragraph, would be reflected in the corresponding technical regulation of the Customs Union which was currently under development.

808. In response to the request of a Member to eliminate duplicative certification requirements applied to industrial products, the representative of the Russian Federation confirmed that the Russian Federation abolished the duplicative certification requirement for industrial products on 1 July 2010, and that it would seek to ensure that such duplicative certification requirements would not be contained in any future CU technical regulations.

809. In response to questions from some Members concerning matters of transparency in the area of technical regulation, the representative of the Russian Federation informed Members of the Working Party that the Federal Data Bank of Technical Regulations and Standards had been established to perform all information procedures, including WTO notifications. He also informed Members that within this structure a Single Enquiry Point, as contemplated under the WTO TBT Agreement and the WTO SPS Agreement, were operative, providing access to, technical regulations, standards, rules, and conformity assessment procedures applied on the territory of the Russian Federation, as well as drafts of respective documents. Rosstandartinform, a State Unitary Enterprise, was the enquiry point and its website and e-mail address were the following: http://www.gostinfo.ru; enpoint@gostinfo.ru.

810. In response to a question from a Member about the mandatory labelling requirement for GMO products, the representative of the Russian Federation stated that this requirement, in his view, complied with the legitimate objective of preventing deceptive practices, as provided for by Article 2.2 of the WTO TBT Agreement and reflected in Article 6.1 of Federal Law No. 184-FZ and Article 4.2 of the CU Agreement on the Common Policy on Technical Regulations. This requirement did not restrict entering of products containing GMOs into the market of the Russian Federation. It did not require from the producer any special labelling for a product containing GMOs but rather just a listing of the GMOs amongst other elements of the product's content. Furthermore, this requirement applied in the same manner to many WTO Members and there was no definitive provision in the WTO legislation establishing that it was inconsistent with the WTO rules.

811. Some Members expressed concern about the statement by the representative of the Russian Federation that a mandatory labelling requirement for GMO products "complied with the legitimate objective of 'preventing deceptive practices'". In the view of these Members, such mandatory labelling was itself deceptive, because it incorrectly implied that products made from GMOs were not as safe as comparable, non-GMO products. One Member stated that it did not share the opinion of the Russian Federation that mandatory special labelling for a product containing GMOs complied with WTO TBT legislation and would like this labelling requirement to be removed.

812. Some Members noted that quality management systems based on ISO 9000 should be recognised without Mutual Recognition Agreement. In response, the representative of the Russian Federation noted that the Russian Federation considered quality management systems as voluntary certification systems. This was a sphere that was not regulated. Thus, authorities may not persuade anybody to recognise such systems, rather they could take actions promoting and facilitating voluntary recognition of such systems, *inter alia* by means of Mutual Recognition Agreements, concluded on a voluntary basis. Furthermore, quality management systems on particular kinds of products, based on ISO 9000, were recognised within the international ISONET system, and this practice took place in the Russian Federation.

813. The representative of the Russian Federation confirmed that, from the date of accession, the Russian Federation would ensure that all laws, regulations, and other measures within the scope of the WTO TBT Agreement, such as technical regulations, standards, and conformity assessment procedures, applied in the Russian Federation complied with the provisions of the WTO TBT Agreement. The Working Party took note of this commitment.

- **Sanitary and Phytosanitary Measures**

- **(a) General Regulatory Framework for Trade in Agricultural Products and Compliance with WTO SPS Obligations**

814. The representative of the Russian Federation stated that the legislative basis for the regulation of the Sanitary and Phytosanitary (SPS) regime in the Russian Federation was established by the following: Eurasian Economic Community (EurAsEC) and Customs Union (CU) Agreements; and, EurAsEC and CU Decisions: The EurAsEC Agreement on Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 25 January 2008, the EurAsEC Agreement on Establishing the EurAsEC Informative System in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 12 December 2008, the CU Agreement on Sanitary Measures of 11 December 2009 (as last amended by Decision of the Interstate Council of EurAsEC No. 39 of 21 May 2010), the CU Agreement on Veterinary and Sanitary Measures of 11 December 2009 (as last amended by the Interstate Council of EurAsEC Decision No. 39 of 21 May 2010), Decision of the Interstate Council of the EurAsEC No. 83 of 19 May 2011 "On Entering into Force of Protocols of 21 May 2010 in the Sphere of Implementation Sanitary, Veterinary-and-Sanitary and Phytosanitary Measures", the CU Agreement on Plant Quarantine of 11 December 2009 (as last amended by the Decision of the Interstate Council of EurAsEC No. 39 of 21 May 2010), CU Commission Decision No. 299 of 28 May 2010 "On the Application of Sanitary Measures in the Customs Union" (as last amended by CU Commission Decisions No. 342 of 17 August 2010, No. 455 of 18 November 2010, and No. 622 of 7 April 2011), CU Commission Decision No. 317 of 18 June 2010 "On the Application of Veterinary-Sanitary Measures in the Customs Union" (as last amended by CU Commission Decision Nos. 342 of 17 August 2010, 455 of 18 November 2010, 623 of 7 April 2011, and 724 of 22 June 2011), CU Commission Decision No. 455 of 18 November 2010 adopted "The Unified List of Dangerous and Quarantine Diseases of Animals of the Customs Union", CU Commission Decision No. 607 of 7 April 2011 "On Common Forms of Veterinary Certificates on Imported Goods Subject to Veterinary Control into the Customs Union Territory", CU Commission Decision No. 624 of 7 April 2011 "On the Regulation on the Procedure of Development and Maintenance of the Register of Companies and Persons which Carry out Production, Reprocessing and (or) Storing Products Subject to Veterinary Control (Surveillance) and Imported into the territory of the Custom Union", CU Commission Decision No. 318 of 18 June 2010 "On Assurance of Plant Quarantine in the Customs Union" (as last amended by CU Commission Decision No. 454 of 18 November 2010), CU Commission Decision No. 625 of 7 April 2011 "On Harmonization of CU Legal Acts in the Field of Sanitary, Veterinary and Phytosanitary Measures with International Standards" as amended by CU Commission Decision No. 722 of 22 June 2011, CU Commission Decision No. 721 of 22 June 2011 "On Application of International Standards, Recommendations, and Guidelines", CU Commission Decision No. 724 of 22 June 2011 "On Amendment of the Regulation on Common Procedure for Conduct of Veterinary Control at the Customs Border of the Customs Union and within the Customs Territory of the Customs Union", CU Commission Decision No. 726 of 15 July 2011 "On Veterinary Measures", CU Commission Decision No. 801 of 23 September 2011 "On Regulation on the Uniform Procedure of Carrying Out Examination of Legal Acts of the Customs Union in the Sphere of Implementation of Sanitary, Veterinary and Phytosanitary Measures", CU Commission Decision No. 830 of 18 October 2011 "On Amendments to the Common Veterinary (Veterinary And Sanitary) Requirements Applicable to the Goods Subject to Veterinary Control (Surveillance)",

CU Commission Decision No. 831 of 18 October 2011 "On Amendments to the Common List of Goods Subject to Veterinary Control (Surveillance)", CU Commission Decision No. 832 of 18 October 2011 "On Amendments to the Forms of Common Veterinary Certificates for the Importing to the CU Customs Territory of the Controlled Goods from Third Countries", CU Commission Decision No. 833 of 18 October 2011 "On Equivalence of Systems of Inspection of Objects of Veterinary Control (Surveillance)", CU Commission Decision No. 834 of 18 October 2011 "On Regulation on Common System of Joint Inspections of Objects and Sampling Goods (Products), Subject to Veterinary Control (Surveillance)", CU Commission Decision No. 835 of 18 October 2011 "On Equivalence of Sanitary, Veterinary or Phytosanitary Measures and Conduct of Risk Assessment".

815. In addition, the representative of the Russian Federation stated that the following Federal laws remained in effect to the extent that they did not contradict the CU Agreements and CU Commission Decisions: Federal Law No. 164-FZ of 8 December 2003 "On the Basis of Regulation of Foreign Trade Activity" (as last amended on 8 December 2010), Law of the Russian Federation No. 4979-1 of 14 May 1993 "On Veterinary Practices" (as last amended on 28 December 2010; this amendment entered into force on 29 June 2011), Federal Law No. 99-FZ of 15 July 2000 "On Quarantine of Plants" (as last amended on 28 December 2010; this amendment entered into force on 29 June 2011), Federal Law No. 29-FZ of 2 January 2000 "On Quality and Safety of Food Products" (as last amended on 28 December 2010; this amendment entered into force on 29 June 2011), Federal Law No. 52-FZ of 30 March 1999 "On Sanitary and Epidemiological Well-being of the Population" (as last amended on 28 December 2010; this amendment entered into force on 29 June 2011), Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010), Federal Law No. 88-FZ of 12 June 2008 "On Technical Regulations for Milk and Milk Products" (as last amended on 22 July 2010), and corresponding secondary normative legal acts, e.g. Order of the Ministry of Agriculture (MOA) No. 404 of 7 November 2011 "On Adoption of Administrative Regulation of the Federal Service on Veterinary and Phytosanitary Control on Provision of State Service on Issuance of Authorizations for Imports to the Russian Federation and Exports from the Russian Federation, as well as Transit within its Territory of Animals, Products of Animal Origin, Medicines for Veterinary use, Feeds and Feed Additives for Animals". The representative of the Russian Federation stated that, in his view, the provisions of these laws did not violate the provisions of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (WTO SPS Agreement). The representative of the Russian Federation noted that a new law "On Plant Quarantine" was being drafted and had been posted on the MOA website for public comment. It was expected that this draft law would be presented to the Duma and enacted in 2011. The plan was for it to enter into effect on 1 January 2012. Similarly, a new law on veterinary practices was also being prepared. Finally, he noted that his Government had provided detailed information on the implementation of WTO SPS obligations in the domestic regulatory system in document WT/ACC/SPEC/RUS/36/Rev.1 of 11 July 2011.

- (b) Competent Authorities for the Regulation of Trade in Agricultural Products

- (i) Customs Union Authorities

816. The representative of the Russian Federation explained that within the CU institutional framework for regulating in the sphere of SPS measures, the role of the CU Commission was to coordinate the development and implementation of SPS measures by CU Parties, which involved their respective sanitary, veterinary, and phytosanitary authorities. The CU Commission laid out common general principles and adopted common safety requirements for goods marketed within the territory of the Customs Union. These safety requirements covered sanitary and epidemiological, veterinary, and phytosanitary regulations that governed production and trade of the CU.

817. The representative of the Russian Federation further explained that pursuant to CU Commission Decision No. 319 of 18 June 2010 (as amended by CU Commission Decision No. 431 of 14 October 2010 and last amended by CU Decision No. 454 of 18 November 2010), the CU Commission had established a Coordination Committee on Technical Regulation and Application of Sanitary, Veterinary and Phytosanitary Measures (Coordination Committee). The Coordination Committee was composed of nine members, three from each CU Party at the deputy minister level, and ensured that the competent authorities of the CU Parties adopted agreed decisions in the area of technical regulation and application of SPS measures. The main objectives of the Committee were:

- ensuring coordinated activities of the Competent Bodies of the CU Parties, as well as consideration of issues arising in the process of implementation of the policy in the area of technical regulation and application of sanitary, veterinary and phytosanitary measures;
- analysing issues, related to the assessment of the status of and the ways to improve CU technical regulations and application of sanitary, veterinary and phytosanitary measures within the CU;
- ensuring implementation of CU Agreements and CU Acts, involving or related to establishing technical regulations for the protection of life and health of humans, property, the environment, and life and health of animals and plants;
- monitoring and preparation of analytical materials and proposals in the area of technical regulation and application of sanitary, veterinary and phytosanitary measures within the CU;
- preparing relevant recommendations and draft decisions on the issues of introduction, implementation, modification or termination of technical regulations and application of sanitary, veterinary and phytosanitary measures within the CU; and
- considering unresolved differences between the Competent Bodies of the Parties in respect of draft technical regulations and other acts related to technical regulation and application of sanitary, veterinary and phytosanitary measures within the CU.

818. In response to a question from a Member, the representative of the Russian Federation explained that the CU Parties were preparing a draft CU Commission Decision on harmonising sanctions to be taken in cases of non-compliance of economic operators with CU Agreements and CU Commission Acts.

819. The Coordination Committee had established a senior level Expert Group on "Technical Regulation and Application of SPS measures" that met as needed and six expert groups that focused on the following issues related to technical regulation, including SPS matters:

- Working Group on sanitary measures;
- Working Group on veterinary-and-sanitary measures;
- Working Group on phytosanitary measures;
- Working Group on harmonisation of the sanitary-epidemiological and hygienic requirements;
- Working Group on development and application of common methods of determination of antibiotics residues in milk and dairy products; and
- Working Group on harmonisation of the CU Parties' legislation on penalties for violation of SPS legislative requirements.

Pursuant to the Regulations of the Coordination Committee, each of these Working Groups reported directly to the Coordination Committee. The representative of the Russian Federation noted that the Coordination Committee could create additional working groups. The composition of these working groups was established by Decision of the Executive Secretary of the CU Commission (Decision No. 1 of 18 November 2010, last amended by Decision No. 5 of 7 March 2011). The number of members of these working groups was not limited, and the members were appointed by the competent Ministries of each CU Party. The Secretariat of the CU Commission was

responsible for organizing the work of the CU Commission, CU Coordination Committee and its working groups and provided informational and technical assistance to these bodies. The Secretariat included a Department responsible for technical regulations, sanitary and phytosanitary measures.

- **(ii) National Authorities**

820. The representative of the Russian Federation explained that within the Russian Federation, the sanitary authority was the Federal Supervisory Service for Protection of Customers Rights and Human Well-Being ("Rospotrebnadzor"), under the jurisdiction of the Ministry of Health and Social Development of the Russian Federation (MOH). The Ministry of Agriculture (MOA) was the competent authority with regard to veterinary and phytosanitary issues. The MOA was directly responsible for the marketing authorisation (including safety assessment) in the Russian Federation of pesticides, agro chemicals and veterinary medicinal products. The MOA also was responsible for the marketing authorisation (including safety assessment) of feed additives and the MOH was responsible for the marketing authorisation (including safety assessment) of food additives. Both the MOH and the MOA were responsible for ensuring that SPS measures adopted at national level complied with the corresponding SPS norms adopted at the CU level.

821. Rospotrebnadzor shared operational authority for ensuring food safety with the Federal Service for Veterinary and Phytosanitary Supervision ("Rosselkhoznadzor") which was under the jurisdiction of the MOA. Point 2 of the Regulations "On State Surveillance and Control in sphere of Ensuring in Food Safety and Food Quality" (adopted by Government Resolution No. 987 and Government Resolution No. 1009 of 14 December 2009), set out the respective authorities of Rosselkhoznadzor and Rospotrebnadzor and the implementation of the respective authority of each service was set-out in its regulations (available at: http://www.fsvps.ru/fsvps/laws/11.html and http://www.rospotrebnadzor.ru/federal_service/function). Rosselkhoznadzor was responsible for the implementation of CU and domestic SPS measures related to animal health, quarantine and protection of plants, use of pesticides and agrochemicals, antibiotics residues in non-processed food products, measures applicable in the production of feed for the protection of animal and human health and also protection of humans from diseases common to people and animals. In particular, Rosselkhoznadzor was responsible for enforcing measures related to plant and animal health and life as well as food safety at the border of the territory of the Russian Federation, when such measures were to be applied on a routine basis, including monitoring of imported goods for residues of pesticides, veterinary drugs and contaminants. Rosselkhoznadzor was responsible for ensuring the conformity of goods imported into the Russian Federation (e.g., as regards residues of pesticides or veterinary medical products) to applicable sanitary and phytosanitary requirements and was authorised to reject non-compliant consignments or to prescribe appropriate measures to mitigate a sanitary or phytosanitary risk with regard to imported goods. Officials of Rospotrebnadzor, however, carried out sanitary and epidemiological evaluation of goods at the border in the cases specified in paragraph 971. Rospotrebnadzor was authorised to adopt emergency measures related to food safety concerns, such as import bans or import restrictions, in which case, such emergency measures would be implemented by Rospotrebnadzor officials or the customs services of the relevant CU Party or other law enforcement agencies, as provided for by the national legislation relevant for emergency situations. Rosselkhoznadzor also participated in the activities of the CU Coordination Committee Working Groups under the CU Secretariat, including regarding the implementation of CU Decision No. 319 as amended by Decision No. 431 and the Regulation of the Coordination Committee on Technical Regulation and Application of Sanitary, Veterinary and Phytosanitary Measures of 17 November 2010. The State Veterinary Service was subordinated to Rosselkhoznadzor.

822. The representative of the Russian Federation further explained that Rospotrebnadzor was responsible for performing sanitary and epidemiological assessments pursuant to an administrative procedure which was done prior to circulation of controlled goods on the CU market.

This assessment confirmed that the subject goods conformed to the requirements of CU and domestic sanitary measures. Article 2 of the CU Agreement on Sanitary Measures of 11 December 2009 provided that the national governments of the CU Parties maintained the authority to carry out sanitary control measures to prevent the importation into the customs territory of the CU and the circulation of regulated goods which were dangerous to human life and health and the human environment. Rospotrebnadzor exercised this authority according to the CU Regulation "On the Procedure for Carrying out of State Sanitary-Epidemiological Supervision (Control) over Persons and Transport Vehicles Crossing the Customs Border of the Customs Union". Article 51 of the Federal Law No. 52-FZ of 30 March 1999 "On Sanitary and Epidemiological Well-Being of the Population" and Article 21 of the Federal Law No. 29-FZ of 2 January 2000 "On Quality and Safety of Food Products" authorised the Head of Rospotrebnadzor and territorial bodies in regions of the Russian Federation to suspend or ban the production, storage, transportation, circulation and importation of food commodities, food additives, food products, water and other materials and products in contact with those goods. He noted that CU Commission Decision No. 299 required State Registration of categories of goods on the Unified List of goods subject to State Registration. The representative of the Russian Federation indicated that, after the establishment of the CU, the number of products subject to sanitary and epidemiological evaluation had been reduced by 80 per cent. He informed Members that further information on the sanitary and epidemiological assessment and State Registration was provided in paragraphs 959 and 960 of this Section.

823. One Member asked whether authorities of the Russian Federation or CU Bodies certified imports of the Russian Federation or whether the Russian Federation recognized exporting countries' certification as valid. In response, the representative of the Russian Federation stated that CU Parties' recognition of the export veterinary or phytosanitary certificates of an exporting country for import of animal or plant products took into account the type of imported product and in particular the level of risk associated with a particular type of product. Requirements for different types of imported goods were set-out in certain Chapters of CU Common Veterinary Requirements. The representative of the Russian Federation explained that pursuant to CU Commission Decision No. 317, the competent CU Bodies were authorised to accept guarantees from the competent authorities of exporting countries that the relevant goods complied with CU veterinary and sanitary requirements. The representative of the Russian Federation also explained that the CU Commission had adopted Decision No. 607 of 7 April 2011, establishing Common Forms of export certificates for categories of products requiring such certificates. He stated that if other requirements related to export of goods subject to veterinary control were met, CU Parties would recognise veterinary certificates from any third country if such certificates were in line with the 40 CU common forms of veterinary certificates for export to the CU. He also explained that the CU Commission had adopted Decision No. 726 of 15 July 2011 "On Veterinary Measures" which authorised the CU Bodies to negotiate and adopt export certificates with requirements that differed from the CU common form and specific CU Common Requirements if the exporting country made a substantiated request prior to 1 January 2013 to negotiate such an export certificate. The decision also provided that bilateral export certificates initialled by one of the CU Parties before 1 July 2010, as well as any subsequent amendments to such certificates agreed with the authorised body of such CU Party, would remain valid for exports from the relevant country into the customs territory of the CU until an export certificate was agreed with a CU Party based on the agreed positions of the other CU Parties. Bilateral export certificates initialled by one of the CU Parties between 1 July 2010 and 1 December 2010 would remain valid for import and circulation of relevant goods only in the territory of the CU Party that initialled the certificate until a bilateral export certificate was agreed with other CU Parties based on the agreed positions of the other CU Parties.

824. Some Members expressed concern as regards the overlap of measures required by the Russian Federation to confirm the conformity of goods with CU and national food safety measures: through veterinary export certificates, declarations of conformity, certificates of conformity, listing of

establishments authorised to export to the CU, import permits, and State Registration. These Members questioned the utility of such repeated, multiple and overlapping requirements to verify conformity with requirements. In their view, it was burdensome, unnecessary and trade-restrictive to maintain together a declaration of conformity or other forms of conformity assessment and export certificate or additional requirements. Members requested that the Russian Federation eliminate this redundancy.

825. In response, the representative of the Russian Federation explained that Government Resolution No. 1009 of 14 December 2009 set-out the respective competencies of Rosselkhoznadzor and Rospotrebnadzor. Rosselkhoznadzor was responsible for veterinary (veterinary-sanitary) supervision (control) of goods which could be dangerous for animal health. Rospotrebnadzor was responsible for control of safety of food products and other production for securing of human health. In his view, there were not repeated and overlapping confirmation of conformity to requirements of safety under State Registration and veterinary certification. The purpose of State Registration was confirmation of food safety for human health and its conformity with the Common sanitary-epidemiological and hygienic requirements for products subject to sanitary-epidemiological supervision (control). The period of validity of certificate of State Registration was not limited. Veterinary certificates, however, confirmed the absence of diseases dangerous for animals, including common diseases for animal and human and veterinary certificates were issued for every batch of goods. Most goods subject to State Registration, such as those products subject to a treatment, which based on scientific evidence, eliminated microbiological contamination except for prions, would not be subject to veterinary certification from the date of entry into force of the CU Technical Regulation on food safety. The list of goods subject to veterinary control would be amended to reflect these exemptions from certification.

826. The representative of the Russian Federation explained that Rosselkhoznadzor exercised authority in relation to veterinary and sanitary issues when goods were imported into the Russian Federation so as to avoid duplication of efforts. He noted that veterinary certificates included both veterinary and sanitary requirements and that only one veterinary-sanitary document was required to cross the border. He further explained that State Registration of controlled goods applied both to domestically produced and imported goods and applied only to a limited number of products. With regard to goods for which the CU currently required both a veterinary certificate and a declaration of conformity, he confirmed that the CU Parties, pursuant to CU technical regulations, currently under development, would require only one document, as specified in each technical regulation, to confirm the conformity of products with CU requirements. For example, the draft Technical Regulation on food safety provided that only veterinary certificates would be required for non-processed animal products, while only a declaration of conformity or State Registration certificate would be required for products, that have undergone a treatment which based on scientific evidence, eliminated contamination. The Working Party took note of this commitment.

827. In response to a question from a Member, the representative of the Russian Federation stated that neither Gosstandart nor its successor, the Federal Agency for Technical Regulation and Metrology, had regulatory responsibility in the sphere of SPS measures.

- (c) Development of Technical Regulations/Mandatory Requirements on SPS

828. The representative of the Russian Federation explained that CU Parties were engaged in the elaboration of mandatory requirements for products within the system of technical regulations adopted pursuant to the EurAsEC Agreements on the Basics of Harmonization of Technical Regulations of the Eurasian Economic Community Members of 24 March 2005 and on Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 25 January 2008; as well as the Agreement on Uniform Principles and

Rules of Technical Regulation in the Republic of Belarus, Republic of Kazakhstan and the Russian Federation of 18 November 2010; the Rules of the Development of the Technical Regulations, approved by EurAsEC Interstate Council Decision No. 1175 of 17 August 2008, Regulation on Development of Technical Regulations of Eurasian Economic Community; and CU Commission Decision No. 527 of 28 January 2011 "Regulation on Development, Adoption, Amendment and Cancellation of Technical Regulations of the Customs Union" (as amended by CU Decision No. 606 of 7 April 2011).

829. The representative of the Russian Federation explained that the aim of the ongoing legislative and implementation work in the CU and the Russian Federation was to ensure harmonization with the standards, guidelines, and recommendations of the World Animal Health Organisation (OIE), the International Plant Protection Convention (IPPC), and the Codex Alimentarius (Codex). This work, in his view, would ensure full compliance of the SPS regime of the Russian Federation, whether measures were adopted in the context of the EurAsEC, CU or domestically, with the requirements of the WTO SPS Agreement from the date of accession of the Russian Federation to the WTO.

830. He added that the approaches towards harmonization of CU measures and the Russian domestic regulation of sanitary and phytosanitary issues with the standards, guidelines, and recommendations of these international organizations were defined in the framework of CU Agreements, CU Commission Decisions and participation of the Russian Federation in the activities of the relevant international organizations. He explained that CU Commission Decision No. 721 of 22 June 2011 "On Application of International Standards, Guidelines and Recommendations", provided that: in cases in which the CU Commission or the national authorities had not established mandatory requirements in the veterinary, or phytosanitary, or sanitary epidemiological and hygienic sphere, the CU Parties would apply standards, recommendations and guidelines of the OIE, IPPC, and the Codex Alimentarius (Codex) respectively. Similarly, if CU veterinary, phytosanitary and sanitary-epidemiological and hygienic mandatory requirements in effect in the territory of the CU were more stringent than relevant international standards, guidelines and recommendations, in the absence of scientific justification of risk to human, animal, or plant life or health, relevant international standards, guidelines, and recommendations, or parts thereof, would be applied.

831. Some Members asked the Russian Federation to provide details on the EurAsEC and CU processes for elaborating SPS Technical Regulations and whether EurAsEC requirements would supersede or replace CU and national requirements.

832. The representative of the Russian Federation stated that draft technical regulations, including those related to SPS, were developed in the participating countries using internal procedures before being proposed by the authorised national bodies. For the Russian Federation, the MOA or the MOH, as assigned by the Government of the Russian Federation, proposed SPS technical regulations to the designated EurAsEC or CU bodies for harmonization, further review, and adoption as provided for in the relevant international agreements or CU decisions. For EurAsEC, the Commission for Technical Regulation and Sanitary, Veterinary and Phytosanitary Measures in Trade of the EurAsEC Integration Committee (the EurAsEC Commission for Technical Regulation), through the authorised national bodies of the EurAsEC Parties, coordinated the Parties' efforts on the development of technical regulations, including sanitary and phytosanitary measures. After publishing a draft technical regulation and collecting public comments, the EurAsEC Integration Committee then forwarded the agreed draft technical regulation to the EurAsEC Interstate Council for adoption as an Agreement as provided for in Article 3 of the EurAsEC Agreement on Technical Regulation Harmonization. In the CU framework, this coordination and transparency role was fulfilled by the Coordination Committee on Technical Regulation (the CU Coordination Committee) which received draft technical regulations from the authorised bodies of the CU Parties, coordinated the development of a draft text and resolved

disputes concerning it among the authorities of the CU Parties. The Coordination Committee, with the assistance of the CU Commission Secretariat, then circulated the draft technical regulation for public review and comment and prepared analysis and recommendations on the draft technical regulations before forwarding the proposals to the CU Commission for adoption through decisions.

833. The representative of the Russian Federation also explained that, under the CU, any domestic or foreign natural or legal person or governmental or non-governmental body could develop a draft technical regulation. Such person or entity was required to publish a notice on the development of the draft technical regulation and then to provide for a public consultation and comment on the draft, in accordance with the requirements, described in paragraph 721. In addition, third-country interested parties, including foreign governments, could provide comments on draft technical regulations proposed by any of the EurAsEC or CU Parties, as established in Article 6 of the EurAsEC Interstate Council Decision No. 1175 and Article 7 of the CU Commission Decision No. 527, respectively. After the public consultation process, the draft was submitted to the national body, for SPS matters this was the MOA or the MOH as assigned by the Government of the Russian Federation. Responding to a question on how draft technical regulations not based on international standards, recommendations or guidelines could be revised prior to application, he stated that the applicable laws and CU acts specified the priority use of international standards, recommendations and guidelines, as the basis for technical regulations and that the technical regulation developer was required to provide his assessment on how the draft was consistent with international standards in his notification of the draft for public comment. The technical regulation developer was also required to identify the standards, recommendations and guidelines, used in constructing the draft technical regulation. When the national authorised body received comments provided by the public on these materials, it forwarded them to the relevant expert commission established in accordance with Article 9.9 of Law No. 184-FZ and described in paragraph 721. This expert commission included an equal number of experts representing government bodies, academia and business/consumers associations. The meeting of the relevant expert commission was public and its decisions were publicly available. The expert commission would take into account the requirement to use international standards, recommendations and guidelines, and, if necessary, urge appropriate changes. The resulting draft was submitted to the national authorised body which forwarded it to the CU Commission. The CU Commission in turn placed the draft technical regulation, a notice on how it was developed, and an explanatory note on its own official website and on the official websites of the authorised bodies for technical regulation of the other CU Parties. Interested domestic and foreign legal and natural persons (including those from non-members of the CU), including foreign governments, could submit their comments and suggestions on the draft technical regulations to the authorised body of the CU Party that proposed it and to the Secretariat of the CU Commission. The period for comments was at least 60 days following the publication of the first draft of the technical regulation by a CU Body. He noted that government bodies submitted draft technical regulations and other documents to the CU Commission for adoption and that any amendments to a technical regulation were adopted within the same procedure.

834. The representative of the Russian Federation explained that a schedule outlining the development of priority technical regulations of the CU had been adopted by CU Commission Decision No. 492 of 8 December 2010. Under this schedule, as of 4 July 2011, SPS technical regulations governing grain, juice products, oil and fat products, and milk and milk products were under inter-governmental consideration; SPS technical regulations governing food safety and labelling of food products, had completed public discussion as of 4 July 2011; SPS technical regulations governing meat and meat products, the safety of dietetic food and special food and healthy and dietary meals, on safety of food supplements, on safety of feed stuffs and feed additives were still under public discussion and an SPS technical regulation on fish and fish products was expected to be placed under public discussion shortly. SPS technical regulations on tobacco products and the safety of alcoholic beverages were still under development. He further explained that a schedule outlining

the development of EurAsEC priority technical regulations had been adopted by Decision of the EurAsEC Interstate Council No. 521 of 19 November 2010. Included in this schedule were SPS technical regulations on grain, food safety, labelling of food products, tobacco products, juice products, oil and fat products, milk and milk products, honey and products of bee-farming, and on the safety of bottled water. Members of the Working Party asked for clarification as regards the overlap between the CU priority technical regulations and the EurAsEC priority technical regulations. The representative of the Russian Federation explained that a choice had been made to focus on the adoption of CU technical regulations, since the CU procedure for adoption of technical regulations was faster. These CU technical regulations would then be used as a basis to propose technical regulations covering these products at EurAsEC level. While many of the proposed technical regulations had been put on the CU website for public comments or would be placed on that website once developed, some technical regulations, such as the technical regulations for milk and milk products and grain, fat and oils, and juice had been placed only on the EurAsEC website. Some Members raised concerns regarding whether there had been a meaningful opportunity to provide comments on those technical regulations. Members of the Working Party asked for clarification of the legal provisions applicable in the Russian Federation if technical regulations with diverging provisions covering the same product were adopted at CU and at EurAsEC level. Members of the Working Party also asked whether the draft technical regulations on honey and bottled water safety, to be developed by the Kyrgyz Republic for adoption at EurAsEC level, which are not planned to be adopted at CU level, will be applicable to exports to the Russian Federation.

835. In response, the representative of the Russian Federation explained that EurAsEC Technical Regulations superseded Technical Regulations of the Customs Union. He explained that technical regulations on honey and bottled water safety, to be developed by the Kyrgyz Republic for adoption at EurAsEC level, would be applicable to exports to the Russian Federation, as well as to circulation of the mentioned goods in the territory of the CU.

836. The representative of the Russian Federation explained that it was expected that the CU Commission would have adopted the 47 priority CU technical regulations, including those related to SPS matters, by 31 December 2012, and that all of these technical regulations would enter into force no later than 31 December 2014, after a transitional period to allow producers, importers, and exporters to become aware of and comply with the new technical regulations. Notification of when EurAsEC or CU Technical Regulations entered into force and superseded national technical regulations would be posted on the website of the CU or EurAsEC as appropriate. In response to a question from a Member of the Working Party, the representative of the Russian Federation confirmed that no new national technical regulations were being developed. However, mandatory national requirements were still being developed on phytosanitary issues.

837. The representative of the Russian Federation explained that CU Agreements, once they entered into force, were international treaties of the Russian Federation, and, with the exception of the Constitution and Federal Constitutional Laws of the Russian Federation, would prevail, in the event of a conflict, over the provisions of Federal laws and other normative legal acts in the Russian Federation (whether adopted before or after the CU Agreement). With regard to CU Commission Decisions, he explained that such decisions had the legal status in the Russian domestic legal system corresponding to that which the decision would have had if adopted by the Federal Executive body which had been competent to regulate the subject matter at the moment when the CU Commission was delegated the relevant authority. He explained that the Russian Federation did not repeal a national law when CU acts applied, but these were amended to comply with the CU act. Pending this alignment, domestic SPS measures continued to apply in so far as they did not conflict with the CU act.

838. Some Members expressed concern about the overlap of CU and national SPS measures and the continued adoption of SPS measures at the national level in the CU Parties. As an example, they mentioned SanPiN 2.3.2.1078-01, which had been regularly amended, including after the formation of the CU, on matters (such as Maximum Residue Limits (MRLs)) which were dealt with at CU level. These Members noted that these amendments were, not necessarily with a view to harmonise national requirements with CU requirements. In their view, this resulted in uncertainty regarding application and compliance with SPS measures and placed a significant burden on trade, possibly in violation of the WTO SPS Agreement. Moreover, continued development and application of domestic measures in each of the CU Parties could result in a lack of harmonization of requirements and increased burden on trade within the territory of the CU. These Members requested information from the Russian Federation regarding precisely which SPS measures would apply in the Russian Federation and throughout the territory of the CU. These Members also requested information on when domestic authorities would cease developing and applying domestic SPS measures. The representative of the Russian Federation confirmed that national SPS measures, when in conflict with CU SPS acts, would not apply to the extent of the conflict. He specified that as regards matters covered by CU acts, the Russian Federation would cease adopting amendments of national SPS measures, for purposes other than alignment of national measures with CU acts, at the latest by 1 January 2012. Until that date, a transitional period allowed the adoption of national measures when preparatory technical work had started before 1 July 2010. These national measures were applicable only in so far as they did not contradict CU acts. Some Members asked if alignment of national measures with CU acts had to occur within a specified time period, and if so, what period applied. In response, he explained that there was no specified time period for such alignment.

839. Some Members asked the Russian Federation to describe the exact delineation of competences between the CU and the national authorities. The representative of the Russian Federation responded that the CU Commission had responsibility for establishing specific product requirements, except in the area of phytosanitary requirements. This meant that for veterinary and sanitary control, the CU Commission had established a list of goods that could be subject to veterinary requirements, and a common list of goods subject to unified sanitary requirements. There was one unified process for control of transfers of these products between CU Parties, i.e., within the territory of the CU, and control at the external CU border. The CU Commission had also established unified procedures for inspection of facilities. Furthermore, guidelines for conducting inspections of establishments would be adopted by the CU Commission by the date of the accession of the Russian Federation to the WTO which would then supersede relevant domestic normative legal acts. With regard to phytosanitary measures, the CU Commission established the list of products subject to phytosanitary control; however, national bodies established specific phytosanitary requirements, related to the phytosanitary situation in that CU Party.

840. With regard to other issues, where the national bodies retained authority to regulate, the representative of the Russian Federation explained that national bodies established requirements in respect of processes for manufacturing products domestically and penalties in the respective administrative code for violation of SPS requirements. National authorities also developed strategies for coping with animal diseases; adopted temporary SPS measures, i.e., emergency measures, in the cases of receipt of justified information about danger of imported goods; established sanitary requirements for organization of work activity of companies in the sphere of services; aligned national sanitary-epidemiological and hygiene requirements with CU requirements; and agreed on sanitary-safety zones (i.e., norms related to water safety and applicable only domestically). With regard to phytosanitary issues, national authorities established phytosanitary requirements, the list of quarantine pests, domestic quarantine zones and accredited laboratories for plant health analyses.

841. He further explained that this division of competence between the CU and national authorities could evolve with the harmonization of requirements at the CU level and how the CU Parties addressed these issues. Competence would be delegated to the CU as part of this process. The representative of the Russian Federation referred, as an example, to CU Decision No. 454 of 18 November 2010, which adopted a plan of priority actions, aimed at harmonization of quarantine and phytosanitary measures of CU Parties within the period of 2011 to 2012. According to this plan, a CU common list of quarantine pests and CU common phytosanitary requirements for regulated products were planned to be developed and to enter into force on 1 January 2013. Thus, the competence for these norms would be transferred from national authorities to CU bodies at this time.

842. The representative of the Russian Federation explained that the process of harmonization of national laws with CU acts on SPS matters was taking place at the same time and in a parallel process to adoption of CU Commission decisions on SPS matters. He further clarified that, at the national level, the Russian Federation had new draft laws on veterinary practice and on plant quarantine. The draft law on plant quarantine had been developed and was expected to enter into force on 1 January 2012. The Russian Federation intended to submit the draft veterinary law to the Duma so that it would be enacted and enter into force in 2012. The draft veterinary law regulated issues not under the competence of the CU such as the powers of the veterinary authorities, structure of the veterinary service, program of epizootic measures on the Russian territory and accreditation of persons (e.g., veterinarians). The draft law referenced the relevant CU requirements where the CU had competence. The representative of the Russian Federation explained that under the CU Agreement on Plant Quarantine of 11 December 2009 (as last amended by the Decision of the Interstate Council of EurAsEC No. 39 of 21 May 2010) phytosanitary requirements were adopted at the national level. The draft phytosanitary law stipulated the respective authority/competencies of the national authorities, which included rules for applying phytosanitary measures, requirements for quarantine zones, storage, and transportation within quarantine zones, and provisions on research and testing for products subject to quarantine measures in the Russian Federation.

843. Some Members noted that several documents called GOST or MUK appeared to contain SPS requirements; however, these documents did not appear to be legal requirements as some of them had not been registered by the Ministry of Justice in the Russian Federation. These Members asked the Russian Federation to confirm that unregistered documents could only be considered as guidelines and could not be used to impose restrictive measures on trade if the requirements set-out in these documents were not met. In particular, these Members asked the Russian Federation to confirm that there were no legal requirements that set a compulsory frequency of self-checks at the level of the producing establishments for residues or microbiological levels in food.

844. In response, the representative of the Russian Federation explained that GOST were non-binding recommendations. He stated that compliance with MUKs were internal guidelines and compliance with these guidelines was mandatory only for State control bodies and those bodies within the Russian Federation conducting State sanitary-epidemiological control and other types of State control. He noted that GOST and MUK documents were being updated on a regular basis taking into account current amendments in legislation and the technical base (capabilities for testing). He confirmed that there were no binding requirements on how often the producing establishment had to test for residues or microbiological levels in its product. He noted that an inspector could ask for documents regarding such testing for informational purposes to establish that there was a plan of control of these issues. Some Members expressed concerns that an establishment could be considered as non-compliant on the basis of a non-binding guideline and asked whether the Russian Federation would implement the Codex Guidelines "For the Design and Implementation of National Regulatory Food Safety Assurance Programme Associated with the use of Veterinary Drugs in Food Producing Animals" CAC/GL/71-2009, which recognised the monitoring done at a national level, and by a food producing establishment. The representative of the Russian Federation confirmed that it would

implement these Codex Guidelines as of the date of its accession to the WTO. The Working Party took note of this commitment.

845. Some Members also noted that the technical regulations and secondary normative acts containing limitative standards did not take into account the corresponding standards, recommendations and guidelines of international organizations or the methodology recommended by such organizations to set such standards. In response, the representative of the Russian Federation stated that these technical regulations and secondary normative acts related to sanitary and veterinary issues would be based on the corresponding standards, recommendations and guidelines of international organizations.

- **(d) Participation in International Organizations in the SPS Sphere**

846. The representative of the Russian Federation noted that the Russian delegation always participated in OIE regular meetings and general sessions. Russian delegations also took part in IPPC and Codex meetings, and Russian experts were involved in the elaboration of new international standards on sanitary and phytosanitary measures, in particular, in the framework of:

- Codex Committee on Nutrition and Food for Special Dietary Uses (Germany, 2003, 2004, 2005, 2009, 2010);
- Codex Committee on Food Additives and Contaminants (Holland, 1996, 1998, 2001, 2002, 2004, 2005, 2009, 2011);
- Codex Committee on Food Hygiene (USA, 2004, 2005);
- Codex Committee on Methods of Analysis and Sampling (Hungary, 2005, 2009);
- Codex Committee on Food Contaminants (China, 2007, Holland, 2011)
- Codex Committee on Fats and Oils (2011);
- Codex Committee on Fish and Fishery Products (2011); and
- Other similar meetings.

The list of International Standards for Phytosanitary Measures (ISPM) in the Russian language was available at the MOA website (http://www.fsvps.ru/fsvps/laws/class/10/44).

847. The representative of the Russian Federation confirmed the commitment of the Russian Federation to the development and application of international standards on sanitary and phytosanitary measures through membership of and active participation in the activities of Codex Alimentarius, OIE and IPPC. The Working Party took note of this commitment.

848. The representative of the Russian Federation noted that the Russian Federation was:

- a party to the:
    - International Plant Protection Convention (IPPC) (Rome, 1951, edition of 1997);
    - Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) from 3 March 1973; and
    - Convention on Biological Diversity (CBD) from 5 June 1992;
- a member of the:
    - World Animal Health Organization, previously Office International des Epizooties (OIE) from 1927;
    - Codex Alimentarius Commission from 1961;
    - World Health Organization;

- European and Mediterranean Organization on Quarantine of Plants, 1957;
- UN Food and Agriculture Organization (FAO) from 29 July 2006; and
- International Sugar Organization (ISO), from 7 January 2003;

- a participant in the:

  - Common Fund for Commodities (CFC), from 10 July 1987; and
  - International Grains Council (IGC), from 1 July 1995;

- an observer of the:

  - Fisheries Committee of OECD, 1961;
  - Group on Cereals, Animal Feeds and Sugar of Committee for Agriculture of OECD; and
  - Group on Meat and Dairy Products of Committee for Agriculture of OECD.

He added that the Russian Federation was currently party to 32 bilateral and multilateral inter-governmental Agreements with third countries on food hygiene, safety, sanitary or phytosanitary measures. The list of these Agreements is in Annex 4.

- (e) Regime for Trade in Products Subject to Veterinary Control

849. The representative of the Russian Federation stated that the CU Commission had issued several decisions which provided the basis for the legal framework for protection of animal and human health. CU Commission Decision No. 317 of 18 June 2010 "On the Application of Veterinary-Sanitary Measures in the Customs Union" (as last amended by CU Commission Decision No. 724 of 22 June 2011), established the legal basis for veterinary measures in the Customs Union and entered into force on 1 July 2010. CU Commission Decision No. 317 established a list of goods that could be subject to veterinary control, and adopted provisions on: (i) veterinary inspection at the customs border of the Customs Union; (ii) regulations on a single system of joint inspections of facilities and sampling of goods; (iii) veterinary requirements for goods subject to veterinary control; and (iv) the common form of veterinary certificates for movement within the Customs Union. The Common Sanitary-Epidemiological and Hygiene Requirements to Goods Subject to Sanitary-Epidemiological Control (supervision), as contained in CU Commission Decision No. 299 of 28 May 2010 "On the Application of Sanitary Measures in the Customs Union" (as last amended by CU Commission Decision No. 622 of 7 April 2011), established sanitary requirements, including maximum residue levels for controlled goods.

850. The representative of the Russian Federation stated that in addition to the laws described in paragraph 815, the following domestic normative legal acts were still in effect to the extent that they did not contradict CU Agreements or CU Commission Decisions: Law of the Russian Federation No. 4979-1 of 14 May 1993 "On Veterinary Practices" (as last amended by Federal Law No. 394-FZ of 28 December 2010), relating to protection of animal and human health and implementation of sanitary and veterinary measures, Federal Law No. 29-FZ of 2 January 2000 "On Quality and Safety of Food Products" (as last amended by Federal Law No. 394-FZ of 28 December 2010), relating to activities performed by the State veterinary authorities, Government Resolution No. 830 of 29 October 1992 "On Regulations of the State Veterinary Service of the Russian Federation for Protection of the Russian Territory Against Importation of Infectious Animal Diseases from Abroad", Government Resolution No. 706 of 19 June 1994 "On Regulations on State Veterinary Surveillance in the Russian Federation" (as last amended by Government Resolution No. 295 of 16 April 2001),

Government Resolution No. 1263 of 29 September 1997 "On Regulations on the Procedure for Examination of Low Quality or Hazardous Food Inputs and Products, their use and Destruction" (as last amended by Government Resolution No. 295 of 16 April 2001), Government Resolution No. 987 of 21 December 2000 "On State Surveillance and Control in Ensuring Quality and Safety of Food Products", Government Resolution No. 26 of 18 January 2002 "On the State Registration of Feedstuffs Received from Genetically Modified Organisms" (as last amended by Government Resolution No. 422 of 14 July 2006) (with relevant amendments), Government Resolution No. 60 of 2 February 2006 "On the Provisions of Carrying Out of Social and Health Monitoring", Government Resolution No. 303 of 16 May 2005 "On Enactment of the Division of Authority of Federal Executive Agencies in the Field of Maintenance of Biological and Chemical Safety of the Russian Federation" (as last amended by Government Resolution No. 50 of 4 February 2011), Government Resolution No. 310 of 26 May 2006 "On the Rules of Animals Alienation and Withdrawals of Livestock Products at Liquidation of the Centres of Especially Dangerous Animal Diseases", "Regulations on Subdivision of State Veterinary Surveillance in Processing and Storage Enterprises of Animal Products" approved by the Chief State Veterinary Inspector of the Russian Federation (No. 13-7-2/173 of 14 October 1994) (issued by the MOA), and Order of the MOA No. 422 of 16 November 2006 "On approval of rules of organizational management on issuing of accompanying documents" (as last amended by Order of the MOA No. 84 of 9 March 2010).

- **(i) Import Permits for Goods Subject to Veterinary (Sanitary) Control**

851. The representative of the Russian Federation explained that since July 2010, the legal framework for the import permit regime of the Customs Union was set-out in Section VI of the Regulation on Veterinary Controls at the Customs Border of the Customs Union, adopted by the CU Commission Decision No. 317. This Regulation sets-out the following principles:

- Imports into the CU of certain goods subject to veterinary controls must have an import permit issued by the competent authority of the CU Party which was the point of destination for the imports; and
- The permit was valid for a calendar year, for quantities which are specified in the permit.

The permit was issued taking into account the epizootic situation of the place of production and where there was a registry of enterprises authorised to export the relevant goods to the territory of the CU, whether the enterprise was on that list of enterprises.

852. The representative of the Russian Federation added that CU Parties were creating a common information data system of external and internal trade of the CU Parties which would be used for issuance of veterinary import permits and accounting for commodities subject to veterinary control (surveillance). An importer could obtain an import permit from Rosselkhoznadzor through the ARGUS information system. The importer was provided with an access code to this information system and could enter all data related to his/her request directly into ARGUS. For imports of agricultural live animals and fodder[9] for them, the Chief Veterinary Officer of the subject of the Russian Federation for the territory of destination would be consulted on whether to issue the import permit. The importer would receive a printable electronic copy of the permit via ARGUS or via the Chief Veterinary Officer of the subject of the Russian Federation, and in case of application, via ARGUS, the import permit was delivered electronically through ARGUS.

[9]The references to "feed" and "fodder" as used in the sub-section "Regime for Trade in Products Subject to Veterinary Control" of this Report refer only to those products which are subject to veterinary control as provided for in the Common List of Goods Subject to Veterinary Control as set-out in CU Commission Decision No. 317 as amended by CU Commission Decisions No. 810 of 23 September 2011 and No. 830 of 18 October 2011.

853. Currently, Belarus and the Russian Federation used the common automated information system ARGUS, and Kazakhstan used its own system. However, until the common electronic system for issuance of import permits for goods subject to control was put in place, the CU Parties would follow the procedures specified in their respective national legislation, i.e., import permits would be issued by the national competent authorities (including through ARGUS), but were recognised by the other CU Parties as allowing importation of products into the CU territory. The representative of the Russian Federation explained that other CU Parties knew that import permits had been issued for certain goods because a copy of the import permit was made available to the border entry point indicated in the permit.

854. Some Members noted that the import regime in the Russian Federation, and the CU, included a requirement to obtain an import permit from the veterinary authorities for goods subject to veterinary (sanitary) control and expressed concern about the consistency of this requirement with the WTO Agreement. These Members questioned the reason for requiring an import permit, in particular when other measures such as veterinary certificates and declarations of conformity were also required. In the view of these Members, an import permit should be automatic and impose no additional SPS requirements. In their view, the Russian Federation used import permits to limit imports rather than as a SPS measure. In addition, Russian officials sometimes refused to issue import permits for arbitrary reasons based on unpublished criteria and the amount of time taken to issue a permit was not predictable. These Members also expressed concern that this regime resulted in more stringent requirements on imported products as compared to domestic or CU products, in violation of the principle of non-discrimination. Members noted that these import permits specified quantities of imports. In the view of these Members, specifying a quantity in the permit could not be justified on safety grounds.

855. In response, the representative of the Russian Federation stated that import permits were purely an SPS measure. He further explained that an import permit could be requested for any amount of goods and that the amount requested could not be the basis for refusing to issue the permit. Import permits had three functions: first, to ensure that the importer was in a position to handle the imported goods in a safe manner that complied with domestic, e.g., quarantine requirements; second, to take into account the epizootic situation of the exporting country; and third, to ensure that specific conditions, adapted to the epizootic situation of the exporting country, were met at the time of importation. The first function was not discriminatory since the conditions required to be met by the operator were also checked in case of internal trade within the CU territory. The second function was that of a legal instrument to block or restrict imports in case of dangerous animal disease outbreaks in the exporting country. The third function could be used, for example, to require certain imported animal products from countries with a specific epizootic situation to be processed in designated facilities. In this case, import permits would be granted only to those importers who were able to channel the consignments to such facilities. Import permits also optimized logistics for importers and provided a means to coordinate activities of regulatory agencies.

856. As concerns the procedure for issuance of import permits, the representative of the Russian Federation explained that this procedure was applied to importation of goods subject to State veterinary control in accordance with Law No. 4979-1, CU Commission Decision No. 317, and the Unified Rules of the State Veterinary Supervision for International and Interstate (between CIS countries) Transportation of Livestock Cargoes, approved by Decision of Inter-governmental Council of CIS for Cooperation in Veterinary Sector of 5 November 2003. The representative of the Russian Federation explained that an importer received an import permit from Rosselkhoznadzor by submitting an application in electronic form through ARGUS. To import live agricultural animals and feed for them, Rosselkhoznadzor would request an opinion from the Chief State Veterinary Inspector of the subject of the Russian Federation that was the planned destination for the animals or feed. After the Chief Veterinary Inspector of the Russian Federation signed an import permit for live

agricultural animals and feed for them, the importer and customs officials at the border could use ARGUS to verify the import permit. This permit was issued free of charge, signed by the Chief State Veterinary Inspector of the Russian Federation, and was valid for a period of a calendar year.

857. In response to further questions from Members, the representative of the Russian Federation stated that an import permit allowed an importer to import multiple consignments from the establishment identified in the permit. Some Members also queried whether an importer was required to identify all sources of exported product, including, *inter alia*, quantities and shipment routes. They sought confirmation that the importer could choose alternative sources of product or alternative routes during the calendar year of validity of the permit. In response, the representative of the Russian Federation stated that, if during the calendar year of validity of the import permit, the importer decided to import products from another source (country, enterprise); the importer needed to apply for a new import permit. The route of importation as well as points of crossing the Russian border could be changed following an application from the importer notifying these changes with a reference to the permit already issued.

858. In response to a question from some Members regarding plans for the adoption of a CU common permit, the representative of the Russian Federation stated that currently no such plans existed. However, the Russian Federation planned to have a special form of permit (provisionally named a general permit or Form 1) at the national level as of the fall of 2011. A new administrative regulation on issuing permits for import to, export from, and transit through the Russian Federation adopted by the Order of the Ministry of Agriculture (MOA) No. 404 of 7 November 2011 "On Adoption of Administrative Regulation of the Federal Service on Veterinary and Phytosanitary Control on Provision of State Service on Issuance of Authorizations for Imports to the Russian Federation and Exports from the Russian Federation, as well as Transit within its Territory of Animals, Products of Animal Origin, Medicines for Veterinary Use, Feeds and Feed Additives for Animals" (hereinafter: the administrative regulation) provided for such permits and set-out how such a permit would be administered. Rosselkhoznadzor would issue this general import permit and it would be valid for one calendar year. The general import permit of the Russian Federation would be valid for importation only into the territory of the Russian Federation.

859. A Member of the Working Party asked whether the Inspector in the subject of the Russian Federation had the authority to refuse to submit a petition to Rosselkhoznadzor for an import permit. In response, the representative of the Russian Federation stated that, the administrative regulation provided that the Chief State Veterinary Inspector of the subject of the Russian Federation no longer had a role in filing, granting or refusing to grant an import permit, except for live agricultural animals and feed for them, in which case Rosselkhoznadzor obtained an opinion from the Chief State Veterinary Inspector of the subject of the Russian Federation that was the planned destination for the animals or feed. A Member asked the justification for this specific procedure applied to live agricultural animals and feed for them. The representative of the Russian Federation replied that, for live agricultural animals and feed for them, the Chief State Veterinary Inspector of the subject of the Russian Federation had to assess and provide a reasoned opinion on whether appropriate quarantine facilities were available at the point of destination.

860. A Member of the Working Party asked whether the period for issuance of an import permit commenced with the filing of the application in ARGUS either directly or through an authorised third person. In response, the representative of the Russian Federation stated that this period commenced from the date of registration of the hard copy of an application for a permit as an incoming document, or from the date at which an application was filed in ARGUS. Another Member asked about the methods for communicating information on whether an import permit had been issued. The representative of the Russian Federation responded that the term "telephone message" in the "Import Procedures for Products of Animal Origin" document, referred to the transmission of a permit

by telephone, in which case a Rosselkhoznadzor official would read out the permit over the telephone. He further added that the permit could be transmitted by telephone, fax or electronic mail.

861. The representative of the Russian Federation explained that permits to import were required and issued for certain controlled goods, in accordance with the Common list of goods subject to veterinary control, approved by the CU Commission Decision No. 317 of 18 June 2010, and non-registered medicinal (pharmaceutical) products for veterinary use. The administrative regulation also provided that a wide range of individuals, enterprises, and their representatives could apply for a permit.

862. Some Members requested information on the changes to the current import permit procedure provided for in the administrative regulation. The representative of the Russian Federation explained that the main changes from the current regime were as follows:

(a) shortening the maximum time period for issuance of permits from 30 days to 20 days;
(b) introducing a legal basis for the registration of permits using the ARGUS Information system;
(c) decreasing the number of products that require the registration of permits so as that import into, export from, and transit through the Russian Federation are not required for:
    (i) feed additives for cats and dogs, as well as prepared feed for cats and dogs heat-treated (temperature not less than 70ºC above zero, for a time not less than 20 minutes) in a package;
    (ii) all kinds of terrestrial and aquatic animals or their parts that have undergone a full taxidermy treatment, upon presentation of documents confirming their retail purchase; and
    (iii) hunting trophies originating from regions with safe disease situation (specified in paragraph 3 of Chapter 38 of the Common Veterinary (Veterinary-Sanitary) Requirements to the Goods Subject to Veterinary Control (Surveillance), approved by the of CU Commission Decision No. 317 as of 18 June 2010), as well as originating from regions with an unsafe situation in respect of specified diseases, but which have been processed (disinfected) in accordance with the rules of the country of the hunting trophy, which was confirmed by a veterinary certificate;
(d) clarifying the list of reasons for denial of permits' issuance taking into consideration the requirements of CU Commission Decisions;
(e) introducing the notion of a "General Permit" which was issued based on a risk assessment for certain sectors in a particular country and allowed any importer to import any volume of the controlled goods from that country. The administrative regulation also defined the list of products that could be subject to a general permit, which included: animal products for human consumption, industrially manufactured, in consumer packaging labelled by a manufacturing enterprise, food additives of animal origin, palaeontology, entomology, artefacts, collectibles treated in a manner that ensures the destructions of pathogens, products transferred for purposes other than business so that an importing individual can house small domestic and decorative animals, birds, reptiles, amphibians, and aquatic organisms in the amount of up to 5 heads/items (dogs, cats in the amount of 2-5 heads). With that, a female mammal, a cat with kittens, a dog with puppies until the end of the weaning period, a female nesting bird with chicks, until the end of the period when chicks are fed by parents, and so on are considered one head;
(f) including the procedures for introducing amendments into a previously issued permit;
(g) including criteria and procedures for suspending and cancelling a previously issued permit;
(h) clarifying the data required in the application for a permit, which varied depending on the type of product; and
(i) making the period for which the permit was valid more precise, i.e. while the total period of validity remained as one calendar year, the administrative regulation specified that animals

could be imported in the territory of the Russian Federation before 1 February of the year following the year for which the permit was issued if the animal had been put in quarantine before 31 December of the year for which the permit was issued. For other products requiring a permit, such products could be imported into the Russian Federation during the year following the year for which a permit was issued if the veterinary certificate for these products was issued before 31 December of the year for which the permit was issued.

863. In response to a request for information on obtaining an import permit under the new administrative regulation, the representative of the Russian Federation explained that the annex to the administrative regulation listed the information that was required in an application by type of product and whether the permit was for import, export, or transit. The administrative regulation listed information required for permits to import (1) live animals and animal genetic material, (2) feed and feed additives, (3) fish and seafood and their derivatives, (4) controlled goods containing hazardous biological agents, and (5) other controlled goods. Although there were some common elements of information required, such as the name of the importer and consignee, and exporter information, each form specified specific additional information for each type of good that the applicant had to provide.

864. Some Members noted, that under the MOA Order No. 1 of 9 January 2008, only a permit issued by the Chief Veterinary Officer of a subject of the Russian Federation was required for the following products: (a) Small domestic animals which belong to citizens (not more than two animals); or (b) Industrially-produced products of animal origin that have undergone thermal treatment, prepared products made from raw materials of animal origin, factory-processed, prepared in conformity with the requirements of the standards and regulations when they are imported from countries that are subject to obligatory declaration by the World Animal Health Organization (hereinafter: infectious animal diseases), and on which no limits have been placed; and that the Russian Federation had stated its intention to eliminate this requirement. However, under CU Commission Decision No. 317, for products in category (b), instead of removing the requirement for an import permit, the authority to issue the import permit was transferred to Rosselkhoznadzor. Members expressed concerns that the CU Commission Decision went in the wrong direction. They saw no scientific justification or risk basis for requiring import permits for these and other products now subject to this requirement. These Members sought the elimination of the requirement for an import permit for these and other products.

865. In response the representative of the Russian Federation stated that pursuant to the administrative regulation, the products in category (b) in paragraph 864 could be subject to the proposed Form 1 (general permit) and that importing pursuant to a general permit did not impose any extra burden on the importer since such permits were simply announced and did not require individual applications. In response to a question from a Member, the representative of the Russian Federation stated that a country was recognized as safe from infectious animal diseases based on OIE information.

866. Some Members requested further information on the procedures and criteria for suspending and/or cancelling an import permit and whether such action was subject to administrative review and appeal. These Members stated that procedures and criteria needed to be consistent with international standards, recommendations and guidelines with regard to reasons for suspension and cancellation of an import permit and allowing corrective action and further monitoring. Members also asked for information on the transparency of the processes of suspending and cancelling import permits, including notification of the competent authority of the exporting country and the relevant establishment.

867. In response the representative of the Russian Federation explained that the administrative regulation included the following criteria for taking a decision to suspend an import permit:

(a) if the applicant had violated the legislation of the Russian Federation and the CU in the field of veterinary medicine during import, export and transit of controlled goods revealed as the result of surveillance of the applicant's premise on the territory of the CU conducted by the Service;
(b) repeated non-compliances as established by the results of laboratory analysis of the CU Common veterinary (veterinary-sanitary) requirements, approved by the CU Commission Decision of 18 June 2010, maintained for specific types of products under surveillance; or
(c) un-corrected non-compliances of the requirements of the CU or Russian Federation detected during a previous surveillance in the territory of a third country, if the Regulation of a common system of joint inspections of sites and sampling goods (products), subjected to veterinary control (supervision) did not prescribe other actions (e.g. warning of competent authority of the third country).

868. The representative of the Russian Federation further explained that the competent authorities in the Russian Federation would notify the competent authorities of the exporting country of any non-compliances described in paragraph 867 above and provide a reasonable period of time to address those non-compliances. If a decision was taken to suspend an import permit, the competent authority of the Russian Federation would notify the competent authority in the exporting country that the product from the relevant establishment could not be imported into the Russian Federation without additional laboratory testing over a period of three months for not more than ten batches. The importer or exporter could request additional laboratory testing of the relevant product over a period of three months for not more than ten batches, if the importer or exporter agreed to pay for such testing. Such a request should describe other actions that were or could be taken to address the non-compliance. A decision to suspend an import permit would be based on the criteria described above and would not be put into effect if additional testing was requested or if measures were taken to address the non-compliance. In addition to these criteria, an import permit could be suspended if the competent authorities of the Russian Federation received information from the OIE about an outbreak of a particularly serious disease in a particular exporting country or several countries; or from the central veterinary authority of the exporting country of problems with infectious animal diseases or the inability to meet the requirements and standards of the Russian Federation and the Customs Union; or from the State veterinary authorities of subjects of the Russian Federation and other authorities regarding the systematic involvement of the applicant in violations of the legislation of the CU and of the Russian Federation in the field of veterinary medicine. A decision to suspend would indicate the time period for suspension of the import permit.

869. The representative of the Russian Federation further explained that the criteria for taking a decision to cancel an import permit were: (i) violations by the applicant of the legislation of the Russian Federation and the CU in the field of veterinary medicine revealed as the result of surveillance of the premise of the applicant on the CU territory conducted by the Service; and (ii) repeated non-compliances as established by the results of laboratory analysis of the CU Common Veterinary (Veterinary-Sanitary) Requirements, approved by the CU Commission Decision of 18 June 2010, maintained for specific types of products under surveillance or un-corrected non-compliances of the CU or non-Russian requirements detected during previous surveillance in the territory of a third country if the regulation of a common system of joint inspections of establishments and sampling goods (products), subjected to veterinary control (supervision) did not prescribe other actions (e.g. warning of competent authority of the third country). If a decision is taken to cancel an import permit, the competent authority of the Russian Federation would notify the competent authority in the exporting country that the product from the relevant establishment cannot be imported into the Russian Federation without additional laboratory testing over a 60-day period. The importer or exporter could request additional laboratory testing of the relevant product over a 60-day period, if the importer or exporter agreed to pay for such testing. Such a request should describe other actions

that were or could be taken to address the non-compliance. In addition to these criteria, an import permit could be cancelled if the competent authorities of the Russian Federation received information from the OIE about an outbreak of a particularly serious disease in a particular exporting country or several countries; or from the central veterinary authority of the exporting country of troubles for infectious animal diseases or the inability to meet the requirements and standards of the Russian Federation and the Customs Union; or from the State authorities (other than the veterinary services) of violations of the legislation of the CU or the Russian Federation on import of controlled goods related to non-correspondence of veterinary documents with goods that are being imported. A decision to cancel an import permit would be based on the criteria described above and would not be put into effect if additional testing was requested or if measures were taken to address the non-compliance.

870. Some Members asked the Russian Federation to confirm that its import permit system would comply with OIE rules, i.e., permits would not be refused on grounds not recognised by the OIE for the animal diseases concerned. Further, with regard to the discovery of unauthorised substances in cargos, the Russian Federation would comply with the principle of applying an SPS measure only to the extent necessary to protect human or animal life and health. In the view of these Members, a refusal to issue import permit after single findings of non-compliances with no immediate risk for the consumer would not comply with this principle. The Russian Federation confirmed that its procedures for considering applications for import permits would comply with these two principles. The Working Party took note of this commitment.

871. In response to these concerns, the representative of the Russian Federation confirmed that, from the date of accession of the Russian Federation to the WTO, the grounds for refusing an import permit would be limited to:

(a) the introduction of restrictions with regard to separate countries (or regions of countries), including: due to the situation when the country (or region) was not free from infectious animal diseases;
(b) imposition of temporary suspension on the individual exporter or group of exporters;
(c) the imposition of restrictive measures (quarantine) in the Russian Federation, which is planned to import or through which a route passes of supervised products; and
(d) in cases where a registry exists and there is requirement for an establishment to be included on a registry of enterprises, the absence of the relevant establishment on the registry.

Moreover, if an application was signed by an unauthorised person or if the application included false data, the application will not be processed.

872. Some Members expressed concern that the grounds for refusing an import permit for any foreign countries for which non-compliance had been detected was not transparent and discriminated against imported products. Members underlined the necessity of mechanisms to prevent these restrictions from being more restrictive than necessary and for ensuring their transparency and possibility for exporters to appeal.

873. In response to a question from a Member concerning the procedure by which an applicant for an import permit could appeal the denial of an application, the representative of the Russian Federation explained that the new national regulation would also include procedures for administrative appeal of the denial of an import permit. He also noted that these actions or inactions could also be appealed to the Court as described in the Section "Framework for Making and Enforcing Policies".

874. A Member also raised concerns that Federal Customs Service Order No. 1283 limited the ports through which meat and meat products could be cleared. In particular, that Member sought

information on whether the Russian Federation would consider less trade restrictive measures. In response, the representative of the Russian Federation stated that the Order was not an SPS measure, but related to customs administration and referred Members to paragraphs 553 through 562 for a discussion of this issue. He noted that the Order was being amended to permit ports in the Baltic and Vladivostok Customs areas to again be approved for the entry of meat and meat products. In response to further questions from Members, the representative of the Russian Federation explained that CU Acts did not include provisions limiting ports of entry for meat and meat products and referred Members to paragraph 680 and Table 13 and Table 14 for information on authority to designate checkpoints through which meat and meat products could be cleared.

875. In response to a question from a Member, the representative of the Russian Federation confirmed that minor documentation errors which did not alter the basic data contained in the document were not a basis for refusing an import permit. The legal circumstance that served as grounds for starting this administrative procedure for revocation of an import permit was the discovery of systematic (e.g., liable to administrative or criminal prosecution) violations, by the importer of the regulated cargo, of CU Decisions and other CU Acts and the laws of the Russian Federation in the field of veterinary medicine (including the presentation of forged veterinary documents or the discovery of inconsistency between the presented documents and the regulated cargo). Furthermore, he confirmed that the reasons for suspension, cancellation, or refusal of an import permit would be consistent with international standards, recommendations, and guidelines and the WTO SPS Agreement. The Working Party took note of this commitment.

876. Further, the representative of the Russian Federation confirmed that from the date of accession of the Russian Federation to the WTO, the import permit regime applicable to goods subject to veterinary and quarantine control would be operated under CU Decisions, other CU Acts, and provisions of the law of the Russian Federation that were published and available to the public and that these measures would be developed and applied in compliance with the WTO Agreement. The representative of the Russian Federation also confirmed that information requirements for the purposes of applying for an import permit would be limited to what was necessary for appropriate approval and control procedures and that any requirements for control, inspection and approval of individual specimens of a product were limited to what is reasonable and necessary as provided for in Annex C of the WTO SPS Agreement. Moreover, he confirmed that his government would maintain and notify the public of a clearly defined procedure under which an applicant for an import permit could appeal the suspension, cancellation, or refusal of an application, have that appeal adjudicated, and receive a written response explaining the reasons for the final decision and any further action required to obtain a permit. The Working Party took note of these commitments.

- **(ii) Transit through the Russian Federation of Goods Subject to Veterinary (Sanitary) Control**

877. Some Members of the Working Party expressed concern that the restrictions of the Russian Federation and the CU on the transit of goods subject to veterinary/sanitary control through the territory of the CU, including the Russian Federation were not in accordance with OIE standards, norms, and recommendations. In the view of these Members, the Russian Federation refused the transit of goods for arbitrary reasons. In addition, the time-limits for granting permission to transit and the appeal process related to a refusal to permit transit were unclear. These Members sought a commitment from the Russian Federation that it would develop and apply SPS measures affecting the transit of products subject to veterinary control through the territory of the Russian Federation in compliance with the OIE and the WTO SPS Agreement. In light of the CU, Members requested detailed information on the rules and procedures that would apply to goods subject to veterinary/sanitary control in transit through the CU.

878. In response, the representative of the Russian Federation explained that, since 1 July 2010, the legal framework for the issuance of transit permit was set in Decision No. 317 of the CU Commission, in Chapter VII of the "Regulation on the Single System of Veterinary Control at the Customs Border of the Customs Union". The principles set at CU level were the following:

- A transit permit was required only for transit of live animals and raw materials of animal origin. The transit permit was issued by the CU Party whose territory was the first entry point;
- Veterinary control of controlled goods at entry points was carried out after the submission of a waybill and (or) veterinary certificate;
- After completion of documentary control, veterinary inspection of animals was carried out, including: identification numbers of animals were compared (tattoos, chips, ear tags, stamps, etc.) with numbers indicated in veterinary certificates, conditions of carriage were verified, and the condition of animals and possibility of their further transportation were examined;
- Examination during transit of controlled goods (except for animals) was performed only by state regulatory authorities at a checkpoint or in the presence of information about non-conformity of controlled goods to the declared goods;
- According to the results of monitoring, the Border Control Inspection Post Officer made a decision and put a stamp on the shipping documents and on the veterinary certificate, in accordance with the form of Annex No. 3: "Transit enabled" or "Transit prohibited", and at the point of exit from the customs territory of the CU, a stamp "Transit Completed", then assured it by the seal and signature, indicating such Officer's name and initials;
- All necessary data was entered in the register of transit in the form in accordance with Annex No. 9 of that Regulation and entered into the system of electronic records; and
- The owner of the controlled goods, who received the permit of transit of controlled goods through the territory of the CU, had to comply with the veterinary legislation of the CU.

879. Some Members expressed concerns regarding the requirement that controlled goods in transit, which had been inspected and were conveyed under seal, had to comply with CU veterinary requirements. From these Members' perspective, this requirement could not be justified as a safety measure and restricted trade with third countries.

880. The representative of the Russian Federation noted concerns from Members regarding the requirement for controlled goods in transit to comply with CU veterinary requirements and confirmed that CU Commission Decision No. 317 had been amended by CU Commission Decision No. 724 of 22 June 2011 to eliminate this requirement, so that from the date of accession of the Russian Federation to the WTO, controlled goods transiting through the territory of the CU under customs seal would not be subject to CU veterinary requirements. The Working Party took note of this commitment.

881. Currently, at the level of the Russian Federation, the procedure for issuance of transit permit was set-out in the MOA Order No. 1 of 9 January 2008 (as last amended on 26 June 2008). This Order continued to apply to the extent that it did not conflict with CU Commission Decision No. 317. As noted in paragraph 858, the administrative regulation on procedures for issuing permits to import into, export from, and transit through the Russian Federation in order to align with the Customs Union rules and regulations, had been developed. The annex to the administrative regulation specified information that applicants had to provide to obtain a permit for controlled goods to transit the territory of the Russian Federation.

882. A Member of the Working Party requested information on the treatment of "non-safe" countries whose animal products fulfilled the import conditions established in the OIE Code, and whether a transit permit was also required for such products. In response, the representative of the

Russian Federation stated that, there were two reasons to suspend, or cancel a transit permit which were restrictive measures which had been introduced by the Russian Federation against particular countries (regions of countries), when this country (or region) was not free from infectious animal diseases included on the list formerly known as the OIE List A, or where the importing country did not permit such imports. Those measures were, in turn, to be in compliance with the OIE requirements. He further stated that the Chief State Veterinary Inspector of the Russian Federation would provide an opinion to Rosselkhoznadzor on whether to issue a permit for transit of live animals and raw materials of animal origin through the CU Parties. The purpose of such a requirement for transit of live animals and raw materials of animal origin was to prevent the spread of transmissible diseases into the territory of the CU.

883. Some Members sought additional information on whether importers applied for transit permits for individual instances of importation or (as for import permits) for trade over a period of a calendar year. They also sought information on the procedures for appeal of such decisions and any applicable fees. In response the representative of the Russian Federation stated that transit permits were issued for a period of one calendar year. A transit permit could be requested for any amount of goods and the amount requested could not be the basis for refusing the transit permit. Such permits were issued free of charge. If a transit permit was not issued, the applicant could appeal to higher officials/instances and/or to the Court. Applicants had the right to appeal against actions (or inactions) of the Rosselkhoznadzor officials within applicable administrative or judicial procedures. He repeated that the purpose of such a requirement for transit of live animals and raw materials of animal origin was to prevent the spread of transmissible diseases into the territory of the CU.

884. A Member of the Working Party asked why it was necessary to again control live animals that have been controlled by Federal authorities upon entering the Russian territory, and which had been assessed as disease free and not posing any health risk. In response, the representative of the Russian Federation stated that officials of the relevant State Veterinary Service of a CU Party conducted a single inspection of live animals in transit through the territory of the CU at the place where the animals first entered the territory of the CU. These animals were then monitored for health purposes at places of rest and counted at the place of exit.

885. The representative of the Russian Federation confirmed that relevant provisions of CU Commission Decision No. 317, the administrative regulation and other measures relating to the transit of goods subject to veterinary control through the territory of the Russian Federation would be applied in compliance with the OIE Code and the WTO SPS Agreement. The Working Party took note of this commitment.

- **(iii) Veterinary Certificates**

886. Members requested information on CU requirements related to the development and implementation of veterinary certificates. Members sought to ensure that such certificates would be consistent with international standards, recommendations and guidelines. If the CU adopted veterinary certificates, Members requested information on the continued validity of current bilateral certificates agreed with the Russian Federation. In their view, these bilateral certificates should remain valid until a replacement was agreed with the CU Parties.

887. The representative of the Russian Federation stated that 40 CU common forms of veterinary certificates for import into the CU territory from any third country had been adopted by CU Commission Decision No. 607 of 7 April 2011, for each of the categories of controlled goods established in CU Commission Decision No. 317. He confirmed that in accordance with CU Commission Decision No. 317, as last amended by CU Commission Decision No. 724 of

22 June 2011, and CU Commission Decision No. 726 of 15 July 2011 "On Veterinary Measures", veterinary certificates between exporting countries and the Russian Federation finalized prior to 1 July 2010 would be valid at least until 1 January 2013. Furthermore, CU Commission Decision No. 726 of 15 July 2011 provided that the competent authorities of the CU Parties could negotiate and agree to veterinary certificates with requirements that differed from the CU common form and specific CU Common Requirements, if an exporting country made a substantiated request prior to 1 January 2013 to negotiate such a veterinary export certificate. The decision also provided that bilateral veterinary export certificates initialled by one of the CU Parties before 1 July 2010, as well as any subsequent amendments to such certificates agreed with the authorised body of such CU Party, would remain valid for exports from the relevant country into the customs territory of the CU until an export certificate was agreed with a CU Party based on the agreed positions of the other CU Parties. Bilateral veterinary export certificates initialled by one of the CU Parties between 1 July 2010 and 1 December 2010 would remain valid for import and circulation of relevant goods, only in the territory of the CU Party that initialled the certificate, until a bilateral veterinary export certificate was agreed with a CU Party based on the agreed positions of the other CU Parties. While such bilateral veterinary export certificate could contain requirements that differed from the CU Common Form and Common Requirements, such certificates had to ensure the appropriate level of protection as determined by the CU Parties. These new certificates were also required to include terms, including provisions on the relevant product, that were no less favourable than those in an international treaty that was concluded prior to 1 July 2010 between a CU Party and the third country.

888. A Member expressed concern that the CU Parties were not recognizing the continued validity of existing certificates and that cases of blockages at the Russian border of consignments destined for Kazakhstan and accompanied by a bilateral certificate signed with Kazakhstan prior to 1 July 2010 had occurred. In response, the representative of the Russian Federation stated that the bilateral certificates that this Member had signed with Kazakhstan could only be used to export product to Kazakhstan for circulation within that country and noted that consignments were being delivered to Kazakhstan.

889. Some Members expressed concern that the CU Commission had adopted the 40 common forms of veterinary certificates and 38 Chapters of common veterinary requirements that did not conform to international standards, recommendations and guidelines, in particular OIE standards, recommendations and requirements. These Members also raised concerns that contrary to the requirements of the WTO SPS Agreement, interested parties, including Members had not been accorded an opportunity to provide comments on these measures before they were adopted. The representative of the Russian Federation responded that CU Commission Decision No. 625 of 7 April 2011 now provided a CU process for receiving comments from the public on proposed SPS measures.

890. The representative of the Russian Federation confirmed that amendments of the common veterinary requirements and to the common forms of certificates were being prepared in parallel so as to ensure compatibility with international standards, recommendations and guidelines in particular OIE standards. He confirmed that the amendments to the common veterinary requirements and to the common forms of certificates would enter into force simultaneously no later than the date of the accession of the Russian Federation to the WTO. The Working Party took note of these commitments.

891. Some Members noted that the Russian Federation had drafted proposed amendments to a few of the CU common veterinary requirements. These Members expressed concerns that these proposed amendments were extremely limited, failed to take into account Members' comments, were not based on scientific principles, could result in arbitrary or unjustifiable discrimination, and, most importantly, failed to bring the CU common veterinary requirements into conformity with international standards,

recommendations and guidelines, e.g., by requiring conditions for animal diseases which were not listed in the OIE Code. Members noted the Russian Federation's commitments in paragraph 890 regarding the CU common veterinary requirements and common forms and expressed concerns that the Russian Federation would not adopt all of the necessary amendments to achieve compatibility with international standards, guidelines and recommendations in particular OIE standards by the date of the accession of the Russian Federation to the WTO or that these amendments would not enter into force as provided in paragraph 890. These Members urged Russia to engage in serious efforts, including through consultations with WTO Members, with a view to ensure the timely implementation of the commitments in paragraph 890.

892. Members expressed concern regarding a mandatory requirement to use a common CU Veterinary Certificate. They noted that currently, some exporting countries had veterinary certificates that included requirements that differed significantly from those in the common form and the veterinary requirements of the Russian Federation. These differences reflected conditions in the exporting country or region, in line with Article 6 of the WTO SPS Agreement and other international agreements. These Members sought confirmation that the Russian Federation and its CU partners would negotiate specific certificates with requirements that could differ from the CU Common Requirements and that export certificates currently in effect with the Russian Federation would remain valid until a CU replacement had been agreed. Moreover, if there was no certificate governing trade in a regulated product, these Members sought confirmation that an exporting country could negotiate a certificate with the CU Parties that included requirements that differed from the CU Common Requirements.

893. The representative of the Russian Federation confirmed that the Russian Federation and its CU Parties would work with interested Members to negotiate veterinary certificates that included requirements that differed from the CU common form and specific CU Common Requirements, if an exporting country made a substantiated request prior to 1 January 2013 to negotiate such a veterinary export certificate. Bilateral veterinary export certificates initialled by one of the CU Parties before 1 July 2010, as well as any subsequent amendments to such certificates agreed with the authorised body of such CU Party, would remain valid for exports from the relevant country into the customs territory of the CU until an export certificate was agreed with a CU Party based on the agreed positions of the other CU Parties. Bilateral veterinary export certificates initialled by one of the CU Parties between 1 July 2010 and 1 December 2010 would remain valid for import and circulation of relevant goods, only in the territory of the CU Party that initialled the certificate, until a bilateral veterinary export certificate was agreed with a CU Party based on the agreed positions of the other CU Parties. These new certificates would include terms on matters dealt within an international treaty that were no less favourable than the corresponding terms on that matter in such treaty that was concluded prior to 1 July 2010 between a Party and the relevant third country. While such bilateral veterinary export certificates could contain requirements that differed from the CU Common Form and specific provisions of the Common Requirements, such certificates had to ensure the appropriate level of protection as determined by the CU Parties. The Working Party took note of these commitments.

894. The Russian Federation had concluded Agreements on veterinary certificates for most types of animal products with the veterinary services of many exporting countries in order to facilitate trade in animal products. The requirement to obtain a veterinary certificate (i.e., the certificate adjusted for a particular country) of the form established by such an Agreement was not mandatory for importing these products into the Russian Federation. In the absence of such an Agreement with the exporting country, animal products were exported to the Russian Federation based on the requirements listed in the Letter of the State Veterinary Service of the Russian Federation No. 13-8-01/1-1-3-7 of 23 December 1999, which was published in its electronic database for legal reference. He explained that in the relevant veterinary certificate, the state veterinary service of the exporting country certified

that the covered products fulfilled the terms and conditions set-out in the certificate. The certificate also included information on the veterinary situation in the exporting country at the moment of production and export of products and raw materials of animal origin to the Russian Federation with regard to highly dangerous animal diseases, as relevant, such as Foot-and-Mouth disease, Rinderpest, and African swine fever. The veterinary service of the exporting country would confirm the absence of such diseases when issuing the certificate. However, since the formation of the Customs Union, the CU Common Forms of Veterinary Certificates that were set-out in CU Commission Decision No. 607, or bilateral veterinary certificates as set-out in CU Commission Decision No. 726 of 15 July 2011 "On Veterinary Measures", had to be used. In response to a question from a Member, the representative of the Russian Federation further explained that, if a third country sought to export to a CU Party a commodity for which veterinary certification was required according to the CU Common List of Goods subject to veterinary control, but for which no CU Common Form of certificate and no CU Common Requirements existed, a bilateral certificate with the interested country could be developed based on a coordinated position of the CU Parties, and such a bilateral certificate would be based on relevant international standards, guidelines and recommendations as provided for in CU Commission Decision No. 721 of 22 June 2011 "On Application of International Standards, Guidelines and Recommendations". If, according to the CU Common List of Goods subject to veterinary control, no veterinary certification was required for a commodity, or if the commodity was not included in the said CU Common List, the Russian Federation would not require a veterinary certificate.

895. Some Members stated that a veterinary certificate should not require certification of provisions that were not mandatory requirements under CU acts or in the absence of CU mandatory requirements, under international standards, recommendations, and guidelines, e.g., to certify for a disease which was not the object of a CU act or was not subject to the same level of surveillance within the CU or Russian territory as required in the certificate. If the Russian Federation or the CU sought to have stricter animal health requirements than those set-out in the OIE, the Russian Federation or CU must demonstrate that, based on risk assessment, as well as active and passive surveillance in the Russian Federation or the CU territory for animal diseases that could be present on the territory of the Russian Federation or the CU, the animal health status of the Russian Federation or the CU for the disease concerned was such that it justified such stricter requirements. The representative of the Russian Federation confirmed that veterinary certificates would not require certification of provisions that were not justified based on mandatory requirements applicable and surveillance carried out within the territory of the Russian Federation or the CU. The Working Party took note of this commitment.

896. Some Members asked how it was possible to export products to the Russian Federation in the absence of existing bilateral certificates: (i) if CU Common Veterinary Requirements were set for the concerned product, and (ii) if no CU Common Veterinary Requirements were set. The representative of the Russian Federation answered that if CU Common Veterinary Requirements were set for the concerned product, the exporting country could use the CU common veterinary certificate, or could seek to negotiate with the CU Parties a bilateral certificate containing requirements that differed from those in the CU Common Veterinary Requirements to reflect the particular conditions of the exporting country. In the case where no CU Common Veterinary Requirements were set for the concerned product, a bilateral certificate with the interested country could be developed based on an agreed position of the CU Parties, and such a bilateral certificate would be based on relevant international standards, guidelines and recommendations.

897. With respect to the terms of veterinary certificates, the representative of the Russian Federation confirmed that in compliance with the provisions of the WTO SPS Agreement, which identified the norms and standards of the OIE as the requirements used in the international trade of live animals and products of animal origin, the Resolution of the Government of the

Russian Federation No. 159 of 24 March 2006 "On Implementation of the Veterinary Measures Regarding Importation of Live Animals and Products of Animal Origin to the Customs Territory of the Russian Federation" stipulated that when importing live animals and products of animal origin into the customs territory of the Russian Federation, if requirements stated in Russian legislation were more stringent than international veterinary requirements, the international standards (e.g., the relevant provisions of the OIE Code) were to be applied. The representative of the Russian Federation also stated that in practice, the Russian Federation either brought the rules into conformity with OIE standards or relied upon scientific evidence to maintain the more stringent standard. He further noted that Resolution No. 159 applied in the case of the Letter of the State Veterinary Service of the Russian Federation No. 13-8-01/1-1-3-7 of 23 December 1999, and if the letter applied more stringent veterinary requirements than international standards, the international standards would apply**.**

898. The representative of the Russian Federation explained that CU Commission Decision No. 721 of 22 June 2011 "On Application of International Standards, Recommendations and Guidelines" required that: in cases in which no mandatory requirements on veterinary, or phytosanitary, or sanitary epidemiological and hygienic requirements, had been established at CU or national level, the CU Parties would apply standards, recommendations and guidelines of the OIE, IPPC and the Codex Alimentarius respectively. Similarly, if CU veterinary, phytosanitary and sanitary-epidemiological and hygienic mandatory requirements in effect in the territory of the CU were more stringent than relevant international standards, guidelines and recommendations, in the absence of scientific justification of risk to human, animal, or plant life or health, relevant international standards, guidelines, and recommendations, or parts thereof, would be applied.

899. One Member noted that it would be useful to have a clarification on how this principle would be applied in a given case, as the operationalization of this concept did not seem self-evident. It also seemed that paragraphs 994 and 1003 referred to the same principle.

900. In response, the representative of the Russian Federation stated that Decision No. 159 and now CU Commission Decision No. 721 of 22 June 2011 were mandatory and, in his view, when CU Commission Decision No. 721 entered into effect, there would be a basis for application of international standards, recommendations and guidelines. He invited this Member, in case it had particular examples of its non-implementation, to provide them to the Russian authorities, in order to address those issues.

901. A Member of the Working Party expressed concern that bovine spongiform encephalopathy (BSE) requirements set-out in existing bilateral certificates as well as in the CU common veterinary certificate for live cattle, did not conform to OIE standards, since they respectively foresaw testing of animals for BSE and required the absence of a genetic link with animals affected by BSE. The representative of the Russian Federation clarified that in respect to BSE, as of the date of accession of the Russian Federation to the WTO, bilateral certificates as well as the CU common certificates would, as provided for in the WTO Agreement, be in conformity with OIE standards. The Working Party took note of this commitment.

902. In response, a Member stated that the Russian Federation should amend its requirements to be in conformity with international standards, recommendations, and guidelines in order to avoid confusion whilst achieving the appropriate level of protection. The representative of the Russian Federation stated that the harmonization of CU requirements with the international standards, recommendations and guidelines was being achieved, *inter alia*, through the work on elaboration of new technical regulations in the SPS sphere, as described in paragraphs 828 through 845, and 1045 through 1048. Furthermore, the CU Commission had adopted Decisions No. 625 as amended by Decision No. 722 of 22 June 2011 and No. 721 of 22 June 2011 to ensure that harmonization with

international standards, recommendations and guidelines would be achieved as of the date of entry into force of CU Commission Decision No. 721 of 22 June 2011.

903. One Member noted that the Russian Federation had adopted some veterinary certificates that included provisions that appeared to be inconsistent with international standards, e.g., those of the OIE, and had not provided a scientific justification or a risk assessment done in accordance with Articles 3 and 5 of the WTO SPS Agreement. This Member asked whether the Russian Federation was prepared to undertake modifications of these certificates to bring them into compliance with these standards and obligations.

904. In response, the representative of the Russian Federation confirmed that, if an exporting Member believed that the SPS requirements of the CU or the Russian Federation resulted in a higher level of protection than would be achieved by measures based on the relevant international standards, guidelines or recommendations, the Russian Federation was prepared to consult with the exporting Member on such SPS requirements and, if necessary, would, as a result of such consultations, modify requirements included in the relevant certificate to bring them into compliance with international standards, guidelines, or recommendations consistent with the WTO SPS Agreement. The Working Party took note of this commitment.

- (iv) Establishment Approval through Systems Audits, Guarantees and Inspections

905. The representative of the Russian Federation explained that, currently, according to CU Commission Decision No. 317, all goods included in the list of goods subject to veterinary control were subject to three requirements: (i) the exporting establishment had to be included in the Registry of Establishments authorised to export to the CU; (ii) the good had to be accompanied by a veterinary certificate; and (iii) an import permit had to be issued for importation of goods from an establishment in the Registry. In addition, these goods underwent veterinary checks at the CU border. Members of the Working Party expressed concerns that the veterinary risk associated with certain of these goods, such as feed of plant origin, did not justify subjecting these goods to veterinary control. In these Members' view, these goods should be subject to another type of control than a veterinary control.

906. In response to a request from a Member for further information on the requirements and procedures for an establishment to be included on the list of establishments authorised to export a product to the Russian Federation and the CU, the representative of the Russian Federation explained that, prior to 1 July 2010, establishments seeking to export meat and poultry, meat products, fish and fishery products, milk and dairy products, feed and feed additives of animal origin to the Russian Federation had to be listed by Rosselkhoznadzor. The listing requirements were established by Rosselkhoznadzor. The representative of the Russian Federation explained that, as of 1 July 2010, imports of products subject to veterinary control, as established in CU Commission Decision No. 317, were required to come from establishments approved by the CU Parties and included in the Common Registry. The representative of the Russian Federation stated that this requirement now also applied to ready-to-eat meat products, bee-farming products, eggs, and raw materials of animal origin in addition to those products that had previously been required to be listed.

907. The representative of the Russian Federation explained that the CU Commission Decision No. 830 of 18 October 2011 amended CU Commission Decision No. 317 to specify, for each type of good included in the list of goods subject to veterinary control, which veterinary measures (import permits, veterinary certificates and/or listing of establishments) applied to that particular good. In some cases, the form of veterinary control had been modified or eliminated. For example, the requirement for veterinary certificates and/or import permits had been eliminated. Similarly, the requirement for an establishment to be included in a Register had been eliminated or amended to require only the provision of the name or number of the final establishment dealing with the goods

prior to export to the territory of the CU, which was included in the import permit or veterinary certificate. Pursuant to CU Commission Decision No. 810 of 23 September 2011, certain goods on the list of goods subject to veterinary control were not subject to any of the three forms of veterinary control mentioned above when exported to the Russian Federation. CU Commission Decision No. 317, as amended by CU Commission Decisions Nos. 810 of 23 September 2011 and 830 of 18 October 2011, clearly specified those goods which were not subject to veterinary control when they were destined for the Russian Federation, as reflected in Table 41. The representative of the Russian Federation confirmed that goods destined for the Russian Federation and imported via another CU Party would be subjected, at the external border of the Customs Union, only to those veterinary measures applicable to goods imported directly into the Russian Federation.

908. With regard to the list of goods as set-out in Table 41, the representative of the Russian Federation confirmed that categories of goods would be added to the list of goods subject to veterinary control or the form of veterinary control applied to categories of goods on the list would be modified only if such action was in compliance with the provisions of the WTO SPS Agreement. The Working Party took note of this commitment.

909. Members expressed concerns that the listing requirements had been extended to many new commodities, such as live animals, composite products containing small amounts of fishery or meat products, and feed of vegetable origin, and that such requirements were not based on scientific evidence or proportionate to the risk and would represent an unjustified burden on trade, and were in their view, inconsistent with the WTO SPS Agreement. In response, the representative of the Russian Federation explained that, in his view, the listing requirement itself could not be a burden on trade. The burden on trade could result from the application of the wrong mechanism for including an establishment on the Register, for example, if the required actions that had to be done by the competent authority of an exporting country and/or establishment were not based on a risk analysis or were more trade restrictive than necessary. CU Commission Decision No. 317, as amended, allowed the use of different mechanisms for listing establishments that provided the possibility of minimizing the application of a more burdensome process than necessary for including an enterprise on the list by basing actions on the results of a risk analysis. The representative of the Russian Federation also explained that the requirement to be in the Common Register of establishments approved to export particular controlled products was a means to ensure compliance with CU veterinary requirements.

910. The representative of the Russian Federation further explained that since 1 July 2010 and before completing work on creating a common web-interface of the CU Commission's website, the three national lists of establishments from which imports were authorised were valid for imports into the entire CU territory (unless specified otherwise for specific establishments on the lists). Currently these lists were available within the following website: http://tsouz.ru/db/techregulation/vetmeri/Pages/Reestrorg.aspx. If a CU Party took a decision to add an establishment to its national list, the other CU Parties had to accept this decision. As a result of this decision, products from such an establishment could freely circulate within the territory of the CU, unless specifically provided otherwise in this decision. The representative of the Russian Federation explained that the CU Parties intended to develop a common web-interface of the CU Register of establishments and a common information system so as to have a unique list of establishments that would consolidate their national lists, but exact timing for the development of this database could not be specified. The representative of the Russian Federation explained that the system would be functional no later than by the date of accession of the Russian Federation to the WTO.

911. In response to a question from a Member, the representative of the Russian Federation explained that in accordance with a transitional period provided under CU Commission Decision No. 317, trade could continue from establishments not on a "list" in the Common Registry - when there was no requirement for such a "list" prior to 1 July 2010. Such trade could take place on the

basis of an import permit. He further explained that according to point 11.3 of the CU Regulation "On Veterinary Checks at the CU Border and on the CU territory" (CU Commission Decision No. 317 as amended by CU Commission Decision No. 342), a transitional period for listing establishments had been established, for the following products: animals; genetic material; apicultural products; raw material of animal origin (skins, fur, feather, etc.); feed additives of animal origin; feed of plant origin, etc., to permit trade to continue until lists were established. In response, some Members highlighted that this transitional period did not cover all commodities, such as composite products and gelatine, which were not subject to listing requirements before the entry into force of CU Commission Decision No. 317. The representative of the Russian Federation explained that pursuant to CU Commission Decision No. 317, as amended by CU Decision No. 724 of 22 June 2011, gelatine and composite products had been included in the list of products subject to a transition period. In such cases, the duration of the transition period would be not less than 18 months from 22 June 2011.

912. The representative of the Russian Federation further explained that since 1 July 2010, establishments could be added to the list of establishments authorised to export to the CU following an on-site joint inspection conducted by the three CU Parties or following the delivery of guarantees as regards conformity with the CU requirements by the exporting country, if the three CU Parties commonly agreed to rely on such guarantees. Indeed, as of 1 July 2010, the "Regulation of a Common System of Joint Inspections of Sites and Sampling of Goods (Products), Subjected to Veterinary Control (Supervision)" approved by CU Commission Decision No. 317 of 18 June 2010 had entered into force. This Decision outlined two possibilities for exporting countries' establishments to become eligible to export to the CU. The first option was that the competent authority of the exporting country provided guarantees to the CU that the establishment met the requirements of the CU. The second option was through a joint inspection conducted by all CU Parties. He explained, however, that if a third country had never exported products of animal origin to any of the CU Parties before, and wanted to export to the CU for the first time, exporting establishments proposed by this third country would have to be inspected by the CU Parties before being added to the Register, in order to confirm the reliability of the veterinary control system of this country.

913. Some Members asked on which basis CU Parties could decide to rely on the guarantees of the exporting country. Another Member sought clarification as to the processes available to exporting countries to have facilities added to the Common Registry. In this Member's view, it was unclear whether both options are available to all Members. A Member expressed concern that, in practice, the listing of new establishments was no longer accepted on the basis of written guarantees of the exporting country since the entry into force of the CU. In this Member's view, the Russian Federation and the other CU Parties did not have the resources to carry out inspections for any new establishment requesting to be listed by an exporting party and some establishments, even already exporting, could not be listed due to this lack of resources. In this Member's view, this represented an unjustified barrier to trade.

914. In response, the representative of the Russian Federation noted that prior to 1 July 2010, approximately 90 per cent of the establishments included in the Russian Register were placed there based on guarantees provided by the competent authorities of the exporting country. In general, the competent authorities of the CU Parties had to have confidence that the competent authorities of the exporting country would effectively ensure that exporting establishments in that country met CU requirements. He added that more detailed criteria on foreign guarantees were included in the new Regulation "On Common System of Joint Inspection of Objects and Sampling Goods (Products) Subject to Veterinary Control (Supervision)" adopted on 18 October 2011 (hereafter: new Regulation) which replaced the regulation of the same name adopted on 18 June 2010.

915. The representative of the Russian Federation explained that CU Commission Decision No. 317 also allowed for joint inspections by the three CU Parties of all establishments in third countries that sought to be permitted to export goods to the CU that are subject to veterinary control in the CU. Inspections must be carried out on the basis of a request by the competent authority of the exporting country. He further explained that it was possible that the representatives of the other CU Parties could delegate their authority to another CU Party to carry out an inspection. However, before an establishment could be included in the approved establishment list, all CU Parties had to concur.

916. Some Members expressed concern about the process of approving an establishment by each of the CU Parties. For example, one Member of the CU could approve the addition of an establishment to the Registry, but the establishment would not be added to the Registry due to a lack of response from the other CU Parties. Further these Members expressed concern that approval, to be added to the Registry, was by consensus and rejection was subjective and did not appear to be based on any criteria. These Members requested information on what would constitute a valid reason for refusal to be added to the Registry, by CU Parties and for other (non-auditing) CU Parties to refuse to list an establishment or any time-frames for such a decision. In some Members' view, these decisions could be arbitrary and discriminate against Members where the same conditions prevailed.

917. Members of the Working Party expressed concerns that the CU Regulation "On Joint Inspections of Goods Subject to Veterinary Control" (CU Commission Decision No. 317) was not in line with Codex Guidelines for the design, operation, assessment and accreditation of food import and export inspection and certification systems (CAC/GL 26-1997), which recommended that: assessment activities by the importing country in the exporting country "should concentrate primarily on evaluating the effectiveness of the official inspection and certification systems rather than on specific commodities or establishments in order to determine the ability of the exporting country's competent authority(s) to have and maintain control and deliver the required assurances to the importing country". Members requested that the Russian Federation amend the CU Regulation so that it conformed to international standards, guidelines and recommendations.

918. In response to Members' questions and concerns, the representative of the Russian Federation explained that the new Regulation provided three ways for a country to have establishments located on its territory included on the Register of establishments authorised to export. At the request of the competent authorities of the third country, the CU Parties would conduct a systems audit to determine if the official system of supervision of that third country was capable of providing a level of protection at least equivalent to that provided by CU requirements. If this audit of the official system of supervision was successful, the CU Parties would include establishments of the audited country on the Register in accordance with a list of establishments that the competent authority of the third country provided to the CU Parties. If an audit of a third country's official system of supervision was not carried out or was not completed or if, as a result of such audit, the third country's official system of supervision was not recognized as being capable to provide a level of protection at least equivalent to that provided by CU requirements, the CU Parties could agree to include establishments of that country on the Register on the basis of joint inspections or guarantees provided by the competent authority of the third country. The new Regulation mentioned in paragraph 914 also established the procedures for conducting a systems audit, including provisions on visits to establishments located in the third country. In connection with a systems audit, the purpose of the visit was to ensure that, within the framework of the third country's regulatory system, related to production, processing, transporting and storage of the relevant goods, all of the country's laws, regulations and other requirements on inspection and certification, which the CU Party(s) recognised as capable to provide a level of protection, at least equivalent to that provided by CU requirements at the stage of analysis of documentation, were properly implemented. If the CU provided a third country the authority to list establishments located on its territory in the Registry, based on guarantees, the CU Parties could

conduct joint inspections of a representative percentage of establishments to check and confirm the operation of the third country's official system of supervision that was the basis for the guarantees. Establishments could also be included on the Register based on a joint inspection of the establishment.

919. The representative of the Russian Federation explained that, in this Regulation, CU requirements were defined as international standards, guidelines and recommendations within the meaning of CU Commission Decision No. 721 of 22 June 2011 "On Application of International Standards, Recommendations and Guidelines", related to Veterinary and Sanitary Requirements for Goods, CU Technical Regulations for Goods, CU Common Veterinary Requirements or, the different requirements that CU Parties have agreed with the third country in veterinary export certificates, as provided in CU Commission Decision No. 726 of 15 July 2011 "On Veterinary Measures", and mandatory national requirements for goods.

920. The representative of the Russian Federation further explained that the new Regulation established CU procedures, including time-frames, for every aspect of organizing and taking decisions on systems audits, on-site visits, and including establishments on the Register in each of the cases described in paragraph 918 above. The competent authorities of CU Parties were notified of requests for audits, requests for authorization to provide guarantees, and for joint inspections of establishments and invited to participate. If a CU Party declined to participate or did not respond within the prescribed time, that CU Party authorised the participating CU Party or Parties to act on its behalf and accepted the decision of the participating CU Party or Parties on the relevant matter.

921. Finally, the representative of the Russian Federation explained that the new Regulation authorised and provided criteria for accepting guarantees from the competent authorities of third countries on the compliance of goods produced by an establishment located on its territory. These criteria were the following:

- Level of development of the competent authority of the third country;
- Level of justification of guarantees of the competent authority of the third country;
- Risk of entry into and spread of pathogens of infectious animal diseases in the third country, including those common to humans and animals;
- Epizootic situation in the third country;
- Results of monitoring tests of goods subject to veterinary control imported into the CU territory from the third country;
- Data from monitoring of relevant goods done by the competent authority of the third country;
- Compliance with CU requirements with regard to importing relevant goods into the territory of the CU from the third country; and
- Results of inspections by the competent authority of a CU Party or Parties of establishments located on the territory of the third country.

922. Members raised concerns about the Russian Federation's practice of removing establishments from the Registry (de-listing) based on the results of a joint inspection or monitoring of imports of controlled goods at the border. The decision to de-list an establishment often did not appear to correspond to the observations that inspectors made at the establishment. In addition, de-listing an establishment based on a finding of non-compliance made at the border could be disproportionate to the non-compliance. Members requested that the Russian Federation provide additional information regarding de-listing establishments before taking such action and to provide a meaningful opportunity for the establishment to take corrective actions, as provided for in the WTO SPS Agreement, before it was removed from the Registry.

923. In response, the representative of the Russian Federation explained that the new Regulation provided for removal of an establishment from the Registry (de-listing) in only two cases: at the request of the relevant establishment, and at the request of the competent authority of the third country. Instead of de-listing an establishment, the CU could, in line with international standards or based on risk assessment, temporarily suspend imports from the establishment and/or subject imports from that establishment to intensified monitoring. Except in emergency situations, understood in the sense provided for in the OIE, a temporary suspension of imports from an establishment could be applied only:

(a) upon the request of the establishment or the competent authority of the third country; or
(b) based on repeated non-compliances with CU requirements either detected during on-site inspection and/or re-inspection of the establishment by the competent authority of a CU Party, or as a result of monitoring and enhanced laboratory testing of the establishment's goods, which have been notified to the competent authority of the third country, if such non-compliances represented a significant threat to human or animal life and health.

The Working Party took note of these commitments.

924. In response to a question from a Member, the representative of the Russian Federation confirmed that, currently, Rosselkhoznadzor was not entitled to de-list an establishment on the basis of minor non-compliances with CU requirements or requirements included in the certificate not affecting the safety of the products, observed during on-site inspection or laboratory analysis at the border or based on issues which fall outside of Rosselkhoznadzor's field of competence (e.g. controls on potable water).

925. A Member expressed concern that inspection reports were not always submitted to the competent authority of the exporting country before decisions on the listing or de-listing of establishments were taken. This Member also expressed concern that the competent authority of the exporting country was not given an opportunity to comment on the draft inspection report and to propose corrective actions before decisions on the de-listing or refusal to list establishments were taken.

926. The representative of the Russian Federation confirmed that, except in case of serious risks of animal or human health, Rosselkhoznadzor would not suspend imports from establishments based on the results of on-site inspection before it had given the exporting country the opportunity to propose corrective measures. As required under the new Regulation, the preliminary report would be sent to the competent authority of the exporting country for comments before the report was finalised. He noted again that the CU Parties had developed criteria and reasons for a decision to suspend imports from an establishment. Minor errors would not be valid grounds for suspending imports from an establishment and he reminded Members that there would be an administrative procedure for appealing such decisions as well as recourse to the courts. The Working Party took note of this commitment.

927. Regarding emergency situations, the representative of the Russian Federation confirmed that the decisions and procedures for the suspension of establishments would be in accordance with the WTO SPS Agreement. The Working Party took note of this commitment.

928. The representative of the Russian Federation further explained that in extraordinary cases, the CU Commission could take a decision to suspend a group of establishments or all establishments of a third country as the result of the detection of a serious systemic failure of the official system of control, as specified in the new Regulation. The representative of the Russian Federation explained

that, upon taking such a decision, the CU Commission would have to provide the Competent Authority (CA) of the third country with the technical information and scientific justification on the risk detected. The third country would be requested to take corrective measures within a specified timeframe for their adoption. Any suspension would not be implemented before the expiration of the specified timeframe. Once the corrective measures were taken, the CA of the third country would send a report on the corrective measures to the CU Commission. The CU Commission would evaluate the report and it would decide if the corrective measures were effective and sufficient. The suspension, if implemented, would be lifted within five working days after the decision. In case corrective measures were not taken or were considered ineffective by the CU Commission, the decision on a temporary suspension of imports from a group of establishments or all establishments of a third country could be implemented. The representative of the Russian Federation confirmed that such temporary suspensions would be proportionate to the risk to human health or life and not more restrictive to trade than necessary, as provided in the WTO SPS Agreement. The Working Party took note of these commitments.

929. Some Members requested clarification of the requirements which currently needed to be met by exporting establishments and the criteria checked by inspectors in those establishments. The representative of the Russian Federation explained that the following guidance documents for inspectors were currently in place:

- Methodological guidance on procedures for carrying out inspections for fish processing establishments on conformity with veterinary-sanitary requirements of the Russian Federation and the Republic of Belarus (adopted by the Head of Rosselkhoznadzor and the Deputy Minister of Agriculture and Food of the Republic of Belarus on 22 September 2009);
- Methodological guidance on procedures for carrying out inspections for slaughterhouses and meat processing establishments on conformity with veterinary-sanitary requirements of the Russian Federation and the Republic of Belarus (adopted by the Head of Rosselkhoznadzor and the Deputy Minister of Agriculture and Food of the Republic of Belarus on 22 September 2009);
- Methodological guidance on procedures for carrying out inspections for milk processing establishments on conformity with veterinary-sanitary requirements of the Russian Federation and the Republic of Belarus (adopted by the Head of Rosselkhoznadzor and the Deputy Minister of Agriculture and Food of the Republic of Belarus on 22 September 2009); and
- The Regulation "On Common Order of Joint Inspection and Sampling of Goods subject to Veterinary Control", adopted by CU Commission Decision No. 317 of 18 June 2010.

He further specified that the currently applicable requirements related to establishments were contained in the following normative legal acts of the Russian Federation:

- Federal Law No. 29-FZ of 2 January 2000 "On Quality and Safety of Food Products";
- Federal Law No. 88-FZ of 12 June 2008 "The Technical Regulation for Milk and Milk Products";
- Rules of Veterinary Inspection of Livestock for Slaughter and Veterinary-Sanitary Examination of Meat and Meat Products (adopted by the Ministry of Agriculture of the USSR on 27 December 1983);
- The Veterinary-Sanitary Rules for Establishments (Departments) of Poultry Processing and Production of Egg's Products (adopted by the Chief State Sanitary Doctor of the USSR on 6 May 1987, No. 4261-87);
- The Instruction on Veterinary Marking (Stamping) of Meat (adopted by the Ministry of Agriculture of the Russian Federation on 28 April 1994);

- The Veterinary-Sanitary requirements on Inspection Control (Supervision) of Poultry Processing Establishments (adopted by the Chief State Veterinary Inspector of the Russian Federation on 16 May 2002);
- The Instruction on Procedure and Frequency of Control of Content of Microbiological and Chemical Contaminants in Meat, Poultry, Eggs and Processing Products (adopted by the Ministry of Agriculture of the Russian Federation on 27 June 2000);
- Methodological Guidance on Laboratory Diagnostics of Trichinosis of Animals (adopted by the Ministry of Agriculture of the Russian Federation on 28 October 1998, No. 13-7-2/1428); and
- The Sanitary Rules for Establishments of Meat Industry (adopted by Ministry of Health of the USSR on 27 March 1986, No. 3238-85, Ministry of Milk and Meat Industry of the USSR on 5 August 1986).

He added that these requirements and inspection criteria were currently under revision. Requirements applicable to establishments were to be included in EurAsEC and CU technical regulations that were currently under development, as described in paragraph 833. CU inspection guidelines, which would be based on international guidelines were currently being developed.

930. Members of the Working Party expressed concern that the draft inspection guidelines for meat, poultry, fish, and dairy, which were available on the website of Rosselkhoznadzor, were stricter than international standards, guidelines and recommendations, in particular they were overly prescriptive and in many cases would be difficult to respect in other cases than the CU context. Requiring establishments to meet these overly prescriptive structural and functional requirements would, in practice, preclude most non-Russian establishments from passing inspection. Furthermore, Members highlighted that these draft guidelines did not take into account the possibility for exporting countries to conclude specific certificates with CU Partners, as foreseen in CU Commission Decision No. 726 of 15 July 2011, and thus to be subjected to specific requirements. Members asked how equivalence could be recognised when the specific standards set in these inspection guidelines could not be met.

931. In response, the representative of the Russian Federation stated that the new Regulation recognised the principle of equivalence. Specifically, inspectors were instructed to evaluate whether establishments were complying with relevant CU requirements or the relevant international standards, guidelines, and recommendations, and in such cases, the establishment would be considered in compliance with CU requirements based on the principle of equivalence. He further explained that if there were cases where a CU act or mandatory national requirement was more stringent than the international standard, the inspector would evaluate compliance with international standards, guidelines, and recommendations, unless a scientific justification for the more stringent measure, as provided for in the WTO SPS Agreement, had been presented to the competent authority of the third country. The competent authority could then propose an equivalent measure. If an establishment was included on the Register based on guarantees from the competent authority of the exporting country, inspectors were bound to check and evaluate whether the guarantees in the export certification applicable were met.

932. The representative of the Russian Federation confirmed that as of the date of accession of the Russian Federation to the WTO, specific guidelines on inspection that would reflect the principles of equivalence and reliance on international standards, guidelines and recommendations, as such principles were described in paragraph 931, would be developed and adopted to ensure the implementation of the new Regulation by CU inspectors, in accordance with the WTO SPS Agreement. Under these guidelines, inspectors would be instructed in particular to verify the compliance of establishments with relevant Codex Alimentarius recommended codes of practices such as CAC/RCP 1-1969, recommended international code of practice general principles of food

hygiene, the CAC/RCP 58-2005 code of hygienic practice for meat, the CAC/RCP 57-2004 code of hygienic practice for milk and milk products, the CAC/RCP 52-2003 code of practice for fish and fishery products and other relevant international standards, recommendations and related texts. Moreover, inspectors would be provided information and training on the application of the principle of equivalence as provided in the WTO SPS Agreement, in the context of the new Regulation and the guidelines. The Working Party took note of these commitments.

933. Some Members expressed concern that the new Regulation set-up a detailed and prescriptive system for auditing third-country systems for supervision of products subject to veterinary control, while it appeared that the requirements for CU Parties and their respective establishments appeared to be less detailed and stringent in some respects. These Members asked whether and how it would be ensured, for example, that the frequency and requirements related to on-site visits as applied to third countries and their establishments and to CU Parties and their establishments for purposes of determination and maintenance of equivalence, would be no less favourable to third countries and their establishments, and not discriminate against such countries or establishments.

934. In response, the representative of the Russian Federation stated that, in his view, the new Regulation and the procedures and requirements for the conduct of audits and inspections applied in respect of Members, their products or establishments were in compliance with the WTO rules and requirements.

935. The representative of the Russian Federation confirmed that, by the date of the accession of the Russian Federation to the WTO, the new Regulation, as described in the Working Party Report, would be applied in compliance with the WTO SPS Agreement, including Article 2.3 thereof, and the GATT 1994. In particular, he confirmed that the new Regulation would not arbitrarily or unjustifiably discriminate between Members, where identical or similar conditions prevail, including between CU Parties which were Members and other Members, with regards to requirements for on-site inspections, including for purposes of determination and maintenance of equivalence of the systems of control of products; and that the new Regulation would not be applied in a manner which would constitute a disguised restriction on international trade. The Working Party took note of this commitment.

- (v) Resident Inspectors

936. In response to some Members concerns regarding the mechanism of resident inspectors existing in the Russian Federation, the representative of the Russian Federation confirmed that resident inspectors will not be mandatory for trade with the Russian Federation. He informed that the activity of resident inspectors was aimed at securing formation of consignments that met CU and Russian veterinary requirements. He also confirmed that in the event a WTO Member requests that the Russian Federation maintains resident veterinary inspectors after the accession of the Russian Federation to the WTO, it would be ensured that these inspectors would not operate in a manner inconsistent with the obligations of the Russian Federation under the WTO SPS Agreement, relevant bilateral agreements between the Russian Federation and respective Member, as well as within the framework of SPS legislation of the Russian Federation. The SPS measures, applied in accordance with the said legislation, would not arbitrarily or unjustifiably discriminate between Members where identical or similar conditions prevail, including between the territory of the Russian Federation and that of other Members, as provided for in the WTO SPS Agreement. The Russian Federation would also ensure that the provisions of Annex C of the WTO SPS Agreement, the transparency requirements of Article 7 and Annex B of the WTO SPS Agreement and Article X of the GATT 1994 were respected. To that extent, decisions by resident inspectors could be appealed by interested persons in the same way as decisions taken by the competent authority of the Russian Federation. Fees imposed for procedures on imported products

would be in compliance with point 1(f) of Annex C to the WTO SPS Agreement. However, the calculation of these fees would take into account communication, transportation and other costs arising from differences between locations of facilities of the applicant. The Working Party took note of these commitments.

- (f) Importation of Products Subject to Quarantine Control

937. The representative of the Russian Federation stated that the Decision of the Interstate Council of EurAsEC No. 30 of 11 December 2009 "On the Agreement on Plant Quarantine" (last amended on 21 May 2010) provided the legal framework for plant quarantine in the Russian Federation. This Decision stipulated that regulations must take into account the "rules and principles" of the IPPC and the WTO SPS Agreement. Customs Union plant quarantine measures were further established in CU Commission Decision No. 318 of 18 June 2010 "On Ratification of Agreement of the Customs Union of the Plant Quarantine" (as last amended by Decision No. 528 of 28 January 2011). Decision No. 318 included the following documents:

- The list of products under quarantine (regulated goods, regulated articles of regulated products), i.e., which are subject to quarantine phytosanitary control (supervision) at the customs border of the Customs Union and in the customs territory of the Customs Union;
- Regulations on the implementation of quarantine pest control (supervision) at the customs border of the Customs Union; and
- Regulations on the implementation of quarantine pest control (supervision) at the customs territory of the Customs Union.

938. The representative of the Russian Federation further clarified that the CU did not have common phytosanitary requirements and that these were developed and implemented at the national level. He informed Members that Federal Law No. 99-FZ of 15 July 2000 "On Quarantine of Plants" was being replaced with a new law that did not contradict the provisions of the CU established in Decision No. 318. The representative of the Russian Federation explained that this new law would establish procedures for applying phytosanitary measures, adopting phytosanitary measures similar to technical regulations and for transparency. All drafts would be published on the MOA website and be available for public comment. Furthermore, it was envisioned that this new law would establish a procedure for determining the risk of each object subject to quarantine control, and that appropriate passports (i.e., pest risk assessments) would be issued based on the assessment of the risk and on International Standards for Phytosanitary Measures (ISPMs). The representative of the Russian Federation also explained that the new draft law contained the requirements for quarantine zones, storage, and transportation within quarantine zones, and established appropriate research and testing for products subject to quarantine measures in the Russian Federation. According to CU Agreements and Russian legislation, phytosanitary measures were to apply only to the extent necessary to prevent importation and acclimatization of quarantine objects in the Russian Federation. Phytosanitary measures maintained by the Russian Federation were based on the recommendations and principles of the IPPC (Rome, 1951, edition of 1997) as well as those of the European and Mediterranean Plant Protection Organization. In response to a question from a Member, the representative of the Russian Federation explained that the Russian Federation accepted phytosanitary certificates issued on the basis of the IPPC, including by organizations operating under the surveillance of the competent authority of the Government. He explained that in accordance with the Decision of the Interstate Council of EurAsEC No. 39 of 21 May 2010), importation of products subject to quarantine control ("regulated products") into the territory of the Russian Federation would no longer require an Import Quarantine Permit (IQP).

939. In reply to a Member, the representative of the Russian Federation informed Members that the Russian Federation recognized phytosanitary certificates issued by public officers who were

technically qualified and duly authorised by the official National Plant Protection Organization (NPPO) to act on its behalf and under its control, in accordance with IPPC standards and ISPMs which were applicable to this particular matter.

940. The existing list of products under quarantine (regulated goods) that were subject to quarantine phytosanitary control at the customs border of the CU and the territory of the CU was divided into two groups: (i) regulated products of high pest risk; and (ii) regulated products of low pest risk. The representative of the Russian Federation explained that imports of regulated products of high pest risk would need to be accompanied by a phytosanitary certificate. No phytosanitary certificate was required for imports of regulated products of low pest risk. The list of regulated products with their Russian HS codes was included in CU Commission Decision No. 318.[10] He further explained that a number of products were now excluded from the high pest risk list, such as raw cane sugar, beet sugar, natural sands of all kinds, gravel, sand, fish meal, meat meal or meat by-products, protein concentrates, protein-vitamin concentrates and protein pre-mixes.

941. A Member of the Working Party asked whether, the Russian Federation accepted imports of regulated goods from areas affected by certain quarantine pests, provided that certain mitigation measures were applied, as provided in relevant IPPC recommendations, and, if this was the case, whether the Russian Federation had defined which mitigation measures it accepted for each combination of pest and commodity. The representative of the Russian Federation replied that mitigation measures were acceptable. However currently, normative legal acts of the Russian Federation did not define which mitigation measures could be applied in each case. The Russian Federation confirmed that it was ready to assess mitigation measures proposed by exporting countries within a reasonable period of time, as set-out in international standards, guidelines and recommendations.

942. A Member questioned whether the basis for determining whether a regulated good was high or low risk was based on the recommendations of the IPPC or if a risk assessment was done to justify the risk determination. The representative of the Russian Federation stated that the Russian Federation was developing a procedure for risk assessment in accordance with the new draft Law "On Plant Quarantine". The draft law provided for an automated system of risk management in the process of checking at the border. The Russian Federation planned on using several criteria to determine risk, including a risk assessment of quarantine products in terms of risk of disease (i.e., the phytosanitary status of the exporting country and the systems of control in the exporting country) and phytosanitary certificates from the competent authorities of the exporting countries. All inconsistencies with Russian requirements would be registered in the automated system and this would determine whether the product could be imported (see paragraphs 852, 943 and 946 for further details). He stated that it was expected that this system would be operational in 2013.

943. A Member expressed concern that it did not appear that a risk assessment had been the basis for determining whether a product was considered high or low risk and requested further information on where the phytosanitary requirements were established in Russian law. The representative of the Russian Federation explained that prior to the CU, phytosanitary requirements were listed on the IQPs. With the CU Commission decision abolishing IQPs, phytosanitary requirements were now contained in the MOA Order No. 456 and published on the website of the Ministry. He again noted that the new draft Law "On Plant Quarantine" would contain procedures on risk assessment. He explained that the determination of whether a product was a high risk or low risk was based on a pest risk assessment done by at least one of the CU Parties. According to CU Commission Decision No. 454, CU work on phytosanitary measures, including pest risk assessments, must be completed by

[10] Available at the following website: http://www.mcx.ru/index.html?he_id=900.

the end of 2012. He further noted that the Russian Federation was establishing an accreditation body to accredit laboratories and that these requirements were being developed by the MOA.

944. A Member of the Working Party asked for clarifications on the regime for imports of plants with soil attached. The representative of the Russian Federation explained that, according to point 34 of the MOA Order No. 456, "the plants with a lump of basal soil from the areas, places and/or sites of production that are recognized to be free from quarantine pests may be imported into the Russian Federation subject to quarantine phytosanitary control including mandatory laboratory examination of soil samples against the full range of quarantine objects that can spread with the soil". He confirmed that the recognition of pest free areas or places of production under this point would be carried out in accordance with relevant ISPMs on the basis of a request from the NPPO of the exporting country. Imports of plants with soil attached would be allowed, based on this recognition. He further confirmed that Ministerial Order No. 456 would be amended with a view to deleting point 35 and incorporating all relevant ISPMs which are applicable to this particular matter. The Working Party took note of this commitment.

945. A Member stated its concern that the Russian Federation still required a phytosanitary certificate for a number of processed products, despite the internationally accepted low risk status of these products. The Member also requested clarification as to why some products, such as sheep skins needed both a phytosanitary certificate and a veterinary certificate. The representative of the Russian Federation stated that according to the CU Commission Decision No. 318 of 18 June 2010, which adopted the list of goods subject to phytosanitary control, import to the CU territory of cattle skins and skins from other animals (CN 4101, 4102, 4103) was carried out without phytosanitary certificate of the export country. Nevertheless these products were subject to phytosanitary control at the border. Currently, this meant that each shipment went through a visual inspection, and check of documents. Depending on the situation in the exporting country, e.g., competency of the authorities or other factors indicating risk, sampling could be done. The representative of the Russian Federation explained that each consignment of high pest risk products subject to quarantine had to be accompanied by a phytosanitary certificate confirming that the phytosanitary state of the product conformed to the conditions specified in the CU and Russian requirements. Phytosanitary certificates were issued in the exporting country by agencies of the official National Plant Protection Organization. A Member requested further information on the phytosanitary certificates necessary for import of high risk goods. The representative of the Russian Federation stated that the phytosanitary certificate accepted was the standard IPPC certificate.

946. The representative of the Russian Federation further explained that, in accordance with CU Commission Decision No. 318 of 1 January 2011, the Governments of the CU Parties, instead of using an IQP system for regulated products of high pest risk, would provide official information on the phytosanitary requirements for imported products on the official websites of the authorised bodies of the CU Parties. For the Russian Federation this information would be available at the websites of Rosselkhoznadzor, the MOA and the CU, as well as in the information system of the EurAsEC in the field of technical regulations, sanitary and phytosanitary measures, and the integrated information system of external and mutual trade of the CU. The representative of the Russian Federation stated that it was working on developing a system of public electronic notifications, at which it would be possible for all participants to see the phytosanitary requirements for all regulated products. This system would be organized by HS code and would also include information on the introduction of temporary restrictions on imported regulated products for all countries. This system was being developed by the Russian Federation, but once in place could be utilized by Belarus and Kazakhstan as well. It was expected that this database would be operational by 1 January 2013 and accessible on the Internet.

947. He stated that temporary phytosanitary measures were published on the Rosselkhoznadzor and the MOA websites: www.fsvps.ru; and www.mcx.ru. If the Russian Federation implemented temporary phytosanitary measures, the other CU Parties also would need to enforce that measure. The representative of the Russian Federation explained that, as of the date of accession of the Russian Federation to the WTO, such temporary measures would be applied in accordance with international standards, and in particular the IPPC and relevant ISPMs, and that scientific justification and risk assessment for such measures would be provided to the exporting Member upon request, in accordance with the WTO SPS Agreement.

948. The representative of the Russian Federation emphasised that the formation of the CU had introduced some amendments to the import rules for the regulated products. Furthermore, he stated that the Common List of Regulated Products (Materials, Commodities under Quarantine), Subjected to Quarantine Phytosanitary Control (Supervision) was approved by CU Commission Decision No. 318 of 18 June 2010, amended by CU Commission Decision No. 454 of 18 November 2010 and had entered into force on 1 July 2010. According to the Regulation "On Procedure of Quarantine Phytosanitary Control (Supervision) at Customs Border of the Customs Union" which entered into force on 1 July 2010, a phytosanitary certificate would be required only for import of the regulated products of high pest risk. In accordance with the Decision of the Interstate Council of EurAsEC No. 39 of 21 May 2010, which entered into force on 19 May 2011, an IQP for regulated products was no longer required. Only regulated products of high pest risk needed to be accompanied by a phytosanitary certificate, and for import of the regulated products of low pest risk, no phytosanitary certificate was required. He further informed Members that regulated products imported into the territory of the Russian Federation would have to be in conformity with the Russian quarantine phytosanitary requirements, on the absence of regulated organisms included in Order of the MOA No. 673 of 26 December 2007 "On Approval of List of Quarantine Objects". Order No. 673 contained the list of pests which were not permitted in the Russian Federation. This quarantine pest list applied to all countries wishing to export to the Russian Federation. In addition to the general list contained in Order No. 673, Order No. 456 identified pests reported to be present in particular exporting countries. The lists set-out in Order No. 456 were aimed only at recommending to the third country concerned that it focus its controls on these pests. Third countries remained responsible for ensuring the absence of all quarantine pests included in Order No. 673. The representative of the Russian Federation noted that the CU Parties were in the process of reviewing and conducting pest risk assessments in order to harmonise the quarantine pest list by 1 January 2013. Until that time, he explained, national quarantine pest lists would remain valid.

949. Some Members of the Working Party expressed concern that the application of certain phytosanitary measures in the Russian Federation was inconsistent with international standards, recommendations and guidelines. Specifically, making certain imported products subject to quarantine control and temporary import restrictions for the reasons stated by the Russian Federation did not appear to be consistent with the IPPC and the WTO SPS Agreement. These Members were concerned that the Russian Federation considered that a pest was quarantinable solely because the pest did not exist in the Russian Federation and, when requested, did not provide a pest risk assessment or technical justification for its phytosanitary requirements. In the view of these Members, this had resulted in unnecessary restrictions on trade in violation of the WTO SPS Agreement. These Members also noted that the Russian Federation had identified certain quarantine pests, such as *ambrosia trifida*, for reasons that did not meet the IPPC definition for quarantine status and that the Russian Federation had blocked imports of corn that was under contract for processing, because Russian officials were concerned that the corn would be used for seed. In the view of these Members, significantly less trade-restrictive measures were reasonably available to ensure compliance and achieve the appropriate level of phytosanitary protection. These Members also had concerns about the requirements that had to be met to lift temporary trade-restrictions.

In their view, these requirements often resulted in excessive periods of time when products were excluded from the market of the Russian Federation.

950. A Member expressed concern that Russian Federation inspectors conducted regular inspections of nurseries involved in exporting to the Russian Federation, often without cause and outside of the scope of IPPC guidelines. The Member stated that the IPPC did not allow for importing countries to inspect the nurseries in the exporting country on a routine basis, but only in specific cases, for example, when new trade was being established or when a problem existed. In response to a question of a Member, the representative of the Russian Federation confirmed that as of the date of its accession to the WTO, the Russian Federation, consistent with the WTO SPS Agreement, would not perform plant health inspections in the exporting country on a regular basis, but would allow export of plants for planting based on guarantees provided by the NPPO of the exporting country of a pest free area or pest free places of production as set-out in international standards, recommendations, and guidelines. A joint inspection would take place in the case of repeated non-compliances. The Working Party took note of this commitment.

951. One Member noted that the Russian Federation had adopted some phytosanitary measures that were inconsistent with international standards and guidelines, and had not provided a scientific justification or a risk assessment done in accordance with Article 5 of the WTO SPS Agreement. Specifically:

(a) On the import of raw sugar, the Russian Federation requires the submission of a phytosanitary certificate for this product that is processed, for which the reasons given by the Russian Federation do not seem to be compatible with the IPPC and WTO SPS Agreement. This Member asked whether the Russian Federation was prepared to eliminate the application of this document as phytosanitary requirement for a product that is processed, requirements that must be governed by other international standards (Codex Alimentarius).
(b) On imports of leather leaf fern (*Rumohra adiantiformis*), requirements requested by the Russian Federation do not correspond to pests associated with this crop, which denotes the absence of a pest risk analysis to justify the scientific application of those requirements.

952. In response to these concerns, the representative of the Russian Federation stated that when taking phytosanitary measures, Russian authorities followed the relevant international practice and provisions established in the IPPC and the WTO SPS Agreement, including conducting a risk assessment. He explained that Government Resolution No. 329 "On the National Organization for Quarantine and Plant Protection", named Rosselkhoznadzor as the Federal Agency responsible for fulfilling the duties stipulated in Article IV of the IPPC. He confirmed that, from the date of accession of the Russian Federation to the WTO, if the phytosanitary requirements of the Russian Federation resulted in a higher level of protection than would be achieved by measures based on relevant international standards, recommendations or guidelines, the Russian Federation would apply its phytosanitary requirements in accordance with the WTO SPS Agreement, in particular Article 3.1 of that Agreement. He also confirmed that the authorities of the Russian Federation would consult with exporting Members on the measures in question, if requested. Furthermore, from the date of accession of the Russian Federation to the WTO, if phytosanitary requirements applied in the Russian Federation resulted in a higher level of protection than would be achieved by measures based on relevant international standards, recommendations or guidelines, Rosselkhoznadzor would provide explanations of the reasons for such phytosanitary measure, including the relevant risk assessment, on a bilateral basis following receipt of a request from an exporting Member pursuant to Article 5.8 of the WTO SPS Agreement. The representative of the Russian Federation also confirmed that the radiation certificate on import of raw sugar into the customs territory of the Russian Federation was not required by the CU or Russian legislation. The Working Party took note of these commitments.

953. Some Members raised concerns that CU and Russian measures called for, and their officials applied less favourable treatment to imported products than domestically produced products. They noted that according to the CU Regulation "On Carrying out of Phytosanitary Control" (adopted by CU Commission Decision No. 318 of 18 June 2010), visual inspection (examination) of vehicles (bullet 4.2.), and visual inspection (examination) of regulated products (bullet 4.3.) were carried out at the crossing points of the CU border. Furthermore, Article 9, paragraph 5 of Law No. 99 and the new draft Law "On Plant Quarantine", provided that: regulated goods imported into the territory of the Russian Federation would be subject to initial State quarantine phytosanitary control, including inspection, at the crossing points of the CU and a second State quarantine phytosanitary control, including inspection, at destination in the Russian Federation. These Members noted that these products had a phytosanitary document and had been inspected where produced. The requirement of the Russian Federation for inspection when it crossed into the territory of the Russian Federation and then a full re-inspection for all shipments when clearing customs appeared to be unjustified for SPS reasons, a burden on trade, and inconsistent with national treatment.

954. The representative of the Russian Federation explained that the procedure for inspection at the border and at destination was not burdensome and that the Russian Federation was not inspecting 100 per cent of shipments at the border, but was moving towards an inspection system based on risk. The representative further clarified that the provisions for border control were approved by CU Commission Decision No. 318 and were applied by all Customs Union Parties.

955. The representative of the Russian Federation confirmed that in accordance with Article 29.2 of Federal Law No. 164-FZ of 8 December 2003 "On Basics of Regulation of Foreign Trade Activity", SPS requirements must be implemented in respect of products originating from foreign countries in the same way they are applied in respect of similar products of Russian origin. Furthermore, according to Article 6 of the draft Federal Law "On Plant Quarantine", phytosanitary requirements applied to regulated products originating from a foreign country in the same manner as they applied to the same regulated products of Russian origin. The appropriate level of sanitary or phytosanitary protection was defined as the required level of protection established by a technical regulation for products produced on the territory of the Russian Federation aimed at prevention of factual scientifically grounded risks. He confirmed that CU Agreements, CU acts, and legislation of the Russian Federation did not and would not in future establish additional SPS requirements for imported products that exceeded the requirements established for CU or domestic products. The Working Party took note of these commitments.

- (g) Protection of Human Health

956. The representative of the Russian Federation reminded Members that Rospotrebnadzor was the Federal Executive Authority in charge of implementation of control and supervision in the sphere of sanitary and epidemiological well-being of the population, protection of consumer rights and the consumer market. Rospotrebnadzor was under the jurisdiction of the MOH. He further explained that currently the following laws and regulations regulated the protection of human health in the Russian Federation: CU Commission Decision No. 299 of 28 May 2010 (as last amended by CU Commission Decision No. 622 of 7 April 2011) approved the Common List of Goods Subject to Sanitary-Epidemiological Supervision at the Customs Border and Customs Territory of the Customs Union; the uniform sanitary-epidemiological and hygienic requirements for products subject to sanitary-epidemiological supervision; common forms of documents confirming the safety of products; and, regulations on the implementation of sanitary and epidemiological surveillance of persons and vehicles crossing the customs border of the Customs Union; Federal Law No. 52-FZ of 30 March 1999 "On Sanitary and Epidemiological Well-being of the Population" (as last amended on 18 July 2011); the Law of the Russian Federation No. 5487-1 of 22 July 1993 "Fundamentals of Health Legislation of the Russian Federation"; as well as Regulations of the State Sanitary and

Epidemiological Service of the Russian Federation and Regulations "On State Sanitary and Epidemiological Standardization" approved by Government Resolution No. 554 of 24 July 2000. Food safety standards were set-out in sanitary and hygienic regulations, respectively SanPiN 2.3.2.1078-01 for microbiological, chemical and radio nuclides standards, and Hygienic Norm G.N. 1.2.2701-10 for MRLs of pesticides in food plant products. The Russian Federation had also adopted in Federal Law No. 88-FZ of 12 June 2008 "On Technical Regulations for Milk and Milk Products" (as last amended on 26 July 2010), detailed quality and safety regulations on milk and milk products. He explained that these and other domestic normative legal acts remained in force to the extent they did not conflict with the Customs Union requirements.

957. The representative of the Russian Federation explained that CU Commission Decision No. 299 established the "Common List of Goods Subject to Sanitary-and-Epidemiologic Supervision (Control) at the Customs Border and on the Customs Territory of the Customs Union" (Part I) and established food safety requirements for corresponding goods. Products produced in, or imported into the customs territory of the CU for distribution to the population, use in industry, agriculture, civil construction development, transportation with direct human involvement, or for private and household use, had to conform to the relevant requirements of sanitary and epidemiological rules, norms, and hygiene regulations. He further explained that the conformity to the safety requirements for certain groups of goods was to be confirmed by a State Registration certificate, as provided for in CU Commission Decisions and domestic law. The CU Commission had approved a list of goods for which State Registration certificates must be supplied during customs clearance.

958. Some Members noted that under CU Commission Decisions, the State Registration procedure applied only to certain groups of goods included in the Common List in Part II of CU Commission Decision No. 299. In addition, under Federal Laws No. 52-FZ of 30 March 1999 "On Sanitary and Epidemiological Well-being of the Population" and No. 29-FZ of 2 January 2000 "On the Quality and Safety of Food Products", and Government Resolution No. 988 of 21 December 2000 "On the State Registration of New Foodstuffs, Materials and Items", and under Federal Law No. 88-FZ, State Registration was required for both new foodstuffs, materials and items first produced in the territory of the CU (CU products), and products imported into the territory of the CU for the first time and was based on sanitary and epidemiological assessment. Such an assessment was not referred to in CU Commission Decisions. Members requested information on whether domestic provisions of the Russian Federation still applied, and, if so, what criteria were used for determining that a product was marketed for the first time in the territory of the CU or the territory of the Russian Federation.

959. In response, the representative of the Russian Federation explained that the Russian national legal acts were applied to the extent that they did not contradict CU Commission Decision No. 299 of 28 May 2010. Such provisions in national law related to the determination of the competent authority, the order of involvement of organizations and experts into the procedure of State Registration, the order of appellation of refusal of State Registration, and keeping of the national part of the Register of State Registration Certificates. Since CU Commission Decision No. 299 specified the list of products subject to State Registration, it superseded national law. Thus, only products listed in CU Commission Decision No. 299 were subject to State Registration. Thus, the representative of the Russian Federation explained that the State Registration procedure applied:

– only to certain groups of goods, which were listed in points 1 to 11 of Part II of the Common List of Goods Subject to Sanitary and Epidemiological Control, set-out in CU Commission Decision No. 299 (these include: mineral water, bottled drinking water packaged in containers, tonic beverages, alcoholic beverages; specialised foodstuffs, including food products for children, food products for pregnant and nursing women, dietary products; biologically active dietary supplements, raw materials for production of biologically active

dietary supplements, organic products; foodstuffs derived from GMO, GMO; food additives, flavourings, technological aids including enzymes; and food contact material);
- only if the goods were covered by CN codes listed in the table of Part II to the Common List of Goods Subject to Sanitary Controls (CU Commission Decision No. 299); and
- if the goods were manufactured for the first time on the territory of the CU or imported for the first time into the CU territory, and no prior State Registration had occurred, or in cases where the introduction of CU requirements necessitated the issuance of a new State Registration certificate.

The representative of the Russian Federation specified that these three cumulative criteria, to determine whether a State Registration certificate was required, were specified in the last paragraph of point 11 in Part II to the Common List of Goods Subject to Sanitary and Epidemiological Control ("Goods specified in points 1 to 11 of the present Part, included in the following comprehensive headings of the FEACN CU, manufactured for the first time on the Customs Union customs territory, as well as imported for the first time to the Customs Union customs territory, are subject to State Registration").

960. Some Members noted that points 1 to 11 of Part II of the Common List of Goods Subject to Sanitary and Epidemiological Control included Non-Food Products, such as disinfectants, cosmetics or hazardous chemical substances. The representative of the Russian Federation clarified that CU Commission Decision No. 299 covered the protection of human health in general from risks derived from both food and non-food products.

961. Some Members asked which entity should submit a request for registration. In response, the representative of the Russian Federation explained that the supplier/producer of the importer was authorised to submit a request for registration. A proof that the State Registration certificate had been obtained had to be presented at the border, for example, in the form of an electronic copy of the certificate or presentation of the original certificate.

962. In response to another question from a Member, the representative of the Russian Federation noted that the procedure for obtaining State Registration was described in CU Commission Decision No. 299, and the rate of State duty, as prescribed by Article 333.33 point 67 of the Tax Code of the Russian Federation, was RUB 3,000.

963. With regard to sanitary and epidemiological assessment requirements in place before the establishment of the CU, the representative of the Russian Federation explained that an expert evaluation of the sanitary and epidemiological situation was conducted prior to the commencement of industrial production or reprocessing in the territory of the Russian Federation, and in the case of imported products, prior to conclusion of the contract, and following a request from the exporter interested in supplying products to the Russian market. The expert evaluation consisted of a review of the documentation submitted, additional laboratory examination, if necessary, and when the product has complied with all requirements, issuance of the positive assessment necessary for issuing a State Registration certificate. This evaluation was carried out on the basis of the relevant WHO/FAO recommendations and guidelines.

964. The State Registration certificate was issued for a given type of product and was valid for exports from the relevant country without time limitation, provided there had been no violations of the regulations during the preceding period. If there were violations found during surveillance at the border, the State Registration certificate could be temporarily revoked. Applications for evaluations were to be submitted to Rospotrebnadzor or its territorial bodies. State Registration certificates were valid throughout the entire territory of the CU. For domestically produced products, sanitary and

epidemiological surveillance was conducted by the territorial authorities of Rospotrebnadzor at the stage of distribution of products on the Russian domestic market. In response to questions from a Member of the Working Party, the representative of the Russian Federation stated that the State Registration certificates for domestic products were also issued for a given type of product and were valid for an unlimited time period. In his view, the respective procedures and requirements did not discriminate between domestic and imported products. The process for issuing a State Registration certificate could not exceed 30 days after application was received. If the application was rejected, Rospotrebnadzor sent a letter to the applicant explaining what needed to be changed. After corrections were made, the applicant could re-submit the application.

965. Members expressed appreciation for the information on how the Russian Federation applied certain SPS measures, but continued to seek further information and assurances regarding whether the Russian Federation required or had a scientific basis for measures applied to products such as processed foods. In response to a question from a Member of the Working Party about sanitary and epidemiologic assessment in the framework of the CU, the representative of the Russian Federation explained that since 1 July 2010, sanitary and epidemiologic assessments (conclusions) were no longer required. State Registration, however, was required on a different basis.

966. The representative of the Russian Federation explained that, since 1 July 2010, a State Registration certificate was issued in accordance with the common CU form and was valid throughout the customs territory of the CU. The certificate confirmed that the controlled goods conformed to CU Common sanitary and epidemiologic and hygienic requirements. The period of validity of the State Registration certificate covered the whole period of manufacture or delivery of controlled goods to the territory of the Customs Union. He further noted that sanitary and epidemiological assessment and certificates of State Registration issued before 1 July 2010 remained valid in the Russian Federation until 1 January 2012 and could be used to import goods into the customs territory of the CU. As of 1 January 2012, for the importation of products included in Part II of the Common List of Goods Subject to Sanitary and Epidemiological Control, set-out in CU Commission Decision No. 299, a new State Registration certificate had to be obtained to confirm the conformity with CU sanitary and epidemiological requirements, even if they had been marketed in or imported into CU territory before that date. If pursuant to CU acts, the Russian Federation had adopted more stringent requirements than existed prior to the adoption of the CU requirements, a new expert evaluation had to be conducted in order to obtain this new State Registration certificate. If the CU requirements were not more stringent than the requirements previously applicable in the Russian Federation, the procedure of issuance of such a new State Registration certificate was purely administrative. The representative of the Russian Federation further explained that the State Registration certificate was harmonised among the CU Parties and that each Party recognised the right of each other Party to issue this certificate and that a State Registration certificate would be valid throughout the territory of the CU. Furthermore, he explained that the CU had instituted a transition period until 1 January 2012 for the CU Parties to implement the harmonised State Registration certificates.

967. The representative of the Russian Federation stated that the term "new products" meant products developed and industrially manufactured for the first time on the territory of the Russian Federation and also products imported into the territory of the Russian Federation for the first time, i.e., which were not on sale in the Russian Federation before. The absence of a prior State Registration indicated that the product was new to the market of the Russian Federation and State Registration was required. He also explained that the producer, supplier, or importer could submit an application for State Registration of products.

968. In response to a question from a Member of the Working Party about whether the evaluation and State Registration of products constituted a single process, the representative of the Russian Federation stated that sanitary and epidemiological experts' evaluation was a part of the State

Registration of products. The State Registration certificate was a document that was issued on the basis of the evaluation of a product. The components of this process were the following: (i) application; (ii) evaluation; and (iii) issuance of the document (State Registration certificate). Based on a positive result on the sanitary and epidemiological experts' evaluation for the products subject to State Registration, a State Registration certificate was issued.

969. Some Members expressed concern that this assessment for State Registration, which made it necessary to provide a set of analytical results of microbiological tests and chemical tests on one selected sample of the product, was an administrative burden with little added value as regards the safety of the exported products. They asked if this assessment procedure could be replaced by a declaration of conformity of the manufacturer and if so, in which cases. The representative of the Russian Federation responded that State Registration was a form of State assessment of the conformity of goods, which was carried out by State authorities of the Russian Federation, the Republics of Belarus, and Kazakhstan, and was a guarantee of independent and accurate research, and as a result, human safety. CU Parties would ensure that, in the future, only one type of confirmation of conformity, such as State Registration or declaration of conformity, would be required for each product. State Registration would be required only if the risk associated with the product required an independent assessment in an authorised laboratory. For this reason, it was not possible to replace State Registration by self-declaration of conformity in all cases.

970. A Member of the Working Party asked whether such an independent safety assessment could not be obtained through official controls, applied via post-market monitoring, instead of State Registration. The representative of the Russian Federation answered that, at present, there was no legal basis for carrying out such State surveillance. The current legislation only allowed officials to take samples of goods on the market, if this was justified by suspicion of non-compliance.

971. The representative of the Russian Federation explained that officials who carried out sanitary-quarantine control at the border of the CU were entitled to organize sanitary-and-epidemiologic and hygienic evaluation of controlled goods in terms of their compliance with common sanitary-epidemiologic and hygienic requirements in the following cases specified in point 22 of the Regulation "On the Procedure of Sanitary-Epidemiological Control (Supervision)", adopted by CU Commission Decision No. 299:

- infringement of transportation conditions, integrity of containers, stevedore barges, etc.;
- package damage;
- arrival of goods from countries, with unfavourable epidemiological situation, and (or) from countries infected as a result of radioactive, chemical and biological accidents of areas (at revealing of exceeding admissible values of capacity of radiation dose and superficial pollution by radio nuclides at transportation of radioactive materials; dangerous cargoes in damaged package with signs of contents' leak), and (or) with signs of presence of rodents and insects;
- receipt of information on discrepancy of goods under control to common sanitary requirements; or
- presence of information on discrepancy of goods under control declared in transport (transportation) and (or) commercial documents.

Based on the results of an examination of the goods under control, carried out by an accredited laboratory as specified in CU Commission Decision No. 299, the official (a representative of Rospotrebnadzor), who carried out sanitary-quarantine control, would make the decision on import permission or prohibition into the territory of the CU.

972. Some Members of the Working Party requested clarification of the basis for assessing which countries had an unfavourable epidemiological situation. The representative of the Russian Federation explained that this determination was based on information displayed on the website of the World Health Organization. Other sources of information taken into account included alerts from the Rapid Alert System for Food and Feed, other official information from foreign governments, and other reliable information such as sources of information set-out in international medical and sanitary rules, and sources of information specified in CU Commission Decision No. 299.

973. The representative of the Russian Federation explained that some commodities were also subject to mandatory confirmation of conformity to CU requirements. The list of such commodities, which also contained references to quality standards and quality requirements for these products, was approved by the Decision of the Customs Union Commission No. 319 of 18 June 2010, and included the following food and feedstuffs: (i) canned food products (fish, caviar, seafood); (ii) coffee and coffee products; (iii) tea; (iv) sugar (cane and beet); (v) spices; and (vi) feeds for animals, including formula feeds, pre-mixes, protein feed additives, such as oilseeds meal and cake, fish meal, protein-vitamin additives, dry milk for feeding and dry milk replacements. Until 1 January 2011, confirmation of conformity for these food products was carried out in accordance with national legislation of each CU Party. From 1 January 2011, the declaration of conformity was provided upon assessment by the certification bodies and testing laboratories (centres) included into the Single Register of Certification Bodies and Testing Laboratories (centres) of the CU. With regard to feedstuffs, from 1 July 2010, self-declaration of conformity could be made on the basis of an assessment provided by the producer. Foreign manufacturers, located outside the territory of the CU, could apply for a certificate/declaration of conformity that was issued in accordance with national legislation of a CU Party or for a CU uniform certificate of conformity, as approved by CU Commission Decision No. 319 of 18 June 2010. The representative of the Russian Federation further explained that references to quality standards and quality requirements with regard to products on the List of Commodities Subject to Mandatory Confirmation of Conformity would be revised as the CU Parties adopted CU technical regulations on specific products.

974. Some Members expressed concern about these additional "quality-related" requirements for the importation of certain food products and feedstuffs. These requirements did not appear to be related to food safety and placed an unwarranted additional burden on imports of these products. These Members requested the immediate elimination of measures that were not related to the food safety characteristics of these products.

975. The representative of the Russian Federation responded that CU Common Sanitary-Epidemiological and Hygiene Requirements and State Sanitary-Epidemiological Rules and Standards of the Russian Federation contained only requirements concerning safety of foreign and domestic goods for human use or consumption. He noted, however, that the Russian Federation considered nutritional value to be a safety issue with regard to dietetic and infant nutrition. Some Members noted that Codex had defined quality standards for many products and that under Codex the issue of nutritional value pertained to the fair practices in food trade, and was not a food safety issue.

976. Members of the Working Party asked for clarification of the difference in purpose and in procedure between the State Registration and the means of confirmation of conformity. In response, the representative of the Russian Federation explained that "confirmation of conformity" encompassed multiple means of establishing that a product met CU requirements and that the type of confirmation required, depended on the degree of responsibility of the product in economic activity (level of risk). Higher risk products were subject to State Registration. Products of lower risk were subject to confirmation of conformity either through a certificate of conformity from third-parties, or a

declaration of conformity. State surveillance was also conducted. He also noted that in future, only one form of confirmation would be required for a product and that this would be specified in the relevant technical regulations.

- (h) Compliance of the SPS Regime with Specific Provisions of the WTO SPS Agreement

- (i) Harmonization with International Standards and Norms

977. Some Members of the Working Party expressed concern that ongoing efforts to harmonize the procedures of the Russian Federation for sanitary and phytosanitary control, inspection and approval may not be sufficient to address concerns of Members, as comments by Members were not always solicited. In the view of these Members, the decision-making process for determining harmonization of new measures in the Russian Federation was not clear. In addition, some Members expressed concerns that the status of work on harmonization was not clear, and requested information on what work will remain to be done after the accession of the Russian Federation.

978. Some of these Members also expressed concern that the requirements of the MOH were not always clear, consistent with international standards (e.g., OIE or the Codex Alimentarius) or sufficiently supported by scientific justification. These Members noted that maximum residue levels laid down in the Russian legislation for pesticide residues and veterinary drugs, such as the MRL for tetracyclines which are, however, authorised in use in the Russian Federation for animals, were in many cases well below the levels set in the Codex Alimentarius and that the Russian Federation had not provided any scientific justification to substantiate the deviation. They also noted that maximum levels for contaminants and radio nuclides, as well as microbiological standards, were not set following methodology recommended by international guidelines. In the view of these Members, the decision-making process for determining the approval for distribution of a product on the Russian market was sometimes arbitrary and it appeared that the regulation of products by the MOH, duplicated the State Registration process, and should be eliminated.

979. The representative of the Russian Federation responded that pursuant to Article 38 of Federal Law No. 52-FZ of 30 March 1999 "On Sanitary and Epidemiological Well-being of the Population", sanitary rules and safety criteria must be based on a risk assessment using, as appropriate, the results of scientific research and epidemiological studies, as well as on monitoring of human health and harmful environmental factors. Sanitary requirements were aimed at ensuring the safety of products and human life and health. He asserted that all rules, criteria and requirements in respective fields were applied uniformly and without discrimination between domestic and imported goods, Article 38 and the Statute on the State Sanitary and Epidemiological Regulation approved by Resolution of the Government of the Russian Federation No. 554 of 24 July 2000 (Sections 5 and 6), required that international requirements and recommendations must be analysed and used in national sanitary regulations and legislation to the extent it is practicable and reasonable to do so. The harmonization proceeded with reference to documents of the FAO/WHO Codex Alimentarius Commission, OIE, WHO recommendations, and documents of other international organizations.

980. The representative of the Russian Federation stated that the harmonization process would be carried out in cooperation with the interested WTO Members. The representative of the Russian Federation informed Members that, as regards MRLs of pesticides, between 2009 and 2010, the CU had adopted levels corresponding to the international standards for 244 pesticides active substances in CU Commission Decision No. 622 of 7 April 2011.

981. The representative of the Russian Federation confirmed that the CU would apply MRLs on chlorothalonil, clofentezine, cyprodinil, kresoxim-methyl, iprodione, propamocarb, pirimicarb,

thiabendazole, carbendazim, famoxadone, copper compounds, and lambda cyhalothrin that corresponded to international standards in conformity with the WTO SPS Agreement no later than the date of the accession of the Russian Federation to the WTO, and that these MRLs would be set-out in CU acts. The Working Party took note of this commitment.

982. As regards MRLs of veterinary drugs, the representative of the Russian Federation confirmed that MRLs for penicillins, streptomycin and bacitracin (in rabbit meat and milk for the latter) had been harmonized with Codex standards and were set-out in Addendum 22 to SanPiN 2.3.2.1078-01. Furthermore, grisin was no longer authorised for use by the MOA. Tetracyclines MRLs had not been harmonised with international standards, because the Russian Federation considered that the Codex levels represented a too high risk for the health of its citizens, due to large scale use of tetracyclines in both veterinary and human medicine.

983. Some Members of the Working Party noted that on 31 August 2011, the Russian Federation had issued a report entitled "Scientific Justification for Requirements for Residual Levels of Tetracycline Antibiotics in Foods". These Members reviewed the report and noted that the analysis and procedures set-out in the report were not consistent with international standards for conducting a health risk analysis, and did not support maintaining MRLs for tetracyclines antibiotic residues in excess of relevant Codex standards. The data in the report actually supported the conclusion that even at the reported dietary intakes, with all foods at the maximum MRLs recommended by Codex, no consumer group was likely to exceed the international recommendation for acceptable daily intake. Members also noted many methodological problems with the report. The report, for example, did not include a proper identification of the risk, incorrectly over-estimated exposures; failed to characterise or compare the different impacts on human health from its recommended actions; omitted an analysis of variability, uncertainty, and sensitivity of its conclusions, and presented purely hypothetical scenarios and concerns as if they were scientific evidence. Members expressed concern that the report had not undergone peer review in a manner consistent with international standards. Thus, in their view, the report did not justify the maintenance and application in the Russian Federation of MRLs for tetracyclines that were more stringent than Codex standards, lacked a scientific justification and was not in conformity with the WTO SPS Agreement or relevant international standards. These Members requested that the MRLs for tetracyclines, applied in the Russian Federation, be revised to correspond to Codex standards.

984. The representative of the Russian Federation confirmed that the Russian Federation, before the date of its accession to the WTO, would provide to any interested Member scientific evidence and an assessment of the risk associated with tetracyclines antibiotics residues, developed in accordance with methods of scientific evaluation set by the Codex Alimentarius, sufficient to justify the application of MRLs more stringent than those provided for in the relevant Codex standards. If such a scientific justification and risk assessment for a more stringent MRL was not provided, the MRLs for tetracyclines would be revised to correspond to Codex standards in national and CU acts as of the date of the accession of the Russian Federation to the WTO consistent with the provisions of the WTO SPS Agreement. The Working Party took note of this commitment.

985. Some Members noted that the Russian Federation had maintained MRLs for tetracyclines that were much more stringent than international standards for many years and that despite repeated requests to be provided any risk assessment and scientific justification for these stringent requirements, Members had not received any scientific justification or risk assessment. These Members noted that it appeared that some form of risk assessment was now being done and expressed concern regarding the timing and procedures being followed. In the view of these Members, the risk assessment was not being done in a manner consistent with international standards, recommendations and guidelines for conducting such assessments. For example, the risk assessment

had not been subject to peer review and/or public comment. This called into question the validity of the assessment.

986. A Member of the Working Party noted that the harmonization process for MRLs of veterinary drugs should also include elimination of non-tolerance or very low tolerance in food of veterinary substances when these substances are authorised in use in the Russian Federation under similar conditions to those in place in exporting countries.

987. The representative of the Russian Federation stated that norms for veterinary drugs were under revision and this work was expected to be finalised no later than December 2011.

988. As regards maximum levels for contaminants, the representative of the Russian Federation informed Members that maximum levels for nitrates in lettuce and cadmium in poppy seeds had been reviewed and revised in accordance with international recommendations and set-out in Addenda 10 and 18 of SanPiN 2.3.2.1078-01. These revised levels had been included in amendments to the Unified Sanitary and Epidemiological Requirements set in CU Commission Decision No. 299.

989. Furthermore, the representative of the Russian Federation confirmed that as of the date of the accession of the Russian Federation to the WTO, the maximum levels of nitrates would be revised in accordance with international standards, recommendations, and guidelines. The Working Party took note of this commitment.

990. The representative of the Russian Federation stated that radio nucleide levels and microbiological standards were being revised in accordance with international recommendations. The proposals would be transmitted to the CU Commission in due course to avoid inconsistency with international standards as of the date of the accession of the Russian Federation to the WTO.

991. Members expressed concern about a measure (SanPiN), adopted pursuant to Federal Law No. 52-FZ, which would limit the use of frozen poultry meat for further processing. These Members noted that similar provisions appeared to be included in a CU Commission Decision. Members questioned the scientific basis for this measure and noted that no risk assessment had been provided to Members despite requests for the assessment.

992. In response the representative of the Russian Federation stated that these norms were operated as recommendations and their entering into force had been postponed. If the scientific justification of these norms would be identified as insufficient upon the date of accession of the Russian Federation to the WTO, they would be eliminated. Specifically, the representative of the Russian Federation explained that the ban on the use of frozen poultry for the production of all types of poultry products, foreseen to enter into force from 1 January 2011, had been delayed and revised. The ban on the use of frozen poultry meat in the manufacture of dietetic food, baby food and food for pregnant or breastfeeding women, which had been in place since 1 January 2010, would be extended to gourmet products (pastrami, raw dried and raw smoked products). Further, only chilled poultry meat would be allowed for the production of chilled semi-finished products and products that have not undergone heat treatment. An amendment to SanPiN 2.3.2.1078-01 introducing these changes was available on the website of Rospotrebnadzor. The representative of the Russian Federation indicated that at the CU level, CU Commission Decision No. 299 included a ban on the use of frozen poultry meat in the manufacture of dietetic food, baby food and food for pregnant or breastfeeding women (point 16 of Chapter II, Part 1 of the Uniform Sanitary and Epidemiological and Hygienic Requirements). He stated that the CU Parties would not extend this ban to other categories of persons or products.

993. The representative of the Russian Federation further explained that pursuant to Federal Law No. 52-FZ "On Sanitary and Epidemiological Well-being of the Population" sanitary-epidemiological

rules and norms "Hygienic Requirements on Food Safety and Food Value" (SERN) had been enacted. SERN set up hygienic safety and value norms on food for humans, and also requirements on compliance with these norms for production, importation and turnover of food products. Furthermore, Article 2 of Federal Law No. 29-FZ "On Quality and Safety of Food Products" provided for the implementation of the international norms, when they contradicted the mentioned Law.

994. The representative of the Russian Federation also recalled that Government Resolutions No. 159 and No. 329 established the necessary legislative framework to allow for the compliance of Russian veterinary and phytosanitary measures with the relevant international standards; guidelines and recommendations in the OIE and IPPC. He added that specific provisions of international standards relating to procedures for State control and surveillance, including Codex Alimentarius, OIE, and IPPC were included in the draft technical regulations in the SPS sphere. A Member noted that Government Resolution Nos. 159 and 329 related to the OIE and IPPC and asked if a similar Government Resolution had been adopted for the Codex Alimentarius. If such a resolution did not exist, this Member asked when the Russian Federation expected to adopt it. The representative of the Russian Federation explained that pursuant to CU Commission Decision No. 721 of 22 June 2011, in the absence of CU or national documents in force on the territory of the CU, establishing obligatory veterinary (veterinary-sanitary) requirements for live animals and products of animal origin; obligatory phytosanitary requirements for plants and plant products; obligatory sanitary-and-epidemiologic and hygienic requirements for products of animal origin and products of plant origin, it was necessary to apply standards, recommendations and guidance of the International Office of Epizootics, the International Plant Protection Convention, and the Commission of Codex Alimentarius, respectively. Furthermore, if veterinary, phytosanitary and sanitary-and-epidemiologic and hygienic requirements in force on the territory of the CU were more stringent than relevant international standards, in the absence of scientific justification of risk to human, animal or plant life or health, in corresponding part international standards were applied.

995. Some Members expressed concerns that, according to Federal Law No. 52-FZ and also requirements adopted pursuant to CU Commission Decision No. 299, sanitary and phytosanitary import policy of the Russian Federation, rules and legislation appeared to be based on the results of scientific research, epidemiological studies and monitoring rather than on international standards, guidelines and recommendations, which were only used "to the extent practicable". In the view of these Members, Article 3.1 of the WTO SPS Agreement required that sanitary and phytosanitary measures be based on international standards, guidelines or recommendations, where they exist, except as otherwise provided for in the WTO SPS Agreement, in Article 3.3. These Members sought a commitment that the Russian Federation would respect the provisions of Article 3 of the WTO SPS Agreement and amend Federal Law No. 52-FZ and CU Commission Decision No. 299 to ensure compliance with the SPS provisions.

996. A Member noted that the Russian Federation had required some sanitary and phytosanitary certificates that included provisions that appeared to be inconsistent with international standards, guidelines and recommendations e.g., those of the OIE, Codex, IPPC, and the WTO SPS Agreement. This Member asked whether the Russian Federation was prepared to undertake modifications of these certificates to bring them into compliance with these standards and obligations. Members also asked the Russian Federation to confirm that it did not require the exporting country to have identical or very similar measures to those applied in the Russian Federation as long as the exporting Member demonstrated that its measures achieved the appropriate level of sanitary or phytosanitary protection of the Russian Federation.

997. The representative of the Russian Federation explained that his Government had adopted Resolution No. 761 of 28 September 2009 "On Implementing Harmonisation of the Russian Sanitary-Epidemiological, Veterinary and Phytosanitary Measures in Compliance with International

Standards" which established a process to amend measures that were found to be more stringent than international standards. The Resolution instructed the Ministry of Health and the Ministry of Agriculture to review all legal acts establishing sanitary-epidemiological requirements, veterinary and phytosanitary measures for their compliance with international (IPPC, OIE, Codex Alimentarius) standards and to bring them in line with such standards when the deviation was not supported by scientific justification. This Resolution had been supplemented by administrative procedures on the implementation of this review (Order of the MOA No. 3 of 11 January 2010 and Order of the MOH No. 581n of 30 July 2010). The representative of the Russian Federation explained that participation by foreign governments in bringing cases of more stringent requirements to the attention of the Russian Government was welcomed and that foreign governments could participate in the evaluation of the Russian measure.

998. A Member of the Working Party expressed concern that requests submitted by this Party in the framework of Resolution No. 761 had received negative answers from Rosselkhoznadzor without scientific justification. Thus, in the view of this Member, Resolution No. 761 did not have the expected effect on harmonization of Russian norms with international standards and recommendations.

999. In response, the representative of the Russian Federation explained that in order to improve the situation, relevant authorised bodies had established an internal procedure of forwarding requests from interested parties, including foreign governments, and had determined the responsible divisions for the examination procedure. The procedure was adopted by relevant Orders of the MOA (No. 49 of 21 February 2011), Rosselkhoznadzor (No. 39 of 10 February 2011) and the MOH (No. 98 of 10 February 2011, No. 378 of 29 April 2011).

1000. A Member indicated that, despite adoption of the said procedure, the situation remained alarming as most submitted comments were ignored by the Russian authorities.

1001. Some Members noted that CU Parties now had competence to regulate SPS measures and requested information on how the CU technical regulations on SPS and other acts at the CU and national level would be harmonized with international standards, guidelines, and recommendations. These Members expressed concern that recent draft CU SPS technical regulations did not reflect international standards, guidelines and recommendations. Members also requested information on what SPS measures would apply until such time as the CU Commission adopted SPS technical regulations.

1002. The representative of the Russian Federation informed Members of the Working Party that the CU Commission had adopted Decision No. 625 of 7 April 2011 "On Harmonization of CU Legal Acts in the Field of Sanitary, Veterinary and Phytosanitary Measures with International Standards". This CU Commission Decision created at CU level a procedure similar to Resolution No. 761 of the Russian Federation. CU SPS measures that, after examination, were recognized as more stringent than international standards, without scientific justification for such restriction or risk to human, animal or plant life or health would be brought into conformity with international standards. He noted that foreign governments could bring measures to the attention of the CU Parties and participate in the examination.

1003. The representative of the Russian Federation further informed Members of the Working Party that in connection with implementation of CU Commission Decision No. 625, the CU Commission had by Decision No. 801 of 23 September 2011, adopted the Regulation "On the Uniform Procedure of Carrying Out Examination of Legal Acts of the Customs Union in the Sphere of Implementation of Sanitary, Veterinary, and Phytosanitary Measures" which entered into effect on 29 October 2011.

Some Members of the Working Party expressed concern that the implementation procedure was unnecessarily burdensome and lengthy.

1004. The representative of the Russian Federation stated that once the procedure for implementation of the harmonization process set-out in CU Commission Decision No. 625 had entered into effect, the Russian Federation would start the process of aligning its procedures under Resolution No. 761 with the CU procedures.

1005. Some Members of the Working Party expressed concern as regards the timing envisaged by the Russian Federation for harmonization of SPS measures applicable on the territory of the Russian Federation with international standards, requirements and guidelines and asked the representative of the Russian Federation to clarify how the Russian Federation would ensure that SPS measures applied in the Russian Federation would be harmonized with international standards, guidelines and recommendations by the date of its accession to the WTO.

1006. The representative of the Russian Federation replied that from the date of entry into force of CU Commission Decision No. 721 of 22 June 2011 "On Application of International Standards, Guidelines and Recommendations", such international standards, recommendations and guidelines, as provided in paragraphs 830, 894, 897, 898 and 994 would be applied in the territory of the Russian Federation. In accordance with this Decision, such standards would continue to apply unless the review of a measure pursuant to CU Commission Decision No. 625 or Government Resolution No. 761, as appropriate, resulted in a finding that there was a risk assessment and scientific justification that complied with the WTO SPS Agreement, and which justified the application of a standard which was more stringent than the relevant international standard. Some Members expressed concerns over the fact that, pursuant to CU Commission Decision No. 773 of 16 August 2011, CU Commission Decision No. 721 would enter into force not earlier than the date of accession of the first CU Party to the WTO. In response, the representative of the Russian Federation specified that CU Commission Decision No. 721 would enter into force on the date of accession of the Russian Federation to WTO.

1007. The representative of the Russian Federation stated that according to paragraph 4 of Article 15 of the Constitution of the Russian Federation, the universally-recognised norms of international law and international treaties and agreements of the Russian Federation were an integral part of its legal system. If an international treaty or agreement of the Russian Federation established other rules than those envisaged by law, the rules of the international agreement must be applied. Furthermore, pursuant to Article 2 of Federal Law No. 29-FZ of 2 January 2000 "On Quality and Safety of Food Products", if an international treaty of the Russian Federation established any rules other than those stipulated by the legislation of the Russian Federation in the field of ensuring the quality and safety of food products, then the rules of the international treaty were to apply. He also referred Members to the Section "Framework for Making and Enforcing Policies", which described the status of international agreements, including the WTO Agreement, once the Russian Federation had ratified its Protocol of Accession, within the national legal system of the Russian Federation and within the framework of the CU. In this regard, the representative of the Russian Federation noted the effect of the Treaty on the Multilateral System in ensuring that CU Agreements, CU Commission Decisions, and other CU Acts were consistent with the WTO commitments of a CU Party, including those under the WTO SPS Agreement. The representative of the Russian Federation also recalled that under Article 2 of the Treaty on the Multilateral System, the CU Parties would adopt measures to adjust the legal framework of the CU and the decisions of its Bodies to comply with the WTO Agreement. Prior to adoption of such adjustment measures, the relevant provisions of the WTO Agreement including those of the WTO SPS Agreement, would prevail over respective provisions of treaties concluded within the framework of the CU and of decisions adopted by its Bodies.

1008. One Member requested the Russian Federation to confirm that, in application of Article 3.1 of the WTO SPS Agreement, the Russian Federation would review all of its existing sanitary and phytosanitary measures to ensure that, by the date of accession, they were based on international standards, guidelines and recommendations or, in the event that the Russian Federation considered that international standards did not meet its appropriate level of protection, they were scientifically justified in accordance with Article 3.3 of the WTO SPS Agreement. In cases where relevant scientific evidence was insufficient, he requested that the Russian Federation confirm that it would comply with Article 5.7 of the WTO SPS Agreement.

1009. The representative of the Russian Federation confirmed that, as of the date of accession, in application of Article 3.1 of the WTO SPS Agreement, all sanitary and phytosanitary measures, whether adopted by Russian Federation or the competent bodies of the CU, would be based on international standards, guidelines or recommendations as provided for in the WTO Agreement. Further, the representative of the Russian Federation confirmed that measures which were not based on international standards, guidelines and recommendations, where they exist, would not be applied in the Russian Federation without providing Members a scientifically based justification of the measures, in accordance with the WTO SPS Agreement, including Article 3.3. In cases where relevant scientific evidence was insufficient, he confirmed that any measure adopted, whether by the Russian Federation or the competent bodies of the CU would comply with the WTO SPS Agreement, in particular with Article 5.7 thereof. In the event that international standards were not considered to meet the appropriate level of protection, the Russian Federation would provide scientific justification for measures applied in the Russian Federation, in accordance with Article 5.8 of the WTO SPS Agreement. The Working Party took note of these commitments.

- (ii) Risk Assessment

1010. Some Members of the Working Party noted the requirement applied to certain goods on the Common List of Goods Subject to Veterinary Control that imports come from establishments on the Unified Registry, as described in paragraph 907. These Members expressed concern that applying this requirement to certain of the products on the Common List of Goods Subject to Veterinary Control was not based on science or a risk assessment. In addition, there could also be a requirement for an establishment to be included in the Unified Registry prior to being permitted to export products to the territory of the CU where a veterinary certificate, import permit and State Registration which appeared to be more trade restrictive than required to achieve the appropriate level of protection of the CU. Moreover, these Members recalled their concerns about the absence of risk assessments and science to justify measures maintained by the CU and the Russian Federation that were more stringent than international standards, guidelines, and recommendations.

1011. In response, the representative of the Russian Federation informed Members of the Working Party that as noted in paragraph 907, the CU Commission in Decision No. 810 of 23 September 2011 had amended the Common veterinary requirements. Pursuant to this CU Commission Decision and CU Commission Decision No. 830 of 18 October 2011 certain goods were not subject to any of the three forms of veterinary control when they were destined for the Russian Federation, as reflected in Table 41. The representative of the Russian Federation confirmed that, as of the date of the accession of the Russian Federation to the WTO, goods would be included on the Common List of Goods Subject to Veterinary Control only if application of veterinary measures was in compliance with international standards, guidelines and recommendations, or if science and a risk assessment justified, consistent with the WTO SPS Agreement, subjecting a category of goods to veterinary measures. Similarly, the veterinary measures applied to each category of goods would also be in compliance with international standards, recommendations and guidelines or based on science and a risk assessment. The Working Party took note of these commitments.

1012. With regard to risk assessments, some Members emphasized the need, in conformity with the WTO SPS Agreement, to comply with international standards, recommendations and guidelines for conducting and reviewing risk assessments. They noted the relevance and applicability of Codex standards: CAC/GL-62-2007-Working Principles for Risk Analysis for Food Safety for Application by National Government and CAC/GL/30-1999-Principles and Guidelines for the Conduct of Microbiological Risk Assessments, and the FAO document; WHO-EHC-240.5-Principles and Methods for the Risk Assessment of Chemicals In Food; Chapter 2; Risk Assessment and its Role in Risk Analysis. In the view of these Members, a risk assessment should be limited to an examination of the measure already in place or favoured by the importing country. It should not be distorted by preconceived views on the nature and the content of the measure to be taken, nor should it develop into an exercise tailored to and carried out for the purpose of justifying decisions *ex post facto*.

1013. In the view of these Members, the conduct of a risk assessment, whether for a biological, chemical, or physical food safety hazard, was one part of a broader effort to describe the relevance and understanding of scientific-based decisions. The analysis of risk allowed regulatory officials to focus finite resources on those hazards that posed the greatest risk to human health protection. Risk assessment provided a framework for evaluating food safety hazards relevant to the national context, predicting the likelihood of exposure to those hazards, and estimating the resulting public health impact associated with a wide variety of variables. Experts involved in risk assessment, including government officials and subject matter experts from outside government must be objective in their scientific work and not be subject to any conflict of interest that may compromise the integrity of the assessment. These experts should be selected in a transparent manner on the basis of their expertise and their independence with regard to the interests involved, including disclosure of conflicts of interest in connection with risk assessment. Elements of an effective assessment and analysis of that assessment needed to include a public process for seeking input on the design of the risk assessment, documentation of those decisions, and then ensuring that the public has access to the documentation. A peer review process whereby subject matter experts provide critical analysis of the design features and the assumption made was recommended. Such contributions through the peer review and public process could improve transparency, increase the quality of the analysis, and facilitate risk communication by increasing the credibility and acceptance of the results. There needed to be a formal record of all decisions associated with the risk assessment and which would be made available to interested independent parties so that other risk assessors could repeat and critique the work. The formal record and summary should indicate any constraints, uncertainties, assumptions, and their impact on the risk assessment. Members sought assurances from the Russian Federation that these internationally recognized principles and recommendations would be used in risk assessments for SPS measures adopted and applied in the Russian Federation.

1014. The representative of the Russian Federation explained that the CU Commission had adopted a Decision "On Equivalence of Sanitary, Veterinary, or Phytosanitary Measures and Conduct of Risk Assessment, CU Commission Decision No. 835 of 18 October 2011 (hereinafter "Decision on Equivalence and Risk Assessment"). Under this Decision, CU Parties were required, consistent with Article 5 of the WTO SPS Agreement, to ensure that sanitary, veterinary, or phytosanitary measures were based on an assessment, as appropriate to the circumstances, of the risks to human, animal or plant life or health, taking into account risk assessment techniques developed by the relevant international organizations, including Codex, OIE, and the IPPC. He further explained that the CU requirements for conducting risk assessments corresponded to the provisions of Article 5 of the WTO SPS Agreement, including a requirement that, as provided in Article 5.3 of the WTO SPS Agreement, in assessing the risk to animal or plant life or health and determining the measure to be applied for achieving the appropriate level of sanitary, veterinary or phytosanitary protection from such risk, the CU Parties would take into account as relevant economic factors: the potential damage in terms of loss of production or sales in the event of the entry, establishment or

spread of a pest or disease, the costs of control or eradication in the territory of the Parties, and the relative cost-effectiveness of alternative approaches to limiting risks.

1015. Recalling that phytosanitary measures were adopted and applied at the national level, he added that from the perspective of the Russian Federation, all of its phytosanitary measures were applied in accordance with IPPC standards and were based on a risk assessment. The Federal State Establishment "All-Russian Centre on Plant Quarantine" (FGU "VNIIKR"; Moscow region) was responsible for conducting these assessments.

1016. In the context of the Customs Union, the representative of the Russian Federation explained that, as of the date of accession of the Russian Federation to the WTO, the CU Commission Decision "On Application of International Standards, Guidelines, and Recommendations" would ensure that SPS measures, applied in the Russian Federation, would be based on science and a risk assessment. Moreover, in the absence of scientific proofs (scientific basis) of risk to the life or health of people, animals or plants, the relevant international standards, guidelines and recommendations would be applied in the territory of the CU. This required competent authorities of the CU Parties to conduct risk assessments to justify CU SPS requirements, including in the form of technical regulations.

1017. The representative of the Russian Federation informed Members that, numerous (more than 200) institutions were involved in conducting risk assessments related to sanitary and veterinary measures. The following institutions were responsible for risk assessment in the SPS field: the FGU "Federal Centre for Animal Health Protection" (Vladimir) and the FGU "All-Russian Centre on Quality of Medicine for Animals and Feed" (Moscow), the Federal Centre of Hygiene and Epidemiology (which was subordinated to Rospotrebnadzor), the Federal Scientific Centre of Hygiene, named after A. Erisman (which was subordinated to Rospotrebnadzor), and the Scientific Research Institute of Nutrition of the Russian Academy of Medical Science, and the All-Russian Institute of Grain and Its Products. He also noted that, in accordance with Federal Law No. 184-FZ "On Technical Regulation", significant attention would be paid to public education programmes in the area of food safety. Risk assessment for food products will be harmonized with the standards recommended by the Codex Alimentarius Commission.

1018. A Member asked whether decisions made by Rosselkhoznadzor in its auditing and inspection practices would also be based on a risk assessment to determine if detected non-compliances to some SPS requirements justified restrictive measures on the products concerned, including taking into account some risk mitigating measures put in place by the producer or the exporting countries. In response, the representative of the Russian Federation noted that the EurAsEC Agreement on Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 25 January 2008, CU Commission Decision No. 625 of 7 April 2011, CU Commission Decision No. 721 of 22 June 2011 "On Harmonization with International Standards, Recommendations and Guidelines", CU Commission Decision No. 834 of 18 October 2011 "On Common System of Joint Inspection of Objects and Sampling Goods (Products) Subject to Veterinary Control (Supervision)", and Government Resolutions Nos. 159 and 329 of the Russian Federation, all required the Russian Federation and the competent CU Bodies, as appropriate, to base SPS measures, including restrictive measures, on an assessment of risk.

- (iii) Regionalization

1019. The representative of the Russian Federation explained that Russian officials widely used the principle of regionalization, as defined in the WTO SPS Agreement, when deciding to take a measure. The Common Veterinary Requirements (each chapter) adopted by the CU Commission Decision No. 317 of 18 June 2010 stipulated that the regionalization principle was recognized. The procedures for carrying out regionalization in the sphere of applying veterinary measures were in accordance with

the OIE Code (Chapter 4.3. OIE, 2010). Russian legislation in the plant quarantine sphere was based on IPPC provisions and international standards on phytosanitary measures. Accordingly, regionalization applied to all imported regulated products. Phytosanitary certificates were issued in the exporting country by agencies of the official National Plant Protection Organization. Regional characteristics were a factor for the purposes of devising phytosanitary measures for use in a particular region.

1020. The representative of the Russian Federation added that procedures for carrying out regionalization in the sphere of applying veterinary measures were in accordance with the OIE Code (Chapter 1.3.5). The compliance of veterinary measures with OIE standards was accomplished through application of the Decision of the Government of the Russian Federation No. 159 of 24 March 2006 "On Implementation of the Veterinary Measures Regarding Importation of Live Animals and Products of Animal Origin to the Customs Territory of the Russian Federation".

1021. He further stated that the principle of regionalization was applied in full accordance with provisions of IPPC and ISPM Nos. 1, 4, 10, 14, and 29. This had to be respected, including in the formulation of veterinary certificates.

- (iv) Equivalence

1022. Some Members expressed concern that the Russian Federation, in its national law or through CU Agreements, CU Commission Decisions, or other CU Acts, did not appear to apply the principle of measures or systems equivalence for food safety, as provided for in Article 4 of the WTO SPS Agreement and relevant international guidelines. Members explained that the WTO Committee on Sanitary and Phytosanitary Measures had issued a Decision "On the Implementation of Article 4 of the Agreement on the Application of Sanitary and Phytosanitary Measures" (G/SPS/19/Rev.2 of 23 July 2004) to make the provisions of Article 4 of the WTO SPS Agreement operational. In the view of these Members, the Russian Federation needed to adopt a formal and effective process for the determination and establishment of equivalency at the national and CU level. These Members requested assurances that an effective process was in place for determining whether the system of sanitary or phytosanitary measures of a WTO Member for a certain product or categories of products achieved the appropriate level of protection of the Russian Federation or the CU and complied with the WTO SPS Agreement and relevant international standards.

1023. Members noted that equivalence could be accomplished through different measures for a specific product or categories of products or on a systems-wide basis. Article 4 of the WTO SPS Agreement and the relevant internationals standards (i.e., those of the Codex, OIE, and IPPC) did not require the exporting Member to apply the same requirements/measures as the importing Member, but only that the exporting Member achieves the appropriate level of protection of the importing Member. Members also stated that, under Article 4 of the WTO SPS Agreement, as explained in the Decision of the WTO SPS Committee (G/SPS/19/Rev.2), equivalence can be accepted for a specific measure or measures related to a certain product or categories of products, or on a systems-wide basis. One Member explained that recognition of systems equivalence encompassed the recognition of the central authority of the exporting Member as competent in maintaining compliance with food safety inspection system laws and regulations, including compliance with that exporting Members' sanitary, veterinary and phytosanitary requirements.

1024. In response, the representative of the Russian Federation explained that the appropriate level of protection was determined by the CU bodies with regard to sanitary and veterinary measures and by each CU Party on the national level with regard to phytosanitary measures, and were reflected in technical regulations for products produced on the territory of the CU and individual CU Parties,

respectively. Furthermore, the representative of the Russian Federation recalled that the CU Commission had adopted CU Commission Decision No. 835 of 18 October 2011 "On Equivalence and Risk Assessment", which provided:

- for CU Parties to recognise equivalence if an exporting country objectively demonstrated that its measures achieved the appropriate level of sanitary or veterinary protection of the CU or the appropriate level of phytosanitary protection of an individual CU Party;
- the procedure to follow as regards consultations with the exporting country(ies) and relevant information to be provided by the exporting country(ies);
- procedural and substantive requirements as regards the judgement on recognition of equivalence; and
- the possibility of inspection, testing or audit in the exporting country(ies) upon a request by the CU Parties.

In addition, under the CU Commission Decision "On Equivalence and Risk Assessment", CU Parties committed to apply the same approach to requests for national recognition of equivalence in the phytosanitary field addressed to individual CU Parties. He also noted that the CU Commission Decision "On Equivalence and Risk Assessment" provided for the possibility for exporting countries to request equivalence recognition by the CU or its Parties (depending on respective competences) of their control or inspection systems. He explained that CU Commission Decision No. 835 of 18 October 2011 "On Equivalence and Risk Assessment", and all procedures necessary to apply this Decision, would be in effect as of the date of accession of the Russian Federation to the WTO.

1025. A Member sought clarification regarding the process to be followed, time periods and any review or appeal mechanisms applied in the CU and the Russian Federation for recognition of equivalence. In response, the representative of the Russian Federation stated that, the CU Decision "On Equivalence and Risk Assessment" foresaw the following procedure:

- submission of a request for equivalence recognition to a competent authority of a CU Party, including, *inter alia*, information on the type and scope of equivalence agreement requested, description of product(s), measure(s) or system(s) of control and inspections concerned, an evaluation of how the measure(s) or system(s) of the exporting country achieved the appropriate level of protection of the CU or a CU Party, and information on the feasibility and performance of the measure(s);
- interactions between the CU Party and the exporting country in the context of the determination of equivalence;
- prior to taking a decision on equivalence, the CU Party would, upon request, provide to the requesting exporting country an explanation of the CU's or its level of protection; and
- notification by the CU Commission or a CU Party to the exporting country of its judgement as regards recognition of equivalence in a timely manner and with appropriate explanation where it was found that the measure was not equivalent.

1026. Furthermore, the representative of the Russian Federation specified that, in applying this CU Commission Decision, CU Parties would follow international standards, guidelines and recommendations developed by the relevant international organizations, including the Codex Alimentarius Commission, the International Office of Epizootics and the relevant international and regional organizations operating within the framework of the International Plant Protection Convention. Members noted that, as set-out in the Decision of the WTO SPS Committee, the importing Member had certain responsibilities: to provide an explanation of the objective and rationale of the sanitary or phytosanitary measure and identify clearly the risks that the relevant measure intended to address. Moreover, the importing Member should indicate the appropriate level of protection which its sanitary or phytosanitary measure was designed to achieve and should provide

a copy of the risk assessment on which the sanitary or phytosanitary measure was based. As stated in the WTO Committee Decision, an importing Member was to consider the relevant information and experience that the sanitary and phytosanitary services had on the measure(s) for which recognition of equivalence was requested. A key element for consideration was the historic knowledge and confidence that the competent authority of the importing Member had of the competent authority of the exporting Member.

1027. Some Members noted that CU Decision No. 607 of 7 April 2011 adopted 40 CU Common Forms of veterinary certificates for import into the CU territory from any third country. They also recalled that they had bilateral agreements with the Russian Federation concluded prior to the entry into force of the CU. They questioned whether these agreements would be superseded by the CU Common Forms and, if so, they were concerned that the legal basis for the Russian Federation did not provide the possibility to apply systems equivalence as called for in Article 4 of the WTO SPS Agreement.

1028. In response, the representative of the Russian Federation stated that the CU Commission had adopted Decision No. 726 of 15 July 2011 that authorised the CU Parties to negotiate and agree to specific forms of veterinary certificates with requirements that differed from the Common Forms of Veterinary Certificates and the specific provisions of the CU Common Requirements with WTO Members that made a substantiated request for such negotiations by 1 January 2013. He referred Members to paragraphs 886 through 894 for information on this issue and on the period for continued use of bilateral certificates.

1029. A Member of the Working Party expressed concern that processes for the determination and recognition of equivalence of the measures of an exporting country with the requirements set in the legislation of the Russian Federation did not seem to be operational since this Member had requested the recognition of equivalence with Federal Law No. 88 "On Milk and Dairy Products" without obtaining clear conclusions on the equivalence itself.

1030. The representative of the Russian Federation confirmed that the request of this Member would be re-evaluated in accordance with Codex Guidelines on the Judgment of Equivalence of Sanitary Measures Associated with Food Inspection and Certification Systems (CAC/GL 53-2003). The Working party took note of this commitment.

1031. The representative of the Russian Federation confirmed that the Russian Federation, from the date of its accession to the WTO, would ensure compliance with Article 4 of the WTO SPS Agreement. He further confirmed that, as provided for in Article 4 of the WTO SPS Agreement, sanitary, veterinary, and phytosanitary measures of other Members, even when they were different from measures of the Russian Federation or the CU, would be accepted as equivalent, if the exporting country objectively demonstrated that its measures achieved the appropriate level of SPS protection applied in the Russian Federation. The representative of the Russian Federation also confirmed that, as of the date of accession of the Russian Federation to the WTO, procedures for recognition and determination of equivalence, consistent with the WTO SPS Agreement, including Article 4 thereof, whether applied by the Russian Federation or competent bodies of the CU, would be based on relevant international standards, guidelines and recommendations, namely the Decision of the WTO SPS Committee (G/SPS/19/Rev.2), Codex Guidelines on the Judgment of Equivalence of Sanitary Measures Associated with Food Inspection and Certification Systems (CAC/GL 53-2003), Codex Guidelines for the Development of Equivalence Agreements Regarding Food Import and Export Inspection and Certification Systems (CAC/GL 34-1999); Chapter 5.3 of the OIE Terrestrial Animal Health Code "OIE Procedures relevant to the Agreement on the Application of Sanitary and Phytosanitary Measures of the World Trade

Organization", and ISPM 24 "Guidelines for the Determination and Recognition of Equivalence of Phytosanitary Measures." The Working Party took note of these commitments.

- (v) Non-discrimination

1032. Some Members also requested clarification of whether SPS measures applied in the Russian Federation established similar treatment for domestic and foreign like products. The representative of the Russian Federation stated that, in his view, non-discriminatory treatment was provided by the current legislation of the Russian Federation and CU Agreements, CU Commission Decisions, and other CU Acts. CU Agreements, CU Commission Decisions and other CU Acts did not set-out separate SPS measures for imported goods. Sanitary-epidemiological, veterinary and phytosanitary rules, criteria, measures and requirements were applied uniformly and without discrimination to all foreign, CU, and domestic products and suppliers. He stated that in accordance with Article 29.2 of the Federal Law No. 164-FZ of 8 December 2003 "On Basics of Regulation of Foreign Trade Activity", SPS requirements were implemented with respect to goods originating from foreign countries in the same way, they were applied in respect of similar products of Russian origin. CU Agreements, CU Commission Decisions, and other CU Acts, as well as the current legislation of the Russian Federation in the veterinary/sanitary sphere (Articles 1, 14, 15, 18 of the Law of the Russian Federation No. 4979-1 of 14 May 1993 "On Veterinary Practices") were uniform for all veterinary services of subjects of the Russian Federation and established identical requirements for both foreign, CU, and domestic goods and manufacturers, including requirements for putting products on the domestic market. Finally, according to Article 6 of the draft Quarantine Law, phytosanitary requirements applied to regulated products originating from a foreign country in the same manner as they applied to the same regulated products of Russian origin.

1033. The representative of the Russian Federation confirmed that all SPS measures developed and applied in the Russian Federation, whether by the Russian Federation or competent bodies of the CU, would comply with the non-discrimination provisions of the WTO SPS Agreement, including those relating to the principles of national and most-favoured nation treatment. The Working Party took note of this commitment.

1034. Some Members of the Working Party expressed concern over the fact that imported products were tested in the Russian Federation for residues of veterinary medicinal products in the VGNKI laboratory, which was the only laboratory equipped with the most sensitive and performing equipment (LC-MS/MS), whereas other laboratories performing official controls in the Russian Federation, on domestic products, mostly used ELISA methods, which were less performing for confirming residues of antibiotics at the low levels of detection foreseen by the food safety requirements of the Russian Federation and the CU. In the view of these Members, this represented discrimination between domestic and imported goods.

1035. The representative of the Russian Federation confirmed that the draft Federal Law "On Veterinary Practices" provided that official control could be done only in accredited laboratories and that such accredited laboratories must use unified and validated methods and equipment for official control purposes. He further confirmed that imports could be tested in any of these accredited laboratories. This would, in his view, ensure uniformity of treatment. The Working Party took note of these commitments.

- (i) Transparency, Notification and Enquiry Point Obligations

1036. Some Members expressed concern that existing rules and changes in the SPS regimes of the Customs Union and the Russian Federation were not always published in draft for comment from interested parties before they were implemented. In the view of these Members, neither CU bodies,

nor Russian authorities consistently took the views of interested persons and Members into consideration before taking regulatory actions that affected trade. In addition, Members expressed concerns that all existing mandatory requirements for importing products to the Russian Federation were not readily available to them or traders. As a result, some Members suggested that the Russian Federation would need to modify its procedures on notifying and seeking comments on measures to come into compliance with the transparency obligations of the WTO SPS Agreement.

1037. In response, the representative of the Russian Federation stated that, with regard to SPS measures of the Russian Federation, the transparency in the legislative process in the SPS sphere was provided through publication of all regulatory legal acts related to SPS measures in official editions of the following publications: "Rossiiyskaya Gazeta", "Sobranie Zakonodatelsctva Rossiyckoy Federatsii", "The Bulletin of Regulatory Acts of Federal Executive Authorities", "The Bulletin of International Agreements", "The Bulletin of Regulatory and Methodical Acts of the Ministry of Health and Social Development of the Russian Federation", and "The Information Bulletin of the Ministry of Agriculture of the Russian Federation". Some SPS measures were also published in some non-official publications, such as "Veterinariya" magazine, newspapers "Veterinarniy Konsultant", "Veterinary Gazette" and "Zatschita i karantin rasteniy" (monthly edition), as well as in electronic database for legal reference and other special publications. In response to a question from a Member, the representative of the Russian Federation stated that the main official journals were "Rossiiyskaya Gazeta", and "Sobranie Zakonodatelsctva Rossicyckoy Federatsii", in which the publication of all normative legal acts that dealt with the rights, freedoms and obligations of a person and citizens, including the orders of Federal Ministries, was mandatory. Thus, all normative legal acts relating to SPS measures would be published in these two journals.

1038. Members of the Working Party noted that, as of 1 July 2010, the CU Commission was responsible for the adoption of CU SPS technical regulations and other CU SPS documents and requested information regarding how transparency would be ensured in connection with the development of SPS measures and their application. In response, the representative of the Russian Federation explained that the Annex to CU Commission Decision No. 625 entitled "Amendments to the Regulation on Coordination Committee on Technical Regulation, Application of Sanitary, Veterinary and Phytosanitary Measures", approved by the CU Commission Decision No. 319 as of 18 June 2010 provided for publication of proposals of CU Decisions and CU legal acts in the SPS field, on the CU Commission website (www.tsouz.ru), and that interested persons would have at least 60 days to provide comments on the proposals. The CU Secretariat was required to send comments to the relevant working group (referred to in paragraph 819) for consideration. Furthermore, the representative of the Russian Federation explained that, according to point 6 of the Annex of CU Commission Decision No. 527 of 28 January 2011, which set a procedure for the development, adoption, amendment and repealing of technical regulations of the CU, draft technical regulations must be published on the website of the CU and should be available for public consultation for at least two months. Comments received from interested parties would then be taken into account to amend the draft technical regulations. Some Members of the Working Party expressed concern that, according to an amendment of this procedure adopted by CU Commission Decision No. 606, if a draft technical regulation developed in the framework of the EurAsEC was taken as a basis for a technical regulation of the CU, and had already undergone a process of public consultation through publication of a draft on the website of the EurAsEC, the CU may decide not to organize a public discussion at CU level on this text. In the view of these Members, the consultation on the EurAsEC website did not fulfil the necessary conditions of transparency since, at the time of this consultation, it was not clear that the draft technical regulation could become mandatory requirements also for exporters. These Members took as an example a draft Technical Regulation "On Milk and Milk Products", which had undergone a public consultation at EurAsEC level and for which the Russian Federation indicated that the CU did not intend to carry out a public consultation through the website of the CU.

1039. In response to a question from a Member, the representative of the Russian Federation stated that the date for entry into force of each technical regulation was set-out in the respective technical regulation or the CU Commission Decision adopting the technical regulation. A minimum period of six months between the date of publication of a technical regulation and the date of its entry into force was established by the CU Commission Decision No. 752 of 16 August 2011, so that entities were able to comply with the provisions of a new technical regulation or amendments to a technical regulation. The transition period for economic operators to become acquainted with and comply with technical regulations was established after public consultation on draft technical regulations, in particular with those that would need to comply with the technical regulation, including foreign producers.

1040. Some Members of the Working Party expressed concern that, in some cases, SPS measures of the Russian Federation were not laid down in legal texts, and were thus not clearly transparent. This was the case, for example, for rules on the listing of establishments before the entry into force of CU requirements, or for rules on pre-notification of shipments or for conditions according to which the Russian Federation implemented the CU provision allowing a list of establishments authorised to export to the CU member to be based on the list provided by the exporting country.

1041. The representative of the Russian Federation explained that pre-notification of a shipment was to ensure that certificates were valid and not fraudulent. He noted that pre-notification was not a mandatory requirement in the SPS field, but was dealt with by the customs services. Moreover, information on pre-notification was posted on the Rosselkhoznadzor website (http://www.fsvps.ru). According to 6.12.3 of the Common Procedures of Veterinary Control in CU Commission Decision No. 317, when the controlled goods were imported by sea, pre-notification on actual shipment of the lots to CU recipient was requested. The pre-notification was presented in electronic manner by the veterinary service of the exporting country. The form of the pre-notification was attached to the Common Procedures of Veterinary Control.

1042. Some Members expressed serious concerns that the pre-notification requirements could be expanded to apply to all products subject to veterinary control and to other modes of transport. The requirement that pre-notification comes from the competent authorities of the exporting country raised additional concerns. In these Members' views alternative, less burdensome, and less trade restrictive means were available to address any concerns regarding fraudulent certificates.

1043. In response, the representative of the Russian Federation stated that amendments to the current pre-notification provisions were being considered. These amendments would limit the scope of the pre-notification requirement to shipments of beef, pork, sheep, horse, and poultry products, i.e., covered goods, imported using sea transport. These amendments would allow for the competent authority of a third country to provide information on the issuance of a veterinary certificate for the relevant covered goods by providing a copy of certificate or the information indicated in the form in Annex 8 to CU Commission Decision No. 317, via e-mail notification, completion of a corresponding website, or by any other means agreed between a third-country and a CU Party, taking into account conditions in the third-country, to the competent authorities of the CU Parties. The representative of the Russian Federation confirmed that these amendments as described above would be adopted and enter into force no later than the date of accession of the Russian Federation to the WTO.

1044. He confirmed that all information on SPS measures and current SPS legislation could be found on the websites of the MOA (www.mcx.ru); the MOH (www.mzsrrf.ru); Rospotrebnadzor (www.rospotrebnadzor.ru); and the Information and Methodical Centre "Expertiza" of Rospotrebnadzor.

1045. The representative of the Russian Federation stated that development and introduction of new standards, animal health regulations and food safety regulations would be done in conformity with the rules and norms of WTO SPS Agreement. The representative of the Russian Federation further explained that the ongoing work within the CU and EurAsEC on drafting and adopting technical regulations in the SPS area was aimed at fulfilling this condition.

1046. The representative of the Russian Federation referred Members to the Section "Technical Barriers to Trade" for a detailed discussion of the procedures for drafting and adopting a technical regulation. As explained in paragraphs 713 and 724, any person could become the author of a draft technical regulation. The author was obliged to provide, on demand, a copy of the draft technical regulation. The fees collected for providing of such a copy, could not exceed the expense of its production.

1047. Any stakeholder was permitted to send comments regarding the draft technical regulations directly to the author or to the Ministry of Industry and Trade of the Russian Federation (MIT) in written form. Contact information for the author of the SPS-related draft technical regulations could be received from the MIT (Department for State Policy in the Field of Technical Regulation and Uniformity of Measurements, telephone: +7 (495) 647-74-51, fax: +7 (495) 647-73-90, the MOH (Department for Health Protection and Sanitary and Epidemiological Human Well-Being, telephone: +7 (495) 627-24-84 fax: +7 (495) 627-24-84) and the MOA (Department for Food and Food-Processing Industry and Quality of Products, telephone: +7 (495)607-89-62, fax: +7 (499)975-13-34). Foreign stakeholders were permitted to participate in the development and public discussions of technical regulation projects. The procedures for development, adoption, amendment, and revocation of a technical regulation, including the acceptance or rejection of the suggestions of interested persons, was set-out in the Law "On Technical Regulation", CU Commission Decision No. 527 of 28 January 2011, and was discussed in the Section "Technical Barriers to Trade".

1048. According to the Article 7.8 of Federal Law No. 184-FZ, and EurAsEC Agreement on Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 25 January 2008, existing international standards shall be used in full or in part as a basis for the elaboration of draft technical regulations, including draft technical regulations in the SPS sphere. However, if international standards, guidelines or recommendations did not exist, or the proposed national regulations differed substantially from the relevant international standards, guidelines or recommendations, and based on an examination and evaluation of available scientific information in conformity with the relevant provisions of the WTO SPS Agreement and a risk assessment, CU authorities determined that the relevant international standards, guidelines or recommendations were not sufficient to achieve the appropriate level of sanitary or phytosanitary protection, the proposed national SPS measure that differed from the relevant international standards, guidelines and recommendations would be adopted. The Russian Federation would then provide the notification required in Annex B of the WTO SPS Agreement. He further confirmed that drafts of SPS technical regulations and other mandatory requirements would be publicly available for comments from all interested parties. The agencies involved in the preparation of the notifications required by the provisions of the WTO SPS Agreement, would be the MOA, the MOH and the MED, as the coordinating authority responsible for providing notifications to the WTO.

1049. In response to a question from Members regarding the adoption of SPS measures other than technical regulations, the representative of the Russian Federation explained that the procedure for the development of national standards and sets of rules was set-out in Federal Law No. 184-FZ, and included an opportunity for receiving and considering comments from the public. The totality of all other draft measures was subject to consultations with interested parties, as provided in Article 15 of Federal Law No. 164-FZ of 8 December 2003 "On Basics of Regulation of Foreign Trade Activity." He explained that the only exception to this requirement was for emergency situations, and that laws

and measures of general application relating to SPS matters were not the subject of emergencies, as foreseen in Article 15. He referred Members to the Section "Technical Barriers to Trade" (see paragraphs 747 through 756) for a discussion of the procedures for adoption and application of national standards, and sets of rules. As regards emergency measures, he confirmed that the Russian Federation would comply with point 6 of Annex B to the WTO SPS Agreement.

1050. Some Members recalled concerns regarding the lack of available information on detailed conditions or requirements for the importation of specific products, including those Members and establishments authorised to export to the Russian Federation. These Members also requested that when the Russian authorities denied an application for an import permit, they informed each applicant of the detailed reasons for the rejection within two days after the decision on refusal. A Member suggested that the website should be searchable by HS code to increase its usefulness.

1051. In response, the representative of the Russian Federation confirmed that it had made available to importers, as well as to third-country exporters through a website (www.fsvps.ru), full detailed conditions for import of specific products. The representative of the Russian Federation further confirmed that to this end, it would publish a list on the website of the National Enquiry Point in English of the products which were permitted to be imported into its territory; the countries and establishments authorised to export to the Russian Federation and the territory of the CU; and the conditions for import. Where an application for an import permit was denied, Rosselkhoznadzor would inform the applicant of the reasons for this rejection within five days of the decision. The Working Party took note of these commitments.

1052. In response to a question about the functioning of a national enquiry point on SPS, the representative of the Russian Federation informed Members that the Russian Information Centre on Standardization, Certification and to Overcoming of Technical Barriers in Trade (RIC WTO TBT/SPS) had been operating since 1997. In the structure of RIC WTO TBT/SPS, there was an Enquiry (Dispatching) Service (National Enquiry Point - NEP), providing the implementation of WTO Agreements on TBT and SPS *in corpore*. The contact information (website, address/phone/fax numbers and e-mail) of the NEP was:

Address: 4 Granatny per.,
Moscow 103001,
Russian Federation;

Telephone: +7 (495) 332-56-28, 332-56-59, 225 61 89;
Fax: +7 (495) 332-56-59,
E-mail: enpoint@gostinfo.ru.
Website: http://www.gostinfo.ru;

1053. The primary function of RIC WTO TBT/SPS activity was to supply domestic authorities and businesses, as well as foreign trade partners of the Russian Federation and the Secretariat of the WTO, with Russian rules, directives, and regulations relating to TBT and SPS, and to provide information on foreign national standards and certification systems. The NEP responded to the requests of interested parties, provided information and documentation on TBT and SPS, standards, and conformity assessment. The NEP published on its website (on a month-by-month basis), the list of WTO Members' notifications on TBT and SPS in the Russian language (http://www.gostinfo.ru/show.php?/ric_vto/reestr_yved.htm).

1054. In response to a question from a Member, the representative of the Russian Federation confirmed that the Russian Federation had established an enquiry point authorised to provide information on both TBT and SPS issues. He noted that paragraph 1052 provided detailed

information on the enquiry point, including contact information and the services that the contact point could provide. He noted that this contact point would also provide information on CU Agreements, CU Commission Decisions and other CU Acts in the spheres of TBT and SPS measures. Prior to the accession of the Russian Federation to the WTO, the Government of the Russian Federation would issue a resolution to implement various provisions of the WTO Agreement, including Article 7, Article 13, and Annex B of the WTO SPS Agreement. He stated that the government resolution would include the following major provisions: (i) Designation of a single central government authority in charge of implementation of the provisions of the WTO SPS Agreement regarding notification in accordance with Articles 5, 6, 7, and 8 of Annex B; (ii) Mandatory cooperation between all governmental agencies in charge of implementation of the WTO SPS Agreement and this central government authority in respect of issues set-out in Annex B of the WTO SPS Agreement, and (iii) Designation of this central government authority as responsible for information exchanges with WTO Members and the Secretariat on issues relevant to the implementation of Annex B to the WTO SPS Agreement.

1055. The representative of the Russian Federation confirmed that the Russian Federation had set up an SPS notification authority and an SPS enquiry point which would be notified to the WTO SPS Committee. SPS measures, including those relating to inspection, were published in publications, such as those mentioned in paragraph 1037. Information on all proposed SPS measures and those in effect, as foreseen in Annex B of the WTO SPS Agreement, could also be obtained from the SPS notification authority or from the SPS enquiry point of the Russian Federation. The Working Party took note of these commitments.

- **(j) Proportionality, Necessity, and Reasonableness**

1056. Some Members of the Working Party expressed concern that SPS measures applied by the Russian Federation and other CU Parties to exports to the Russian Federation were not always proportionate to the risk identified. These Members gave the following examples of measures that were disproportionate or otherwise inconsistent with international rules:

- the list of goods subject to veterinary control included goods that did not represent a veterinary or sanitary risk which would justify submitting these goods to requirements for listing establishments on the Common Register, State Registration, import permits, and veterinary certificate requirements;
- imposition of trade restrictive measures, such as suspension of establishments or mandatory pre-export testing, were not reviewed and eliminated after food safety standards had been harmonized with international standards or when steps had been taken to address food safety issues;
- Russian Federation inspectors requesting exporting establishments to show the results of monitoring of residues of veterinary medicinal products in processed products in addition to the monitoring carried out on the raw materials;
- the Russian Federation not using residue monitoring plans as a tool to manage the risk of exposure, as foreseen in Codex guidelines, but requesting pre-export tests;
- the Russian Federation requesting systematic inspections of plant nurseries before allowing export to the Russian Federation of plants for planting, in absence of basis foreseen by the IPPC to have such preliminary inspection; and
- overly detailed and unnecessary requirements of inspectors during inspections.

These Members recalled that the principles of proportionality, necessity and reasonableness were enshrined in a number of articles of the WTO SPS Agreement, such as Articles 2.1, 2.2, 5.3, 5.4, 5.6 and Annex C thereof, and that, in their view, the Russian Federation should also modify its practices to make them more proportionate to the risks and reasonable.

1057. The representative of the Russian Federation reiterated that SPS measures, which were not consistent with the WTO Agreement, in particular with the WTO SPS Agreement, would be brought into compliance with the WTO Agreement, as of the date of accession of the Russian Federation to the WTO. He also stated that, in adopting and implementing SPS measures, the Russian Federation recognized the importance of applying the principles of proportionality, necessity and reasonableness consistently with the WTO SPS Agreement. However, any disagreements over the assessment on how these principles were implemented in individual cases, in his view, must be dealt with under appropriate WTO procedures rather than under the Working Party Report.

1058. One Member expressed strong concerns that, despite repeated reassurances of the Russian Federation, the Russian authorities continued to apply certain requirements which were not in conformity with the SPS principles of proportionality, necessity and reasonableness. In particular, they referred to the requirement to present a safety certificate, including results of laboratory analysis for residues of pesticides, nitrates and nitrites in fruits and vegetables upon their exportation from this Member to the Russian Federation in cases where there was no violation of the relevant international standards of MRLs, which were also reflected in the Russian law, concerning pesticide, nitrates and nitrites residue levels. This Member considered that this measure was trade restrictive, totally unnecessary and unjustified and was not in line with the WTO SPS Agreement. Furthermore, this Member noted its concern that certain Russian authorities requested that in the absence of these safety certificates, the importation of these goods could take place provided that a laboratory analysis was carried out at the border upon importation, at the cost of the importer. In this Member's view, such measure would have an equivalent effect to the unjustified requirement for a safety certificate.

1059. In response, the representative of the Russian Federation stated that the situation in respect of safety certificates as described by this Member was inaccurate and, according to the legislation of the Russian Federation, accompanying of the products of plant origin by the safety certificates, when imported into the territory of the Russian Federation, was not required. He furthermore noted that this type of measures, if introduced, would be covered by the commitments of the Russian Federation in paragraphs 1060 and 1062 of this Report.

1060. In response to these concerns, the representative of the Russian Federation confirmed that all SPS measures, whether adopted by the Russian Federation or the competent bodies of the CU, would be applied in conformity with the WTO SPS Agreement. In particular these SPS measures would be applied only to the extent necessary to protect human, animal or plant life or health and would be not more trade restrictive than required to achieve the appropriate level of sanitary or phytosanitary protection of the CU and the Russian Federation. Finally, when determining the appropriate level of sanitary, veterinary, or phytosanitary protection, the Russian Federation or the competent bodies of the CU, would take into account the objective to minimize negative trade effects in accordance with the WTO SPS Agreement. The Working Party took note of these commitments.

- (k) Issues Related to Irregularities or Fraud

1061. In response to concerns expressed by some Members, the representative of the Russian Federation stated that potential measures adopted in reaction to evidence of irregularities or fraud in import applications, certificates issued by exporting Members and related documentation would be applied in accordance with the WTO SPS Agreement and, in particular, be no more trade restrictive than required to achieve the appropriate level of sanitary or phytosanitary protection, in compliance with Article 5.6 of the WTO SPS Agreement. Such measures would, to the extent possible, be targeted at the specific operator or operators involved in irregularities or fraud and would not imply a prohibition, temporary or otherwise, of importation of goods from a WTO Member unless, exceptionally, this was necessary to address the particular risk posed by such irregularities or fraud.

- (l) Conclusion

1062. The representative of the Russian Federation confirmed that, from the date of accession of the Russian Federation to the WTO, all SPS measures would be developed, whether by the Russian Federation or the competent bodies of the CU, and applied in the Russian Federation in accordance with the WTO Agreement and in particular, the WTO SPS Agreement. In particular, SPS measures would be applied only to the extent necessary to protect human, animal, or plant life or health; would be based on scientific principles and, where they exist, on international standards, guidelines, and recommendations; and, would not be more trade restrictive than required to achieve the appropriate level of protection applied in the Russian Federation. SPS measures would not arbitrarily or unjustifiably discriminate between Members where identical or similar conditions prevail, including between the territory of the Russian Federation and that of other Members. SPS measures would not be applied in a manner which would constitute a disguised restriction on international trade, and would not be maintained without sufficient scientific evidence, except as provided for in Article 5.7 of the WTO SPS Agreement. The Working Party took note of these commitments.

Trade-Related Investment Measures (TRIMs)

1063. The representative of the Russian Federation explained that the legal basis for preferential tariffs or tariff exemptions for imports of parts and components used in "industrial assembly" programmes for motor vehicles and parts and components thereof was established by the CU Common External Tariff (CET) (as approved by the Decision of the Inter-State Council of EurAsEC No. 18 of 27 November 2009 and put into effect through CU Commission Decision No. 130 of 27 November 2009) as well as in the relevant national legislation. He further explained that the following national laws and regulations were relevant, in his view, for the consideration of the question of consistency of the Russian legislation with the provisions of the WTO Agreement on Trade-Related Investment Measures (hereinafter referred to as the "WTO TRIMs Agreement"): Federal Law No. 225-FZ of 30 December 1995 "On Production Sharing Agreements" (as last amended on 19 May 2010); Presidential Decree No. 135 of 5 February 1998 "On Additional Measures to Attract Investments for Development of Domestic Car Making"; Resolution of the Government of the Russian Federation No. 413 of 23 April 1998 "On Additional Measures to Attract Investments for Development of Domestic Car Making" (currently not applied in practice but still in force); Resolution of the Government of the Russian Federation No. 166 of 29 March 2005 "On Introduction of Amendments to the Customs Tariff of the Russian Federation with Respect to the Parts and Components Imported for the Purpose of "Industrial Assembly'" (as last amended on 8 December 2010); Joint Order No. 73/81/58n of the Ministry of Economic Development and Trade of the Russian Federation (since May 2009, Ministry of Economic Development of the Russian Federation), the Ministry of Industry and Energy of the Russian Federation (MIT) and the Ministry of Finance of the Russian Federation (MOF) of 15 April 2005, "On Approval of the Order, Defining the Term "Industrial Assembly" and Establishing Conditions for Its Application to Imports to the Territory of the Russian Federation of Parts and Components for the Manufacture of Motor Vehicles (Tariff Positions 8701 - 8705) and Parts and Components Thereof", as last amended on 24 December 2010 by Joint Order No. 678/1289/184n "On Amendments to the Order Defining the Term "Industrial Assembly" of Motor Vehicles and Establishing Conditions for its Application to Imports to the Territory of the Russian Federation of Parts and Components for the Manufacture of Motor Vehicles (Tariff Positions 8701 - 8705) and Parts and Components Thereof".

- (a) Production Sharing Agreements

1064. The representative of the Russian Federation noted that Federal Law No. 225-FZ of 30 December 1995 "On Production Sharing Agreements" (as last amended on 19 May 2010,

hereinafter referred to as "Federal Law No. 225-FZ") set-out the legal framework for relations arising in the course of Russian and foreign investment in search, exploration and mining of minerals in the Russian Federation. A "production sharing agreement" was an agreement in which the Russian Federation provided to an investor, in consideration for value received and for a limited term, exclusive rights to perform search, exploration, and mining of minerals in a subsoil plot specified in such agreement and any related work, and the investor undertook to perform the prescribed work at his own risk and expense. The rights and obligations of the parties to a production sharing agreement were governed by the Russian Federation's civil law. The term of the agreement was defined by the parties in compliance with the legislation of the Russian Federation applicable as of the date the agreement was concluded.

1065. The representative of the Russian Federation stated that, according to the Russian legislation, no special tax regime regarding realization of production sharing agreements was established. Chapter 25 of the Tax Code of the Russian Federation stipulated the order of taxation for extraction of natural resources. The Provisions of Chapter 25 applied during the implementation of production sharing agreements.

1066. Pursuant to Federal Law No. 225-FZ, an agreement whose provisions had not entered into force within one year after signature of the agreement, would be terminated on the expiry of that period, i.e., the special procedure for calculating and paying taxes and fees established by the Tax Code and other acts of taxation of the Russian Federation for this agreement would not be applied and this field's exploration would be realized on common terms of taxation, without recourse to provisions of Federal Law No. 225-FZ.

1067. Federal Law No. 225-FZ also contained the requirement that the Parties must include in such agreements an obligation to buy Russian technical equipment for natural resources extraction, their transportation and processing accounting for no less than 70 per cent of total cost of equipment and materials, purchased in each particular calendar year, for execution of works under the agreement. The other obligation of investors was to employ citizens of the Russian Federation, their proportion being no less than 80 per cent of all employed personnel engaged in realization of a production sharing agreement. This obligation was established by Article 7 of the Law. The representative of the Russian Federation added that provisions of paragraph 11 of point 2 of Article 7 of Federal Law No. 225-FZ provided that in case of accession of the Russian Federation to the WTO, all provisions that contradicted the principles of the WTO, would become invalid or would be brought into accordance with the above-mentioned principles. He also clarified, that the Federal Law in question had not imposed local content requirements on agreements concluded before its entry into force. Similarly, it had not changed respective provisions in such agreements, if they were there. In addition, the representative of the Russian Federation informed Members that since the adoption of Federal Law No. 225-FZ no new production sharing agreements had been concluded.

1068. The representative of the Russian Federation also noted that some production sharing agreements had been concluded before the entry into force of Federal Law No. 225-FZ. These were:

a. Production sharing agreement on Chayvinskoe, Odoptinskoe and Arkutun-Daginskoe oil and gas condensing fields (Sakhalin-1). This agreement had been concluded in 1995 and was valid for 25 years (extendable);
b. Production sharing agreement on Piltun-Astokhskoe and Lunskoe oil and gas fields (Sakhalin-2). This agreement had been concluded in 1994 and was valid for 25 years (extendable); and

c. Production sharing agreement on oil-field development and oil production on Kharyaguinskoe oilfield. This agreement had been concluded in 1995. It was valid for 20 years and could be extended for a further 13 years.

1069. Although the agreement on exploration of the southern part of the Samotlorskoe oil and gas condensing field had been concluded between the Government of the Russian Federation, the Administration of Hanty-Mansijsk region and Joint Stock Company "Samoltorneftegaz" it had not been implemented, and instead the normal investment and tax regime applied to this project.

1070. The representative of the Russian Federation noted that Federal Law No. 225-FZ was applicable to agreements concluded prior to the entry into force of Federal Law No. 225-FZ only to the extent that the law did not conflict with the provisions of these production sharing agreements. The production sharing agreements that had been concluded prior to the entry into force of the Federal Law did not contain either local content or export performance requirements. However, two of those agreements (Sakhalin-2 and Kharyaguinskoe) contained recommendations concerning the use of Russian equipment, but neither agreement provided for sanctions or penalties if the investor did not follow these recommendations and did not use such equipment.

1071. One Member noted that in the event that any of the three production sharing agreements listed in paragraph 1068 were renewed and/or extended, the Russian Federation should commit to eliminating any provisions which were TRIMs non-compliant. This Member believed that this should be noted in paragraph 1069. In response, the representative of the Russian Federation explained that any additional commitment was redundant since this was already covered by paragraph 1090 of this Report.

- (b) Domestic Motor Vehicle and Components Industry

1072. The representative of the Russian Federation stated that since 2005 the Russian Federation had imposed a system for attraction of investments for development of domestic car making. This system was based on the Resolution of the Government of the Russian Federation No. 166 of 29 March 2005 "On Introduction of Amendments to the Customs Tariff of the Russian Federation with Respect to the Parts and Components Imported for the Purpose of "Industrial Assembly"' (as last amended on 8 December 2010) (hereinafter referred to as "Resolution No. 166"); Joint Order No. 73/81/58n of 15 April 2005, "On Approval of the Order, Defining the Term "Industrial Assembly" and Establishing Conditions for Its Application to Imports to the Territory of the Russian Federation of Parts and Components for the Manufacture of Motor Vehicles (Tariff Positions 8701 - 8705) and Parts and Components Thereof" (as last amended on 24 December 2010) (hereinafter referred to as "Order No. 73/81/58n"); Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On Customs Tariff of the Russian Federation and Customs Nomenclature, Applied During Execution of Foreign Economic Activity"; Resolution of the Government of the Russian Federation No. 839 of 30 December 2006 "On Introduction of Amendments to the Customs Tariff of the Russian Federation with Respect to the Automobile Car Parts Imported for the Purpose of "Industrial Assembling" and Components and Raw materials Imported for the Purpose of Airplane Engines Producing" (as last amended on 8 December 2010) (hereinafter referred to as "Resolution No. 839"). With the establishment of the Customs Union, the CU CET provided for preferential tariffs or tariff exemptions for imports of parts and components used in "industrial assembly" programmes for motor vehicles and parts and components thereof as referred to in paragraph 1063.

1073. The above-mentioned normative legal acts became the basis for investment agreements, replacing previously applied Presidential Decree No. 135 of 5 February 1998 "On Additional Measures to Attract Investments for Development of Domestic Car Making", and Government

Resolution No. 413 of 23 April 1998 "On Additional Measures to Attract Investments for Development of Domestic Car Making" that permitted automobile and car parts production within a "bonded warehouse" under special conditions. According to available information, no agreements under the latter acts which were based on the system of bonded warehouse were currently in force.

1074. In response to a question from a Member of the Working Party regarding Resolution No. 166, the representative of the Russian Federation stated that Resolution No. 166 provided for development by authorised government bodies of a procedure for defining the term "industrial assembly" and establishing rules for its application to imports of parts and components for "industrial assembly" of motor vehicles (tariff positions 8701 - 8705) and parts and components thereof.

1075. Pursuant to Resolution No. 166, the MED, the MIT, and the MOF issued Order No. 73/81/58n. Order No. 73/81/58n (as last amended on 17 December 2009) established an investment regime (hereinafter referred to as the "Auto Investment Program No. 1"), according to which the "industrial assembly" of motor vehicles was defined as a system of batch production on the basis of technological processes, achieving a production capacity of no less than 25,000 units per year in double-shift operation. Under Order No. 73/81/58n, an investment agreement concluded by a Russian legal entity with the MED under Auto Investment Program No. 1 was the basis for importation of parts and components at preferential tariff rates for "industrial assembly" of motor vehicles and parts and components thereof. Such an investment agreement also established specific commitments for the reduction over time of the importation of the above-mentioned parts and components at preferential tariff rates for "industrial assembly". Most-favoured nation tariffs were levied on all imports above the agreed-upon level of imports qualifying for preferential tariffs or tariff exemptions. The agreement established other rights and obligations of the parties, i.e., liability for failure to meet obligations under the agreement, validity of the agreement (seven years - for enterprises already in operation and eight years - for newly established enterprises that produce motor vehicles; seven years - for production of engines, gearboxes and drive axles; and five years - for production of any other car part and component for motor vehicles), and the basis for its change and cancellation.

1076. The representative of the Russian Federation explained that under Auto Investment Program No. 1, Russian producers of motor vehicles classified under HS 8701 - 8705, engaged in assembly of motor vehicles and parts and components thereof, qualified for preferential tariffs or tariff exemptions for imports of parts and components used in the production of those motor vehicles or parts and components thereof, provided they met requirements that include the following: a planned production capacity of not less than 25,000 units per year and, certain production activities taking place in Russia (e.g., stamping and painting) not later than 18 months (for Russian legal entities modernising existing production capacities) or 30 months (for Russian legal entities establishing new production capacities) after the entry into force of the agreement, and imported parts and components not to exceed 70 per cent of the value (excluding the value of bodies for motor vehicles classified under HS 8707) of parts and components used in a year not later than 54 months after meeting the above-mentioned requirement on performing certain production activities.

1077. The representative of the Russian Federation noted that as of 23 June 2011, 31 agreements on the assembly of motor vehicles and 44 agreements on the assembly of parts and components of motor vehicles negotiated under the system of "industrial assembly" were signed under Auto Investment Program No. 1. Table 44 provided for an exhaustive list of agreements concluded under Auto Investment Program No. 1. In response to a question from a Member, the representative of the Russian Federation clarified that there was no legal linkage between agreements on investments in "industrial assembly" of motor vehicles and agreements on investments in "industrial assembly" of parts and components thereof. In response to another question, the representative of the Russian Federation informed the Members that the last agreement under Auto Investment Program

No. 1 was signed on 22 June 2011 pursuant to the special provisions set-out in Article 3.1 of Order No. 73/81/58n. He also confirmed that no other agreement under Auto Investment Program No. 1, including pursuant to the special provisions set-out in Article 3.1 of Order No. 73/81/58n, would be signed after 23 June 2011.

1078. The representative of the Russian Federation noted that under Auto Investment Program No. 1, the majority of the agreements on investments in "industrial assembly" of motor vehicles or parts and components thereof had been signed before 2008, and that no new agreements under Auto Investment Program No. 1 could be concluded after 23 June 2011. He noted that, as with many WTO Members, in 2009, the global financial crisis had caused a significant decline in the production and sales of motor vehicles in the Russian Federation, which made it difficult for enterprises to meet their obligations under their respective agreements and to take advantage of the preferential tariffs or tariff exemptions. Therefore, the Russian Federation was considering extending for two years the duration of the tariff exemption provided to enterprises that had concluded investment agreements under Auto Investment Program No. 1 to manufacture motor vehicles or parts and components thereof in Russia before 1 January 2009.

1079. Responding to a Member's question, the representative of the Russian Federation explained, that an investor's enforceable obligations under agreements concluded pursuant to Auto Investment Program No. 1, were limited to using parts and components imported under preferential tariff treatment only for the purpose of "industrial assembly"; providing documents reporting on, among other things, capital investments and the use of imports of parts and components for "industrial assembly", at regular intervals; and setting-up at its plant the serial performance of operations as agreed (e.g. welding, painting, etc.). If the investor failed to implement one or several of these obligations, the investor was given a transitional period in order to come into compliance with the relevant provisions of the agreement. If the investor failed to come into compliance during the transitional period, the investor had to pay MFN tariff rates on imports of parts and components of motor vehicles and/or parts and components thereof from the date the violations were revealed. In case of early termination of the agreement, MFN rates were applied from the date of such termination.

1080. The representative of the Russian Federation explained that Order No. 73/81/58n had been amended by Joint Order No. 678/1289/184n of 24 December 2010 "On Amendments to the Order Defining the Term "Industrial Assembly" of Motor Vehicles and Establishing Conditions for its Application to Imports to the Territory of the Russian Federation of Parts and Components for the Manufacture of Motor Vehicles (Tariff Positions 8701 - 8705) and Parts and Components Thereof" (hereinafter referred to as "Order No. 678/1289/184n"). Order No. 678/1289/184n provided for agreements with manufacturers of motor vehicles and manufacturers of parts and components of motor vehicles aimed at establishing the conditions for those manufacturers to import parts and components of motor vehicles and parts and components thereof at a preferential tariff rate (hereinafter referred to as "Auto Investment Program No. 2"). With regard to agreements to manufacture motor vehicles (concluded and implemented in accordance with Annex 1 of Order No. 73/81/58n, as amended by Order No. 678/1289/184n), in order to have preferential tariffs apply to imported parts and components under Auto Investment Program No. 2, the manufacturer had to meet the requirements that include, the following: (1) to gradually establish an annual production capacity of 300,000 units (for Russian legal entities establishing new production capacities for motor vehicles other than trucks) or 350,000 units (for Russian legal entities modernizing existing production capacities for motor vehicles other than trucks) or 30,000 units (for Russian legal entities either establishing new or modernizing existing production capacities for trucks); (2) to engage in certain manufacturing operations in the Russian Federation (e.g., stamping operations); (3) to establish and/or modernise Research and Development centres in the Russian Federation; (4) to install domestically produced engines and/or gear boxes into at least 30 per cent of the motor vehicles produced by this

manufacturer in Russia (or into at least 200,000 motor vehicles if production volume exceeded 1 million units a year); and (5) to gradually reach a specified minimum average annual level of production localization in the Russian Federation. The requirement to ensure a minimum average annual level of production localization was phased-in over time until the final level of 60 per cent was required starting from the sixth year from the date of entry into force of the investment agreement. During the five preceding years, the average annual level of production localization required was 35 per cent, 40 per cent, 45 per cent, 50 per cent and 55 per cent respectively (for a Russian legal entity modernizing existing production capacity), or 30 per cent for the fourth year and 40 per cent for the fifth year (for a Russian legal entity establishing new production capacities). Order No. 73/81/58n, as amended by Order No. 678/1289/184n, set-out time periods for achieving each of the above-mentioned requirements.

1081. With respect to investment for the assembly of parts and components of motor vehicles in the Russian Federation (concluded and implemented in accordance with Annex 2 of Order No. 73/81/58n, as amended by Order No. 678/1289/184n), the representative of the Russian Federation explained that under investment agreements concluded under Auto Investment Program No. 2, manufacturers of parts and components for motor vehicles had to meet requirements that include the following: for each type of part or component, to perform certain operations in the Russian Federation (e.g., mechanical processing), to reach a minimum required level of average annual production localization, and, for certain parts and components, to use certain Russian products (e.g., for engines, to use Russian crankshaft, cylinder blocks and cylinder heads).

1082. The representative of the Russian Federation explained that all agreements to manufacture motor vehicles under Auto Investment Program No. 2 had to be concluded and signed by 1 June 2011. Twelve such investment agreements had been concluded under Auto Investment Program No. 2 (see list in Table 42) and no additional agreements with manufacturers of motor vehicles were authorised under Order No. 73/81/58n, as amended by Order No. 678/1289/184n. He further explained that investors who signed an investment agreement for the same investment project, as indicated in Table 42, in order to benefit from the preferential tariff treatment for imports of parts and components used in "industrial assembly", could meet the requirements set-out in paragraph 1.2, Annex 1 of Order No. 73/81/58n, as amended by Order No. 678/1289/184n, collectively, i.e., despite their individual agreements with MED, these investors would not be required to meet each of those requirements individually but as a *de facto* "consortium" as long as these investors were in such consortium under the same investment project. With respect to manufacturers of parts and components of motor vehicles, companies with agreements under Auto Investment Program No. 1 had the right to conclude agreements under Auto Investment Program No. 2 until 31 December 2011. Companies manufacturing parts and components of motor vehicles that did not have an agreement under Auto Investment Program No. 1, had the right to conclude an agreement under Auto Investment Program No. 2 until 31 December 2013. To conclude such an agreement, a company manufacturing parts and components of motor vehicles had to have concluded in advance, but no later than by 28 February 2011, a memorandum of understanding with the MED concerning its intention to conclude an agreement under Auto Investment Program No. 2, otherwise, this company could not conclude such an agreement. The list of signed agreements to produce parts and components of motor vehicles under Auto Investment Program No. 2 as well as the list of companies manufacturing parts and components of motor vehicles having concluded the above-mentioned memorandum of understanding were included in Table 43.

1083. In response to a question from some Members, the representative of the Russian Federation explained that an important difference between Auto Investment Program No. 1 and Auto Investment Program No. 2, was that Auto Investment Program No. 2 was based on the amount of value added in the Russian Federation rather than the percentage of imported parts and components of motor vehicles that could be used. Auto Investment Program No. 1 effectively limited the volume of parts and

components of motor vehicles (goods) that could be imported and used in the assembly of an automobile to 70 per cent of all parts and components (excluding the value of bodies for motor vehicles classified under HS 8707), thus imposing a 30 per cent local content requirement. Auto Investment Program No. 2, took another approach. Instead of limiting the percentage of parts and components of motor vehicles that could be imported, Auto Investment Program No. 2 was based on an added value criterion that took into account all of the various factors that went into the production of a motor vehicle. This criterion was based on the percentage of the actual selling price of the automobile excluding VAT and excise tax. While there was a requirement to produce certain components in the Russian Federation, a manufacturer could meet the value added criterion based on a wide range of inputs, including services, factory operation, and other overhead expenses. Although Auto Investment Program No. 2 required manufacturers at the end of a transition period to meet a 60 per cent added value requirement, the broad base for calculating value-added provided more flexibility to manufactures in their selection of parts and components and helped mitigate the TRIMs-inconsistent aspects of this programme. In response to a question from a Member regarding how much of the ex-factory price of an automobile consisted of the value of parts and components, the representative of the Russian Federation stated that, based on studies conducted in Russia and the United States, it was estimated that parts and components accounted for approximately 50 per cent of the ex-factory price of an automobile. He noted that the ex-factory price was a price of the automobile located at the warehouse of the manufacturer that included VAT and other taxes and profit of the manufacturer.

1084. One Member expressed concern that the conditions of the Auto Investment Program No. 2 were significantly more prescriptive and stringent as compared to the Auto Investment Program No. 1. In this Member's view, the Auto Investment Program No. 2 would cause important displacement of third countries traditional suppliers to the Russian automotive market. This Member requested the Russian Federation to undertake a commitment that WTO-incompatible elements of the Auto Investment Program No. 1 and Auto Investment Program No. 2 would be phased-out and no new WTO-incompatible Trade-Related Investment Measures would be introduced in the Russian Federation.

1085. In response to a question, the representative of the Russian Federation explained that under Auto Investment Program No. 2, the manufacturer was required to submit a report to the MED and the MIT confirming that imported parts and components of motor vehicles and parts and components thereof were properly used and that the manufacturer met the other requirements of its investment agreement. If a manufacturer failed to meet the requirements set-out in the investment agreement, he lost the right to import parts and components under preferential tariffs until the relevant manufacturing process was brought into compliance with the investment agreement. If the manufacturer used parts and/or components imported under preferential tariffs for purposes other than those specified in the investment agreement, the agreement could be terminated and the most-favoured nation tariff rates would be assessed on such parts and/or components.

1086. In response to a question from a Member of the Working Party about the "Concept of the Development of the Russian Car-Making Industry by 2020" (approved by the Order of the Ministry of Industry and Trade of the Russian Federation No. 319 of 23 April 2010, hereinafter referred to as "Order No. 319"), the representative of the Russian Federation noted that Order No. 319, which was being implemented at present, did not confer any benefits in exchange for investment commitments.

- (c) Aircraft area

1087. In response to Members' concerns regarding the aircraft sector, the representative of the Russian Federation noted that Government Resolution No. 574 of 2 August 2001 "On Certain Issues of Regulation of Temporary Imports of Foreign Made Aircraft" had superseded Government

Resolution No. 716 of 7 July 1998 "On Additional Measures of State Support for Civil Aviation in Russia" and had terminated the full exemption from customs duties and taxes for temporary import for aircraft, aircraft parts and engines and simulators which were imported under investment agreements. No investment agreements had been concluded since the adoption of Government Resolution No. 574 of 2 August 2001 "On Certain Issues of Regulation of Temporary Imports of Foreign Made Aircraft". He clarified that Russian legislation did not impose local content requirements for the production of aircraft engines. The Russian Federation confirmed that Government Resolution No. 574 of 2 August 2001 "On Certain Issues of Regulation of Temporary Imports of Foreign Made Aircraft" was in full conformity with the provisions in the WTO TRIMs Agreement. In response to a further question from a Member, the representative of the Russian Federation further explained that Resolution No. 839 lowered the rate of customs tariff in respect of components and raw materials imported for the purposes of airplane engines production irrespective of an investment agreement scheme. Thus, in his view, this was simply a reduction in applied tariffs and not a measure covered under the WTO TRIMs Agreement.

- (d) Diamonds

1088. In the response to a question from a Member, the representative of the Russian Federation stated that his Government did not consider measures related to the trade in diamonds to be Trade-Related Investment Measures. Information on special conditions for trade in diamonds was presented in the relevant sections of this Report.

- (e) Conclusion

1089. The representative of the Russian Federation confirmed that the use of goods produced in the Russian Federation accounting for 35 per cent of the total ex-factory value of all components used under the Auto Investment Program No. 2 was considered as equivalent to the 60 per cent average annual level of production localization required in paragraph 1.2(d) of Annex 1 of Order No. 73/81/58n, which was calculated according to paragraph 1.6 of the same Annex. Given that the 60 per cent requirement did not apply until the sixth year of the investment agreement, each year, the requirement to use goods produced in the Russian Federation would apply proportionally until that maximum level of local content was required. The representative of the Russian Federation confirmed that this equivalence would be recognized when assessing the fulfilment by an investor of the requirements under paragraph 1.2(d) of Annex 1 of Order No. 73/81/58n. However, this equivalence would not exempt investors from the obligation to implement other requirements of Order No. 73/81/58n, including but not limited to ensuring a minimum annual production capacity, or creating or modernising Research and Development centres, or fulfilling specific local content requirements such as for engines. The Working party took note of these commitments.

1090. The representative of the Russian Federation confirmed that, from the date of the accession of the Russian Federation to the WTO, the Russian Federation would ensure that all laws, regulations and other measures applied in the Russian Federation that are related to issues covered by this section, whether adopted by the Russian Federation or the competent bodies of the CU, would be consistent with the provisions of the WTO Agreement, including the WTO Agreement on Trade-Related Investment Measures, except for measures applied under Auto Investment Program No. 1 and Auto Investment Program No. 2 and investment agreements concluded under these programmes - as described and defined in paragraphs 1072 through 1086. With regard to Auto Investment Program No. 2, the representative of the Russian Federation confirmed that the amount of any requirement to purchase or use domestically produced parts and components, would not exceed 25 per cent of the ex-factory price of the automobiles annually. With regard to manufacture of components under Auto Investment Program No. 2, the amount of any requirement to purchase or use domestically produced parts and components would not exceed 25 per cent of the total aggregate value of inputs of the

manufacturer of car components annually. The representative of the Russian Federation confirmed that the Russian Federation would engage in consultations with interested WTO Members, no later than 1 July 2016, regarding WTO-consistent measures that could be applied in connection with its Auto Investment Program No. 1 and Auto Investment Program No. 2 and would notify WTO Members of any measures planned to replace the WTO-inconsistent measures applied under these programmes at least six months prior to the adoption of such new measures. The representative of the Russian Federation confirmed that all WTO-inconsistent measures, including preferential tariffs or tariff exemptions, applied pursuant to Auto Investment Program No. 1 and Auto Investment Program No. 2 and agreements concluded under these programmes would be eliminated by 1 July 2018. The representative of the Russian Federation also confirmed that the Russian Federation would not conclude any new agreements with investors in any sector that contained provisions contrary to the WTO Agreement, including the WTO Agreement on Trade-Related Investment Measures. The Working Party took note of these commitments.

- Special Economic Zones

1091. The representative of the Russian Federation stated that the establishment of special economic zones (SEZs) was aimed primarily at fostering high technology industries; expanding sources of investments; and, promoting the development of tourism and transportation infrastructure. In the Russian Federation, Federal Law No. 116-FZ of 22 July 2005 "On Special Economic Zones in the Russian Federation" (as last amended on 25 December 2009) was the basic law on SEZs, with two exceptions for zones established before its enactment in the Kaliningrad and Magadan regions. These two SEZs had continued to operate on the basis of two other laws pending expiration of the contracts established under the provisions of the relevant law. Once the contracts expired, Federal Law No. 116-FZ would apply in the Kaliningrad or Magadan as the case may be. The two specific laws were Federal Law No. 16-FZ of 10 January 2006 "On the Special Economic Zone of the Kaliningrad Region and on Amending some Legislative Acts of the Russian Federation" (as last amended on 30 October 2007), (which replaced Federal Law No. 13-FZ of 22 January 1996 "On the Special Economic Zone in the Kaliningrad Region"); and, Federal Law No. 104-FZ of 31 May 1999 "On the Special Economic Zone in the Magadan Region" (as last amended on 24 November 2008). Thus, currently, each of these three Laws continued to be the relevant legislation governing the operation of SEZs in the Russian Federation.

1092. Members requested further information on the establishment and operation of the SEZs, as well as information to help them assess whether the zones that could be established under Federal Law No. 116-FZ "On Special Economic Zone", and in Kaliningrad and Magadan, were consistent with WTO requirements. They asked how the WTO obligations of the Russian Federation would be enforced in the SEZs after accession, and in particular, whether Articles I and III of the GATT 1994 would be applied, and whether incentives granted to firms, which were established in the SEZs were or would be based on export performance or local content requirements. Other issues raised by Members in this connection concerned the need to restore any tariffs or taxes from imported goods or inputs used in the manufacturing process to goods eventually exported to the rest of the Russian Federation or the territory of other CU Parties. One Member sought information about the provisions of the law of the Russian Federation which provided that goods manufactured in Kaliningrad and Magadan from inputs eligible for tariff and/or tax exemptions were considered to have transformed imported inputs sufficiently to eliminate the need to pay the duties and taxes originally exempted when the inputs were imported. Another Member noted that no level of transformation would be sufficient to eliminate the need to restore exempted duties and taxes, as rules of origin operated between countries, not parts of countries. These Members noted that Federal Law No. 116-FZ required the payment of exempted duties and taxes when the manufactured product was sold to the rest of the customs territory of the Russian Federation. Other Members sought information on what other benefits, if any, in terms of tax exemptions or otherwise, were available to firms that

located in the SEZs. A description of the provisions for firms located in Kaliningrad and Magadan SEZ was also requested.

- **(a) Basic Law on SEZs**

1093. In response, the representative of the Russian Federation explained that Federal Law No. 116-FZ "On Special Economic Zones" had been the legal basis for establishing SEZs on the customs territory of the Russian Federation since 2005. As last amended on 25 December 2009, it provided for four types of SEZs: manufacturing zones, technological parks, recreation zones, and port zones.

(a) Manufacturing SEZs were aimed at production and reprocessing of finished products. It was assumed that according to respective contracts, the investments within the first year would not be less than €1 million and total investment would amount to at least €3 million.
(b) SEZs of engineering and innovation type (technological parks) were aimed at creation of incentives for inventions and realization of new technologies. No minimum investment funding was required for this type of SEZ.
(c) Recreation zones were created in order to foster development of tourism and sanatorium-resort activity (construction, reconstruction, and operation of travel industry facilities, facilities for sanatorium-resort therapy, medical rehabilitation and recreation, as well as tourist activity and activity related to exploitation and utilization of waters, peloids and other natural remedial resources, including sanatorium-resort therapy, disease prevention, medical rehabilitation, recreation and industrial bottling of mineral waters). No minimum investment funding was required for this type of SEZ.
(d) Creation of port SEZs was aimed at enhancing conditions for construction and modernization of the infrastructure of sea ports, airports and river ports to stimulate port economic activity and port services, as well as the development and expansion of port facilities by means of foreign and national direct investments.

1094. He added that once a port SEZ was established, investors could apply for residency, i.e., to be registered as a legal entity or individual entrepreneur as provided for in Federal Law No. 116-FZ eligible for a special tax regime and other conditions more favourable than those available to firms and entrepreneurs in the rest of the customs territory, and conclude contracts that specified the terms of their participation as "residents" in the zones. According to the respective contracts, a resident of such an SEZ, the legal entities or individual entrepreneurs eligible for the special tax regime and other conditions more favourable than those available to firms and entrepreneurs in the rest of the customs territory, undertook to invest at least €10 million when constructing the infrastructure units of a new sea port, and at least €3 million when reconstructing the infrastructure units of sea, river or airport. Residents of port SEZs also had to provide to the customs authorities guarantees for payments of duties and taxes. The security for such payments of duties and taxes could not be less than:

- RUB 30 million when conducting the port-related activity associated with the warehousing of any goods along with storage of, wholesale or stock-exchange trading in them, including excise goods or mineral raw material;
- RUB 10 million when conducting the port-related activity associated with the warehousing of goods which were not excise goods or mineral raw material, along with storage of or wholesale stock-exchange trading in them; or
- RUB 2.5 million when conducting other port-related activity.

Firms engaged in the extraction of minerals, steelmaking or the manufacture of goods subject to excise taxes, with a few exceptions, including the manufacture of automobiles and motorcycles,

could not locate in the SEZs. The Government of the Russian Federation could define other types of prohibited activities in a SEZ according to the national legislation.

1095. The representative of the Russian Federation also explained that within the authority granted by Federal Law No. 116-FZ, the Government of the Russian Federation could establish SEZs, other than port SEZs, only on land plots that were State and municipal property. Generally, all types of SEZs were established by Government Resolution after a tendering process, although until 1 January 2015 and, under exceptional circumstances, the Government could establish an SEZ directly, without such a process. Except for port zones, SEZs were established for a 20-year term without extension. Port zones were established for a 49-year period, also without extension. Upon expiration of the 20-year period for manufacturing zones, technological parks, and recreation zones, and of the 49-year period for port zones, the SEZs would be liquidated and general customs and a tax regime would be applied on the former territory of the SEZs. Under these circumstances, or if the time period provided for in the contract of a SEZ resident expired, imported goods which had been placed under the customs procedure of free customs zone would return to normal customs procedures within three months and would have to be exported or the exempted taxes and tariffs would have to be paid. The investment goods (i.e., means of production) of residents in these circumstances would be considered to be goods of the CU and payment of the previously exempted taxes and tariffs was not required. Moreover, early termination of a SEZ could occur only (a) to protect the life and health of the population, cultural values and the environment, or to provide for the defence of the country and security of the State; (b) if within a three-year period of its establishment there had been no agreements concluded with potential residents to operate in the zone; or (c) if there had been no relevant activity by residents within the zone for a three-year period.

1096. With a view to implementing the provisions of Federal Law No. 116-FZ, pursuant to Presidential Decree No. 1107 of 5 October 2009, the Ministry of Economic Development (MED) coordinated and administered the activity of all SEZs within the Russian Federation jointly with local Governments. In addition, each SEZ established a supervisory board to register residents, to carry out the day-to-day administration and management of the individual zones, and to ensure that the terms of operation laid out in Federal Law No. 116-FZ and the individual contracts signed with residents were adhered to.

1097. The representative of the Russian Federation informed Members, that following the first tender conducted in accordance with Federal Law No. 116-FZ in 2005, six regions had been permitted to establish a SEZ regime: four technological parks (in Moscow (Zelenograd) and Moscow Region (Dubna), Saint-Petersburg and Tomsk); and, two SEZs of the manufacturing type (in Tatarstan (Elabuga) and Lipetsk region). The respective Resolutions of the Government Nos. 779-784 "On the Creation of these Zones" were issued on 21 December 2005. These SEZs became operative after the conclusion of contracts between the MED (the Federal Executive power body designated to manage the zones) and respective local Governments. The main specialization of these zones was the following:

- manufacturing of home electronics (in particular, refrigerators) in Lipetsk region zone;
- manufacturing of cars and their components, advanced technology products in petrochemical sphere in Elabuga zone;
- development of information and nuclear technologies in Dubna zone;
- development of micro- and nano-electronics in Zelenograd zone;
- development of advanced technology products in St.-Petersburg zone; and
- development of new materials, bio-nanotechnologies and medical technologies in Tomsk zone.

1098. Subsequently, he continued, additional SEZs had been established by Resolutions of the Government, including eight recreation zones (in Stavropol region; Kaliningrad region; Irkutsk region; Krasnodar region; Altai Republic; Altai region; Republic of Buryatiya; and, the North Caucasian Federal District), one additional manufacturing zone in Samara and three Port SEZs in Khabarovsk region, Ulyanovsk and Murmansk.

1099. The representative of the Russian Federation emphasized that Federal Law No. 116-FZ did not establish any special regime for foreign investments within the SEZs that was different from the regime in force in the rest of the Russian territory, and foreign invested firms irrespective of the percentage of foreign participation could be registered as residents of the zones subject to fulfilment of respective requirements applied on a non-discriminatory basis to all applicants. Once registered, they were equally eligible for the benefits available to domestically invested residents. The representative of the Russian Federation stated that the provisions for registration as a SEZ resident were contained in Articles 12-31 of Federal Law No. 116-FZ. Legal Persons intending to be registered as residents must submit an application including information on the intended activities of the applicant in the SEZ, the area and type of land required, and the volume of capital investment contemplated, as well as copies of the certificate of State registration and tax registration of the applicant, and constituent documents. Additional documents were required in the following cases:

- For application on activities in port SEZs: information confirming receipt of a security for payment of customs duties and taxes; a copy of the activity licence if required under the legislation of the Russian Federation; and, documents supporting the data regarding acceptance by the customs body of security for payment of customs duties and taxes.
- For application on activities in recreation zones, other documents could be requested in accordance with the legislation of the Russian Federation.

The applicant must also submit a business plan and a positive evaluation of the plan by a bank or other credit organization meeting criteria established by the Government of the Russian Federation. If the SEZ managing authorities accepted the application, an "Agreement on Exercising Activities" in the SEZ would be developed. It was this Agreement that established the terms of the resident status of the applicant in the SEZ. Failure to live up to the terms of the Agreement was grounds for termination of the resident status. Details on the development and, as necessary, termination, of the "Agreement on Exercising Activities" were contained in Federal Law No. 116-FZ. He further stated that an exhaustive list of documents were required for registration as a resident of an SEZ, except for recreation zones.

1100. Foreign legal entities could not become SEZ residents unless they were registered as a Russian commercial organization, within the municipal border of the territory where the SEZ had been established, in accordance with the national legislation of the Russian Federation. Both residents and non-residents of SEZs could conduct business activity on the territory of the SEZs, except for port SEZs, in compliance with laws of the Russian Federation (Article 10.3 of Federal Law No. 116-FZ), however, only residents of SEZs could enjoy tax and other incentives (Article 37 of Federal Law No. 116-FZ), including exemptions from customs duties, taxes, bans and other restrictions of economic character established in accordance with the Russian legislation (e.g. trade remedy measures) for the goods imported into the territory of the SEZ under the regime of a free customs zone. Such incentives would be granted automatically to all residents of the SEZ. Tax incentives included expedited procedures for acceptance of expenditures for research and development activities; elimination of the 30 per cent limitation on transfer of losses to subsequent tax periods; reduction of single social tax for the residents of technological parks; and, a five-year exemption from land and property taxes. Residents of the SEZs were not entitled to have branches and representative offices outside the territory of the SEZ where the resident was registered (Article 10.4 of Federal Law No. 116-FZ), in order to prevent the possibility of a SEZ resident from evading tax obligations and

from becoming, in effect, an offshore entity that could use the SEZ tax and tariff preferences for purposes not connected with legitimate activities in a SEZ.

1101. In response to a question from a Member, the representative of the Russian Federation stated that Federal Law No. 116-FZ did not impose any export performance requirements and did not restrict access of imported goods to the territory of the SEZs. He explained that after the accession of the Russian Federation to the WTO, the Russian Federation would enforce its WTO obligations in its SEZs.

1102. The representative of the Russian Federation further explained the main features of the regime of a free customs zone as applied to goods imported into the territory of the SEZs, in accordance with the provisions of Article 37 of Federal Law No. 116-FZ. For goods of both foreign and Russian origin located and used within an SEZ territory, the customs procedure of free customs zone was applied by the customs authorities in accordance with the CU Customs Code. Customs duties, VAT and excise taxes, and non-tariff restrictions (other than prohibitions of goods not permitted within the Russian Federation) were not applied to imports. Export duties, prohibitions and restrictions, otherwise applied to goods exported from the Russian Federation, were not applied to exports from the Russian Federation to the SEZs. The list of goods subject to such exemptions was approved by the customs authorities for each SEZ resident, according to the declared activity of such resident. The goods could be imported to the territory of manufacturing zones and technological parks under the regime of a free customs zone, if they were used either for production and reprocessing, or for technological and innovation activity respectively.

1103. The representative of the Russian Federation emphasized that goods imported by the residents of a SEZ and then released, without further processing, for free circulation into the rest of the customs territory of the Russian Federation were subject to import duties, VAT, and excise taxes, and if these goods had been subject to bans and other restrictions of economic character established in accordance with the Russian legislation, these bans or other restrictions would again apply (as provided for by Article 37 of Federal Law No. 116-FZ). Article 37.19 of Federal Law No. 116-FZ also provided that when imported goods were used by the SEZ residents in a production process and the final products were released for free circulation into the rest of the customs territory of the Russian Federation, the import duties, VAT, and excise taxes still needed to be paid for the imported goods that were incorporated in the final processed goods. This was done without taking into account any change in tariff line designation through substantial transformation, quantity of local content in the final good, or the value and the quantity added as a result of processing. In such cases, for the purpose of calculation of the customs duties to be paid, the customs value and the quantity of imported goods being incorporated in the processed goods was determined as of the date of placement of the imported goods under the customs regime of a free customs zone or the customs value and quantity of processed goods as of the date of their release for free circulation. The representative of the Russian Federation further described the legal framework and main conditions of operation of the SEZs in the Magadan and in the Kaliningrad regions.

- **(b) Kaliningrad SEZ**

1104. The representative of the Russian Federation informed Members that Federal Law No. 16-FZ of 10 January 2006 "On the Special Economic Zone of the Kaliningrad Region and on Amending some Legislative Acts of the Russian Federation" entered into force on 1 April 2006, replacing Federal Law No. 13-FZ of 22 January 1996 "On the Special Economic Zone in the Kaliningrad Region" (as amended on 22 July 2005). As foreseen by Federal Law No. 16-FZ, the Kaliningrad SEZ was created for a period of 25 years. The Kaliningrad SEZ would cease to exist on the basis of a new Federal Law that would be adopted after the expiration of this 25-year period, but would enter into force not earlier than one year after its official publication.

1105. Federal Law No. 16-FZ envisaged the functioning within the territory of the Kaliningrad region of a customs regime of a free customs zone. Foreign goods were imported to and used in the territory of the SEZ without payment of the customs duties and taxes and were not subject to bans and other restrictions of an economic character established in accordance with the Russian legislation (e.g., trade remedies). Goods imported by the residents of the Kaliningrad SEZ and then released for free circulation into the rest of the customs territory of the Russian Federation were subject to import duties, VAT, and excise taxes, and, if these goods had been subject to bans and other restrictions of an economic character, established in accordance with the Russian legislation, these bans and restrictions would again apply (as provided for by Article 13 of Federal Law No. 16-FZ and the Customs Code of the Russian Federation). In reply to a question of one Member, the representative of the Russian Federation explained that the excise and VAT exemptions for imports of excisable goods had been suspended and, then at a later stage re-introduced. Excisable goods could not be imported to the territory of the Kaliningrad SEZ under this regime. The Government of the Russian Federation had the right to define other goods that could not enjoy this regime as well. The current list of such goods was defined by the Resolution of the Government No. 186 of 31 March 2006 (as last amended by the Resolution of the Government No. 1002 as of 8 December 2010). According to the current tax legislation (Article 181 of the Tax Code), car spare parts and components, as well as kits for assembly were not considered as excisable goods.

1106. With the exception of some contracts concluded under Federal Law No. 13-FZ of 22 January 1996 (see paragraph 1108), Federal Law No. 16-FZ mandated that goods, processed in the Kaliningrad SEZ from imported products (materials, raw materials, components, parts) and released for free circulation into the rest of the Russian Federation, were subject to customs duties, and taxes applied to the imported goods used in manufacturing of the processed goods. In such cases, for the purposes of calculation of the customs duties to be paid, the customs value and the quantity of imported goods being part of the processed goods were determined by the date of placement of the imports under the customs regime of a free customs zone. The rates of such duties applied were determined on the basis of the country of origin of the imported goods used in processing. When goods used in processing were imported from different countries, the MFN rate was applied in case of changes to any of the first four digits of the HS code, as the result of processing, or, if the customs value of the goods imported from different countries was the same. Customs duties rates for the country of origin of imported goods with the highest customs value would be used in other cases. Customs clearance fees were not levied with respect to goods imported into the Kaliningrad region, under the customs regime of a free customs zone, or with respect to products of reprocessing of those imported goods, released for free circulation into the rest of the territory of the Russian Federation.

1107. The representative of the Russian Federation further explained that both residents and non-residents of the SEZ could conduct business activity in the territory of the SEZ, however, only residents of the SEZ could enjoy tax and other incentives that were provided for by Federal Law No. 16-FZ. In terms of investments, this Federal Law did not establish any restrictions based on the origin of capital of a legal entity. To become a SEZ resident, a legal entity had to be established in accordance with the Russian legislation and registered as a resident in the Kaliningrad region; goods were required to be manufactured and investments made within the territory of the Kaliningrad SEZ; and, the investment project of the legal entity had to meet the requirements described below. In accordance with Federal Law No. 16-FZ, the following legal persons could conduct business activity (including investing) in the territory of Kaliningrad SEZ, but could not become SEZ residents:

- legal persons, who paid taxes according to the special tax regimes, as provided for by the Tax Code of the Russian Federation (for example, simplified tax regime or tax regime related to the realization of production sharing agreements); and
- financial organizations, including credit organizations, insurance companies and professional participants of a securities market.

The investment projects of prospective residents of the Kaliningrad SEZ were required to meet the following requirements:

- be performed within the territory of the Kaliningrad region;
- not be aimed at exploitation of crude oil and natural gas and rendering services in these spheres, not be aimed at manufacture of alcoholic products, tobacco goods and other excisable goods (except cars and motorcycles), the list of which was established by the Resolution of the Government No. 185, as of 31 March 2006;
- not be aimed at wholesale and retail trade, at repair of household devices and objects of personal use, or at rendering of financial services; and
- capital investments must not be less than RUB 150 million and must be made within the time period not exceeding three years from the date of investors registration as a resident of SEZ.

According to Article 9 of Federal Law No. 16-FZ, the customs regime of a free customs zone was applied to foreign goods imported into and used in the territory of the Kaliningrad region by the juridical persons registered in the Kaliningrad region (regardless of whether these juridical persons were residents of the Kaliningrad SEZ or not). To prevent the re-exportation of goods imported free of customs duties without further processing from the Kaliningrad region to the rest of the customs territory of the Russian Federation, customs control over goods entering the territory of the Kaliningrad region was performed by the customs authorities located in the region.

1108. The representative of the Russian Federation further explained that for all juridical persons and individual entrepreneurs registered in the Kaliningrad region, which had been established and active under the previous Federal Law No. 13-FZ of 22 January 1996 (except those included in the registry of residents of SEZs, under Federal Law No. 16-FZ), a ten-year transition period, from the date of entry into force of Federal Law No. 16-FZ on 1 April 2006, was provided. During the transition period, these legal entities would continue to enjoy the treatment envisaged by Federal Law No. 13-FZ. This included exemption from export duties when goods were exported outside the customs territory of the Russian Federation. It also provided that goods imported under the free customs zone regime and then released for free circulation into the rest of the Russian Federation were not subject to customs duties and taxes if they met sufficient processing criteria. The goods were considered as meeting sufficient processing criteria, if one of the following conditions was fulfilled: processing of goods resulted in a change of the HS code at a level of any of the first four digits, or value added of the processing operations accounted for not less than 30 per cent of the cost of the goods. However, independently of these conditions, the following operations, according to Federal Law No. 16-FZ, did not meet sufficient processing criteria: (a) ensuring of safety of goods during their transportation and storage; (b) preparation of goods for transportation and sales (splitting of the lots, packing, sorting); (c) simple assembly operations established by the Resolution of the Government No. 184 as of 31 March 2006 (as last amended on 24 May 2007); and (d) mixing of goods originating from different countries, if characteristics of the final product did not differ significantly from the characteristics of the goods mixed. After expiration of the above-mentioned ten-year transition period, the provisions of Federal Law No. 16-FZ, governing free customs zone regime in the Kaliningrad SEZ, would apply without these reservations.

- **(c) Magadan SEZ**

1109. In response to requests for information on the Magadan Special Economic Zone, the representative of the Russian Federation stated that the Magadan Special Economic Zone had been established in accordance with Federal Law No. 104-FZ of 31 May 1999 "On the Special Economic Zone in the Magadan Region" (as last amended on 24 November 2008). Provisions of this Federal

Law did not apply to foreign trade operations with precious metals. This Federal Law would remain in effect until 31 December 2014, and allow the Magadan SEZ to function until that time.

1110. The Magadan region was a Far North district with limited (three months, a year maximum) sea navigation possibilities, and without railway and highway communications with other regions of the Russian Federation. The basic sectors of the regional economy were gold-mining and fishery, accounting for 70-75 per cent of the total volume of industrial production of the region. More than 90 per cent of the industrial production of the Magadan region, except gold, was consumed in the region itself.

1111. The representative of the Russian Federation further explained that the establishment of a SEZ in this region, was primarily aimed at social and economic development of the region as a way to compensate for its unfavourable location. Both residents (called "participants" in the Magadan SEZ) and non-participants of the SEZ could conduct business activity in the territory of the SEZ, however, as with other SEZs, only registered participants of the Magadan SEZ could enjoy tax and other incentives. The Magadan SEZ participants had been exempted from Federal taxes (except deductions made to the Pension Fund and the Social Insurance Fund of the Russian Federation) until 31 December 2006. According to the amendments enacted in December 2005, from 1 January 2007 to 31 December 2014, participants of the Magadan SEZ would be exempted from taxes on profits invested in the development of production and social sphere in the territory of the Magadan region. These tax incentives were granted if a SEZ participant had a separate balance sheet for his activity in the territory of the SEZ. Status as a SEZ participant could be granted to juridical persons and individual entrepreneurs registered in the territory of the SEZ in accordance with the legislation of the Russian Federation that conducted their main business activity and kept not less than 75 per cent of their key assets in the territory of the SEZ as provided by Article 3 of Federal Law No. 104-FZ.

1112. Federal Law No. 104-FZ, as amended, envisaged the functioning within the territory of Magadan City of a customs regime, of a free customs zone, based on the activities of registered participants of the Magadan SEZ. Foreign goods were imported into and used in the territory of the SEZ without payment of the customs duties and were not subject to bans and other restrictions of an economic character established in accordance with the Russian legislation (e.g., trade remedies). Similar exemptions for value-added and excise taxes had been suspended regularly since the establishment of the SEZ, most recently until 1 January 2012 by Federal Law No. 205-FZ of 24 November 2008. Such imports used by participants for production or their own consumption could be circulated in the Magadan region without paying the exempted duties. Products produced in the SEZ and exported to other countries were exempted from export duties and other fees, except customs clearance fees, and from payment of any import duties exempted on imported inputs in the manufacturing process.

1113. Goods imported by the participants of the Magadan SEZ and then released for free circulation into the rest of the customs territory of the Russian Federation without further processing were subject to import duties, and, if these goods had been subject to bans and other restrictions of an economic character established in accordance with the Russian legislation, these bans and restrictions would apply again. Federal Law No. 104-FZ provided that excisable goods (defined in Article 181 of the Tax Code) could not be imported to the territory of the Magadan SEZ without payment of the applicable taxes. The Government of the Russian Federation had the right to define other goods and the terms or transitional periods, for which those goods could not enjoy this regime as well. Unless, they were considered to have originated in the Magadan SEZ, goods processed in the SEZ from imported products (materials, raw materials, components), and released for free circulation into the rest of the Russian Federation, were subject to customs duties and taxes applied to the imported goods used in the manufacturing of the processed goods. In such cases, for the purposes of calculation of the customs duties or taxes to be paid, the customs value and (or) the quantity of

imported goods was determined as the date of placement of the imports under the customs regime of a free customs zone. When customs duties were applied, the rates of such customs duties were determined on the basis of the country of origin of the imported goods used in the processing. When goods used in the processing were imported from different countries, an MFN rate was applied in case of changes to any of the first four digits of the HS code as a result of the processing; or, if the customs value of the goods imported from different countries was the same. Customs duties for the country of origin of imported goods with the highest customs value were used in other cases. Customs clearance fees were not levied with respect to goods imported into the Magadan region under the customs regime of a free customs zone, or with respect to products for reprocessing of those imported goods, released for free circulation into the rest of the territory of the Russian Federation.

1114. The representative of the Russian Federation explained that for juridical persons and individual entrepreneurs that were participants of the SEZ in the Magadan region in accordance with Federal Law No. 104-FZ, there were special provisions that lasted until the SEZ expired on 31 December 2014. Participants registered in the SEZ were understood as juridical persons registered for the same benefits in the entire Magadan region, carrying out their main business activity and having not less than 75 per cent of their capital assets in the territory of the Magadan SEZ. Articles 6.4 and 6.6 of Federal Law No. 104-FZ provided that goods processed in the SEZ from imported products (materials, raw materials, components, parts) and considered to be originating in the SEZ, were not subject to any further application of customs duties when released for free circulation into the rest of the customs territory of the Russian Federation. He stated that goods were considered to be originating from the SEZ when they were fully produced in its territory or, if the imported inputs used to produce the goods met sufficient processing criteria. The goods were considered as meeting sufficient processing criteria if one of the following conditions was fulfilled: processing of goods resulted in a change of the HS code at a level of any of the first four digits; processing of production and technological operations, sufficient for the goods to be considered originating from the SEZ; or, the value added of the processing operations accounted for not less than 30 per cent of the goods price (for electronics and sophisticated technological goods - not less than 15 per cent). However, independent of these conditions, the following operations, according to Federal Law No. 104-FZ, did not meet the criteria for sufficient processing: (a) ensuring of safety of goods during their transportation and storage; (b) preparation of goods for transportation and sales (splitting of the lots, packing, sorting); and (c) mixing of goods originating from different countries, if characteristics of the final product did not differ significantly from the characteristics of the goods mixed. In addition, any imports used by participants of the Magadan SEZ for production or their own consumption could be circulated in the Magadan region without paying the exempted duties.

1115. The representative of the Russian Federation further explained that both participants and non-participants of the Magadan SEZ could conduct business activity in the territory of the SEZ, however, only participants of the SEZ could enjoy tax and other incentives, provided for in Federal Law No. 104-FZ. In terms of investments, the Law did not establish any restrictions based on the origin of capital of a juridical person. To become a SEZ participant, a legal entity had to be established in accordance with the Russian legislation and registered in the Magadan region; goods were required to be manufactured, services to be supplied, and investments to be made, only within the territory of the Magadan SEZ; the investment project of the juridical person must meet the requirements described below.

The following juridical persons could not become Magadan SEZ participants:

- juridical persons, who paid taxes according to the special tax regimes as provided for by the Tax Code of the Russian Federation; and
- financial organizations, including credit organizations, insurance companies and professional participants of a securities market.

The investment projects of the prospective participants of the Magadan SEZ were required to meet, *inter alia*, the following requirements:

- be performed within the territory of the Magadan region;
- not be aimed at exploitation of crude oil and natural gas and provision of services in these spheres, not be aimed at manufacture of excisable goods, the list of which had to be established by the Government,
- not be aimed at repair of household devices and objects of personal use, or at rendering of financial services; and
- capital investments must not be less than RUB 10 million and must be made within the time period not exceeding three years from the date of investors registration as a participant of the SEZ.

- **(d) The CU Agreement on SEZs**

1116. The CU Parties had established the Agreement on Free (Special) Economic Zones on the Customs Territory of the Customs Union and the Customs Procedures of the Free Customs Zones of 18 June 2010 (hereafter the CU Agreement on SEZs). The Agreement provided the general framework within the CU for rules regarding the establishment and operation of new SEZs and extending the provisions of the Agreement to existing SEZs, including general provisions on the customs procedure of the free customs zone on the territory of SEZs, but left the specific regulations on the establishment, management, extension, early termination, types, and types of activities of SEZs to be determined by the national laws of the CU Parties. National laws would also provide for the registration of residents of the SEZs and national authorities would maintain a national roster of such residents. He added that the said Agreement provided that the CU Parties were required to send information on SEZ operations and the rosters of residents to the CU Commission, which in turn created and published a common CU roster of residents. The CU Commission had the right to decide what economic activities and operations could be prohibited within the SEZs in addition to those established by the CU Parties. The CU Agreement on SEZs confirmed that the territories of SEZs were customs control zones, and that for goods placed in the SEZs, the customs procedure of the free customs zone as defined by the CU Customs Code and the CU Agreement on SEZs was applied. The customs authorities of the Russian Federation were responsible for customs control in the SEZ, according to national law, and importation by residents from and exportation by residents and non-residents of goods to the territory of a SEZ were to be done only with the permission of customs authorities. He further explained that the CU Agreement on SEZs was to be applied provisionally from 1 July 2010 (the date of entry into force of the Treaty on the Customs Code of the Customs Union) pending its formal ratification by CU Parties. The Russian Federation had not yet ratified this Agreement, and therefore its provisions applied in the Russian Federation only to the extent that they did not contradict the provisions of the existing national legislation.

1117. Article 10 of the CU Agreement on SEZs provided that goods manufactured by SEZ residents, registered prior to 1 January 2012, incorporating imported inputs could, be recognised as Customs Union goods up until 1 January 2017, i.e., they could be sold into the rest of the customs territory of the Customs Union without paying the exempted tariffs on the imported components, if the imported inputs had been substantially transformed or, met any of the following conditions listed in Article 19 of the Agreement on SEZs:

a) manufacturing had changed the HS classification code of the good at the level of any of the first four digits;
b) its transformation was recognised as sufficiently implementing a predetermined list of conditions, production and technological or manufacturing operations, necessary to be goods of the Customs Union;

c) the percentage share of the value added of the cost of materials used in the manufacture had reached a predetermined share of the price of the final good (the rule of *ad valorem* share); or
d) the percentage share of the cost of foreign goods did not exceed a predetermined share.

These provisions were intended to remain in place until 1 January 2017.

1118. The representative of the Russian Federation further explained that under the CU Agreement on SEZs, the CU Commission was charged to decide by consensus (a) the list of conditions and operations for goods manufactured in SEZs, incorporating imported goods that were, or were not, sufficient for these goods to be recognised as goods of the Customs Union, and (b) the procedure for using the rule of *ad valorem* share as a criterion of sufficient processing for these goods to be recognised as goods of the Customs Union. The rule of *ad valorem* share could not be applied to repairs of the goods of the Customs Union done in the SEZs. Goods would not be recognised as Customs Union goods, if the transforming operations applied, did not meet the criteria for sufficient processing established by the CU Commission. The national authority, as defined by the national legislation, carried out the determination of the status of the goods in accordance with the rules of the CU Agreement on SEZs, issued the relevant legal findings and enforced them. In the case of the Russian Federation, this national authority was the MED.

1119. Some Members noted that the conditions set-out in Article 19 of the CU Agreement on SEZs and the elimination of any requirement for payment of tariffs and taxes on goods with imported components that met these conditions were not consistent with Federal Law No. 116-FZ and took note of the fact that the Russian Federation had not yet implemented these provisions. They also questioned whether they met WTO requirements, in particular Articles I and III of the GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures (ASCM). Goods that benefited from the tariff and tax exemption would be competing with imports that were liable for full payment of tariffs and taxes. This adversely affected the terms of competition between these goods. Moreover, the domestic content or substantial transformation requirement set-out in Article 19 of the CU Agreement on SEZs could be inconsistent with Article 3.1(b) of the ASCM, depending on the nature of the domestic content requirement and its application to a particular processing operation. These Members requested clarification of how the Russian Federation intended to reconcile these conflicts when it implemented the CU Agreement on SEZs. They also sought confirmation that any use of the provisions authorising the exemption from the requirement to pay tariffs and taxes on goods, incorporating imported components, entering the territory of the Customs Union would be eliminated from the date of the accession of the Russian Federation to the WTO.

1120. One Member also asked the Russian Federation to explain how it would ensure that goods produced in SEZs established under the CU Agreement on SEZs in the territory of Kazakhstan and Belarus would be subjected to all customs payments, including tariffs and taxes, otherwise due on goods produced with imported components entering the territory of the Russian Federation for free circulation. That Member was concerned that goods, produced in SEZs of other CU Parties' that benefited from the tariff and tax exemption, would be competing with imports into the Russian Federation, that were liable for full payment of tariffs and taxes. This would adversely affect the terms of competition between these goods.

1121. The representative of the Russian Federation stated that the policy of his Government towards the operation of special economic zones had been established in Federal Law No. 116-FZ, however, during the transition periods specified in paragraphs 1108 and 1114, the operation of the Kaliningrad SEZ and the Magadan SEZ would continue to be governed by the provisions of Federal Law No. 16-FZ of 10 January 2006 "On the Special Economic Zone of the Kaliningrad Region and on Amending some Legislative Acts of the Russian Federation" (as last amended on 30 October 2007)

and Federal Law No. 104-FZ of 31 May 1999 "On the Special Economic Zone in the Magadan Region" (as last amended on 24 November 2008), respectively. He further stated that while the CU Agreement on SEZs authorised the exemption from the requirement to pay tariffs and taxes on goods produced in the SEZs, incorporating imported components entering the customs territory of the Customs Union, use of these provisions was not mandatory, and therefore the Russian Federation would not apply them.

1122. With regard to the tariff and tax treatment of imports into the territory of the Russian Federation of goods produced in SEZs of third countries, including CU parties, which incorporated components from third countries, the representative of the Russian Federation confirmed that the Russian Federation would comply with the relevant provisions of the WTO Agreement. The Working Party took note of this commitment.

1123. In response to this information, Members requested that the Russian Federation work within other Customs Union Parties to modify the CU Agreement on SEZs and any relevant CU Commission Decisions to bring them into conformity with WTO requirements.

1124. The representative of the Russian Federation confirmed that, subject to the exceptions applied for the transition periods specified below in respect of the goods of certain juridical persons and individual entrepreneurs of the Kaliningrad and Magadan SEZs, referred to in paragraphs 1108 and 1114 of this Report, special economic zones in the Russian Federation, including those described in paragraphs 1093, 1104 and 1109 of this Report, would be established, maintained and administered, whether by the Russian Federation or the competent bodies of the CU, in conformity with the provisions of the WTO Agreement, and that the provisions of the WTO Agreement would be applied in all of the SEZs of the Russian Federation. The right of firms to register as residents and operate in these zones would not be subject to export performance, trade balancing, or local content criteria requirements. With respect to local content requirements, substantial transformation, and exemptions from tariffs and taxes, the goods of the juridical persons and individual entrepreneurs registered in the Kaliningrad SEZ, which has been registered and active under Federal Law No. 13-FZ of 22 January 1996 "On the Special Economic Zone in the Kaliningrad Region" on 1 April 2006, and to the goods of participants registered in the Magadan SEZ under Federal Law No. 104-FZ of 31 May 1999 "On the Special Economic Zone in the Magadan Region" would continue to enjoy the treatment described in paragraphs 1108 and 1114 of this Report, during the transition period ending on 31 March 2016 and until 31 December 2014, respectively. He further confirmed that all other goods imported into the SEZs of the Russian Federation under provisions that exempt imports from customs tariffs and certain taxes, otherwise applicable, which were then released into the rest of the customs territory of the Russian Federation, would be subject to payment of those tariffs and taxes and customs formalities when entering the rest of the customs territory of the Russian Federation either in an unaltered form or after processing in the SEZs, without exception, and that the Russian Federation would not recognise such goods as CU goods, unless they had been subject to payment of such tariffs and taxes and customs formalities at the time of their release for free circulation into the rest of the customs territory of the Customs Union. The Russian Federation would take action to ensure that any agreements or decisions of the Customs Union relating to SEZs would be amended to conform to WTO requirements. The Working Party took note of these commitments.

- Government Procurement

1125. Members requested information on laws, regulations and other measures relating to government procurement in the Russian Federation and on the meaning of "procurement for State needs". Members requested further information on the status of the legislation in this area, in particular, on Federal Law No. 94-FZ of 21 July 2005 "On Placement of Orders for Deliveries of

Goods, Performance of Works and Provision of Services for State and Municipal Needs", as last amended on 27 July 2010 (hereafter: Federal Law No. 94-FZ).

1126. The representative of the Russian Federation explained that "procurement for State needs" (the legislation of the Russian Federation did not contain the term "government procurement") was governed in the Russian Federation by: (i) the Civil Code of the Russian Federation; (ii) Federal Law No. 94-FZ, which had entered into force on 1 January 2006; (iii) Federal Law No. 53-FZ of 2 December 1994 "On Procurement and Deliveries of Agricultural Goods, Raw Materials and Foods for the State Needs" (as amended on 2 February 2006); (iv) Federal Law No. 60-FZ of 13 December 1994 "On Procurement of Goods for Federal State Needs", as amended on 24 July 2007 (hereafter: Federal Law No. 60-FZ); and (v) Federal Law No. 213-FZ of 27 December 1995 "On the State Defence Order" (as amended on 1 December 2007). The placement of orders for State and municipal needs could be provided only through the procedures set by Federal Law No. 94-FZ. To provide consistency of all laws, regulations and other requirements relating to procurement for State needs with Federal Law No. 94-FZ, the amendments to the above-mentioned Acts had been made by Federal Law No. 19-FZ of 2 February 2006 "On Amending Certain Legislative Acts of the Russian Federation due to the Adoption of Federal Law No. 94-FZ". When Federal Law No. 94-FZ came into force on 1 January 2006, Federal Law No. 97-FZ of 6 May 1999 was abolished.

1127. The principles and procedures for formation, placement, and fulfilment of orders for procurement (tendering procedures) and delivery of goods and services for State needs were set-out in the above-mentioned Acts. These texts took into consideration international practices in this field. According to Federal Law No. 94-FZ, procurement for State needs was the sphere of Federal regulation, and, as stated in paragraph 2 of Article 65 of that Law, all legal acts would be applied to the extent they did not contradict that Law. The legislation of the Russian Federation in this sphere was aimed at the development of fair competition, providing openness and transparency in the placement of orders, and prevention of corruption and other abuses in the placement of State orders.

1128. Federal Law No. 94-FZ applied to the placement of orders for deliveries of products, performance of works and provision of services for State (at Federal and sub-federal level) and municipal needs, excluding those orders, the amount of which would be lower than the maximum sum of payment in cash under one transaction between legal persons allowed by the Central Bank (in August 2010, this amount was RUB 100,000). Federal Law No. 94-FZ defined "State needs" as the needs of the Russian Federation for goods, works and services necessary for the execution of the functions of the Russian Federation, including the implementation of Federal target programmes, execution of international obligations of the Russian Federation, including implementation of international projects, in which the Russian Federation participated, as well as needs of the subjects of the Russian Federation for goods and services necessary for the execution of the functions of the subjects of the Russian Federation, including the implementation of regional target programmes, which were financed by the Federal budget, budgets of the subjects of the Russian Federation, and off-budget funds of the Russian Federation or of the subjects of the Russian Federation.

1129. Further the representative of the Russian Federation explained that, the Government of the Russian Federation used the instrument of Federal target programmes in cases where a development task in the social or economic sphere needed the efforts of several governmental authorities, both in sense of authority and of resources to be invested in order to achieve the goals. In most cases, the targeted areas were those that lacked private investment and/or suffered from infrastructure constraints. Declaring a target to be covered by a Federal programme did not just permit the allocation of special budget funds, necessary to finance measures addressing this target, but also stimulated State authorities to put specific efforts in that direction, and attracted the private sector to invest in the targeted area with a view to enjoying benefits in the future. Since it was one of the most transparent ways of allocating funds from the Federal budget, target programmes were considered to

be an important instrument of long-term economic policy of the State. The most representative programmes of this kind were connected with road-building, housing, development of public education, other social goals (support of education of children or public health care), preservation of historic, cultural and natural monuments, increasing the efficiency of State management (i.e., introducing IT technologies in the State institutions).

1130. The representative of the Russian Federation stated that national treatment would be provided in connection with procurement for State needs, with regard to the placement of orders for procurement of services, or works supplied or performed by foreign suppliers, as well as of foreign goods, if national treatment for the placement of orders was provided in respect of Russian goods, works or services supplied by Russian suppliers, by the respective foreign country.

1131. Pursuant to Article 4.1 of Federal Law No. 94-FZ, State customers could be State authorities of the Russian Federation, State authorities of the subjects of the Russian Federation, local self-governmental bodies, as well as budgetary institutions, other recipients of the money from the Federal budget, budgets of the subjects of the Russian Federation or local budgets to place orders at the expense of budget funds. State customers could, on a contractual basis, involve a legal entity exclusively for the execution of the part of the functions of organising and carrying out the procedures for the placement of an order for purchases for State needs. For example, such an entity could provide technical and organizational assistance with carrying out a tender, preparing the tender documentation, publishing the information about the tender, etc. According to Article 6 of Federal Law No. 94-FZ, the State customer would select an entity to provide technical assistance through a placement of order, according to the procedures set-up by that Law. State customers, however, were the actual purchasers and were legally responsible for all aspects of the procurement.

1132. He added, that Federal Law No. 94-FZ provided two ways of placement of orders: (i) through the tender (in the form of competition or auction, including the e-auction); and (ii) without tender (in the form of requests for quotations, from the sole supplier, or at commodity exchanges). The placement of orders with a sole supplier could be implemented only in cases, directly provided by Federal Law No. 94-FZ. Federal Law No. 94-FZ provided that the request for quotations could only take place if: (i) the price of State or municipal order did not exceed RUB 500,000; or (ii) in cases of purchases for providing life support, humanitarian aid or liquidation of the results of emergency situations of natural character or the purchases for providing support for the operation of a customer in the territory of a foreign state, provided that a functioning market for such purchases existed in the territory of that foreign state. Customers or enabled authorities were not able to place orders by requests for quotations for deliveries of like goods, performances of like works and provision of like services, if its amount exceeded RUB 500,000 in a quarter.

1133. Members noted that the scope of government "purchases for State needs", as provided for in current legislation, appeared to go beyond "procurement", as defined in Article III:8 of the GATT 1994 and Article XIII:1 of the GATS, i.e., products and services purchased for governmental purposes and not with a view to commercial re-sale or, with a view, to use in the production of goods for commercial sale, or to use in the supply of services for commercial sale. Purchases for State Needs also appeared to cover more than the goods and services typically subject to the WTO Agreement on Government Procurement. Laws, regulations and other measures relating to purchases that were outside the scope of the definitions in Article III:8 of the GATT 1994, and Article XIII:1 of the GATS, would not be excluded from the coverage of the Agreements in Annex 1 of the Marrakesh Agreement Establishing the World Trade Organization. These Members noted that the Law of the Russian Federation, "Purchases for State Need," appeared to include, in addition to goods for governmental purposes, i.e., direct consumption and support, any products or services needed: (i) by the Government; (ii) to realize government goal-oriented programmes; (iii) to maintain State material reserves; or (iv) for export deliveries to meet international economic commitments,

including to honour the currency credits of the Russian Federation. They sought confirmation that, in making purchases that would not be considered as government procurement within the meaning of Article III:8 of the GATT 1994 and Article XIII:1 of the GATS, including national treatment and MFN requirements, would apply and that the Russian Federation would ensure that goods and services purchased for State needs for governmental purposes, would not be re-sold in the commercial sphere or used in the production of goods or the supply of services for commercial sale.

1134. In response, the representative of the Russian Federation stated that Federal Law No. 94-FZ, which replaced Federal Law No. 60-FZ with regard to placement of orders for State and municipal needs, established the definition of State needs mentioned in paragraph 1128. Furthermore, neither Federal Law No. 94-FZ nor other legislation on the purchases for State needs in force contained provisions allowing procurement for State needs to encompass purchases with the aim of commercial re-sale or use in production of goods or the supply of services for commercial sale. Directly engaging in commercial activity did not constitute the function of the State; that was why the definition of the State needs elaborated in Article 3 of Federal Law No. 94-FZ referred to the execution of functions of the State as an aim of the purchases for State needs. Enterprises owned by the State ran their business on their own, and the profit which resulted from such activity was subject to distribution by the enterprises and not by the State. Thus, in his view, the activity of such enterprises did not constitute the activity of the State. With respect to target programmes, the aim of these programmes was to resolve systemic problems in the sphere of State, social and cultural development of the Russian Federation, i.e., to achieve governmental purposes and not to engage in commercial activity.

1135. Members continued to express concerns regarding the role of the State in the commercial sphere in the Russian Federation. The practice of the Government of the Russian Federation of negotiating and concluding contracts for the sale of gas appeared to be an example of where the Government was engaged in "commercial activity". Moreover, Members noted that the Government, as such, was represented on the Board of Directors of many Joint-Stock Companies, and in some companies, exercised special rights as a shareholder through the so-called "golden share". Thus, while engaging in commercial activity might not be defined as a governmental purpose or governmental function, in their view, the Government of the Russian Federation, i.e., the State, did engage in commercial activity.

1136. In response to a Member who asked whether operations of the Federal Agency on the Foods Market Regulation (FFMA) or purchases of the JSC "TVEL" for nuclear power could be considered purchases for State needs, the representative of the Russian Federation said that, as for the operations of the FFMA connected with the organization and performance of State interventions of grain crops and, described in the Section on "State-Trading Enterprises", these operations were not subject to regulations on government procurement within the meaning of Article III:8(a) of the GATT 1994, but were commercial transactions. As for nuclear fuel, the legislation of the Russian Federation did not contain any restriction on the participation of foreign entities in regard to the purchases of TVEL and such purchases were made based on commercial considerations.

1137. The representative of the Russian Federation confirmed that, in respect of procurement of goods and services, including by State-owned and State-controlled enterprises, which were not purchased for governmental purposes, but with a view to commercial re-sale or with a view to use for production of goods and supply of services for commercial sale, such purchases and sales would not be considered to be "government procurement" within the meaning of Article III:8(a) of the GATT 1994 and XIII:1 of the GATS, and thus, the Russian Federation and the competent bodies of the CU would comply with all applicable provisions of the WTO Agreement. The Working Party took note of this commitment.

1138. In response to a request from a Member regarding the involvement of the Russian Federation in barter trade, the representative of the Russian Federation stated that the legal provisions for such trade could be found in Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity", Presidential Decree No. 1209 of 18 August 1996 "On State Regulation of Foreign-trade Barter Transactions" and Government Resolution No. 1300 of 31 October 1996 "On the Measures for State Regulation of Foreign Trade Barter Transactions". In response to a request from a Member for information on whether barter trade was used in the context of purchases of goods or services for State needs, the representative of the Russian Federation stated that, there were no more government-to-government barter Agreements, and special bilateral barter arrangements established in the wake of the August 1998 financial crisis, to provide trade in vital commodities, had lapsed.

1139. In response to questions about transparency in procurement for State needs, the representative of the Russian Federation noted that Federal Law No. 94-FZ contained provisions providing for transparency of procurement of goods and services for State needs. Procurement was mainly carried out by open invitation to tender. Under that Law, notices of invitations to tenders would have to be published 30 days before the opening of the tender in an official publication and on an internet website, both determined by the Government of the Russian Federation, the supreme executive body of the subject of the Russian Federation, or local authorities, respectively. Notices of invitations could also be published, upon decision of the State customer, in English, in other printed mass media with international circulation. Notices of invitations to tenders would have to indicate the form of tender; the name and address of the State customer; the subject of the State contract; the place of delivery of the goods, performance of the work, or supply of the services; the initial (maximum) price of the contract; the procedure, time-limit and place for delivery of the application documents for a tender; criteria of the place, time and date of the evaluation of bids; and, benefits (if such were provided by the State customer) to the penitentiary organizations and organizations of disabled persons. The winner would be determined in accordance with the rules established in that Law. The winner would be notified in writing, within three days after conclusion of the tender, and the results of the tender, including the name of the winner, the subject and the price of the contract, would be published in the official publication and on the official internet website.

1140. According to Article 16 of that Law, all the information concerning procurement was placed on the official website of the Russian Federation, determined by Government Order No. 229-r of 20 February 2006 (www.zakupki.gov.ru). The official website of the Russian Federation contained information on all of the addresses of the official websites of the subjects of the Russian Federation. An official website of a subject of the Russian Federation contained information on all official websites of the municipal units located in the territory of this subject of the Russian Federation. The information was placed on the official websites and accessible free of charge.

1141. Federal Law No. 94-FZ also contained the detailed rules for administrative appeal of actions (inactions) of State customers. Such an appeal was possible to be made until the conclusion of the procurement contract. After such conclusion, disputes would be dealt with by the judicial system.

1142. Some Members asked the Russian Federation to enter into a commitment to become an observer to the WTO Agreement on Government Procurement and to initiate negotiations for the accession to this Agreement upon accession.

1143. The representative of the Russian Federation confirmed the intention of the Russian Federation to join the WTO Agreement on Government Procurement and to notify the Committee on Government Procurement to this effect at the time of accession of the Russian Federation to the WTO and to ensure that from the date of accession, its government agencies would award contracts in a transparent manner according to published laws, regulations and

guidelines. He also confirmed that the Russian Federation would request observership in the WTO Agreement on Government Procurement at the time of its accession to the WTO and would initiate negotiations for membership in the WTO Agreement on Government Procurement by tabling an Appendix 1 offer within four years of accession. He confirmed that, if the results of the negotiations were satisfactory to the interests of the Russian Federation and the other Members of the Agreement, the Russian Federation would accede to that Agreement. The Working Party took note of these commitments.

1144. The representative of the Russian Federation confirmed that, from the date of accession, the Russian Federation would ensure that its governmental agencies would place orders for deliveries of goods and supply of services for State needs in a transparent manner, according to published laws, regulations and guidelines. The Working Party took note of this commitment.

- Regulation of Trade in Transit

1145. The representative of the Russian Federation stated that, in his view, the Russian Federation granted freedom of transit through its territory, as prescribed by Article V of the GATT 1994. Article 31 of Federal Law No. 164-FZ of 8 December 2003 "On the Fundamentals of State Regulation of Foreign Trade Activity" (as last amended on 2 February 2006) provided, as a basic principle, for freedom of transit through the territory of the Russian Federation, via routes, whichever were most convenient for international transit, and that no distinction was made which was based on the flag of the vessels, the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods, of vessels or of other means of transport. In such a way, freedom for traffic in transit to or from the territory of WTO Members was provided.

1146. He added that the basic principles of these provisions had not been affected by the participation of the Russian Federation in the Customs Union with Kazakhstan and Belarus. Operationally, however, from 1 July 2010, customs control of goods, in transit through the territory of the Russian Federation, was based on the provisions of Chapter 32 of the CU Customs Code. The provisions of the previous Customs Code of the Russian Federation Federal Law No. 61-FZ of 28 May 2003 (as last amended on 24 November 2008) concerning transit control, and other relevant Russian Federal legislation, regulations, and SCC and FSC Orders, continued to apply to the extent they did not conflict with the CU Customs Code. With the adoption of Federal Law No. 311-FZ of 27 November 2010 "On Customs Regulation", the provisions of Chapter 29 of that Law became the principle Russian legislation in this area, elaborating Russian procedures on trade in transit in accordance with the CU Customs Code.

1147. Specifically, Article 215 of the CU Customs Code stated that customs transit was a customs procedure under which foreign goods (i.e., not Russian, Kazakhstani, or Belarusian) were transported: 1) across the CU customs territory under customs custody between the point of their entry into and departure from the CU customs territory (i.e., if transit constituted a part of their itinerary which began and ended outside the boundaries of the CU customs territory); 2) from the point of entry into the CU to a customs point of entry within the CU; 3) from an internal customs point to the point of departure from the CU customs territory; and 4) between two customs entry points within the CU customs territory. In addition, it provided that the customs procedure of customs transit was applied to goods transported by international mail, by pipelines and by power transmission lines. Goods in customs transit were exempted from any customs taxes and duties or application of any economic restrictions or prohibitions, except for: (i) prohibitions applied to the goods listed in sub-section 1 of the Common List of Goods that are Subject to Non-Tariff Measures adopted by the CU Commission Decision No. 132 of 27 November 2009 and included in Table 28; (ii) SPS measures described in paragraphs 814 through 1062 of this Report; and (iii) prohibitions introduced by the Russian Federation regulations implementing UN Security Council Decisions. Any foreign

merchandise could be subject to international customs transit, except goods whose transit was prohibited pursuant to Federal laws, other statutes and legal norms of the CU and the Russian Federation, as stated in paragraph 1160, and other international treaties to which the Russian Federation was a party. However, specific control procedures for goods in transit transported by railway on the territory of the Customs Union were defined by a separate CU Agreement, i.e., the Agreement on the Specificity of Customs Transit of Goods, Transported by Railway on the Customs Territory of the Customs Union signed on 21 May 2010, and in effect since 1 July 2010. Furthermore, as stipulated in Article 215 of the CU Customs Code, customs transit procedure was not applied to the goods transported by air transport, if the air vessel, in an international flight, performs an intermediate landing or a landing by necessity (technical landing) without a partial discharging (unloading) of goods. He added that customs transit could be applied to goods of CU Parties if these goods were transported from a point of departure in the CU to the point of entry in the CU through a third country. Goods of CU Parties originating from one CU Party, exported through the territory of another CU Party, were placed in the customs procedure of export and transported through the territory of the CU without being placed in customs procedure of transit, unless it has otherwise been decided by the CU Commission. In response to a request from a Member to clarify the legal basis and possible circumstances for placement of goods exported from one CU Party through the territory of another CU Party under the transit procedure, the representative of the Russian Federation explained that Article 215.5 of the CU Customs Code authorised the CU Commission to take such decisions.

1148. Following the request of a Member for further clarification in respect of the legal basis and possible circumstances for placement of goods, exported from one CU Party through the territory of the other CU Party, under the transit procedure, the representative of the Russian Federation explained that the legal instrument that envisaged the right of the CU Commission to introduce such a measure was Article 215 of the CU Customs Code, which directly delegated this right to the CU Commission. He further explained that such measures could be necessary to ensure proper implementation of provisions of the CU legislation that provided for necessity of control over movement of goods within the single customs territory of the CU (for example, to ensure the implementation of unilateral measures introduced by a CU Party, as described in paragraphs 643 and 644.

1149. He further noted that, pursuant to Article 216 of the CU Customs Code, the placement of goods under the customs procedure of customs transit was allowed, if the following conditions were fulfilled: 1) the import of goods into the customs territory of the Customs Union was not prohibited; 2) the documents, confirming that requirements (if any) for the transport of goods through the customs border of the Customs Union had been fulfilled, were presented; 3) if the goods were to be subject to such control at the place of arrival, the customs control and other forms of state control had been performed at their point of entry; 4) the transit declaration had been presented (i.e., the goods had been declared); 5) the measures ensuring the customs transit in accordance with Article 217 of the CU Customs Code were fulfilled; 6) the identification of goods in accordance with Article 109 of the CU Customs Code was ensured; and 7) the international transport vehicle was equipped in a due manner, if the goods were transported under the customs seals. According to Article 156 of the CU Customs Code, the requirement specified in point 7 of the previous sentence did not apply to goods carried by sea or river vessels or aircrafts crossing the customs territory of the Customs Union without stopping at a port or airport located in the customs territory of the Customs Union, or to the goods transported via pipelines and electricity transmission lines.

1150. Several Members noted that a sufficient and detailed description of Russian and CU provisions on transit was still required to confirm whether the policies for trade in transit of the Russian Federation were in conformity with WTO provisions, in particular Article V of the GATT 1994. Concerns were raised about SCC Order No. 631 of 2 July 2001 "On the Application of Order of the State Customs Committee of the Russian Federation No. 25 of 15 January 2001", which appeared to provide for measures inconsistent with WTO requirements in this area. In particular, a

Member expressed concerns about the practice of the application of specific customs procedures by the Russian authorities in respect of the transport companies of this Member. This Member noted that country-specific restrictive transit procedures were incompatible with WTO provisions, notably Articles I and V of the GATT 1994. This Member requested the Russian Federation to ensure that these and any other country-specific measures of transit procedures would be brought into conformity with WTO requirements upon accession.

1151. In response, the representative of the Russian Federation said that SCC Order No. 631 of 2 July 2001 "On the Application of Order of the State Customs Committee of the Russian Federation No. 25 of 15 January 2001" had been abolished by SCC Order No. 517 of 24 May 2002.

1152. Other Members also asked questions regarding the circumstances under which the Russian Federation might currently impede transit of other countries' exports through its territory; the conditions to require a guarantee of payment of customs duties and taxes; the charges for transit escort and the reasons for their application; and, the provisions for the transit of goods of dual usage. The same Members asked the Russian Federation to ensure that all WTO obligations providing for freedom of transit (and associated disciplines dealing with, for example, fees and charges) would be applied to all products. These Members noted, in particular, concerns with regard to certain transit arrangements for energy products such as oil and gas.

1153. In response to these and other questions from Members on customs escort through the territory of the Russian Federation, the representative of the Russian Federation stated that Article 218 of the CU Customs Code defined customs escort of goods as the escort, by employees of customs authorities or by other organizations, in accordance with the legislation of CU Parties, of the vehicles transporting the merchandise, in accordance with the CU customs transit procedures with the purpose of ensuring the observance of the customs legislation of the Customs Union. Article 217 established the authority of Customs officials at the customs point of departure to apply measures for ensuring the observance of the customs legislation of the Customs Union in customs transit, including a requirement for customs escort, payment of fees for customs support (provided for in Article 130 of the Federal Law "On Customs Regulation"), and/or a guarantee of payment of customs duties and taxes (provided for in Article 86 of the CU Customs Code). Customs officials, when using the system of risk management, could also define or modify the itinerary of the goods in customs transit upon written authorisation of the customs point of departure or of any other customs office, located on route.

1154. Pursuant to Article 218, Customs authorities had the right to put goods in transit under customs escort in the following cases:

- defined on the basis of the risk management system;
- upon non-presentation of guarantee of payment of customs duties and taxes;
- due to repeated non-fulfilment by the transport operator of the operators' obligations in transport of goods in accordance with the customs procedure of customs transit, which was established by the resolutions, entered into legal effect, on imposing administrative penalty for cases of administrative customs law infringement, if at least one of the above-mentioned resolutions has not been fulfilled; and
- due to non-fulfilment by the transport operator of the obligation to pay the customs taxes, duties in accordance with Article 227 of the CU Customs Code.

Further instances justifying the use of customs escort were set-out in Article 87(2) of the Customs Code of the Russian Federation (Federal Law No. 61-FZ), e.g.,

- in case of re-exportation of merchandise delivered to the Russian Federation by mistake or of goods whose importation into the Russian Federation was prohibited, when the place of the actual crossing by such goods of the customs border of the Russian Federation during their exportation did not coincide with the location of the goods;
- when haulage of the goods subjected to the restrictions and prohibitions under the legislation of the Russian Federation on the State regulation of foreign trade activity;
- in case of lack of a customs office located at the place of destination of the goods; and
- if the goods were prohibited from importation or did not have all the requisite permits and licenses required for their transit through the customs territory of the Russian Federation and due to the facts that the permission for domestic customs transit could not be issued, provided that the customs body authorised delivery of the goods to the temporary storage warehouse or other places constituting the customs control zone.

These provisions would continue to apply to the extent they did not conflict with the CU Customs Code.

1155. He confirmed that these were all of the circumstances in which customs escort could be required, and that this list of circumstances could be changed through amendment of the CU Customs Code or establishment of conforming domestic legislation. Customs escort of goods was to be carried out to ensure observance of applicable customs transit procedure. Expenses associated with customs escort had to be fully reimbursed in the form of customs fees levied, in accordance with the Russian legislation on taxes and duties.

1156. Concerning customs clearance and escort fees, he noted that Article 72 of the CU Customs Code authorised their application and the method of their application, currently governed by Article 357 of the Customs Code of the Russian Federation, would be governed by the Federal Law "On Customs Regulation", when that legislation was adopted. Goods placed under the customs transit regime were subject to customs clearance fees, except when the customs unit of departure was the same as the customs unit of destination. In this case, goods placed under the customs transit regime were exempted from customs clearance fees. This was the only exception (see Section on "Fees and Charges for Services Rendered"). As for customs clearance and escort fees, the rates of customs clearance fees were provided in Government Resolution No. 863 of 28 December 2004 and the rates of escort fees in Article 357.10 of the Customs Code of the Russian Federation. Once implemented, the escort fees would be authorised in accordance with Article 130 (in Section 14) of the Federal Law "On Customs Regulation". Escort fees were described in the Section "Fees and Charges for Services Rendered" and listed in Table 20 of this Report. In addition, Chapter 14 of the Federal Law "On Customs Regulation" established a single system of fees for customs clearance procedure for goods crossing the CU customs border. The same customs clearance procedures were applied uniformly for import, export, or customs transit of goods and, therefore, there was a single system of fees for these customs clearance procedures. Notwithstanding the explanations, the matter of the level of fees and how they were established continued to be of concern. Some Members believed that the service rendered in the case of transit was less than that provided in connection with imports going through customs clearance.

1157. In response to a question from a Member, the representative of the Russian Federation explained that guarantees for customs transit were regulated by Articles 85 to 88 of the CU Customs Code. These provisions set-out that guarantees could be required to secure the fulfilment of the customs taxes and duties payable, unless: a) a procedure for transit escort was applied; b) transit was conducted by a Russian authorised customs transport operator or accredited economic operator; or c) customs transit was regulated by the obligations of the Russian Federation under international treaties, *inter alia*, the International Road Transport (TIR) Convention, that provided otherwise. Transit by power transmission lines, pipelines and railways were also exempt from customs

guarantees. The payer had the right to choose the means of guarantees: 1) payment in cash; 2) bank guarantee; 3) surety; 4) pledge of property; or other means foreseen in the national legislation of a CU Party. The representative of the Russian Federation informed Members that Article 88 of the CU Customs Code outlined the rules to assess the value of guarantees and noted that guarantees would be approximated to the value of the customs taxes and duties payable. He further explained that guarantees on customs transit were applied in a transparent and non-discriminatory manner and, in his view, were in line with the requirements of Article V of the GATT 1994 on freedom of transit.

1158. Several Members of the Working Party noted that railway freight fees for transiting the territory of the Russian Federation were higher than those paid for domestic destinations and asked the Russian Federation to provide additional information on this matter. In response, the representative of the Russian Federation said that the Russian Federation was a party to the Agreement on International Transit Tariffs (ITT) and the Agreement on the Single Transit Tariffs (STT). Thus, railway tariff rates for carrying goods in transit were established according to the principles of these international Agreements and calculated on a non-discriminatory basis. Basic ceiling tariffs were calculated on the principles provided for by these Agreements and the Members established applied tariffs below the ceiling calculated annually. The transit tariff rates for same railways/destinations were unique and did not depend on the nationality of goods. Generally, the transit tariff policy was mostly dependent on competitive capacity of international transit routes, crossing several countries, and the rates were established by such countries jointly. These transit tariffs were normally lower than export/import transportation tariffs. The transit tariff policy of the Russian Federation was transparent; all related information was published on the website of the Federal Service on Tariffs of the Russian Federation (www.fstrf.ru) and in related official editions. He also referred to the Section on "Pricing Policies" where tariffs for rail transportation of goods were discussed. Some Members noted that they expected the Russian Federation to provide additional information on principles according to which the tariffs were established and that a further precision/update of the description of the elements, on the basis of which tariffs were set, needed to be done in connection with the railway fee discussion in the Section on "Pricing Policies" of this Report.

1159. One Member noted that it was unclear which agreements were being referenced in paragraph 1158. This Member further noted that this Section of the Report appeared to reference the International Transit Tariff used in cases when a cargo owner paid for the transportation services directly, as well as the "East-West" tariffs for transportation through the Russian Federation to non-CIS European countries were determined by the CIS Rail Transport Tariff Conference. The agreements in question were regional arrangements for which the term "international" might be misleading. It would be useful to provide additional references to these agreements to clarify their coverage, countries included, etc. In response, the representative of the Russian Federation stated that the terms and descriptions used in paragraph 1158 correctly reflected the official title of the above-mentioned Agreements.

1160. When asked about the ban on transit over the territory of the Russian Federation for certain goods, the representative of the Russian Federation stated that, pursuant to Article 152 of the CU Customs Code, transit (as well as importation or exportation) of some types of goods could be prohibited by Federal laws, decisions of the CU Commission, as well as international agreements of the CU Parties and regulations of a CU Party implementing those international agreements. Currently, such prohibitions could be imposed, in accordance with the CU Agreement on Non-tariff Regulation, CU Commission Decision No. 132, and relevant decisions adopted under the Federal laws of the Russian Federation. In general, such provisions were applied for reasons of safety, health, or national security. They could not have an economic character. In particular, transit of goods likely to affect human life and health and, the environment was forbidden or strictly limited. Aircraft carrying armaments, military equipment, and military property were not allowed to transit the territory of the Russian Federation without landing. Import to, export from, and transit of explosives for industrial

purposes by juridical persons over the territory of the Russian Federation as part of the accompanied or unaccompanied luggage and hand luggage and their cargo shipment to natural persons' addresses were also prohibited. In addition, special rules applied to the transit of narcotics, substances with psychotropic effects, poisons and substances listed in Tables I and II of the "Convention of the United Nations Organization against Illegal Circulation of Drugs and Psychotropic Substances" of 1988. For example, Article 28 of Federal Law No. 3-FZ of 8 January 1998 "On Narcotic Agents and Psychotropic Substances" prohibited transit of narcotic agents, psychotropic substances and their precursors across the territory of the Russian Federation. In order to implement Federal Law No. 89-FZ of 24 June 1998 "On Production and Consumption of Wastes" (as last amended on 8 December 2008) and commitments of the Russian Federation under the Basel Convention on Control Over Transborder Transportation of Dangerous Wastage and Its Removal, the Government of the Russian Federation issued Resolution No. 442 of 17 July 2003 "On the Transborder Transfer of Wastes", where Appendix 2 contained the list of dangerous wastes, banned to be imported and transited across the territory of the Russian Federation.

1161. The representative of the Russian Federation confirmed that the Russian Federation would apply all its laws, regulations and other measures governing transit of goods (including energy), such as those governing charges for transportation of goods in transit by road, rail and air, as well as other charges and customs fees imposed in connection with transit, including those mentioned in paragraphs 1155 and 1156 in conformity with the provisions of Article V of the GATT 1994 and other relevant provisions of the WTO Agreement. The representative of the Russian Federation further confirmed that, from the date of accession, all laws and regulations regarding the application and the level of those charges and customs fees imposed in connection with transit would be published. Further, upon receipt of a written request of a concerned Member, the Russian Federation would provide to that Member information on the revenue collected from customs fees and customs charges, including those mentioned in paragraphs 1155 and 1156, and on the costs of providing the associated services. The Working Party took note of this commitment.

- **Policies Affecting Foreign Trade in Agricultural Products**

1162. The representative of the Russian Federation said that policies in the Russian agricultural sector needed first and foremost to address the problems that had accumulated over the years of planned economy and notably the sectoral imbalance in prices and revenues, which was a major adverse factor in agricultural sector; of low profitability; and, underdevelopment of production and social infrastructure.

1163. In response to questions from some Members, the representative of the Russian Federation said that the following normative legal acts had been adopted to resolve these accumulated problems in the agriculture sector:

- "Major Guidelines of the Agri-Food Policy of the Russian Federation Government for the Years 2001-2010", approved by the Government of the Russian Federation on 27 July 2000;
- Federal Law No. 264-FZ of 29 December 2006 "On Development of Agriculture" (as last amended on 24 July 2009); and
- Resolution of the Government of the Russian Federation No. 446 of 14 July 2007 "On the State Program of Development of Agricultural Sector and Regulation of Markets of Agricultural Products, Raw Materials and Food for 2008-2012".

1164. The representative of the Russian Federation also presented a detailed explanation of the programme provided for in Resolution No. 446. This programme was a result of implementation of Federal Law No. 264-FZ and was to be realized at both regional and Federal levels. The main objectives of the programmes provided for in Resolution No. 446 were to ensure sustainable

development of rural territories, increase in employment and standard of living, as well as to increase the competitiveness of Russian agricultural products on the basis of financial stability and modernization of agriculture. The implementation of the programme was financed from the Federal and regional budgets according to planned expenses for each successive three-year period on a rolling basis. The representative of the Russian Federation concluded that thus the measures provided for in Resolution No. 446 were the basis for realization of key long-term policy objectives of the Russian Federation in the agricultural sector aimed at ensuring sustainable development of rural territories and establishing of effective and competitive agro-industrial production.

1165. The representative also stated that the successful realization of these measures created terms for stable development of agriculture, and were the grounds for increasing the financing of those programmes that had no, or at most minimal, trade-distorting effect or effects on production.

1166. During the negotiations on accession, the Russian Federation provided data (support levels and explanations of programmes) for domestic support to agriculture, starting from the year 1989 through most years to the period 2007-2009. The Russian Federation also provided answers to specific questions from interested Members. The provided data demonstrated significant decrease of domestic support in the Russian Federation during the period from the year 1989 to the period 2007-2009.

1167. Some Members requested further information on implementation and the mechanisms for provision of subsidies at Federal and regional levels. In particular, these Members wanted to know if the same types of subsidies were provided to a commodity by both Federal and regional authorities. In response, the representative of the Russian Federation stated that data concerning the sources of support for all programmes was presented in the Supporting Tables of the Russian Federation, the last revision of which had been provided to the Working Party in August 2011. He noted that some support measures were implemented only at Federal level and some only at a regional level. Some programmes were financed both at Federal and regional level, being financed partially from the regional and Federal budgets. In any case, funds were calculated separately. Specifically, for measures financed from the Federal budget, the funds could be transferred to the regional level, but any such transfers were included in the calculations as Federal level support. The calculations for regional measures reflected only those measures which were financed from regional budgets.

1168. In response to specific concerns raised by Members, the representative of the Russian Federation noted that support, under some aspects of programmes it had initially described as falling within the "green box" provisions, would need to be counted in Aggregate Measurements of Support (AMS). These included: (i) subsidies for the delivery of seeds to the disadvantaged areas; (ii) subsidies for provision of seeds from the Federal Fund of Seeds on free of charge basis (referring to the Programme "Creation of the Federal Fund of Seeds"); and (iii) provision of compensation for use of mineral fertilizers, costs for maintenance of land reclamation, and land amelioration systems as well as scheduled operational and maintenance expenditures within the "Federal Task Program on 'Fertility'".

1169. In respect of the operation of the Programme "Creation of the Federal Fund of Seeds", the representative of the Russian Federation confirmed that the Federal Fund of Seeds of key agricultural plants was formed to ensure availability of an adequate supply of seeds to producers affected by natural disasters and emergencies. The Fund could be used for supply of seeds to regions that did not produce seeds or had a limited capacity for their production. The representative of the Russian Federation drew attention to the fact that in the Programme "Creation of the Federal Fund of Seeds", purchases by the Fund of Seeds were made at market prices. Within that programme, one element involved the above-mentioned provision of seeds on free of charge basis. He explained that such free delivery of seeds shall be carried out, upon the special resolution of the Government, only in

certain emergency situations which entailed the devastation of the crops. In all other cases, sales of seeds from the Fund were made at market prices. In this latter element of the Programme, the support in favour of agricultural producers would be in the form of a service provided by the Government. As this measure did not fully fit the policy-specific conditions set-out in paragraph 2 (General services) of Annex 2 of the WTO Agreement on Agriculture, it was classified under a heading "Other" in paragraph 2.

1170. In response to a question from a Member of the Working Party, the representative of the Russian Federation stated that external reference prices for calculating price support for milk were determined on the basis of the calculation of milk equivalent reference prices. The calculation of the milk equivalent unit import value was based on trade data of the Russian Federation relating to the volume and import unit prices of butter and skim milk powder, taking into account technical conversion factors. The representative of the Russian Federation referred Members to non-paper No. 36 "External Reference Prices for Milk and Calculations of the Aggregated Measurement of Support (AMS) in the Russian Federation for the Period of 1993-1995", dated 22 September 2004.

1171. Some Members posed questions about restructuring of debts and debts writing-off. The representative of the Russian Federation replied that these measures included in Supporting Tables had been undertaken by the Government of the Russian Federation in order to support agricultural producers in case they had debts owed to the Government related to credits. These measures were implemented according to Federal Law No. 83-FZ of 9 July 2002 "On the Financial Recovery of the Agricultural Producers" (as last amended on 23 July 2008), (hereinafter: Federal Law No. 83-FZ), Laws on Federal Budget for corresponding years and decisions of regional authorities.

1172. Federal Law No. 83-FZ established the legal foundations and the terms and conditions for the restructuring of agricultural producers' debts, covering any debts, including debts to budgets of all levels of government, with a view to improving the agricultural producers' financial condition.

1173. Restructuring of debts and debts writing-off were based upon the annual laws on Federal budget. Following the recommendations of the Ministry of Finance of the Russian Federation, regions of the Russian Federation annually carried out similar work with regard to agricultural producers.

1174. For the purposes of domestic support calculation, the only amount of loss of the Governments' revenue, caused by restructuring of debts owed to the Government, related to credits provided to agricultural producers from Federal and regional budgets (value of accumulated debt including accumulated interest rates, fines and penalties multiplied by annual average interest rate of the Central Bank of the Russian Federation) were taken into account. The following debts owed to the Government related to credits were restructured: (i) centralized credits (1992-1994); (ii) commodity credits (1995-1996); (iii) credits from Special Fund for soft crediting (1997-2000); and (iv) credits at expenses of regional budgets for spring-agricultural works and harvesting operations.

1175. Domestic support calculations also included debts related to credits that were written-off on centralised credits over the years 1992-1994, on soft loans granted over the years 1997-2001, as well as on commodity credits over the years 1995-1996.

1176. Some Members posed questions on the operation of the system in the Russian Federation to provide soft credit to agro-industrial producers on concessionary terms (the "soft crediting system"). In response, the representative of the Russian Federation explained that, starting from 2000, a subsidy granting system had been implemented for partial subsidization of costs associated with interest payments on loans received by agricultural producers from lending institutions. Soft credits were

provided from the Federal Budget through compensation of the difference in interest rates on loans obtained from lending institutions. Subsidies to cover the difference in interest rates on loans obtained from lending institutions were provided monthly for the specified share of the refinancing rate of the Central Bank of the Russian Federation.

1177. Some Members stated that they disagreed with Russia's classification of a number of programmes as being non-product-specific in nature. These Members noted that the WTO Agreement on Agriculture defines "non-product-specific support" as support provided in favour of agricultural producers in general. These Members further noted that, in their view, Russia's replies to questions had demonstrated that support under a number of programmes classified as non-product-specific in Russia's historical support tables did not provide support in favour of agricultural producers in general. These programmes included: (i) Other livestock output subsidies; (ii) Other livestock production subsidies; (iii) Elite seed subsidies; (iv) Pedigree livestock subsidies; (v) Subsidising the establishment and care for perennial plants; (vi) Other plant production subsidies; and (vii) Subsidies for the delivery of seeds to disadvantaged areas.

1178. Some Members noted that the placement of these programmes in the non-product-specific section of Russia's historical tables shall not be construed as implying their acceptance of such classification. Further, some Members stressed their expectation that the Russian Federation would take steps to rectify the classification of its support programmes according to the relevant provisions of the WTO Agreement on Agriculture in its notifications of such programmes to the WTO Committee on Agriculture and in calculating its Current Total AMS.

1179. In response to the questions of some Members in respect of the classification of certain support programmes as non-product specific, the representative of the Russian Federation explained that those programmes, in accordance with the respective resolutions of the Government, were designed so that any product covered by the programmes could be subject to the support and it was implemented that way.

1180. These programmes covered the wide range of products and, in his view, their classification as being non-product-specific corresponded to the classification stipulated by the WTO Agreement on Agriculture.

1181. In respect of "Elite seed subsidies", he further explained that such subsidies were provided to subsidise the purchase of elite seeds of any agricultural plants for the purpose of reproduction of plants, variety turnover and renewal. Subsidies for the delivery of seeds to the disadvantaged areas were provided for the compensation of costs of seeds for agricultural producers in the north and mountain areas where such seeds cannot be produced. These programmes were not limited to the support of any particular product and therefore corresponded to the criterion for non-product-specific support set-forth in the WTO Agreement on Agriculture.

1182. In respect of "Other livestock output subsidies", he further explained that these subsidies covered such products as bee-breeding, venison (reindeer meat) and fur-farming. It included support for purchasing of equipment for processing of products, packing equipment, etc. "Other livestock production subsidies" programme was aimed at technical modernisation of livestock industry (milk production, meat production, egg production, wool production and other livestock production). Both types of subsidies were granted by the regional authorities.

1183. The representative of the Russian Federation drew the attention of the Working Party to the fact that share of "Pedigree livestock subsidies" in Total non-product-specific support was very small. In current and future agricultural policy, the major tools of support for livestock and crop sector were soft crediting of agriculture. In 2009, the share of this measure was about 51.3 per cent of Total

non-product-specific support and about 45 per cent of Total AMS. He further stated that the Russian Federation planned to maintain soft crediting as the major instrument of support for the livestock sector.

1184. Some Members of the Working Party noted that an exclusive tariff-rate was currently provided for transportation of agricultural products in the Russian Federation. These Members asked whether national treatment was granted when the exclusive tariff-rate was used and whether the exclusive tariff-rate covered both export and import. In response, the representative of the Russian Federation stated that preferential tariff-rates for transportation of agricultural cargoes were granted to particular goods according to special decisions of the responsible governmental body. Such decisions did not differentiate between domestic and imported goods.

1185. While recognizing the possibility of the Russian Federation having recourse to the non-exempt measures under the WTO Agreement on Agriculture, some Members considered that while determining its requirements and level of commitments, the Russian Federation should give emphasis to the use of measures of Annex 2 that could achieve the desired reform objectives pursued by the Russian Federation in the field of agriculture.

1186. The representative of the Russian Federation confirmed that the Russian Federation would comply with all provisions of the WTO Agreement on Agriculture and the commitments on domestic support and on export subsidies for agricultural products which were contained in the Schedule of Concessions and Commitments on Goods annexed to the Protocol of Accession to the WTO. The Working Party took note of these commitments.

1187. The representative of the Russian Federation confirmed that the Russian Federation would, in addition to the commitments inscribed in Part IV, Section I, of its Schedule of Concessions and Commitments, ensure that, from the date of its accession to the WTO through 31 December 2017, in any year, the sum of all product-specific aggregate measurements of support does not exceed 30 per cent of the non-product-specific aggregate measurement of support, where the terms "product-specific aggregate measurement of support", "non-product-specific aggregate measurement of support", "basic agricultural product" and "year" had the same meanings as in the WTO Agreement on Agriculture. The Working Party took note of this commitment.

1188. Some Members stated that in view of recent accessions to the WTO, they considered it inappropriate for any country to accede to the WTO with the right to use export subsidies. These Members stressed the need that the Russian Federation should bind its export subsidies at zero. In this respect, these Members also stressed that programmes on export credits, export credit guarantees or insurance programmes needed to be applied by the Russian Federation so as to avoid circumvention of the commitment not to provide export subsidies.

1189. The representative of the Russian Federation confirmed that by the date of accession the Russian Federation would bind its export subsidies at zero level. The Working Party took note of this commitment.

- **Trade in Civil Aircraft**

1190. Some Members asked that the Russian Federation enter a commitment to join the Agreement on Trade in Civil Aircraft upon accession. These Members also requested that the Russian Federation implement the Agreement without exceptions and without recourse to any transitional period. Some Members also stated that the Russian Federation should ensure that all internal taxes would be applied to the sale or lease of civil aircraft in a non-discriminatory fashion between imported and domestically produced goods and between goods imported from third countries.

1191. Some Members of the Working Party also requested that the Russian Federation provide additional information on how its current customs requirements for imports, e.g., licensing and tariff suspensions, particularly with regard to its participation in the Customs Union, might operate to increase market access in the Russian Federation for aircraft.

1192. In response, the representative of the Russian Federation stated that capacity utilisation for manufacturing facilities in the aviation industry in the Russian Federation had been improving, and now averaged 35 per cent, up from only 10-15 per cent in 2001. At that time, most enterprises in the aviation sector had suffered operating losses, thus substantially limiting the possibilities for financing the modernisation of facilities and introducing modern manufacturing and servicing technologies. As the situation had improved in the aviation sector of the Russian Federation, aviation enterprises had secured financing to purchase and lease new equipment, much of it imported. He recalled that Government Resolution No. 574 of 2 August 2001 "On Certain Issues of Regulation of Temporary Imports of Foreign Made Aircraft" had superseded Government Resolution No. 716 of 7 July 1998 "On Additional Measures of State Support for Civil Aviation in Russia" and had cancelled the exemption from customs duties and taxes in this sector, but subsequently, tariff and tax exemptions had been made available on a case-by-case basis, both for leasing and for purchases of imported aircraft.

1193. The representative of the Russian Federation explained that under the Customs Union Common External Tariff (CU CET) the previous tariff of the Russian Federation of 20 per cent had been eliminated on imports of certain small aircraft (i.e., those with fewer than 50 seats and weighing less than 20,000 kg). The CU CET was also zero per cent for imports of aircraft with 50-300 seats weighing 90,000-120,000 kg and of large aircraft, (i.e., those with more than 300 seats or weighing more than 120,000 kg. Zero tariff rates applied to both purchased aircraft and those imported temporarily for leasing. The VAT of 18 per cent was normally collected on all such temporary importations (leases), but the VAT could be paid in 34 monthly instalments after importation. For all other civil aircraft imports into the Russian Federation, the CU CET of 20 per cent was applied, but with a temporary exception for aircraft imported for leasing that had either 111-160 or 219-300 seats weighing 20,000-120,000 kg. The leasing contracts must have entered into effect prior to 31 December 2013 and the term of lease provided for in the contract must end by 31 December 2018. In these cases, pursuant to CU Commission Decision No. 411 of 20 September 2010, all such aircraft weighing 20,000-120,000 kg could be exempted from the VAT as well as the CU CET. In cases where the term of the leasing contract extended beyond 31 December 2018, the customs procedures of temporary importation could be extended by up to 34 months. After 31 December 2018, however, a partial exemption from customs duties and taxes would be applied to such goods (i.e., the fees equivalent to 3 per cent of the customs duties and taxes which would be levied on such goods for each complete and incomplete calendar month of their stay in the customs territory of the Russian Federation). This exemption was also applicable to such temporary importations of aircraft by Belarus and Kazakhstan.

1194. The representative of the Russian Federation further explained that Belarus and Kazakhstan had sought additional tariff exemptions to cover the categories not already exempted when the CU CET was established. The CU Commission Decision No. 328 as of 16 July 2010 provided for an exemption from import duties for import of certain civil aircraft imported into Belarus and Kazakhstan prior to 1 July 2014. This exemption covered any aircraft weighing between 90,000 and 120,000 kg or weighing between 20,000 and 90,000 kg and with 51-300 seats. It also covered imports of aircraft engines and aircraft-related spare parts and equipment necessary for maintenance and repair into all CU Parties, including the Russian Federation.

1195. Some Members also requested that the Russian Federation provide information on its current plans of restructuring and consolidation of the domestic aviation industry.

1196. In response, the representative of the Russian Federation informed Members that the intentions of the Government to revitalize the Russian aircraft industry, as well as to keep and develop its research and development (R&D) potential, and to concentrate intellectual, industrial and financial resources on realization of the perspective programmes for aviation engineering, were defined in Presidential Decree No. 140 of 20 February 2006 "On Open Joint-Stock Company 'United Aircraft-Construction Corporation'" and the follow-up Resolution of the Government of the Russian Federation No. 224 of 20 April 2006. By these legal acts, the Russian Federation and shareholders of the Russian aircraft construction enterprises established the open JSC "United Aircraft-Construction Corporation" (UAC). The share of the Russian Federation in the authorised capital of the UAC amounted to not less than 80.29 per cent. Shares of the enterprises, which were in Federal property, were invested into the nominal capital of the open JSC by the Russian Federation as assessed contribution. According to Presidential Decree No. 140, the Federal SUEs "Russian Aircraft Constructing Corporation 'MiG'" and "The Kazan Aviation Production Association Named after S.P.Gorbunov" also were transformed into open JSCs, with 100 per cent Federal ownership. Presidential Decree No. 140 recommended that the private shareholders of 13 large JSCs of the aircraft sector contribute to the nominal capital of the UAC with their shares which amounted to 19.71 per cent of the authorised capital. At the end of 2010, after the JSC the UAC had performed additional emission 81.75 per cent of authorised capital belonged to the Russian Federation, 10.6 per cent to the Vnesheconombank and 7.64 per cent to the private shareholders. The share of the companies joining in the UAC amounted to about two thirds of the overall production of aircraft in the Russian Federation. The priority activities of the UAC were defined as development, manufacture, sale, and service of aviation engineering for military and civil aircraft purposes in the interests of domestic and foreign states and other customers. The role of the State in the UAC consisted primarily in controlling realization of programmes of development of the Russian aircraft industry.

1197. In response to questions from Members on subsidies in the aircraft sector, the representative of the Russian Federation stated that the aircraft industry had been hard-hit by the financial crisis between 2008-2009 and a number of State-supported rescue packages had been provided to aircraft manufacturers. In 2010, the authorised capital of the UAC had been increased by RUB 10 billion (US$312.5 million) for the restructuring of its debts and by RUB 2.77 billion (US$86.5 million) for provision of subsidies on R&D programmes. In order to offset financial risk, RUB 290 million (US$9 million) had been allocated in the Federal budget to partially compensate Russian aircraft engine producers over a period of five years for high interest rates they incurred in borrowing between 2008-2010 for the purposes of re-equipment. An additional RUB 709 million (US$22.1 million) had been allocated in the Federal budget to partially compensate companies affiliated with the UAC over a period of five years for high rates of interest on credits and partial compensation for lease payments under 2006 contracts and later on re-equipment. Under these programmes, both Russian and foreign equipment was eligible for the subsidized credits or lease arrangements. He also added that, in 2009, under the Federal Specific Program "Aircraft Industry Development," initiated in 2005, State support totalling RUB 12.96 billion (US$405 million) was provided for R&D projects and RUB 6.48 billion (US$202.6 million) for capital investments and infrastructure development. He also noted that in order to promote competition on the domestic market in the area of financial conditions for the purchase of domestic and foreign aircraft, the Government had enacted Resolution No. 466 of 26 June 2002 "On the Framework of Partial Compensation to Russian Airlines of Lease Payments for Russian-made Aircraft due to Lease Contracts with Russian Lease Companies, and Partial Compensation of Rates of Credits taken in 2002-2005 in Russian Credit Organizations on Purchase of Russian-made Aircraft." Under this Resolution, Russian airline companies could apply for State funding for partial compensation of their lease and credit payments for the purchase of domestic aircrafts, including guarantees and insurance. Only Russian-made aircraft were eligible under this programme.

1198. A Member noted that Government Resolution No. 466 appeared to encourage the purchase and lease of Russian-made aircraft by lowering the leasing costs of Russian-made aircraft to Russian airlines. This Member noted that the programme appeared to constitute a prohibited subsidy pursuant to Article 3:1(b) of the WTO Agreement on Subsidies and Countervailing Measures and asked the Russian Federation to provide more information on this leasing programme. In response, the representative of the Russian Federation stated that this programme currently covered only Russian-made aircraft; however, prior to accession, the programme would be changed so that foreign-made aircraft would also be covered. He explained that only Russian credit organizations could grant loans to leasing companies to buy aircraft. Interest rates were set by the credit organizations themselves. The Government support provided could be up to one half of the interest costs incurred by the leasing company in purchasing the aircraft.

1199. The representative of the Russian Federation further stated that the current situation in the aviation sector prevented the Russian Federation from joining the WTO Agreement on Trade in Civil Aircraft and implementing its requirements.

1200. The representative of the Russian Federation confirmed that Government Resolution No. 466 would be amended prior to accession so that the purchase of foreign-made aircraft by a leasing company would qualify for benefits under the programme and that the programme would be administered in compliance with the WTO obligations of the Russian Federation. The Working Party took note of these commitments.

TRADE-RELATED INTELLECTUAL PROPERTY REGIME (TRIPS)

1. General

1201. The representative of the Russian Federation stated that the legislation of the Russian Federation included civil, administrative, and criminal measures for the protection and enforcement of intellectual property rights. The framework for civil protection of intellectual property, during the period from 1992 through 2007, was set-out in the Constitution of the Russian Federation, the Civil Code, as last amended on 4 October 2010, the Patent Law, the Law of the Russian Federation "On Trademarks, Service Marks, and Appellations of Origin of Goods", the Law of the Russian Federation "On Copyright and Related Rights", the Law of the Russian Federation "On Legal Protection of Layout Designs of Integrated Circuits", the Federal Law "On Protection of Competition", the Law of the Russian Federation "On Attainments in Selection", and the Federal Law "On Commercial Secrets". The legal framework for civil protection of intellectual property rights beginning on 1 January 2008 was the Constitution of the Russian Federation and the Civil Code (Part IV). Other laws listed in Table 34 set-out certain enforcement measures for intellectual property rights and these laws continued to apply after 1 January 2008. Subordinate measures, such as regulations and decrees, and other laws, such as the Federal Law "On Joint-Stock Companies", the Federal Law "On Limited Liability Companies", the Law of the Russian Federation "On Protection of Consumers' Rights", the Law of the Russian Federation "On Space Activity", the Law of the Russian Federation "On Mass-Media", Federal Law "On Architectural Activity", and other "sectoral" laws dealt with certain aspects of the protection of intellectual property, but relevant provisions of these laws and other measures were required to be in conformity with the Constitution and Part IV of the Civil Code.

1202. The representative of the Russian Federation also explained to Members of the Working Party that the Constitution of the Russian Federation established basic rights in the field of intellectual property in the Russian Federation. Article 44, paragraph 1 of the Constitution, guaranteed freedom of literary, artistic, scientific, technical, and other types of creative and educational activity, and provided for legal protection of these activities. He further informed Members of the Working Party

that adoption of Part IV of the Civil Code permitted the Russian Federation to finalise codification of its civil legislation with the objectives of:

- harmonizing norms on intellectual property with the general provisions of civil legislation;
- achieving full conformity of domestic legislation with the international obligations of the Russian Federation;
- amending the intellectual property laws of the Russian Federation, to keep the most effective provisions of currently applied laws, while strengthening protection where appropriate; and
- strengthening available civil remedies to combat counterfeiting, piracy and the making available of pirated material over the internet, through, *inter alia*, introduction of the concept of "gross violations", which stipulated that liquidation of the legal entity that committed such violations, was an available remedy.

1203. The representative of the Russian Federation noted that the Civil Code included essential provisions on enforcement of intellectual property rights, in particular, remedies that were available in civil actions. These remedies were of two different types. Some remedies, such as temporary and permanent injunctive relief from infringement of rights or threat of such infringement, were applied based on the good, irrespective of a finding of infringement. Other remedies (compensation of losses, payment of damages, etc.) could be applied only based on a finding that an infringer was guilty. The defendant, however, had the burden of proving the absence of guilt. Furthermore, the Civil Code contained provisions on seizure of counterfeit and pirated material and provided for its destruction based on a decision of the court. In addition, according to the Civil Code, the equipment, other devices and materials used or designated for engaging in infringement were to be destroyed at the expense of the infringer. For "gross violations", the Civil Code provided a severe remedy, liquidation of the infringing legal entity and withdrawal of registration of infringing individual entrepreneurs. These civil enforcement measures also applied to relevant provisions of such laws as the Federal Law "On Commercial Secrets", Law of the Russian Federation "On Space Activity", the Federal Law "On Architectural Activity", the Federal Law "On Joint-Stock Companies" and the Federal Law "On Limited Liability Companies." He explained further, that the Civil Code entered into force as from 1 January 2008, replacing, *inter alia*, the following laws: the Patent Law, the Law of the Russian Federation "On Trademarks, Service Marks, and Appellations of Origin of Goods", the Law of the Russian Federation "On Copyright and Related Rights", the Law "On the Legal Protection of Computer Programmes and Data Bases", the Law of the Russian Federation "On Legal Protection of Layout Designs of Integrated Circuits", and the Law of the Russian Federation "On Attainments in Selection". Federal Law No. 231-FZ of 18 December 2006 "On Putting the Fourth Part of the Civil Code of the Russian Federation into Effect", as amended on 24 July 2007, also amended the First and Second Parts of the Civil Code of the Russian Federation, the Federal Law "On Commercial Secrets", the Law of the Russian Federation "On Space Activity", the Federal Law "On Architectural Activity", the Federal Law "On Joint-Stock Companies", the Federal Law "On Limited Liability Companies, as well as related provisions of other laws. These laws, as amended by the Law "On Putting the Fourth Part of the Civil Code of the Russian Federation into Effect", entered into force on 1 January 2008.

1204. The representative of the Russian Federation stated that Part IV of the Civil Code implemented the most important international Agreements on protection of intellectual property (TRIPS, the Berne Convention (1971), Paris Convention, etc.).

1205. He further noted that Chapter 69 "General provisions" of Part IV of the Civil Code contained the list of "protectable" results of intellectual activity and equivalent means of individualization of legal persons, goods, works, services, and enterprises. These results of intellectual activity and means of individualization, as particular intangible objects of protection by law, were unified in the Civil Code under the definition of "intellectual property". The rights, arising in connection with

intellectual property, were named in the Civil Code, as "intellectual property rights" and included personal non-property rights belonging to the authors of creative achievements (e.g., *droit de suite*, etc.) as well as exclusive rights, which were property rights, and, therefore, an object of civil turnover, as well as a range of other rights, which could ultimately be related neither to the content of an exclusive right nor to personal non-property rights (for example, the right of following in the copyright).

1206. The representative of the Russian Federation informed Members of the Working Party that an exclusive right was treated in the Civil Code as the right of its holder to use the result of intellectual activity or the means of individualization at his own discretion in any way that did not contradict the law. The Civil Code also provided that the holder of the exclusive right could dispose of it at his own discretion, if the Civil Code did not provide otherwise, *inter alia,* in accordance with a contract to alienate this right to another person or to provide another person with the right to exploit the respective result of intellectual activity or respective mean of individualization in established forms (i.e., on the basis of a licence). Any of the limitations on exclusive rights could be imposed only if the limitation did not inflict unjustified harm to the ordinary use of results of intellectual activity, or means of individualization and did not impair in an unjustified manner the legitimate rights of the right-holder. Several Articles, including Article 1241, referred to general provisions on alienation of exclusive rights through contract and contracts on licensing, and also to cases of lapse of an exclusive right to other persons without contractual relationships.

1207. Some Members of the Working Party requested clarification of the scope and content of the term "exclusive rights" as used in Articles 1229, 1231 and other Articles of Part IV of the Civil Code. In particular, Members asked whether this term would include economic rights, such as the rights of remuneration provided for in Articles 11*bis* and 13 of the Berne Convention, Article 12 of the Rome Convention and Article 15 of the WIPO Treaty on Performances and Phonograms (WPPT), which some Members of the Working Party considered to be distinct from exclusive rights.

1208. The representative of the Russian Federation responded that a right to remuneration, under Russian law, was considered part of an exclusive right and covered by the term "exclusive rights" as used in Articles 1229, 1231, and elsewhere in the Civil Code. In some cases the right of remuneration might be the only part of the exclusive right retained by the right-holder. He explained that the first paragraph of Article 1229.5 of the Civil Code stated that the limitations on exclusive rights were established by the Civil Code "in cases when the use of the results of intellectual activities was permitted without the right-holders' consent, but when they retain their rights to a remuneration shall be established by the present Code". Recognizing the concerns of some Members of the Working Party, the representative of the Russian Federation confirmed that the Russian Federation would ensure that, from the date of accession the term "exclusive rights" as used in Articles 1229, 1231, and other Articles of Part IV of the Civil Code would be interpreted and applied as including the right to remuneration. The Working Party took note of this commitment.

1209. Some Members of the Working Party expressed concerns about the consistency of paragraph 5 of Article 1229 of the Civil Code, as it related to limitations on exclusive rights, with Articles 13, 17, and 30 of the WTO Trade-Related Aspects of Intellectual Property Rights Agreement (hereafter: WTO TRIPS Agreement) and asked for additional clarification of this provision. They noted that the language in paragraph 5 of Article 1229 did not correspond to any of the relevant Articles of the WTO TRIPS Agreement.

1210. The representative of the Russian Federation responded that Article 1229 contained only the general principles for limitation of exclusive rights which cover the whole sphere of intellectual property rights. Thus instead of mentioning "patents", "trademarks", "copyright or related rights" only, the provisions of Article 1229 of the Civil Code covered all the results of intellectual activity

and means of individualization, and all objects subject to protection. The specific limitations for copyright, for example, were to be found in Articles 1272 to 1280 of the Civil Code. In his view, those limitations did not conflict with a normal exploitation of the work and did not unreasonably prejudice the legitimate interests of the right-holder. At the same time, from a practical point of view, the Civil Code approach seemed to be more convenient for application, as it contained factual criteria for the estimation of barriers to the common course of use of the results of intellectual activity (or means of individualization). He also noted that Paragraph 3 of Article 1229.5 of the Civil Code stipulated that exceptions must "not impair in an unjustified manner the lawful interests of the right-holders". While the interests of third parties were not named directly, the necessity of taking into account the interests of third parties (consumers and others) was based on the general principles of the civil law (Article 1 of the Civil Code).

1211. Some Members of the Working Party continued to have serious concerns about whether the provisions of the Civil Code on limitations on exclusive rights complied with Articles 13, 17, and 30 of the WTO TRIPS Agreement. Moreover, they expressed concerns that some of the specific limitations, such as those set-out in Articles 1270 (excluding temporary reproductions), 1273, and 1306, among others, went beyond the limitations permitted under Article 13 of the WTO TRIPS Agreement. Similar concerns were expressed about the limitations on patent and trademark rights. In these Members' view, judicial and other authorities would be making decisions based on the language in the Civil Code, which did not correspond to the language in the WTO TRIPS Agreement and which had not been previously applied. These Members requested that the Russian Federation bring the limitations to exclusive rights into compliance with the WTO TRIPS Agreement.

1212. Recognizing the continuing concerns of some Members of the Working Party, the representative of the Russian Federation confirmed that Article 1229 paragraph 5 of the Civil Code had been amended to replace the previous language on limitations on rights with separate provisions that reflected the respective elements of Articles 13, 17, and 30 of the WTO TRIPS Agreement and which would relate to the corresponding intellectual property rights.

1213. Some Members of the Working Party expressed concerns about the provisions of Article 1244 of the Civil Code, and requested that collecting societies not grant licenses of any exclusive right without the explicit authorisation of the right-holder.

1214. In response, the representative of the Russian Federation stated that the provisions on regulation of organizations providing management of copyright and related rights on a collective basis (Articles 1242 to 1244), were considered to be a significant improvement over the previous situation. According to the Civil Code, the right to engage in collective management of copyright and related rights without the express consent of the right-holder, was permitted only with respect to certain rights set-out in Article 1244.1 and could be done only through organizations that had obtained State accreditation to perform that activity. Article 1244.3 permitted a government-accredited collecting organization to administer rights and collect compensation for right-holders for the specific right or rights for which the organization had obtained accreditation without concluding a contract with the right-holder. The rights subject to such collective management were significantly fewer than those under Article 45 of the Law "On Copyright and Neighbouring Rights" of 1993, which Articles 1242 to 1244 replaced. Sub-paragraph 1 of Article 1244.2 provided that for each right, subject to collective administration, only one organization could receive accreditation. That organization was determined on the basis of a tender. The requirement for accreditation provided the opportunity for right-holders and the Government to control the activity of such an organization. Article 1244 set-out an exhaustive and closed list of rights that could be subject to collective administration without a contract with a right-holder. In particular, these organizations were not allowed to permit the reproduction and distribution or other use of works over the internet. Moreover, a right-holder who had not signed a

contract with an accredited organization for the administration of his rights, had the right to refuse its services at any moment (Article 1244.4 of the Civil Code). While other (non-accredited) organizations could engage in collective management of rights, such an organization could do so only on the basis of a contract concluded pursuant to Article 1242 of the Civil Code. He further stressed that the Civil Code dramatically reduced the number of organizations engaged in collective management of copyright and related rights, and significantly limited the rights subject to collective administration, without the right-holders' consent.

1215. Some Members continued to express concerns regarding the possibility of the collective administration of any rights without the express consent of the right-holder to such management, and requested further amendments to Article 1244. These Members also stressed the need to adopt measures to monitor and hold accountable those organizations engaged in collective management of rights to ensure that right-holders received the remuneration that was due to them.

1216. The representative of the Russian Federation noted in response, that the possibility of non-contract administration of rights had been limited to the maximum extent possible in the Civil Code in comparison to the previously applied Russian legislation. He further noted that the sphere of collective administration of rights in the Russian Federation would be reformed steadily through step-by-step limitations of the sphere of non-contractual representation. He confirmed also that the Russian Federation would adopt necessary measures to monitor and hold accountable organizations engaged in collective management of rights to ensure that right-holders received remuneration that was due to them.

1217. Members of the Working Party welcomed the progress made in limiting non-contractual administration of rights in the Civil Code, as well as the confirmation that the Russian Federation would adopt measures to monitor and hold accountable collecting societies so as to ensure that right-holders received the remuneration that was due to them. These Members of the Working Party noted that the proposed process of gradually limiting non-contractual administration of rights created difficulties for right-holders.

1218. Recognizing the continuing concerns of Members of the Working Party with regard to management of rights without a contract with the right-holder or his/her representative, the representative of the Russian Federation stated that the Russian Federation would review its system of collective management of rights in order to eliminate non-contractual management of rights within five years after Part IV of the Civil Code entered into effect. The representative of the Russian Federation further confirmed that, in response to the concerns of some Members of the Working Party as regards measures to monitor and hold accountable collecting societies so as to ensure that right-holders received the remuneration that was due to them, the Russian Federation had put into effect regulations necessary to apply such measures and collecting societies would be monitored and held accountable to right-holders according to the regulations of the Russian Federation. The Working Party took note of these commitments.

1219. Some Members continued to have concerns regarding the functioning of the accredited collecting management societies and requested additional information on the review of the system of collective management of the Russian Federation. In response, the representative of the Russian Federation informed these Members that his Government envisaged to conduct the planned review of the system of collecting management of rights in consultation with interested Members with a view to ensure that the system was implemented in full conformity with the WTO obligations of the Russian Federation.

1220. The representative of the Russian Federation informed Members of the Working Party that in addition to the legal framework for protection and enforcement of intellectual property in 2002, the

Government had established a Commission for Counteracting Infringements in the Sphere of Intellectual Property, its Legal Protection and Use, to coordinate and guide the joint efforts of Government authorities in the field of intellectual property protection. In 2010, the name of the Commission became the Sub-commission for Technical Regulation and Counteracting Infringement in the Sphere of Intellectual Property, its Legal Protection and Use. The Sub-commission was chaired by the Ministry of Industry and Trade (MIT) and reported to the Committee on Economic Development and Integration. The main objectives of the Sub-commission were to ensure the implementation of a unified Government policy with regard to legal protection and use of intellectual property and counteracting infringements of intellectual property through improvements in enforcement, ensure effective cooperation and coordination of activities of Federal Executive bodies, regional executive bodies, State and other organizations, and increasing international cooperation in this sphere. The Sub-commission also had as its objectives: developing proposals on improving the normative legal base for protection and enforcement of intellectual property rights; forming a positive environment for the development and protection of intellectual property; working out measures to stimulate application of high technologies to production, and ensuring of the exchange of the results of intellectual activity between the military and civil spheres.

1221. The Sub-commission was a permanent body executing the following functions: conducting complex analysis of situations existing in the field of intellectual property in the Russian Federation, working out recommendations on prevention and suppression of the offences in the said field; coordinating the activities of the Federal Executive Authorities, regional executive authorities, State and other entities in the field of counteraction of infringement through improvements in enforcement of intellectual property laws, legal protection and use of intellectual property; examining drafts of Federal laws and other legal acts within the field of competence of the Commission; setting priorities for activities in the field of legal protection and use of the intellectual property; examining and forwarding to the Commission on Economic Development and Integration, suggestions concerning elaboration and implementation measures aimed at resolving issues related to legal protection and use of the intellectual property, particularly suggestions concerning the creation of an economic stimulus system, such as the establishment of Special Economic Zones, to encourage creation of intellectual property, assuring that enterprises in the Russian Federation know the benefits of creating intellectual property and how to commercialise their intellectual property; examining and forwarding to the Government of the Russian Federation and the President of the Russian Federation, suggestions concerning increasing international cooperation of the Russian Federation in the field of counteraction of infringement through improvements in enforcement of intellectual property laws, its legal protection and use, as well as suggestions on participation of the Russian Federation in the appropriate international Agreements; assisting in the control of implementation of Decisions of the President of the Russian Federation and of the Government of the Russian Federation within the jurisdiction of the Sub-commission; determining the measures concerning regulation of the transfer abroad of the results of the intellectual property created at expense of the Federal budget; and, examining suggestions concerning regulation of the procedures of registration of results of the intellectual property created at expense of the Federal budget.

- Participation in international treaties

1222. The representative of the Russian Federation further noted that his country had been a Member of the World Intellectual Property Organization (WIPO) since 1970 and was a party to most international treaties on protection of intellectual property. He confirmed that the Russian Federation was a party to, *inter alia*, the Paris Convention for the Protection of Industrial Property (Stockholm Act of 14 July 1967) (the "Paris Convention"); the Berne Convention for the Protection of Literary and Artistic Works (the "Berne Convention"); the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (the "Rome Convention); the Madrid Agreement Concerning the International Registration of Marks (Stockholm Act); the

Patent Cooperation Treaty (PCT); and the Singapore Trademark Law Treaty (2006). The representative of the Russian Federation stated that the Russian Federation had acceded to the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) in February 2009, even though Article 1 of the WTO TRIPS Agreement did not require WTO Members to join these treaties. He further noted that when the Russian Federation became a party to the Berne Convention, it did so with a reservation on the application of Article 18 of the Convention. Further, when the Russian Federation became a party to the Rome Convention on 26 May 2003, it did so with the following reservations: non-application of the phonogram criteria (in accordance with paragraph 1(b) of Article 5 of the Convention); protection of broadcasting in accordance with paragraph 2 of Article 6 of the Convention; and non-application and limitation of protection under Article 12 of the Convention with regard to phonograms. A more complete list of treaties to which the Russian Federation was a party was provided in documents WT/ACC/RUS/29 of 13 November 1998, WT/ACC/RUS/29/Rev.1 and WT/ACC/RUS/41 of 26 October 2000, and WT/ACC/RUS/64 of 3 October 2011.

1223. He added that despite the fact that the Russian Federation was not a party to the Treaty on Intellectual Property in Respect of Integrated Circuits (IPIC), adopted in Washington on 26 May 1989, Chapter 74 of the Civil Code reflected the provisions of the IPIC Treaty. In his view, the Civil Code also included provisions necessary to comply with Section 6 of the WTO TRIPS Agreement.

1224. The representative of the Russian Federation confirmed that the Russian Federation would lift its reservation to the Berne Convention by the time of its accession to the WTO. The Working Party took note of this commitment.

1225. The representative of the Russian Federation stated that fees and charges for the patenting of inventions, utility models and industrial designs, the registration of trademarks, service marks, and designation of place of origin, the granting of rights to use designations of origin, and the official registration of computer programmes, databases, and layout designs of integrated circuits were collected in accordance with Council of Ministers/Government Regulation No. 793 of 12 August 1993, (as last amended on 26 January 2007). Legal entities and individuals of the Russian Federation and of countries that were party to international Agreements on mutual payments in rubles (RUB) with the Russian Federation, paid duties and fees in Russian ruble. Legal entities and individuals of other countries paid duties and registration fees in US dollars.

1226. Responding to the question of a Member of the Working Party, the representative of the Russian Federation informed Members of the Working Party that there were differences between fees applying to individuals permanently residing in the Russian Federation and Russian legal entities and fees applying to individuals permanently residing outside the Russian Federation and foreign legal entities. He confirmed that from the date of the accession of the Russian Federation to the WTO, the provisions of Article 3 of the WTO TRIPS Agreement would be implemented without recourse to a transition period and in full scope. Therefore, the above-mentioned difference in fees would be eliminated. The Working Party took note of this commitment.

2. Standards concerning availability, scope and use of intellectual property rights

- Copyright and Related Rights

1227. The representative of the Russian Federation said that copyright and related rights were protected under the provisions of chapters 69, 70 and 71 of the Civil Code. Chapter 70 "Copyright" was based on traditional principles and provisions, referring to such general terms of copyright as objects, subjects, their authorities and warrants, terms of validity of the rights of the author, etc.

The Chapter included provisions on software and databases that earlier, being the objects of copyright, were dealt with under the Law of the Russian Federation No. 3523-1 of 23 September 1992 "On the Protection of Computer Programs and Databases".

1228. He further informed Members of the Working Party that, in his view, the provisions of Chapter 70 were in compliance with the WCT. He noted that the Civil Code addressed several issues of particular concern to Members and right-holders, e.g., that making a copy of a recording of a computer program to PC-memory was considered as the use of the work; the possibility of application of technical means of protection of copyright; bringing to the public knowledge (making available) was considered to be an exclusive right, and considered trends in international legal regulation in this field. A number of provisions strengthened the protection of rights of authors and their heirs. The provisions of the Chapter determined and regulated personal non-property and property rights of authors and other right-holders, and also means of disposal of the above-mentioned rights in details. Furthermore, the provisions of the Chapter established different measures that could apply while litigation was ongoing (for example, prohibition of performance of particular activities, seizure of copies of a work, equipment and materials).

1229. Some Members expressed concerns regarding the provision in Article 1299, which also applied to Article 1309 relating to "Technical Protection Measures." In their view, these measures needed refinement to eliminate the possibility that commercial services would develop to assist individuals with circumvention; and to provide certainty and clarity to the consumer electronics, telecommunications, and computer industries that these provisions would not unnecessarily affect the products these industries sell. Members noted that paragraph 3 of Article 1299 referred to the remedies in paragraph 1301 and requested information on whether injunctive/preventive remedies were available to address violations of paragraph 2 of Article 1299.

1230. In response, the representative of the Russian Federation explained that the reference to Article 1301 in Article 1299 was necessary to provide a right to compensation to the author or other right-holder for violations of the provisions of paragraph 2 as engaging in the activities specified in paragraph 2 was not considered to be part of an exclusive right. With regard to the availability of injunctive/preventive measures, he referred Members of the Working Party to Article 12 of the Civil Code which stipulated ways of protecting civil rights, which include rights provided under Article 1299 that included the restoration of the situation which existed before the given right was violated, and the suppression of the actions that violate the right or create the threat of its violation, compensation of losses, as well as other methods stipulated in the Law.

1231. As regards the concerns of some Members of the Working Party that the provisions of Articles 1299/1309 of the Civil Code relating to technical protection measures and rights management information would not provide the level of protection that the WCT and WPPT required, the representative of the Russian Federation informed Members of the Working Party that Article 1299.1 of the Civil Code defined the term "technical means of protection of copyrights" as any technology, technical devices or their components controlling access to work, preventing, or limiting the conduct of activities, including reproduction, that were not permitted by the author or other right-holder with respect to the work. The actions that were prohibited with respect to works were listed in point 2 of the same Article. These actions included, in particular, those that were directed at eliminating the limitations on use of the work, which were established by application of technical means of protection of copyrights, and also the preparation, distribution, renting out, providing for temporary uncompensated use, import, advertising of any technical device or its components, and use of such "technical means of protection" for the purpose of obtaining a profit, or providing corresponding services, if as a result of such actions the use of the "technical means of protection" becomes impossible or these technical means cannot ensure proper protection of the aforesaid rights. Thus, "technical means" under Article 1299.1 of the Civil Code meant "any" technologies, and the

ban on "distribution" of those means in point 2 of same Article covered "any" cases of granting of access to the "technical means", including such access as a result of sale and purchase. The inclusion of the provisions on the technical protection measures into the Civil Code, in his view, quite corresponded with the general requirements of Article 11 of the WCT and Article 18 of the WPPT.

1232. He further explained that there were no exceptions from Article 1299.2 of the Civil Code and certainly it did not "cut into protection of the technology". In response to the concerns about the scope of Article 1299.2 (2), the representative of the Russian Federation confirmed that, as of the date of the accession of the Russian Federation to the WTO, the Russian Federation would ensure that this provision would be interpreted and applied in a reasonable manner in respect of technical means that were directed to circumvent technical protection measures based on criteria such as whether the device or service was promoted, advertised or marketed for the purpose of circumvention, whether the device or service had a purpose or use that was of limited commercial significance other than to circumvent technical means of protection, and whether the device or service was primarily designed, produced, adapted or performed for the purpose of permitting or facilitating circumvention of technical protection. The Working Party took note of this commitment.

1233. Members continued to have concerns regarding the provisions of the Civil Code on technical protection measures. The language in paragraph 3 of Article 1299, for example, would preclude a remedy against a commercial service that provided assistance and means to circumvent a technological protection measure. In these Members' view, violations of Article 1299 were separate from infringement of exclusive right in copyright or related rights and a right-holder needed to be able to seek a remedy against an individual or commercial service for circumvention of technical protection measures even if no copyright was infringed.

1234. The representative of the Russian Federation confirmed that the exception provided in paragraph 3 of Article 1299 had been eliminated and no other exception had been provided.

1235. Recalling the statements of the Russian Federation regarding limitations on exclusive rights in copyright and related rights, some Members questioned whether several of the specific limitations set-out in Chapters 70 and 71 exceeded those permitted under the WTO TRIPS Agreement and Berne Convention. In particular, Article 1273 created a general exception that allowed reproduction by "citizens exclusively for personal purposes of a work lawfully made public … without the consent of the author or other right-holder … and without compensation". Article 1306 features a similar provision making this and other "free use" copyright exceptions applicable in the context of related rights. While Article 1273 specified six categories of works that were not subject to this generalized exception, the exception was otherwise applicable to any work "lawfully made public," and therefore was not limited to certain special cases. Furthermore, these Articles would permit reproductions in ways that would conflict with the normal exploitation of works in a variety of contexts. These exceptions would also, in these Members' view, unreasonably prejudice the legitimate interests of the right-holder by precluding any compensation for these reproductions. These Members were also concerned about the meaning of the term "personal needs" as vague and overly broad.

1236. Responding to the concerns of these Members of the Working Party on the term "personal needs" in Article 1273 of the Civil Code, the representative of the Russian Federation informed Members of the Working Party that this term covered the use which was not connected with the extraction of profit.

1237. Members continued to express concerns regarding this limitation on exclusive rights in copyright and neighbouring rights. Actions such as posting a cinematographic work on the internet, without requiring payment to use the work, would cause considerable prejudice to the legitimate interests of the right-holder. Members requested further clarification of what was considered to be

used for "personal needs" and assurances regarding the availability of compensation for these reproductions.

1238. In response to Members' concerns and questions, the representative of the Russian Federation explained that Article 1273 covered reproduction of a work only by a natural person and not by any form of juridical person. There could be no distribution for payment. The work must have been made public lawfully prior to the reproduction. He confirmed that Article 1273 had been amended to clarify that any copy must be necessary and exclusively for the personal (private) use of the copier and that the necessity requirement would be applied in a manner that would not undermine this limitation. The copy or reproduction could not be used in connection with entrepreneurial or commercial activities or circulated beyond the immediate use of the individual making the copy. Finally, he confirmed that Article 1273 had been amended to refer to Article 1245 of the Civil Code as applicable in cases of free reproduction under Article 1273.

1239. Continuing his description of the Civil Code, the representative of the Russian Federation explained that Chapter 71 "Related rights" consisted of provisions dealing with the protection of the rights of performers, directors of plays, and conductors on the results of performances; the rights of producers of phonograms and video recordings; and also the rights of on-air and cable broadcasting organizations in their programmes. In his view, the provisions of the Civil Code relating to these three separate categories of exclusive rights was based on and fully complied with provisions of the Rome Convention and the WPPT (1996). In addition, for the first time Russian legislation prescribed protection of the exclusive right of a database producer in the contents of such databases. Although the provisions in the Civil Code in this field were based on international norms for the legal protection of databases, these rights were treated as a related right under the Civil Code.

1240. The representative of the Russian Federation also stressed that the Civil Code, for the first time in the Russian Federation, provided an exclusive right for a publisher under the category of related rights. The Civil Code provided a right to the person, who had first made public a work of literature, science or arts, which met the requirements provided in the Civil Code regarding objects of copyright, but which had not been published within the period of validity of copyright and thus was in the public domain. These provisions were based on the norms of the WTO TRIPS Agreement, Berne Convention, and Rome Convention. In his view, the provisions of the Russian legislation on copyright (including those relating to the protection of computer programs and databases) were in conformity with the provisions of the WCT, the WPPT, the Berne Convention (including Article 6*bis*), and the relevant provisions of the WTO Agreement on TRIPS.

1241. The representative of the Russian Federation informed Members of the Working Party that, in particular, the Russian legislation protected not only personal non-proprietary rights of authors, such as authorship rights, right to name, publication right, right to protect the reputation of the author, but also property rights of authors which could be inherited. In accordance with Article 1281 of the Civil Code, copyright protection was provided for a work from the date it was created. In general, copyrights were valid during the life of the author and for 70 years after his/her death. In certain cases stipulated by the law, the term of protection was calculated on the basis of other dates (for instance from the date of latest death of a co-author where a work had been created by joint authors). The related rights of performers were protected for 50 years from the date of first performance; in the case of phonograms producers, protection was provided for 50 years from the date of first publication or, should the phonogram not have been made public within 50 years of fixation, protection was provided for 50 years from fixation; rights of television and radio broadcasting organizations remained valid for 50 years from the date of first broadcast, and the rights of cable television organizations remained valid for 50 years from the date of first cable transmission.

1242. He added that Article 1256 of the Civil Code had introduced national treatment in respect of protection of copyright and retroactive protection of works. Previously, under Article 28 of the 1993 Law "On Copyright and Related Rights", works which had never been protected on the territory of the Russian Federation were considered as public domain and not subject to protection. Thus, all foreign works published before 23 May 1973 (the date at which the Russian Federation had joined the Universal Copyright Convention of September 1952) were not protected. However, with the adoption of Federal Law No. 72-FZ "On Amending the Law on Copyright and Related Rights" in 2004, this was remedied. In accordance with this law and after 1 January 2008, Article 1256.4 of the Civil Code, the Russian Federation provided protection to pre-existing foreign works in the territory of the Russian Federation, according to international treaties of the Russian Federation. Such protection was provided for works that had not fallen into the public domain in the country of origin due to the expiration of the term of protection established in that country, and that were not in the public domain in the Russian Federation in consequence of expiration of the term of protection established in Federal Law No. 72-FZ "On Amending the Law on Copyright and Related Rights". Right-holders in such works would be accorded all rights in the field of copyright and related rights as provided for in Article 1256. 4 of the Civil Code.

1243. Some Members of the Working Party expressed further concerns regarding the treatment of temporary copies in a number of Articles in the Civil Code (Articles 1270, 1317, 1324 and 1330). These articles did not adequately provide that temporary reproductions of works fall within the exclusive right of reproduction of the copyright owner. Article 9(1) of the Berne Convention provides that the exclusive right of reproduction extends to reproduction "in any manner or form." The "Agreed statements" on Article 1(4) of the WCT and Article 7 of the WPPT provide that the reproduction right "fully applies in the digital environment." In these Members' view, providing that temporary reproductions were within the reproduction right was an important aspect of copyright in the digital environment, as the ways in which copyrighted works were being exploited and enjoyed now more often than ever involve temporary reproductions.

1244. The representative of the Russian Federation responded that the term "reproduction" was not defined in the WTO TRIPS Agreement. Article 9.1 of the Berne Convention specified only that authors of products had the exclusive right to permit reproduction of their products by any way and in any form. Article 1270.2 sub-paragraph 1 of the Civil Code defined the reproduction of a product as manufacturing of one or more copy of the product or its part in any material form. In his view, it did not contradict Article 6 of the Berne Convention. He also noted that Article 9.1 of the Berne Convention established criteria on restrictions to the reproduction of works. These restrictions were literally repeated in paragraph 2 of Article 1229.5 of the Civil Code.

1245. He further explained that the concept of reproduction was specified in sub-item 1 of Article 1270.2 of the Civil Code in such a way that along with the record of a product in a computer memory, product recorded on any electronic carrier was also considered as a reproduction. At the same time, during the modern technology process, temporary copies of products could be created. In his view, this situation should be excluded from the list of the cases requiring receiving of the sanction from the right-holder. The same solution was made concerning the temporary copies arising during reproduction (Article 1275.2 of the Civil Code). He considered that it was just one of those "special cases" which were stipulated in Article 9.2 of the Berne Convention. Factually, in this case, one had not made a full scale reproduction of a protected product, but had taken only one of technologically necessary stages of such reproduction.

1246. Members continued to express concerns regarding the protection of temporary copies under the Civil Code. In their view, the Civil Code needed to clearly state that the reproduction right includes the "direct or indirect" preparation of "temporary or permanent" copies. If a limitation or

exception to this right was deemed necessary, it should be set-out as a limitation in specific articles of the Civil Code.

1247. In response, the Representative of the Russian Federation explained that sub-paragraph 1 of Article 1270.2 of the Civil Code reflected the directive of the European Union. He explained that the last clause of this sub-paragraph was a limited exception to the exclusive right to use a work as stipulated in the other provisions of Article 1270.2. Of key importance was the requirement that the temporary copy must be for the sole purpose of lawful use or lawfully making the work available to the public. The exception involved technological processes and not economic use of the work or copy. Thus, the temporary copy could not have independent economic value.

- **Trademarks**

1248. The representative of the Russian Federation noted that protection of trademarks and service marks was regulated by the provisions of Chapters 69 and 76 of the Civil Code. Chapter 76 "Rights to means of individualization of legal entities, goods, works, services, enterprises and information resources" included provisions concerning rights to a firm name, to a trademark and service mark, to a designation of the place of origin of goods, and to a commercial designation. In contrast to results of intellectual activity, means of individualization were assigned only for use in commercial circulation and were protected only in order to defend rights of entrepreneurs.

1249. He further noted that the rules of this Chapter stipulated that the grounds for exclusive rights for the firm name appeared with State Registration of the legal entity which owned that firm name. Direct prohibition on disposal of the exclusive right to a firm name including by means of its alienation or the granting of the right on disposal to another person on a basis of licence contract (Article 1474) represented an important change in the legal treatment of firm names. Chapter 76 also contained provisions concerning commercial designations, which in contrast to a firm name, individualizing a legal entity, individualized a manufacturing enterprise (shop, restaurant, factory etc.). In accordance with the Civil Code norms, a commercial designation might be used not only by commercial organizations, but also by non-commercial organizations, carrying out commercial activity as well as by individual entrepreneurs. Commercial designations were not required to be registered and were not subject to mandatory inclusion into the uniform State register of legal entities. Chapter 76 set-out general provisions on the scope of the exclusive right to a commercial designation and limitations for disposal of that right. The right to use a commercial designation could be granted to another person only with the enterprise which used it as an individualization (Article 1539). In his view, the provisions of Chapters 69 and 76 of the Civil Code conformed to the provisions of the Paris Convention and the relevant provisions of the WTO Agreement on TRIPS, including those which governed protection of well-known marks with respect to non-homogeneous goods.

1250. The representative of the Russian Federation explained that according to Article 1477.1 of the Civil Code, trademarks were intended to distinguish the goods of one producer from the goods of another producer by the following words: "indication serving the individualization of goods of legal persons or individual entrepreneurs". The concept of "likelihood of confusion" was reflected in Article 1483.6 of the Civil Code by means of prohibition of registration of trademarks" that were the same as, or similar to the point of confusion" with trademarks and other indications owned by other persons. The rights granted to the holder of exclusive rights to trademarks, were listed in detail in Article 1484.2 of the Civil Code. Article 1484.3 of the Civil Code prohibited use, without the permission of the right-holder, of indications that were similar to the trademark of the right-holder with respect to the goods for which the trademark was registered or goods of the same type, if as the result of such use a likelihood of confusion would arise. According to Article 1248.1 of the Civil Code, disputes connected with the protection of infringed or contested intellectual rights, including rights to trademarks (see also Article 1226 of the Civil Code), were to be considered and

decided by a court. Dispute settlement procedures including provisions on the right of interested parties to provide their evidence on the issues in dispute were set-out in the procedural legislation of the legal system of the Russian Federation. The period for termination of protection based on non-use of the trademark (Article 1486.1 of the Civil Code) was in line with Article 19.1 of the WTO TRIPS Agreement.

1251. The representative of the Russian Federation also stated that the system of means of individualization prescribed by the Civil Code was to permit the individualization of different subjects and objects of economic turnover. The principle of "seniority" was stipulated by Article 1252.6 of the Civil Code and sufficiently secured interests of right-holder in respect of an earlier registered trademark. Moreover, Articles 1476 and 1541 of the Civil Code stipulated parity of rights to different means of individualization (commercial designation, firm name, trademark). It also provided precise provisions on the competences and interests of the respective right-holders.

1252. Some Members expressed concern regarding the provisions of the Civil Code granting parity of rights as between trademarks and domain names. They noted that these names were not recognised as intellectual property in the WTO TRIPS Agreement, or under other intellectual property Agreements. In these Members' view, the existence of a domain name that was not also a trademark could not provide a basis for denying recognition and protection of a trademark or service mark. Other Members expressed similar concerns that commercial designations and firm names do not provide a basis for denying recognition of a trademark or service mark.

1253. In response to these concerns, the representative of the Russian Federation confirmed that Article 1483.9 (3) of the Civil Code had been amended to exclude domain names. Thus a domain name, the rights to which arose before the priority date of a trademark or service mark application would not serve as a ground for refusal to register the trademark or service mark. The Working Party took note of this commitment.

1254. In response to some Members' concerns regarding firm names and commercial designations the rights to which arose in the Russian Federation before the priority date of the trade mark application, the representative of the Russian Federation explained that such firm names or commercial designations could be the ground for refusal to register a trade mark only with respect to goods of the same type and if the indication was the same as or similar to the point of confusion with the firm name or commercial designation. Thus, simple registration of a firm name or commercial designation would not be sufficient; likelihood of confusion would be necessary.

1255. In respect of well-known trademarks, the representative of the Russian Federation explained that Chapter 76 of the Civil Code included a definition of a well-known trademark, and provided for protection of well-known trademarks. The Civil Code did not require the registration of well-known trademarks. Any trademark claiming to be well-known would be recognised as such by a competent authority, i.e., Rospatent. In his view, this procedure for granting protection was fully consistent with Article 6*bis* of the Paris Convention. The provisions of criminal and civil legislation applicable to "ordinary" trademarks were also applicable to well-known trademarks. Among the remedies available against infringers were recognition of the right, prevention of infringement, compensation of losses, statutory compensation, and criminal and administrative liability.

1256. Some Members of the Working Party continued to have concerns regarding the requirement for well-known marks to apply for and be recognised by Rospatent as well known marks. Article 1508 of the Civil Code requires that in order to receive well-known mark protection, application must be made in a separate action before the Chamber of Patent Disputes of Rospatent, with the desired result being that the mark was then recognised and entered upon a list as being well known. They cited instances where marks recognised as well-known in many WTO Members, and

which enjoyed a wide reputation in the relevant sector of the public in the Russian Federation, had been denied such recognition in the Russian Federation. In certain instances, an affirmative decision by the Chamber of Patent Disputes had been overturned, *sua sponte*, by the Director of Rospatent.

1257. The representative of the Russian Federation responded that contesting the registration or termination of a legal protection of trademark before the Chamber of Patent Disputes of Rospatent was a kind of preliminary consideration of disputes. It did not prevent interested parties from appealing the decision of Rospatent on the status of the mark to a court (Article 1248.2 of the Civil Code). In addition, Article 1248.1 provided for judicial consideration of disputes connected with the protection of infringed or contested intellectual property rights and cited paragraph 1 of Article 11 of the Civil Code. Moreover, there was a judicial practice in cases that provided protection to well-known trademarks of foreign right-holders against use by Russian infringers (for example, the decision of the Arbitrage Court of Moscow region on the case No. KA-A40/658-99 as of 17 March 1999).

1258. In accordance with the Russian legislation, an indication (sign) that was used as a trademark or registered trademark could be considered a well-known mark on the basis of decision of the Federal body responsible for intellectual property issues that was also a basis for including of the well-known trademark on the List of Well-Known Trademarks in the Russian Federation (hereafter: the List).

1259. The representative of the Russian Federation explained that, in his view, including a well-known trademark on the List was not similar to registration of trademark in the State Register of Trademarks and Service Marks of the Russian Federation (hereafter: the State Register). To register a trademark in the State Register one should have made an examination on its compliance with requirements stipulated by the Article 1483 of the Civil Code regarding trademarks. There was no need for such examination to consider the indication (sign) or registered trademark as a well-known trademark. A sign or registered trademark could be considered well-known in the Russian Federation if this sign or registered trademark, as the result of intensive use had become widely known in the Russian Federation among the corresponding consumers with respect to goods of this applicant on the certain date. The representative of the Russian Federation noted that Article 1484 of the Civil Code stated that the term "use" in respect of trademarks covered placement of the trademark on goods, including on labels and packaging of goods, that were produced, proposed for sale, sold, displayed at exhibits and fairs, or otherwise introduced into civil commerce on the territory of the Russian Federation, or were kept or transported for this purpose, or were imported on the territory of the Russian Federation. Use was also in the performance of work or rendering of services; exploitation of the mark in documentation connected with the introduction of goods into civil commerce, in proposals for the sale of goods, for performance of work, and for rendering of services, and also in announcements, on signs, and in advertising. Use could also be on the Internet, including in a domain name and for other means of addressing. The term "use" in Article 1508 of the Civil Code had the same meaning and, in his view, this definition covered the concept of promotion in the sense of Article 16 of the WTO TRIPS Agreement. The competent authority considered whether a mark had been used intensively taking into account, *inter alia*, advertising budget (proved by annual financial reports), degree of familiarity of the mark to customers, and the information on countries where the mark was well-known.

1260. The representative of the Russian Federation confirmed that the Civil Code did not contain any norms that fixed the links between granting legal protection to a trademark, which was considered well-known, and its inclusion on the List. Thus, if the owner of such a trademark sued for infringement of his mark, the Court would decide if the rights of the owner of the trademark were infringed independently of the fact of inclusion of this trademark on the List. The decision of the

Court, however, would be limited in its effect to the specific case. The Working Party took note of this commitment.

- **Geographical Indications**

1261. The representative of the Russian Federation stated that prior to 1992, designations of the place of origin of goods in the Russian Federation were protected by considering the use of false or misleading designations of the place of origin of goods as a form of unfair competition or a violation of consumer rights (this was enforced by antitrust (antimonopoly) agencies or courts respectively). Since 1992, designations of the place of origin of goods were accorded special protection under Law of the Russian Federation No. 3520-1 of 23 September 1992 "On Trademarks, Service Marks and Appellations of Origin". He further clarified that the term "designations of the place of origin of goods", although translated in different ways, would have the exact same meaning as the term "geographical indications" as defined under the WTO TRIPS Agreement once the Russian Federation amended Article 1516 of the Civil Code. From 1 January 2008 the protection of designations of the place of origin of goods was provided for under Section 3 of the Chapter 76 of the Civil Code, which prohibited registration of trademarks containing indications (signs) of the place of production of goods as well as trademarks containing false indications or indications which might mislead the customer as to the identity of the producer of goods. Protection of designations of the place of origin of goods was provided for all kinds of goods, such as food and manufactured goods, including handicrafts, alike.

1262. He further explained that the rules on legal protection of designations of the place of origin of goods were transmitted substantially to the Civil Code from Law of the Russian Federation No. 3520-1 of 23 September 1992 "On Trademarks, Service marks and Appellations of origins of goods" which thoroughly regulated these objects. The changes affected basically the wording and placement of certain articles in order to make the provisions on trademarks and designations of the place of origin of goods consistent with common provisions on protection of intellectual property rights. At the same time, the application of the reciprocity principle with respect to registration of designations of the place of origin of goods had been removed from the Civil Code and the possibility to appeal the grant of protection for designations of the place of origin of goods when the use of designations of the place of origin of goods could mislead the consumer regarding the good or its producer because of the existence of a trademark which was protected prior to the protection of the designations of the place of origin of goods (in accordance with Article 16 of the WTO TRIPS Agreement) was provided.

1263. Some Members of the Working Party noted that signs containing geographical elements could be distinctive and thus capable of distinguishing the goods and services of one undertaking from those of another undertaking. Such signs must be eligible for registration as a trademark. These Members expressed concern that the Civil Code did not adequately protect rights in trademarks with respect to registration of geographical indications that could be confusingly similar to the registered mark.

1264. The representative of the Russian Federation stated that the provisions ensuring the protection of designations of the place of origin of goods in the Russian Federation, in his view, complied with the Paris Convention and the relevant provisions of the WTO TRIPS Agreement. In Article 1252.6 of the Civil Code, which established the principle of "seniority" for a few identical or similar to the point of confusion means of individualizations, designations of the place of origin of goods were not mentioned. The representative of the Russian Federation further stated that the conditions of registration of designations of the place of origin of goods depended, in general, only on the fact that the goods produced in a particular locality had special characteristics and on the location of the producer of these goods in this locality (Article 1516.1 of the Civil Code). The provisions of the Civil Code would permit the holder of an earlier-in-time mark to object to the registration of a

designation of the place of origin of goods, or request its removal from the register. Furthermore, registration would not be granted to a designation of the place of origin of goods, *inter alia*, where, in light of the reputation and renown of a trademark and the length of time it had been used, registration of the designation of the place of origin of goods was liable to mislead the consumer as to the true identity of the product and therefore to create a likelihood of confusion with an earlier-in-time trademark. He noted that a WTO dispute settlement panel found that a similar approach did not contradict provisions of Part III of the WTO TRIPS Agreement (see WT/DS174/R).

1265. Some Members of the Working Party expressed concerns considering that Article 1516 of the Civil Code limited the definition of designations of the place of origin of goods so that it did not comply with Article 22 of the WTO TRIPS Agreement.

1266. In response, the representative of the Russian Federation informed Members of the Working Party according to Article 1516.1 of the Civil Code that "traditional" designations may be granted protection in cases where they contain "a modern or historical, official or unofficial, full or abbreviated designation" of a country, city or rural settlement, locality, or other geographic locale and also a designation derived from such an indication and having become known as the result of its use with respect to goods the special characteristics of which were exclusively or mainly determined by the natural conditions and/or human factors characteristic for the given geographic locale. At the same time neither the WTO TRIPS Agreement, nor the Lisbon Agreement stipulated directly unconditional protection of any "traditional" designation. The definition of designation of the place of origin of goods to which legal protection was granted (Article 1516.1 of the Civil Code) included the condition that the designation was to be known as the result of its use. Thus if "known" was understood as an abstract characteristic, as the result of its particular characteristics, the respective designation certainly would be granted legal protection. Article 1516.1 of the Civil Code also provided for the protection of "traditional indications" within the institute of "designation of the place of origin of goods" at any rate if "historical designation" of the respective place of origin was understood within the meaning of "traditional indication". He further noted that requiring a Member to protect all "indirect indications" as a "designation of the place of origin of goods" in his view did not follow directly from the substance of Article 22.1 of the WTO TRIPS Agreement.

1267. In spite of the fact that the representative of the Russian Federation had clarified that the Russian Federation defines the term "designation of place of origin" consistently with Article 22 of the WTO TRIPS Agreement, some Members expressed concerns regarding the compatibility of the provisions of Article 1516 of the Civil Code with Article 22.1 of the WTO TRIPS Agreement. According to Article 22.1, an indication did not necessarily have to be a geographical place to be protected as a geographical indication. A geographical indication was any kind of designation which points to a given country, region or locality and which possesses a specific quality, reputation or other characteristics which were essentially due to a particular geographical environment, but not necessarily the name of a geographical place: it may be a geographical name or an indication that was not a geographical name as long as the indication evokes an association with the place of origin. In these Members view, this concept was wider than the concept of appellation of origin as set-out in the Lisbon Agreement which refers to the fact that the appellation must be a geographical name of a country, region or locality.

1268. The representative of the Russian Federation responded that Article 1516.1 stipulated the connection between the goods and the designation of the place of origin of goods through the indication of "special characteristics" of the goods, which were "exclusively or mainly determined by the natural conditions and/or human factors characteristic for the given geographic locale". He explained that this definition not only was not in contradiction with Article 22.1 of the WTO TRIPS Agreement, but also covered "given quality", "reputation" or other "characteristic"

stipulated by this Article, noting that in Russian legal practice, the term "characteristic" had quite a wide scope.

1269. Recognizing the concerns of Members of the Working Party in respect of the scope of protection of geographical indications in the Russian Federation, the representative of the Russian Federation confirmed that Article 1516 of the Civil Code had been amended to include the definition of geographical indications as set-out in Article 22 of the WTO TRIPS Agreement to state that the term "designation of place of origin" would also cover the indications which identify a good as originating in the territory, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good was essentially attributable to its geographical origin without necessarily including the name of a geographical place.

1270. Some Members expressed concern regarding the provisions of the Civil Code on obtaining registration of a foreign indication of place of origin and requested clarification of procedures that would apply in the case of a Member that provided protection for geographical indications through means other than registration, e.g., through forms of trademarks, unfair competition laws, and other means.

1271. In response, the representative of the Russian Federation explained that Article 1517.2 of the Civil Code does not require that protection for a designation of the place of origin of goods be provided through registration in the country of origin of the geographical indication. He noted that some Members had implemented the TRIPS section on geographical indications through legislation on unfair competition, on the protection of certification marks, implementation of norms of common law, and other means. To confirm protection in the country of origin, an applicant for protection in the Russian Federation could submit registration certificates, a court decision or other evidence establishing that the indication was protected in its country of origin. The Ministry of Education and Science had issued Order No. 328 of 29 October 2008 which established procedures for a right-holder to submit such documents. The Working Party took note of this commitment.

- Industrial Designs and Patents

1272. The representative of the Russian Federation stated that industrial designs and patents were protected by the provisions of Chapters 69 and 72 of the Civil Code. Chapter 72 "Patent Right" related to the legal protection of inventions, useful models and industrial design. It covered the traditional patent law provisions, reflecting the substance of the Patent Law of the Russian Federation No. 3517-1 of 23 September 1992, including administrative norms required for regulation of creation, existence, and civil turnover of patent rights, and which establish the procedure for State Registration of objects of patent rights and issue of patents. The issue of the content of the exclusive right in an invention, useful model or industrial design and means of use of this right was highlighted in this chapter. For the first time, the right to a patent was determined as separate alienable right of the author of the invention, useful model or industrial design (Article 1357).

1273. Under the provisions of the Civil Code, a patent might not be obtained in relation to the following: plant varieties, animal breeds, and layout designs of integrated microcircuits that were not new, or did not involve an inventive step, or were not capable of industrial application, and inventions violating social interests or humanitarian and moral principles. In his view, this provision corresponded to Article 27.3 of the WTO TRIPS Agreement. Under Article 1363 of the Civil Code, the validity term of patents for inventions was 20 years; for utility models was ten years; for industrial designs was 15 years, starting from the date when the application was submitted. This term corresponded to the relevant provisions of Article 33 of the WTO TRIPS Agreement. Article 1363.2 of the Civil Code provided for the possibility of extending the term of protection for pharmaceutical products (medicines), pesticides and agricultural chemicals, if their use required consent of an

authorised State body. In such cases, the general 20 year term could be extended for up to five years. The Civil Code established civil liability for illegal use of patents, inventions and industrial designs. In his view, these provisions were in conformity with the Paris Convention and the relevant provisions of the WTO TRIPS Agreement.

1274. Some Members of the Working Party expressed concerns about compliance of Articles 1239, 1360 and 1362 of the Civil Code on compulsory licensing with the requirements of Articles 13 and 31 of the WTO TRIPS Agreement. Responding to those concerns, the representative of the Russian Federation informed Members of the Working Party that the requirement prohibiting assignment of a compulsory licence, if there were dependent inventions stipulated by sub-item "I (iii)" of Article 31 of the WTO TRIPS Agreement was contained in paragraph 1 of Article 1362.2 of the Civil Code. He further explained that Article 1362.2 provided that the right to use the invention granted on the basis of the compulsory licence, might not be transferred to other persons except in case of alienation of the second patent. In his view, this provision was in conformity with the requirement of Article 31(e) of the WTO TRIPS Agreement which said that such use was non-assignable, except with that part of the enterprise or goodwill which enjoyed such use. In his view, the second patent was a part of a goodwill which enjoyed use of the invention received on the basis of compulsory licence. According to paragraph 3 of Article 1362.2, the holder of a patent for an invention or utility model that was the subject of a compulsory licence must also receive a cross-licence for the use of a patented invention which was dependent on the patented invention that was subject to the compulsory licence. In his view, this provision corresponded with the requirement of the Article 31(l)(ii) of the WTO TRIPS Agreement which said that the owner of the first patent was to be entitled to a cross-licence on reasonable terms to use the invention claimed in the second patent.

1275. With respect to the requirements set-out in Article 31(c) of the WTO TRIPS Agreement, the representative of the Russian Federation agreed that they were not reflected in Article 1362 of the Civil Code and confirmed that the Civil Code had been amended to comply with this obligation.

1276. Some Members of the Working Party raised questions about compliance of Article 1349 of the Civil Code on exclusions from patentability with the provisions in paragraphs 2 and 3 of Article 27 of the WTO TRIPS Agreement. In response the representative of the Russian Federation informed Members of the Working Party that the term "societal interests", which was used in the Article 1349 of the Civil Code, in his view did not contradict Article 27.2 of the WTO TRIPS Agreement. Article 27.2 of the WTO TRIPS Agreement, referred to the "protection of morality, protection of human, animal or plant life or health, environment" in addition to "public order" and the same purposes were covered by the term "societal interests" in Russian legislation.

1277. The representative of the Russian Federation confirmed that Article 1349 of the Civil Code would be interpreted and applied in compliance with Article 27.2 and 27.3 of the WTO TRIPS Agreement. The Working Party took note of this commitment.

1278. Some Members of the Working Party expressed concerns about the compliance of sub-paragraph 4 of Article 1359.1 of the Civil Code with Article 30 of the WTO TRIPS Agreement. In particular, these Members considered that this provision permitted use of any invention, utility model, or industrial design under conditions that in some cases could exactly correspond to the intended use of the invention, design or model. In these Members' view, this exception could exceed what was permitted under Article 30 of the WTO TRIPS Agreement. In responding to these concerns, the representative of the Russian Federation stated that under this exception, use of an invention, utility model, or industrial design without right-holders' consent for the satisfaction of personal, family, home or other needs which were not connected with entrepreneurial activity did not constitute an infringement, if the purpose of such use was not the receipt of profit or income. In his view, this exception was covered by the general provision of Article 30 of the

WTO TRIPS Agreement, which permitted limited exceptions from patent rights, which "do not unreasonably conflict with a normal exploitation of the patent and, do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties". Moreover, a patent owner who considers that his rights were unreasonably prejudiced as a result of use permitted by sub-point 4 of Article 1359 of the Civil Code, might seek a remedy from the court for infringement of his rights.

- **Plant Variety and Animal Breed Protection**

1279. The representative of the Russian Federation explained that plant varieties and animal breeds were protected in accordance with the Chapter 73 of the Civil Code, which related to objects, protection of which had been introduced by the Law of the Russian Federation No. 5605-1 of 6 August 1993 "On Selection Achievements". For the most part, this chapter repeated the provisions of this Law. However, they were modified to take into account the requirements for their codification. These norms were brought into conformity with general principles of the protection of intellectual rights in the Civil Code, while addressing specific issues related to the particularities of biological objects, which were the subject of protection of selection achievements. In his view, these provisions were in conformity with international legal instruments, such as the UPOV Convention and the WTO TRIPS Agreement.

1280. One Member of the Working Party asked the representative of the Russian Federation to confirm that plant variety protection would be accorded to natural persons and legal entities of all WTO Members from the date of the accession. The representative of the Russian Federation confirmed it.

- **Layout Designs of Integrated Circuits**

1281. The representative of the Russian Federation said that layout designs of integrated circuits were protected in accordance with the Chapter 74 of the Civil Code. Protection for layout designs of integrated circuits was originally provided under the Law of the Russian Federation of 23 September 1993 No. 3527-1 "On lawful protection of integrated circuit layouts". In his view, the provisions of Chapter 74 were in conformity with the provisions of the Treaty on Intellectual Property in Respect of Integrated Circuits (Washington Treaty) and the relevant provisions of the WTO TRIPS Agreement.

- **Requirements on undisclosed information, including trade secrets and test data**

1282. The representative of the Russian Federation said that the legislation of the Russian Federation contained a number of normative legal acts which regulated and determined the mechanisms for ensuring protection of undisclosed information, namely the Civil Code of the Russian Federation, Federal Law No. 24-FZ of 20 February 1995 "On Information, Providing and Protecting Information" (as amended by Federal Law No. 15-FZ of 10 January 2003), Federal Law No. 98-FZ of 29 July 2004 "On Commercial Secrets" (as last amended on 24 July 2007), as well as a number of regulations, in particular the President Decree No. 188 of 6 March 1997 (as last amended on 23 September 2005) "On Approving a List of Confidential Data".

1283. These measures prohibited disclosure of undisclosed information and/or its use without the consent of the owner. They granted the owners and other eligible persons protection of their rights, *inter alia*, by prohibiting actions, which could infringe or threaten an infringement of their rights. These measures also provided protection for undisclosed information that was legally required to be submitted to Government bodies or organizations authorised by the Government to receive and deal with such information.

1284. According to Federal Law No. 24-FZ of 20 February 1995 "On Information, Providing Information and Protection of Information", confidential information was understood as documentary information, the access to which was limited in accordance with Russian legislation. Presidential Decree No. 188 of 6 March 1997 established the list of data of a confidential character. This list included: (i) secrets of private (individuals) lives (information on the facts, events and circumstances of the life of a citizen allowing the identification of his/her personal identity (personal data), except for the information subject to dissemination in the mass media in cases envisaged by Federal laws; (ii) information related to professional activity with limited availability according to the Constitution of the Russian Federation and Federal laws (medical, notarial, legally privileged information, secrecy of correspondence, telephone conversations, mail, telegraph and other messages, etc.); (iii) State secrets; (iv) commercial secrets; and (v) information on the contents of inventions, utility models and industrial designs prior to the official publication of information about them. The protection of such information was guaranteed by the application of the civil, labour (employment), administrative and criminal legislation.

1285. The representative of the Russian Federation explained that Article 139 of the Civil Code established legal protection for undisclosed information, which constituted official or commercial secrets, including information related to products yet to be patented. According to Article 139 of the Civil Code, the information constituted an official or commercial secret when such information had real or potential commercial value because it was secret, i.e., was not known to third persons, when there was no free access to it, and its holder had taken steps to protect its confidentiality. Russian legislation provided instruments for protection of the legal rights of the right-holder, including the right to put an end to activities violating his/her rights or threatening to violate them.

1286. Persons who obtained information containing official or commercial secrets by illegal means were obliged to compensate for any damages caused. Employees having disclosed an official, commercial or other secret in violation of their labour contract, contract, or law, and contractors having disclosed an official, commercial or other secret in violation of their civil contract were also liable under Articles 57 and 243 of the Labour Code of the Russian Federation. Different kinds of liability (administrative, criminal, etc.) could be applied to officials having disclosed an official or commercial secret, including officials who had used undisclosed information related to clinical tests of medicinal products without the consent of the right-holder (see the Section on "Enforcement" below).

1287. The representative of the Russian Federation explained that Federal Law No. 98-FZ of 29 July 2004 "On Commercial Secrets" (as last amended on 24 July 2007) further regulated the protection of commercial secrets, designation of information as commercial secrets, transfer of such information, and protection of its confidentiality. This Law also defined the data that could not be considered a commercial secret (for example, data consisting of the constituent documents of a legal entity). The Law applied to information that contained a commercial secret independently of the type of media on which it was stated. Scientific, technical, technological, industrial, financial, economic and any other type of information (including know-how) that had real or potential commercial value because it was secret, i.e., it was not known to third persons, legal access was not freely available, and the holder took steps to maintain its confidentiality, would qualify as a commercial secret.

1288. Federal Law No. 98-FZ also provided the owner of the information with the right and possibility to prevent third persons from obtaining, disclosing, or using confidential information without his/her permission by: (i) limiting or prohibiting access to the information containing a commercial secret and defining the procedure and conditions of access to this information; (ii) requiring natural persons and legal entities who had gained legal access to commercial secrets, and State and local authorities to which the commercial secret had been given, to observe the obligation of confidentiality of the information; and (iii) protecting his/her rights in case of disclosure, illegal

receipt or illegal use of the information containing a commercial secret by third persons, including the demand of compensation of damages caused by violation of rights. If necessary, the owner of a commercial secret had the right to apply means and methods of technical protection of confidentiality of information, and other means that were in compliance with Russian legislation.

1289. In addition, Federal Law No. 98-FZ contained provisions protecting confidentiality of information within the framework of labour and civil relations and when such information was provided to State bodies and organizations authorised by State bodies. Article 13 of the Law required State and municipal authorities to create conditions guaranteeing protection of confidentiality of information provided to them by juridical persons and individual entrepreneurs. State and municipal officials could not disclose, or transfer such information to third persons or other State and municipal authorities, except for cases provided by the Law, or take personal advantage of or use, for personal purposes, information containing a commercial secret that had become known to them in the course of their duties, without permission of the owner. In case of violation of confidentiality of information, State and municipal officials were subject to disciplinary actions, as well as civil, administrative, and criminal liability in accordance with Russian legislation. Moreover, the acquisition, use, or disclosure of scientific, technical, production, or commercial information, including commercial secrets, without the consent of the owner were not permitted pursuant to Article 10 of Law No. 948-1 of 22 March 1991 "On Competition and Restriction of Monopoly Activity on Commodity Markets".

1290. The representative of the Russian Federation also explained that Chapter 75 of the Civil Code "Rights to Secrets of Production (know-how)," provided detailed provisions on the legal regulation of this category of objects of intellectual rights. The provisions of Chapter 75 set-out the definition of "know-how", the content of exclusive rights in it, essential features of contracts on alienation of rights to "know-how" and respective licensing contracts (Articles 1468-1469), and also relationship of employee and employer related to creation of "know-how". He noted that the scope and definition of know-how in the Civil Code was the same as that set-out in paragraphs 1285 through 1287 above.

1291. The provisions of the above-mentioned laws prohibited the use of undisclosed information (commercial secrets or know-how) without the consent of the right-holder. All of these provisions (including the prohibition of disclosure and use of confidential (undisclosed) information without the permission of the owner) were applicable to the protection of confidential (undisclosed) information related to pharmaceutical and agrochemical products utilizing new chemical substances. These prohibitions on use made it illegal for an applicant to get marketing approval or registration of a medicine/pharmaceutical or agricultural chemical through reliance on undisclosed test or other data of another person without the permission of that person. It was also illegal for a Government official to rely on undisclosed information without the permission of the right-holder in the examination and approval process. Illegal disclosure and use (including unfair commercial use and reliance) by officials of such information would entail civil, administrative, and criminal penalties.

1292. Some Members of the Working Party expressed their concerns that cited legislation did not require the health authorities to provide a period of at least six years of protection against unfair commercial use starting from the date of approval of the application and that during this period no person other than the person who submitted such data could, without the explicit consent of the person who submitted the data, rely on such data in support of an application for product approval. They requested the Russian Federation to bring its legislation in conformity with Article 39.3 of the WTO TRIPS Agreement and to take a commitment reflecting these requirements. These Members also sought confirmation that applicants that sought to register "reproduced medicines" in the Russian Federation were required to submit pre-clinical and clinical test results and other data that were required for registration of "original" medicines and could not rely on others' data without permission for the six-year period of protection against unfair commercial use.

1293. Some Members of the Working Party also expressed concerns about the transparency of the process for registration of medicines and requested that the Russian Federation establish procedures so that an entity submitting undisclosed test data to obtain registration of a medicine in the Russian Federation would be informed if another application was filed seeking registration of a medicine with a similar active ingredient. These Members sought assurances that those entities that had a registration or pending application for a medicine with the same or similar active ingredient had an opportunity to provide information to the officials of the Russian Federation on whether other applicants had permission to use the undisclosed data of the first applicant, and to bring to the attention of the officials of the Russian Federation issues regarding the development and submission by a subsequent applicant of its own test data and other information. Members also requested information on whether the officials of the Russian Federation would deny registration of medicines if the applicant did not provide its own data and other information and on the status of medicines that were improperly registered. In particular, on whether medicines that were registered based on applications that did not include the own test data of the applicant and other information would be removed from the market until such legal requirements were satisfied.

1294. In response to questions of some Members on prevention of unfair commercial use of undisclosed information provided for State Registration of agrochemicals, the representative of the Russian Federation confirmed that this information was protected against disclosure and unfair commercial use in accordance with the Law "On Commercial Secrets", Civil Code, Criminal Code, and Code on Administrative Offences. Moreover, the Law "On Safe Handling with Pesticides and Agrochemicals" provided for the same registration procedures for each applicant, there were no abbreviated or reductive procedures for registration and there was no difference in the list of documents which each applicant was required to provide or in other registration requirements. Federal Law No. 109-FZ of 19 July 1997 "On Safe Handling with Pesticides and Agrochemicals" (Articles 9 and 11) required a test to be conducted prior to the registration of each agrochemical. The organization authorised by the Federal authority responsible for registration conducted this test. To obtain registration, the applicant had no right to rely on data and other information other than results of this test. He confirmed that with regard to agricultural chemicals, the legislation of the Russian Federation does not permit the unauthorised reliance on undisclosed data developed or submitted by another to obtain product approval/registration. The Working Party took note of this commitment.

1295. The representative of the Russian Federation confirmed that the Russian Federation had enacted legislation and would adopt regulations on the protection of undisclosed information and test data, in compliance with Article 39.3 of the WTO TRIPS Agreement, providing that undisclosed information submitted to obtain marketing approval, i.e., registration of pharmaceutical products, would provide for a period of at least six years of protection against unfair commercial use starting from the date of grant of marketing approval in the Russian Federation. During this period of protection against unfair commercial use, no person or entity (public or private), other than the person or entity who submitted such undisclosed data, could without the explicit consent of the person or entity who submitted such undisclosed data rely, directly or indirectly, on such data in support of an application for product approval/registration. Notice of subsequent applications for registration would be provided in accord with established procedures. During the six year period, any subsequent application for marketing approval or registration would not be granted, unless the subsequent applicant submitted his own data (or data used with the authorization of the right-holder) meeting the same requirements as the first applicant, and products registered without submission of such data would be removed from the market until requirements were met. Further, he confirmed that the Russian Federation would protect such data against any disclosure, except where necessary to protect the public or unless steps were taken to ensure that the data were protected against unfair commercial use. The Working Party took note of these commitments.

1296. In response to Members' concerns about registration of "reproduced medicines", the representative of the Russian Federation explained that under Federal Law No. 61-FZ "On the Circulation of Medicines", the six-year prohibition on the receipt, disclosure, and use for commercial purposes and for applications for State Registration of medicines of information on the results of preclinical studies of a drug and clinical studies of a medicine set-out in Article 18 of that law also applied to reproduced medicines, including in expedited or abbreviated registration procedures. Further, during the six-year period, applicants to register reproduced medicines were required to submit the same information on the results of clinical studies that was required of the first registrant as well as information establishing bioequivalence and effectiveness.

- Responsible Authorities

1297. The representative of the Russian Federation explained that several governmental bodies were responsible for the regulation and enforcement of intellectual property rights in the Russian Federation, namely:

- The Ministry of Education and Science of the Russian Federation and the subordinate Federal Service for Intellectual Property, Patents and Trademarks (Rospatent);
- The Ministry of Culture of the Russian Federation and the subordinate Federal Service for Supervision of the observance of the legislation on Protection of Cultural Heritage;
- Ministry of Communication and Mass Communications of the Russian Federation and the subordinate Federal Service on Supervision in the Field of Communications, Information Technologies and Mass Communications;
- The Federal Customs Service;
- The Ministry of Industry and Trade of the Russian Federation;
- The Ministry of Health and Social Development of the Russian Federation and the subordinate Federal Service for Supervision of Protection of Consumers' Rights and Human Welfare and Federal Service for Supervision in the Sphere of Public Health and Social Development;
- The Ministry of Internal Affairs of the Russian Federation;
- The Ministry of Justice of the Russian Federation;
- The Office of the Public Prosecutor; and
- The Federal Antimonopoly Service.

1298. More detailed information on Federal bodies involved in the regulation and enforcement of intellectual property rights was provided in Table 35. The Courts of general jurisdiction and arbitration courts of the Russian Federation heard the cases on infringement of intellectual property rights in accordance with the relevant procedural laws.

3. Enforcement

- General provisions

1299. The representative of the Russian Federation noted the importance of IPR protection to the creative and innovative communities of the Russian Federation and the economy of the Russian Federation, and shared with WTO Members the objective of eradicating piracy and counterfeiting in the Russian Federation. He stressed that the Government of the Russian Federation shared the goal of strengthening enforcement of intellectual property rights in Russia and globally. Further, he had stated that the legislation of the Russian Federation would fully comply with the WTO TRIPS Agreement upon accession to the WTO. The respective provisions of the legislation of

the Russian Federation, which realized the requirements of the TRIPS Agreement on enforcement issues, were listed in Table 34.

- Civil and Administrative Procedures and Remedies

1300. The representative of the Russian Federation stated that preliminary and final remedies currently available under the Civil Code (e.g., those set-out in Articles 1252, 1301, 1302, 1311, 1312, and 1515) included confirmation of rights, injunctive relief, prohibition of actions violating rights, compensation of damages caused to the right-holder, and statutory compensation. Regarding claims for damages and assessment of damages, civil law cases provided for the general principle of full recovery of damages. The amount of damage was calculated in accordance with the general norms of the Civil Code based on the prices of corresponding legitimate goods adjusted for actual damage and forgone profit of the right-holder. In accordance with existing legal practice, the amount of damage ordered by the court to be recovered by one infringer reached RUB 75 million. As for statutory compensation, it was initially defined by the plaintiff, who had the burden to prove the fact of damage caused without calculating the amount. It was further assessed by the court based on the nature of infringement, income received by the infringer and other relevant facts. The final decision on the amount of compensation rested with court.

1301. He added that civil legislation also provided the possibility of confiscation and destruction of counterfeit and pirated products as well as confiscation of materials and equipment used for their production. Articles 1252.5 and 1302 of the Civil Code provided for confiscation, by judicial decision, of counterfeit and pirated copies of works of art or phonograms, and materials and equipment used for reproducing counterfeit and pirated copies of such works. Confiscated counterfeit and pirated copies of works of art or phonograms were subject to destruction by a decision of the court, or were transferred, to holders of copyright and related rights upon request and decision of the court. According to Article 1252 of the Civil Code, illegally manufactured copies of integrated micro-circuits and/or of articles incorporating such integrated micro-circuits, and materials and equipment used for their manufacture could be confiscated, destroyed or transferred to the right-holder upon request as compensation for losses. Article 1515 of the Civil Code provided for the destruction, at the expenses of the infringer, of counterfeit goods, labels, and packaging of goods. In exceptional cases only, where introduction of the goods into commerce was necessary for "societal interests", the infringer was required to remove the illegal trademarks from the goods, labels and packaging.

1302. He further informed Members of the Working Party that according to judicial practice, the court would issue a decision on confiscation and destruction when the right-holder had not requested the goods to be transferred to him/her. Should the court not order confiscation of illegal goods in civil proceedings, the right-holder could appeal.

1303. The representative of the Russian Federation confirmed that the Russian Federation would ensure that civil procedures against violators of intellectual property rights would provide an effective method of protection for rights holders. The Working Party took note of this commitment.

1304. Some Members continued to raise concerns about the practice in the Russian Federation of leasing or otherwise using machinery and other implements owned by third parties. In such cases, courts had not ordered confiscation and destruction of items used to commit the infringing activity. These items were released and could be used to commit further acts of piracy and counterfeiting. These Members requested that the Russian Federation provide for confiscation and destruction of machinery and other implements even if third parties owned these items.

1305. In response to Members' concerns, the representative of the Russian Federation informed Members that the optical disc licensing regime of the Russian Federation had been amended to require as a condition to obtain or extend a licence to produce optical media bearing content protected by copyright or related rights that the applicant own the equipment used in the plant to produce optical media. Violation of this condition would be grounds to deny or suspend, and then immediately seek revocation by a court of a licence.

1306. Regarding provisional measures under Articles 72, and 90 through 100 of the Arbitration Procedure Code, the representative of the Russian Federation informed Members of the Working Party that the arbitration court could take a decision on application of provisional measures for conservation of evidence, conservation of the *status quo* between the parties, prevention of irreparable damage to the right-holder, and preservation of assets for fulfilment of a future court decision. Provisional measures could include: prohibition of infringing actions, preservation of assets, including bank accounts, monetary funds and other property, seizure of documents and other evidence. Such provisional measures could be sought during a trial as well as before the filing of a claim in cases where any delay would likely cause irreparable harm to the right-holder or there was a demonstrable risk that evidence could be destroyed. In addition, the court had the authority to issue an order for a preliminary injunction based on the petition of the plaintiff, without participation of the parties. Such measures were to be aimed at securing the claim. In accordance with Article 93 of Arbitration Procedure Code, the arbitration court must reach a decision on the application for provisional measures not later than the next day after the right-holder filed a petition with the court, and did so without notifying the parties. Provisions stipulating similar measures were also provided in Article 64 of the Civil Procedure Code (Federal Law No. 138-FZ of 14 November 2002). In his view, these provisions fully complied with the requirements of Article 50 of the WTO TRIPS Agreement.

1307. With regard to administrative procedures and remedies, the representative of the Russian Federation stated that Articles 7.12, 7.28 and 14.10 of the Code of Administrative Offences established administrative liability for violation of copyrights and related rights, rights regarding inventions and industrial designs, trademarks, service marks and indications of origin. Article 13.14 of the Code of Administrative Offences also provided for administrative liability (in form of a fine) for offences in the field of information, including disclosure of information by persons having received access to such information in connection with performance of a service or professional duties. In addition to fines of up to RUB 40,000 (i.e., about US$1,300), administrative sanctions in case of copyright infringements included obligatory confiscation of counterfeit and pirated products, materials and equipment used in their production, and other instruments used in committing the administrative offence. In accordance with Article 32.4 of the Code, confiscated products, materials, equipment and instruments were subject to destruction or, at the request of the right-holder, transferred to such right-holder.

1308. Members noted that cases of infringement through retail outlets in the Russian Federation were increasingly handled under administrative authority, resulting in very small fines or none at all. While pirate products were generally confiscated, shop operators were normally not the owners of the product and the latter were seldom caught and fined. In addition, the Code on Administrative Offences of the Russian Federation effectively limited the time period for the investigation of copyright infringements to several days, even when a longer time was necessary to investigate such cases. In their view, the Code should provide for at least a one-month period for the investigation of copyright infringing cases, as it does in other cases of administrative misdemeanours. Members also stressed the need for administrative authorities to refer more cases, including those involving repeat offenders and wilful piracy and counterfeiting, to the appropriate authorities for initiation of criminal actions.

1309. In response the representative of the Russian Federation stated that the Government of the Russian Federation had adopted Resolution No. 185 of 27 March 2007 "On Amendment to the Rules of Selling of Particular Types of Goods", which prohibited the selling of copies of audio-visual works, phonograms, computer programs and data bases from stalls/kiosks. This resolution also established requirements for the information that the seller was to provide to the consumer. This included information on the producer of the goods, on technical characteristics of the media and on the respective right-holder of copyright or related rights.

1310. In response to questions concerning appeal processes in intellectual property matters, the representative of the Russian Federation explained that Russian legislation provided for enforcement of intellectual property rights through both judicial and administrative procedures. Pursuant to Article 1248 of the Civil Code, rights in copyright and related rights and commercial secrets were enforced only by the courts. For other intellectual property rights, the Chamber of Patent Disputes of Rospatent also conducted an administrative dispute procedure in cases connected with submission and consideration of applications for the issuance of patents for inventions, utility models, industrial designs, achievements of breeding, trademarks, service marks, and designations of places of origin of goods, involving State Registration of these results of intellectual activity and means of individualization, and issuance of the corresponding right-establishing documents. These cases involved contesting the grant or denial of registration for these results and means of legal protection or with the termination of such protection. These administrative decisions could be appealed to a court. The procedure for lodging objections and applications to the Chamber of Patent Disputes and the procedure for their consideration were determined by the Order of Rospatent No. 56 of 22 April 2003 "On the Rules of Filing Objections and Applications and the Consideration Thereof by the Chamber of Patent Disputes" (as amended on 11 December 2003). Pursuant to this Order, the Chamber of Patent Dispute performed the following functions:

- Considered objections to refusals to issue a patent for an invention, industrial design or certificate for utility model or to accept an application for trademark, service mark or appellation of origin/indication of place of origin based on the results of a formal examination;
- Considered objections to refusals to issue a patent for an invention, industrial design or to register a trademark, service mark, designation of place of origin of goods and/or to grant the right to use a designation of place of origin of goods, based on a merits examination of applications and of designations applied for; and
- Considered objections from individuals and legal entities against issuance of patents for inventions, industrial designs and certificates for utility models in violation of existing certificates for inventions and certificates for industrial designs of Russian authors, and against registration of trademarks, service marks, designation of place of origin of goods, and issued certificate to use designation of place of origin of goods.

Details of procedures for carrying out these functions were also set-out in Order No. 56.

1311. He further added that lodging an application to the Chamber was subject to payment of a fee, in accordance with the Article 1249 of the Civil Code. The rates of such a fee were established by Government Resolution No. 793 of 12 August 1993 (as last amended on 26 January 2007).

1312. The representative of the Russian Federation confirmed that the Russian Federation would act effectively against acts of infringements of intellectual property rights, including by expeditious action, on the basis of complaints lodged by right-holders and otherwise, with the objective of eliminating such acts in the Russian Federation. He also confirmed that the Russian Federation would also pursue effective and improved application of legislation concerning the infringement of

intellectual property rights, including the imposition of penalties that take into account the high degree of public harm from such infringement, the concrete circumstances of the crime and the objective of preventing future crimes. The Working Party took note of these commitments.

- Border Measures

1313. The representative of the Russian Federation stated that as of 1 July 2010, border measures in the Russian Federation were applied pursuant to Chapter 46 of the CU Customs Code (Articles 328 to 334) and Section 42 of the Federal Law on Customs Regulation (No. 311-FZ of 27 November 2010). Consistent with the procedures set-out in Chapter 46, the customs authorities of the Russian Federation (i.e., the Federal Customs Service of the Russian Federation (FCS)) were authorised to take action to protect intellectual property rights that were included in a customs register maintained by the FCS and in the unified customs register of intellectual property rights of the CU Parties. In addition, the CU Customs Code provided that, in accordance with the national legislation of the Russian Federation, the Russian customs authorities were authorised to enforce intellectual property rights with respect to intellectual property not included in those customs registers. In this regard, Article 305 of the Federal Law on Customs Regulation authorised the FCS to take action without an application from the right-holder (i.e., pursuant to ex officio authority) in accordance with Section 42 of that Law.

1314. The representative of the Russian Federation explained that intellectual property rights could be included in the customs register of the Russian Federation based on an application filed by the right-holder in accordance with the procedure and under the conditions established in the national legislation of the Russian Federation. In order to be included in the customs register of the Russian Federation, the CU Customs Code required that the intellectual property right had to be protected in the Russian Federation.

1315. He explained that, in accordance with procedures established by the customs authorities of the Russian Federation, copyrights, related rights, trademarks, service marks and names of places of origin of goods could be included in the customs register of intellectual property. The applicant was required to submit an application to the customs authorities to have an intellectual property right included on the national register and customs authorities had 30 days to decide on including the intellectual property right on the register. The representative of the Russian Federation further explained that while no fee was charged for including an intellectual property right in the register of the Russian Federation, the right-holder was required to provide a security or contract of insurance to cover potential liability for damages to the declarant, owner, recipient of the goods or other persons in connection with suspending the release of goods suspected of violating intellectual property rights in the national register. The amount of the security or the insurance must be at least RUB 300,000 (US$10,000) and if the customs authorities did not receive confirmation of the security or insurance bond within the 30 day period during which the authorities were deciding on the application, customs authorities were authorised to refuse the application to suspend entry of goods. He also noted that the Federal Law on Customs Regulation included grounds for removal of items from the register, i.e., removal at the request of the right-holder or his representative; for failure to provide the required security or insurance contract; termination of the protection of intellectual property right; for failure to apply for enforcement of the intellectual property right (court, office of Public Prosecutor, Ministry of Internal Affairs, customs authorities) for the protection of his/her rights in accordance with civil, administrative, and criminal legislation, during the period when release of the goods has been suspended, to the competent authority for enforcement of intellectual property rights in the Russian Federation; and for submitting false information in the application for measures to suspend the release of goods.

1316. The representative of the Russian Federation explained that the term of protection of an intellectual property right included on the national register was established in the national law of each CU Party, taking into account the term specified by the right-holder in its application for registration, but the term of protection cold not exceed two years from the date the intellectual property right was included in the register. The right-holder could apply to extend the term of protection an unlimited number of times, but each extension could not exceed two years and could not exceed the term of protection for the intellectual property right in the CU Party.

1317. With regard to the Customs Union unified customs register of intellectual property rights, the representative of the Russian Federation informed Members that the conditions for including intellectual property in the unified register and the procedure for maintaining the unified customs register were set-out in the Agreement on the Unified Customs Union IPR Register for Member States of the Customs Union of 21 May 2010. In the case of an intellectual property right included in the Customs Union Unified Register, the minimum security/guarantee was €10,000. The term of registration was similar to that for the national customs register of the Russian Federation, namely, the term of protection could be up to two years from the date the intellectual property right was included in the register. The right-holder could apply to extend the term of protection for an unlimited number of times, but each extension could not exceed two years and could not exceed the term of protection for the intellectual property right in the CU Parties.

1318. Under the CU Customs Code, for goods containing intellectual property which were included in the customs register of the Russian Federation or the unified CU register of intellectual property, if there were any signs of a violation of intellectual property rights, customs authorities were authorised to suspend the release of such goods for ten business days. At the request of the right-holder or his representative, the customs authority could extend the term of suspension by up to ten business days, provided that the right-holder or his representative applied to the authorised authorities for a decision on protection of rights of the right-holder in accordance with the national legislation of the Russian Federation. Decisions to suspend the release of goods and to extend the term of suspension had to be in writing. The representative of the Russian Federation noted that Chapter 46 included provisions regarding notification of the declarant and the right-holder and information to be provided to these persons or their representatives, and requirements that the declarant and right-holder, or their representatives treat such information as confidential and not subject to disclosure or transfer to third parties and other authorities, except as prescribed in the national law of a CU Party. In addition, with the written permission of the customs authority, the right-holder, declarant or their representatives could, subject to customs control, take samples and specimens of the relevant goods and inspect, take photos of or otherwise identify the goods and undertake investigations of these goods.

1319. When the term of the suspension expired, the goods were released under normal customs procedures unless documents were submitted to the customs authorities confirming the seizure, confiscation, or detention of the goods, or, in accordance with the national law of the CU Party that the goods were otherwise not subject to release.

1320. The representative of the Russian Federation also explained that the right-holder was, in accordance with national law, liable for damage caused to the declarant, owner, recipient of the goods containing intellectual property, resulting from suspending the release of the goods unless there was a violation of rights of the right-holder. He explained that the determination of a violation could be through administrative or judicial procedures.

1321. Answering the question from a Member in respect of cases where goods being detained by the customs body and considered to be counterfeit had been abandoned by the importer, the representative of the Russian Federation explained that in accordance with Article 1515 of the Civil Code of the Russian Federation in such cases the goods, except for cases of societal interest, were subject to

destruction upon request of the right-holder at the expense of the importer. If the importer or the owner of the goods were not available, then, in accordance with the Article 190 of the Federal Law "On Customs Regulation" in the Russian Federation, the destruction was to take place at the expense of the Federal budget.

1322. Pursuant to section 306 of the Federal Law on Customs Regulation right-holders of trademarks, copyright and related rights, and designations of place of origin of goods (or his/her representative), who had sufficient grounds to believe that his/her rights could be violated, could submit an application requesting the FCS to suspend the release of suspected goods that were under customs control. The application had to contain information on the right-holder (and if filed by a representative - also information on such representative); the IPR object, including documents establishing that the applicant had rights in the intellectual property; the goods that, in his/her opinion, were counterfeit in sufficient detail to permit identification of the suspect goods; and the term of protection under the regulation that he/she believed was needed. Samples of the suspect goods could be included with the application and could serve as confirmation of the alleged violation. The presentation of the application must be accompanied by documents confirming an obligation (in written form) for compensation of possible property damage to the importer, owner, or recipient of the goods if the goods were not found to be counterfeited or pirated. The application must also be accompanied by a document guaranteeing fulfilment of the named obligation or a by contract of insurance of the liability from the causation of damage. In all cases, the required amount of the guarantee must be not less than RUB 300,000 (US$10,000.) The most widespread form of meeting this obligation was a bank guarantee, i.e., a contract between a bank and an applicant. In accordance with that contract, the bank guaranteed payments to compensate for property damage. The sum of the real expenses of the applicant for signing such contract would amount to not higher than 3 to 7 per cent of the above-mentioned figure (not more than approximately US$700).

1323. He further confirmed that the RUB 300,000 insurance/bank guarantee was required for each application, but that an application could cover unlimited trademarks and objects of copyright, and a guarantee was not required for each object of copyright or trade mark or for each enforcement action taken relating to the object of intellectual property. No payment was required for the submission and examination of the application and the implementation by the customs authorities of border measures. The FCS had the right, if necessary, to check the information provided in the application. Applications were considered within a month from the date they were received by the FCS. Objects of intellectual property rights in respect of which the FCS had decided to take measures were entered, free of charge, into the customs register of the Russian Federation within three days from the date of the FCS decision. Information concerning the decision on an application and insertion of objects of intellectual property rights into the customs register of the Russian Federation was to be sent by a FCS letter to every customs body within one day after the decision had been made.

1324. A Member of the Working Party expressed the concern that, considering the risk posed by growing number of IPR infringements other than copyright and trademark, these provisions should also be extended to other types of IPR infringements, such as infringements of designs, patents and plant varieties. In response the representative of the Russian Federation noted that Article 51 of the WTO TRIPS Agreement did not require application of border measures in respect of enforcement of intellectual property rights other than copyright and trademarks.

1325. The representative of the Russian Federation also confirmed that the Russian Federation would ensure that the guarantee requested from right-holders to lodge a registration request with Customs authorities would not constitute a dissuasive element to the use of this instrument, as required by Article 53 of the WTO TRIPS Agreement. The Working Party took note of this commitment.

1326. With regard to enforcement of intellectual property rights that were not included in the national register or the Customs Union unified register, the representative of the Russian Federation explained that, if during the performance of customs formalities and customs control, customs authorities discovered goods potentially violating intellectual property rights and in case of available information about the right-holder in the Russian Federation, the clearance of such goods could be suspended for up to seven working days. The decision to suspend the customs clearance of goods, the reasons for such a decision, and the terms of the suspension had to be notified to the importer/exporter and to the right-holder no later than one day after the decision had been taken. The right-holder had the right to take, under customs control, samples, specimens, pictures or otherwise record the goods whose release had been suspended. The customs authorities could prolong the term of suspension of customs clearance for up to ten working days upon request of the right-holder, provided the right-holder (or his/her representative) had submitted an application to the Customs authorities. The decisions to suspend customs clearance were subject to revocation on the day following the expiry of the term of suspension, unless a decision to withdraw, seize, or confiscate the goods had been taken before the date of expiry. Revocation decisions were taken by the chief of the custom office and were notified within three days, along with a justification, to the higher customs body. The decisions could be cancelled before the initial term upon request of the right-holder.

1327. The representative of the Russian Federation added that Russian legislation also provided customs authorities the right to apply for urgent measures on suppression of IPR violations even if the objects of Intellectual Property were not included in the national customs register or the Customs Union unified register. In addition to the provisions of the Federal Law "On Customs Regulation", the Code of Administrative Offences had introduced administrative liability for infringements of intellectual property rights (Article 7.12 "Infringements of Copyright and Related Rights, Inventive and Patent Rights" and Article 14.10 "Illegal Use of a Trademark"), that while not specifically directed at border enforcement of intellectual property rights, covered, *inter alia*, intellectual property infringements found in connection with import-export operations and vested the customs authorities with the powers to exercise administrative prosecution where infringements were detected.

1328. In response to the questions of some Members with regard to ex officio authority, the representative of the Russian Federation stated that the CU Customs Code and the Federal Law on Customs Regulation gave explicit rights to customs authorities to take action "ex officio" to stop the release of goods suspected of infringing copyright, related rights, trademarks, service marks and designations of place of origin. Thus, the customs authorities were endowed with powers to fully exercise the function of protecting intellectual property rights in the course of export and import operations, both on the basis of the application of the right-holder or without one in accordance with the "ex officio" principle of Article 58 of the WTO TRIPS Agreement. In addition, in accordance with Chapter 28 (Articles 28.2 and 28.3) of the Code of Administrative Offences, the customs authorities could upon their own initiative, if they had acquired prima facie evidence, initiate an administrative investigation. In the course of such investigation, customs authorities were authorised to suspend the release of suspected goods (to execute requisitioning or seize) and seek from the right-holder any information that may assist them in the investigation. All persons concerned had the right to familiarize themselves with the record of the case, as well as submit explanations and comments, which were attached to the record of the case. The suspension of the release of suspected goods normally lasted one month (a period prescribed for the administrative investigation) and could be extended for a maximum of six months. Final decisions on administrative offences were taken by a court.

1329. A Member of the Working Party noted that although ex officio action by Customs was foreseen in the law, the right-holders consistently reported that it was not available in practice. This Member asked the authorities of the Russian Federation to provide information about the actual

implementation of this rule and ensure that it was being implemented. The representative of the Russian Federation confirmed that the Russian Federation would, with the objective of strengthening enforcement against acts of infringements of intellectual property rights at the border of the Russian Federation, from the date of accession, encourage customs officials to use such authority in order better to protect intellectual property rights, such as copyright and related rights, trademarks and geographical indications.

1330. He further explained that criminal procedures could also be used in the framework of border procedures. Federal Law No. 144-FZ of 12 August 1995 "On Operational-Investigative Activity" authorizes customs authorities to carry out operational-investigative actions to identify, prevent and suppress illegal import or export of goods containing objects of intellectual property to and from the territory of the Russian Federation, and to receive and gather updates on events and actions associated with illegal cross-border shipment of intellectual property, and on illegal channels through which counterfeit and pirated goods may be carried across the border. If customs authorities had reasons to consider that there was an element of crime in a particular case, a criminal investigation could be opened and the case would be treated in accordance with standard rules of criminal procedures.

1331. More generally, the representative of the Russian Federation confirmed that intellectual property right-holders would be provided, whether by the Russian Federation or the competent bodies of the Customs Union, with procedures related to border measures that complied fully with the relevant provisions of the WTO TRIPS Agreement (Articles 51 to 60). The Working Party took note of this commitment.

- Criminal Measures

1332. The representative of the Russian Federation stated that the Criminal Code of 13 June 1996 as last amended on 9 April 2007 included four articles specifically dealing with intellectual property: Article 146 (Copyright and Related Rights Violations); Article 147 (Patents Violations); Article 180 (Trademark Violations), and Article 183 (Illegal Receipt and Disclosure of Information Containing Commercial, Tax or Bank Secrets). The representative of the Russian Federation informed Members of the Working Party that during 2006-2007, the production of counterfeit optical discs was suppressed in the Russian Federation at ten licensed plants and at 17 illegal plants. Also the activities of six major wholesalers and 30 illegal warehouses of counterfeit optical media were stopped. More than 8.5 million of counterfeit CD and DVD discs were seized for the total amount of more than RUB 1 billion. In 2006, 7,423 crimes stipulated by Article 146 (copyright infringement) of the Criminal Code of the Russian Federation were discovered, 5,126 criminal cases were sent to the court, criminal procedures were instituted against 3,833 persons; and, 991 crimes stipulated by Article 180 (trademarks violations) of the Criminal Code of the Russian Federation were discovered.

1333. The Members of the Working Party noted that improvements were needed with respect to the enforcement of existing laws. For example, penalties imposed were often suspended or at levels insufficient to deter further infringement. These Members emphasized the continuing need for additional enforcement efforts by the Government of the Russian Federation, in particular against optical disc production and distribution. In 2005, there were over 40 optical disc plants in the Russian Federation with production capacity far exceeding legitimate demand. Some of these manufacturers of optical discs, which included intellectual property, were located on Government-controlled sites. Location on these limited-access sites could impede enforcement efforts. Members suggested that the Russian Federation needed to increase surprise plant inspections and raids, prosecute plant operators and owners who manufacture pirate material and impose deterrent criminal penalties, close plants that violate copyright rights, and stop the exportation of pirated optical discs and other copyrighted materials from the Russian Federation.

1334. In response, the representative of the Russian Federation explained that the actions of the Government to remove optical media plants operating on the territory of government-controlled military-industrial sites had been intensified. As a result of these efforts, no optical media plants were operating on the territory of government-controlled military industrial sites. Moreover, the Government did not intend to lease or otherwise make such sites available to plants producing optical media bearing content protected by copyright or related rights in future.

1335. As regards the activities of law enforcement agencies engaging in surprise plant inspections and raids, he noted that in the first six months of 2007, these agencies discovered and suppressed the activities of four licensed and 16 illegal plants producing optical discs and 30 illegal warehouses engaged in production and distribution of counterfeit optical media. Eight-and-a-half million counterfeit CD and DVD discs, worth over RUB 1 billion were seized. He noted that the policy of his Government was to ensure the continuation of efforts to suppress effectively the illegal activities of enterprises engaged in the production of optical discs.

1336. While Members welcomed the results of enforcement efforts in 2007 with regard to optical disc plants, some Members continued to emphasize the need for more intensive inspection efforts, in particular the need for un-announced inspections of plants. They expressed concern about the decline in the number of inspections and prosecutions of plants conducted during the second and third quarter of 2007, while the Russian Federation reorganized the Federal body responsible for inspection of optical discs (OD) plants.

1337. Members also noted that the Russian Federation needed to address in laws or regulations some issues that had arisen during attempts to enforce intellectual property rights, in particular instances of copyright infringement. Individuals and enterprises (legal "persons") must be held responsible for all their IPR infringing activities and subject to civil and/or criminal liabilities. In cases of infringement of an IPR which the owner of the IPR deemed the circumstances serious, the person directly responsible for the infringement should be prosecuted under the relevant provisions of the criminal law. Other necessary reforms included providing for criminal prosecution and penalties under the Criminal Code for aiding in copyright infringement on the Internet, including through circumvention of technological protection measures, and criminalizing certain cam-cording activities (i.e., making unauthorised copies of films in theatres). Piracy on the Internet was a serious and growing concern, as right owners had documented the operation of numerous websites based in the Russian Federation that offered pirated material. Members noted that with regard to internet piracy, there has been inadequate enforcement activity in the face of increasing online piracy. For example, Members noted that the Russian Federation was one of the few countries in the region that still had large illegal pay-per-download sites.

1338. In response, the representative of the Russian Federation stated that his Government would ensure that facilities on the territory of government-controlled military-industrial sites would not be leased or otherwise made available to companies producing optical media bearing content protected by copyright or related rights and action was being taken to stop such production on these sites. In addition, the enforcement authorities would continue to conduct repeated, unannounced inspections of all plants licensed to produce optical media bearing content protected by copyright or related rights. Such inspections would take place regularly, without prior notice, and at any time, day or night. If evidence of unauthorised production of optical media bearing content protected by copyright or related rights on a commercial scale was found, criminal proceedings would be initiated. Enforcement officials would also continue to conduct actions to find and shut down unlicensed plants producing optical media bearing content protected by copyright or related rights, as well as actions to find and inspect warehouses that store significant quantities of pirated and counterfeit goods. If pirated or counterfeit goods were found at these locations, the goods would be seized and retained as evidence, investigations would be initiated, including investigations to determine the owner,

distributor, and manufacturer of such goods, and prosecutions of these persons and enterprises initiated. In particular, criminal proceedings would be initiated in cases of piracy or counterfeiting on a commercial scale. The Working Party took note of these commitments.

1339. With regard to piracy on the Internet, the representative of the Russian Federation noted significant efforts on the part of the Government to shut down servers situated on the territory of Russia and websites that promote illegal distribution, which included making the object of a copyright or related right available, of content protected by copyright or related rights. In the first quarter of 2007, there were a number of large-scale operations to discover and suppress the functioning of Internet resources that were engaged in the distribution of unlicensed software and counterfeit audio-visual works and phonograms. As a result, 166 suspected informational resources (sites) were discovered, including 96 sites that were operating from technical means of Russian-based hosting companies, and 70 that were operating from technical means of foreign-based hosting companies. The activity of 72 resources (sites), which were operating in the territory of the Russian Federation, was suppressed. In the first six months of 2007, the relevant authorities suspended the functioning of 90 internet sites engaged in illegal distribution of copyright and related rights objects with servers situated on the territory of the Russian Federation and 38 criminal cases under Article 146 of the Criminal Code were instituted against persons engaged in administration of these sites. He confirmed that the Government would continue to take actions against the operation of websites with servers located in the Russian Federation that promote illegal distribution of content protected by copyright or related rights, such as phonograms (sound recordings) and investigate and prosecute companies that illegally distribute objects of copyright or related rights on the Internet. The Working Party took note of these commitments.

1340. The representative of the Russian Federation reported that during 2007, 7,874 crimes stipulated by Article 146 of the Criminal Code of the Russian Federation were discovered (up 9 per cent compared to the same period of 2006), 7,418 in a large scale, and especially large scale. 5,405 criminal cases were sent to the court (up 5 per cent compared to 2006), and criminal procedures were instituted against 4,088 persons (up 6.5 per cent compared to 2006). The amount of damage inflicted came to RUB 1,154 billion (100 per cent lower than 2006), and property and materials valued at RUB 2.44 billion was seized (up 162 per cent compared to 2006). During 2007, 957 crimes stipulated by Article 180 of the Criminal Code of the Russian Federation were discovered, criminal procedures were instituted against 154 persons.

1341. As regards the copyright infringements on the Internet, the representative of the Russian Federation noted that Article 146 of the Criminal Code (as amended on 9 April 2007) reinforced criminal liability for illegal use of objects of copyright and related rights as well as for purchase, storage, transportation of counterfeited works or phonograms for the purpose of their sale on a commercial scale. The penalty provided by Article 146 could be up to six years of imprisonment and also covered the illegal use of works through posting them on the Internet. He confirmed that, according to the Civil Code, reproduction (including temporary copies on the memory of a computer) of copyright-protected audio-visual works without permission of its author, was illegal except for cases provided in the Code (e.g., reproduction for private purposes, reproduction for court purposes). Moreover as of 1 September 2006, an author had the exclusive right to perform his work so that the author could control when any user would have access to his work in interactive mode from any place and at any time - the right "to make it available to the public". The infringement of these rights would be considered as illegal use and would entail criminal responsibility, if it was done in on a commercial scale.

1342. The representative of the Russian Federation stated further that decisions on confiscation and destruction of counterfeit products and equipment used in their production were taken within the framework of criminal prosecution as provided in Articles 81 and 82 of the Criminal Procedure Code

and it was a normal practice to confiscate these goods and machinery as "material evidence". Criminal procedure rules (Article 81 of the Criminal Procedure Code) were also applied with regard to destruction of confiscated "pirated" products. Under this Article, items which were used as "instruments of crime", "preserved traces of crime", or "which could serve as a means for detecting a crime and establishing circumstances of a criminal case" were recognised as "material evidence", filed to the criminal case, and could only be destroyed upon a decision of the court. Pursuant to the Criminal Procedure Code, when passing sentence, a court had to decide whether to order seizure or destruction of "material evidence" (including goods and machinery).

1343. The representative of the Russian Federation stated also that under Article 147 of the Criminal Code, the illegal use of an invention, utility model or industrial design, or disclosure of the essence of an invention, utility model or industrial design, without the consent of its owner or applicant before any official publication of information about them; illegal acquisition of authorship; or compelling of co-authorship were criminally punishable if these acts had inflicted serious damage. Article 147 provided punishment by fines of up to RUB 300,000 (more than US$10,000) or up to two years of wage, salary, or any other income of the convicted person, arrest for up to six months, or deprivation of liberty for up to six years. In accordance with Article 180, the illegal use of a trademark or service mark, appellation of origin, or similar designations for homogeneous goods, as well as the illegal use of a special marking, designating a trademark or designations of origin which had not been registered in the Russian Federation, were criminally punishable if these acts had taken place more than once or had inflicted serious damage. Article 180 provided punishment by fines of up to RUB 300,000 or up to two years of wage, salary, or any other income of the convicted person, arrest for up to six months, or deprivation of liberty for up to six years. As for Article 183 of the Criminal Code, it established criminal liability for the illegal receipt and disclosure of information containing commercial, tax, or bank secrets.

1344. Some Members responded that although the current Criminal Code (Article 146) permits the confiscation and destruction of pirate and counterfeit goods, Article 146 does not explicitly provide for the confiscation and destruction of the "machinery" used in the making of illegal copies. In response, the representative of the Russian Federation noted that the provisions of Part IV of the Civil Code, Civil Procedural Code, (Article 140), Arbitration Procedural Code and Code of Administrative Offences provided judges with the authority to order that materials and implements used to create the infringing goods be disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements (see Table 34 for the details).

1345. The representative of the Russian Federation explained that the general authority to seize, confiscate and destroy materials and implements used to create infringing goods, was provided in Article 104.1 of the Criminal Code and Article 81 of the Criminal Procedural Code. These Articles allowed for confiscation and destruction of the means for committing a crime. In the context of piracy and counterfeiting, this would include machinery and materials used to create the illegal goods. Article 104.1.1(d) of the Criminal Code stipulated that implements, equipment and other means of committing a crime that belong to the defendant were subject to seizure in accordance with the decision of the Court. Article 81 of the Criminal Procedure Code stipulated that the implements used to commit a crime were to be retained as evidence and, in accordance with the decision of the Court, could be seized or destroyed.

1346. Some Members expressed concern regarding the requirement that illegal use of a trademark or service mark inflict serious damage as a condition for punishment. While Members appreciated that the Russian Federation used the market price of legitimate goods to calculate the thresholds for initiating criminal procedures, in their view, these thresholds did not authorize use of criminal procedures in all cases that could involve wilful trademark counterfeiting or copyright piracy on a commercial scale. These Members noted that Article 61 of the WTO TRIPS Agreement required

Members to provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale.

1347. In response, the representative of the Russian Federation noted that under the comments to Article 169 of the Criminal Code of the Russian Federation, damage inflicted by actions specified in Article 180 of the Criminal Code of the Russian Federation, was to be regarded a serious one when it exceeds RUB 1.5 million (US$50,000). For copyright and related rights, the amount specified in Article 146 was RUB 50,000 (approximately US$1,700). He further stated that, in his view, the application of thresholds was in conformity with the provisions of Article 61 of the WTO TRIPS Agreement, as these thresholds determined the commercial scale of wilful trademark counterfeiting or copyright piracy. He further explained that the application of thresholds was traditionally used in Russian legislation to separate criminal offences punishable by means of criminal prosecution from administrative misdemeanours. He further added that this clear and unambiguous criterion was an effective, practical tool for enforcement, as it can be implemented easily and contained no element of subjective evaluation. Further, he noted that, if the suspected infringer had been found to have previously engaged in infringement of intellectual property rights, including in an administrative proceeding, under the repeat-offender provisions, the thresholds mentioned above did not apply.

1348. Recognizing Members' concerns, the representative of the Russian Federation stated that, in order to improve the effectiveness of enforcement measures in the area of intellectual property rights, when determining the existence of a large or especially large scope of the activity, the prosecutor/court would take into account that, storage of pirated copies of works or phonograms for the purpose of sale was also considered to be a crime. Thus, application of the thresholds to the activity would take into account both the value of the pirated copies of works or phonograms that were sold, and the value of the pirated copies in storage. In accordance with the legislation of the Russian Federation, the value of pirated copies was calculated by reference to the value of the corresponding legitimate products, and not by reference to the price of the pirated product. This approach of taking into account copies in storage would also apply in cases of copyright infringement over the Internet.

1349. Some Members continued to have concerns that the threshold of the Russian Federation for application of criminal procedures and penalties precluded action against certain cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. These Members requested that the Russian Federation modify law and practice to ensure that criminal procedures and penalties would be applied to all cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. In their view, the value of the products that were counterfeited or pirated was not always a good indicator of whether the counterfeiting was wilful or if piracy was on a commercial scale. Other circumstances could establish wilful trademark counterfeiting and copyright piracy on a commercial scale. For example, in some cases, each individual act of piracy might involve a small amount of money, but given other conditions in the market, e.g., the number of pirated copies, or the existence of copies made before the release of the work, the acts were clearly on a commercial scale. Finding other evidence, such as a worn mould for making copies, would be another situation in which commercial scale piracy was evident.

1350. In response to concerns from Members regarding thresholds of the Russian Federation for application of criminal procedures and penalties with regard to cases of wilful trademark counterfeiting or copyright piracy on a commercial scale, the representative of the Russian Federation confirmed that the thresholds of the Russian Federation in such cases would be set and applied in a manner that reflected the realities of the commercial market place in the Russian Federation, including with regards to the internet market. The Working Party took note of this commitment.

1351. The representative of the Russian Federation noted that in accordance with the legislation in force on intellectual property, initiating actions to address the violations set-out in Article 146, paragraph 1, and Article 147, paragraph 1, of the Criminal Code, required the filing of a private complaint, and criminal procedures could not be initiated without a complaint by the right-holder (Article 20 of the Criminal Procedure Code). Other intellectual property criminal offences could be initiated through "public accusation" and the right-holder did not need to file a complaint (action could be taken "*ex officio*"). The time limits for investigation and working up of an accusatory act on cases provided for in paragraphs 1 and 2 of Article 180 of the Criminal Code in accordance with the Criminal Procedure Code were 20 days and, for the complex cases, 30 days from the date of institution of the criminal case. This term could be prolonged to 12 months in the complex cases. Official State examination of goods seized in criminal cases might be done by the Centre for Expertise of the Ministry of Interior. At the request from an anti-trust or law enforcement body and on the basis of a relevant court order, Rospatent experts provided an opinion regarding a trademark, invention or another industrial property issue. An investigator, prosecutor or court would then make a decision based on the results of the examination. The examination initiated by the law enforcement bodies was free of charge.

1352. Noting all the above, Members of the Working Party sought a commitment that the Russian Federation would be in compliance with the WTO TRIPS Agreement, including its enforcement provisions, as from the date of accession, without recourse to transitional arrangements.

1353. The representative of the Russian Federation confirmed that the Russian Federation would apply fully the provisions of the WTO Agreement on Trade-related Aspects of Intellectual Property Rights from the date of accession to the WTO, including provisions for enforcement, without recourse to any transitional period. The Working Party took note of this commitment.

POLICIES AFFECTING TRADE IN SERVICES

1354. The representative of the Russian Federation noted that the market for services of the Russian Federation began to develop only in the first part of the 1990s, following the domestic process of economic reforms, privatization, and liberalization of the entire economy of the Russian Federation.

1355. He further stated that the reform of the economy of the Russian Federation since then had created new services sectors and contributed to the development of existing ones.

1356. He noted that economic development in services was supported by the legislative process of the Russian Federation. Many laws and regulations were adopted to establish a legal framework for provision of services in general or in specific sectors. However, the domestic regulatory system had not kept up with the dynamism of the services markets of the Russian Federation. As an example, the banking crisis in August 1998 of the Russian Federation was particularly associated with inadequate approaches to, and lack of effective prudential requirements for banking activities that were established and which resulted in extreme dependence of the domestic financial system on short-term foreign capital markets. For the purposes of creating a favourable economic and investment climate, including in the sphere of services, the Russian Federation had embarked on a series of actions to reduce restraints on the economy, involving streamlining of procedures for company registration, downsizing the list of types of activities subject to licensing, and reduction of the frequency of inspections of enterprises. It could be expected that the regulatory framework of the Russian Federation governing the services sector would be continuously subject to frequent adaptations and improvement in light of experience and of progress made in building domestic capacity to supply services on a competitive basis.

1357. Responding to the concerns of Members, the representative of the Russian Federation clarified that all normative legal acts of general application pertaining to or affecting trade in services, including those that established or implemented procedures and requirements for licensing of service activities, were published in a number of official sources. When published, such normative legal acts contained information on their effective date and scope of application. When a normative legal act did not contain any information on its effective date, the date was determined by another normative legal act establishing rules for entry into force of specific types of normative legal acts. For example, according to Federal Law No. 5-FZ of 14 June 1994 "On the Order of Publishing and Coming into Effect of Federal Constitutional Laws, Federal Laws, Acts of the Chambers of the Federal Assembly", Federal Constitutional Laws, Federal Laws and Acts of the Chambers of the Federal Assembly became effective after ten days of their official publication, unless the law or act stated a different date. Similarly, according to the Presidential Decree No. 763 of 23 May 1996 "On the Order of Publishing and Coming Into Force of the Acts of the President of the Russian Federation, the Government of the Russian Federation and of the Normative Legal Acts of the Federal Executive Bodies", Presidential Decrees and Acts became effective after seven days following the day of their first official publication, unless the relevant decree or act included a date. He also explained that Federal Laws were published in the Official Gazette, "Rossiiskaya Gazeta". In addition, most of these normative legal acts were available on the respective websites of the regulatory bodies or of the Government of the Russian Federation (www.gov.ru). Competent authorities, responsible for regulation of key service sectors, had the following websites: www.minfin.ru (Ministry of Finance of the Russian Federation), www.cbr.ru (Central Bank of Russia), www.fcsm.ru (Federal Service on Financial Markets), www.minsvyaz.ru (Ministry of Communications of the Russian Federation), www.mintrans.ru (Ministry of Transport of the Russian Federation), www.minprom.gov.ru (the MIT).

1358. In response to questions from Members on the system of licensing in the sphere of services, the representative of the Russian Federation informed Members that, according to the existing legislation, some types of services were subject to licensing. The fundamentals of the regulation of licensing in the area of services were provided for in Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (hereafter: Federal Law No. 128-FZ), and a limited number of other Federal Laws, regulating individual service sectors. Federal Law No. 128-FZ had been adopted in the context of the governmental programme of "debureaucratization" of the economy and established a unified and transparent licensing regime aimed at the removal of excessive administrative regulation and barriers to market access. The representative of the Russian Federation informed Members of the basic provisions of that Law. One of the basic licensing principles was ensuring the existence of a single economic space in the territory of the Russian Federation. For that purpose, the Government of the Russian Federation designated the Federal Executive bodies responsible for licensing specific types of activity, and also determined the types of activity to be licensed by the executive bodies of the regions of the Russian Federation. If an enterprise wanted to pursue an activity that required a licence under Federal Law No. 128-FZ and received a licence from the Federal Executive body or the executive body of a region of the Russian Federation it could pursue the licensed activity throughout the territory of the Russian Federation. If authorities of a region of the Russian Federation issued a licence to an enterprise to engage in an activity, the enterprise could engage in the licensed activity in other regions, only if it notified the licensing authorities in the other regions of its intent to engage in the licensed activity in their respective regions before engaging in the activity. Federal Law No. 128-FZ also defined the powers of licensing bodies, established the procedure for consideration of an application for a licence, as well as for issuance of a licence, and set-out the list of documents to be provided by an applicant. A fee of RUB 300 charged for the consideration of a licence application by a licensor was abolished, in accordance with the Federal Law No. 374-FZ of 27 December 2009. A licence fee of RUB 2,600 was charged for the issuance of a licence to engage in activities listed in Article 17 of Federal Law No. 128-FZ, except for activities connected with the gambling industry, for which a fee for issuance of a licence amounted to RUB 10,000. For those services that were not governed by Federal Law No. 128-FZ the amount of

fees was different. The list of such services was the following: telecommunication services; financial services other than insurance; distribution of ethyl spirit, alcoholic and alcohol-containing products; the use of frequencies for tele- and radio broadcasting; and the use of natural resources and services in the field of the use of nuclear energy (e.g. designing, construction and operation of nuclear plant, treatment of radioactive wastes). The volume of the licensing fees applied for the licensing of these services was governed by the Tax Code and the respective sectoral legislation. In response to a specific question, the representative of the Russian Federation explained that in respect to services auxiliary to all modes of transport, Federal Law No. 128-FZ provided for licensing in respect to cargo-handling services of dangerous cargos in maritime, railway and internal waterways transport.

1359. The Representative of the Russian Federation stated that the governmental policy with respect to the establishment of the licensing fees reflected in Federal Law No. 128-FZ was not aimed to distort competition in the market.

1360. The representative of the Russian Federation clarified that, according to the Civil Code of the Russian Federation, a juridical person of the Russian Federation was an entity that had separate property under its ownership, economic management, or operative administration and was liable for its obligations with respect to that property and that might, in its own name, obtain and exercise property and non-property personal rights, bear duties, and be a plaintiff and defendant in Court. Juridical persons must have an independent balance sheet or budget. Branches were not considered to be juridical persons of the Russian Federation, but were a separate subdivision of a juridical person and could conduct all of the functions of a juridical person or part of them. Representative offices were also not considered to be juridical persons, but were a separate subdivision of a juridical person, which represented the interests of the juridical person and exercised its protection. In response to a specific question of a Member, the representative of the Russian Federation clarified that the notion of juridical person referred to in this paragraph covered also juridical persons of the Russian Federation, owned or controlled by natural or juridical persons of other Members.

1361. In accordance with the Civil Code of the Russian Federation, a juridical person of the Russian Federation could be organized as a commercial organization, which had making profits as the chief goal of its activity, or as a non-profit organization. Juridical persons that were non-profit organizations, could be set-up in the form of State-corporations, non-commercial partnerships, institutions, autonomous non-profit organizations, consumer cooperatives, public or religious organizations (associations), charity or other funds, associations that were a group of juridical persons (associations and unions).

1362. The representative of the Russian Federation explained that juridical persons of the Russian Federation, including those that were service suppliers of a Member established in the territory of the Russian Federation, could, in accordance with Russian legislation, exercise their rights and bear responsibilities freely and in their own interest, *inter alia*, on a contractual basis. The terms and conditions of the contracts were to be defined by the parties to such contracts and could not contradict the legislation of the Russian Federation.

1363. Regarding the energy sector, some Members noted that the Russian Federation had made rather weak commitments on services incidental to mining and no commitments for pipeline transport services. In this regard, these Members requested details of the relationship, if any, between the relative weakness of commitments for these services and the exercise of the sovereign rights of the Russian Federation over its subsoil and mineral and energy resources. They further asked for a clarification on the intentions of the Russian Federation with respect to the development of a market environment for the provision of services incidental to mining and pipeline transport services, and whether these would be consistent with the role that the Russian Federation saw for the conclusion of production sharing agreements and concession arrangements.

1364. In response, the representative of the Russian Federation noted that all natural resources of the Russian Federation including subsoil domain as well as mineral, energy and other resources contained therein were subject to sovereign rights of the Russian Federation exercised with the regions of the Russian Federation jointly and constituted State property. Subsoil areas could not be subject to purchase, sale, gift, inheritance, deposit, pledge or any other form of alienation. He referred Members to the Section on Trade-related Investment Measures (TRIMs) of the Working Party Report and Investment for information on PSA, including services related obligations of such production sharing agreements.

1365. The representative of the Russian Federation explained that, under the legislation of the Russian Federation, State support for juridical persons could be subject to criteria or conditions such as, *inter alia*, employment of/or provision of services to persons suffering from an unfavourable social and economic position, entities considered to be of social importance, or small businesses. Criteria in the legislation were applied on a non-discriminatory basis independent of foreign participation in the juridical person.

Under current legislation:

- persons suffering from an unfavourable social and economic position included persons of limited abilities due to illness or age, jobless persons, orphans, persons suffering from low income, natural and other disasters, war or social conflict and other circumstances, which denied common conduct of life and could not be solved by these persons themselves;
- entities of social importance included entities providing services of mutual social use and/or services consumption of which could be of principal importance to any juridical persons and/or individuals, and/or entities being of key importance as a source of employment, within a respective region or economy, in general, and entities providing services, which were closely connected to the production of above-mentioned services, for example, as part of the technological process of such production or as a condition of production; and
- small businesses were those commercial organizations in which the average number of workers did not exceed, in the reporting period, the following maximum levels: 100 in industry and construction; 80 in agriculture; 60 in the scientific and cultural sphere; 30 in retail trade and domestic services; and 50 in wholesale trade and in other activities or branches of activity, as well as in the case of investment from juridical persons not being small businesses accounted for less than 25 per cent of a business' capital.

1366. Several Members of the Working Party stressed the need for more information on the progress of the Russian Federation towards establishing the required enquiry point and other transparency and procedural requirements for complying with the WTO GATS Agreement. These Members requested confirmation that, in service sectors requiring licensing, foreign natural and juridical persons, needing licences, could obtain them on the same terms as Russian natural and juridical persons. Some Members also noted that the Russian Federation had used the "infant industry" argument to justify a certain level of protection of its service sectors and asked how the Russian Federation would implement measures in this regard, considering that the WTO GATS Agreement did not contemplate any safeguard mechanism.

1367. In response to these questions from Members, the representative of the Russian Federation informed the Working Party of the adoption of the Presidential Decree No. 314 of 9 March 2004 "On the System and Structure of Federal Executive Bodies". In accordance with the Presidential Decree, "administrative reform" was realized. The purpose of this reform was to divide the legal regulation functions and control/supervision of activities between different Federal Executive bodies, as well as to guarantee the independence of the Federal Executive bodies from service suppliers.

The function of elaboration of State policy and legal regulation, in the respective spheres, was assigned to the ministries in accordance with their competence. The function of control/supervision was assigned to the Federal services.

1368. Currently, there were certain sectors where the Federal Executive bodies responsible for the regulation of the respective service sectors had their designated representatives using a special right ("golden share") in the participation of the Russian Federation and the subjects of the Russian Federation in the management of Joint-Stock Companies supplying services in such sectors, as telecommunications, transport and energy. In addition, the Central Bank of the Russian Federation (hereafter: Bank of Russia or CBR) responsible for the registration of credit organizations, the supervision of activities of credit organizations and the establishment of rules for activities of credit organizations, currently participated in the capital of Sberbank.

1369. A Member noted that the Russian Federation had not addressed questions from Members in paragraph 1366 about the establishment of an enquiry point, as required by Article III:4 of the WTO GATS Agreement. This Member believed that this information should be included in the Section "Policies Affecting Trade in Services" of this Report, unless the commitment on an enquiry point was to be specifically addressed in the Section "Transparency" of this Report. In response, the representative of the Russian Federation referred to paragraph 1426, which contained the information on the enquiry point.

1370. Regarding the banking sector, some Members expressed concern that one of the largest commercial banks in the Russian Federation (Sberbank) was currently owned by the CBR. This bank held a dominant position in the market of the Russian Federation, and its ownership by the CBR created a clear potential conflict of interest with the oversight functions and other responsibilities of the CBR. While welcoming the information on plans to divest the CBR holdings in commercial banks, these Members invited the Russian Federation to indicate a firm date by which the ownership of these banks and their commercial activities would be legally and, in practice, separated from the CBR. In addition, these Members expressed further concern about the distortions of competition created by the unlimited (i.e. 100 per cent) State guarantee given to deposits in accounts held with Sberbank. No State guarantee at all existed for deposits held in accounts with other banks, whether Russian or foreign. In order to foster equal conditions of competition in the banking sector of the Russian Federation and help improve the solidity and functioning of the financial sector, more generally, these Members expected that the Russian Federation would commit, by an agreed time-frame, to divest or bring under the responsibility of another public authority the commercial activities of the CBR and to ensure that there was no discrimination between established banks as regards to the guarantee of deposits.

1371. Some Members expressed concerns with respect to the potential conflict of interest arising from role of the Bank of Russia, as a supervisory body, and its equity participation in some commercial banks, as well as the possible distortions of competition created by the unlimited State guarantee given to deposits in accounts held with Sberbank.

1372. In response the representative of the Russian Federation noted that, the Bank of Russia held a 58 per cent stake in Sberbank. The remaining shares were owned by non-governmental investors, including foreign investors.

1373. In the Bank of Russia, the functions with respect to control over Sberbank were strictly divided. Management of Sberbank, as an object of ownership, was performed by those divisions of the Bank of Russia that did not exercise banking supervision authority. At the same time, banking supervision divisions applied to Sberbank the same supervision rules and norms, as those applied to any other bank.

1374. Sberbank maintained a historically leading role in the personal deposits' market (at present, about 51.5 per cent), although its share of individual deposits had been gradually decreasing (in early 2002, for example, it constituted almost 75 per cent). Sberbank remained a socially significant bank, since the majority of its depositors were individuals with low-income, primarily pensioners (retired people). It was impossible to indicate a firm date by when the Bank of Russia would withdraw from participating as an investor in Sberbank.

1375. He further noted, that the issue of the participation of Sberbank in the deposit guarantee system had already been resolved in Article 49 of Federal Law No. 177-FZ of 23 December 2003 "On Insurance of Deposits of Physical Persons in Banks of the Russian Federation", which had eliminated preferences for banks with participation of the CBR in the deposits guaranteeing system from 1 January 2007.

1376. In light of the limitations in the financial services sector on foreign participation in the capital of an enterprise, some Members requested information on the definitions of various forms of capital in the Russian Federation and the practical implications of these definitions.

1377. In response to questions from Members about the definition of various forms of capital in the legislation of the Russian Federation, the representative of the Russian Federation explained that, charter capital[11] was defined as the par value of the shares of a company that were issued, pursuant to: (i) Articles 66, 90, 96 and 99 of Part 1 of the Civil Code of the Russian Federation; (ii) Articles 2 and 25 of Part 1 of Federal Law No. 208-FZ of 25 December 1995 "On Joint Stock Companies"; (iii) Articles 2 and 14 of Part 1 of Federal Law No. 14-FZ of 8 February 1998 "On Limited Liabilities Companies"; (iv) Articles 11 and 18 of Federal Law No. 395-1 of 2 December 1990 "On Banks and Banking Activity"; and (v) provisions of the Law of the Russian Federation No. 4015-1 of 27 November 1992 "On Organization of Insurance Activity in the Russian Federation". He further explained that this included shares re-purchased by the company for re-sale or for retirement that were issued, but not outstanding. For the insurance sector, operational capital was comprised of charter capital, reserve capital, additional capital and undistributed profits. He also explained that for the banking sector, operational capital was comprised of charter capital, emissive income[12], funds of credit organizations confirmed by the audit (including reserves) and drawn from profits of previous years, profits of the current and previous years confirmed by the audit, and other sources of operational capital (but not including subordinated debt). Thus, limits on charter capital did not necessarily constrain total operational capital, but could do so depending on the other resources of a particular bank.

1378. In response to questions from Members regarding regulatory limits on various components of capital, the representative of the Russian Federation clarified that, in the banking sector, the sum of subordinated debt of each individual bank could not exceed 50 per cent of total operational capital. He explained that this limit did not apply to the insurance sector.

1379. A Member of the Working Party asked whether pension funds and annuities were considered insurance products. The representative of the Russian Federation explained that pension funds were established as juridical persons regulated separately from insurance by a different regulatory body. He further confirmed that investments in charter capital of companies that were licensed as pension funds would not be subject to the foreign charter capital ratio for insurance. Annuities were considered as insurance products and were provided by insurance companies that were subject to insurance regulations.

[11] Capital composed of instalments made by participants of the insurance company or bank.

[12] Difference between selling price and par value of securities multiplied by the quantity of securities of present issue.

1380. In response to a specific question of a Member, the representative of the Russian Federation said that the activity of self-regulatory organizations of professional participants in the securities market was subject to Federal Law No. 39-FZ of 22 April 1996 "On Securities Market". The Federal Law did not establish restrictions with respect to participation of Russian juridical persons with foreign investments in the activity of such self-regulatory organizations. The representative of the Russian Federation further noted that Federal Law No. 39-FZ did not establish restrictions with respect to participation of Russian juridical persons with foreign investments in trading at stock exchanges or in clearing activity, provided that such juridical persons met the respective domestic regulations requirements, or those applied by stock exchanges or clearing companies to all market participants. Answering further questions of that Member, the representative of the Russian Federation explained that, so far, there were no measures taken by the relevant financial authorities of the Russian Federation to prevent transfers of financial information to the banks and other companies operating in the financial market of the Russian Federation, or to prevent processing of financial information transferred from abroad, by such banks and companies.

1381. One Member of the Working Party expressed deep concern over the maintenance of a discriminatory regime in the Russian Federation with regard to the supply of services on the Russian services market by nationals of its country, residing in different regions of its country, under the mode of supply "commercial presence" and "movement of natural persons". This Member requested the Russian Federation to make the necessary adjustments in order to avoid discriminatory treatment and to allow all his nationals to provide services on the Russian market on an equal footing.

1382. In response, the representative of the Russian Federation stated that the nature and origin of this situation was due to complicated historical factors. The Russian Federation felt that the settlement of those problems which, were outside the WTO, could be achieved through bilateral negotiations and was prepared to take all reasonable steps in this regard.

1383. Another Member requested confirmation regarding the intention of the Russian Federation to introduce International Accounting Standards (IAS), adopted by the International Accounting Standards Board (IASB) for banks on 1 January 2004 and for all listed companies on 1 January 2005. This Member asked the Russian Federation to confirm this information and indicate the steps by which it intended to achieve this objective. He also requested the Russian Federation to provide information on the actual application of IAS by Russian companies. Another Member asked whether the financial measures described by the Russian Federation, in relation to currency regulations and controls, were not already covered by Article XII of the WTO GATS Agreement and paragraph 2 of the Annex on Financial Services of the WTO GATS Agreement.

1384. The representative of the Russian Federation replied that it was the plan of the Government of the Russian Federation to introduce IAS. He noted that Federal Law No. 208-FZ of 27 September 2010 "On Consolidated Financial Accounting in the Russian Federation" had been adopted. This Federal Law established the general requirements on drawing up, offering, and publishing of the consolidated financial accounting of the company. The company had to be a juridical person of the Russian Federation. The provisions of the Law were applied to credit organizations, insurance organizations and other organizations listed in a stock exchange, or securities market arrangers. In accordance with the provisions of the Law, the consolidated financial accounting would be drawn up under the International Financial Reporting Standards. He also stated that, in the service sectors inscribed in the Schedule of Specific Commitments of the Russian Federation, service suppliers of WTO Members would be accorded treatment no less favourable than that provided for under the terms, limitations and conditions and subject to qualifications specified in the Schedule of Specific Commitments on Services. He noted that the requirement for establishing a WTO GATS Agreement enquiry point was being addressed, and that the enquiry point would be established and operational upon accession. He further noted that the Russian Federation had a limited number of

bilateral Agreements related to debt settlements and technical assistance measures resulting from Agreements on legal assistance, which contained some preferential provisions, and Agreements on conditions for activities on the territory of the Russian Federation of Severniy Investitsionniy Bank (North Investment Bank) and Tchernomorskiy Bank Torgovliy i Rasvitiya (Tchernomorskiy Bank of Trade and Development).

1385. One Member suggested that the Working Party Report be updated and include language to clarify plans with respect to accountancy standards (e.g. scope of those plans, manner in which the standards would be implemented and time-frame being considered). Where international standards had been partially adopted, further details would be required. This Member noted that most recent discussions suggested that the accountancy standards applied to companies listed on the stock market. This Member further noted that he remained concerned that the lack of compatibility of accounting systems would impede service providers from obtaining the market access that the Russian Federation had agreed to offer. In response, the representative of the Russian Federation explained that information on the introduction of IAS in the Russian Federation provided for in paragraph 1384 above constituted the quintessence of all new developments, at this stage.

1386. Concerning horizontal measures of regulation, the representative of the Russian Federation explained that services, considered to be public utilities and referred to in the Horizontal Part of the Schedule of Specific Commitments on Services of the Russian Federation, could be subject to public monopolies or exclusive rights granted to private operators. Exclusive rights to provide such services could be granted to private operators, for instance, operators with concessions from bodies of State power and local self-governmental bodies, subject to the specific services obligations of the Russian Federation. Services considered as public utilities were supplied on the basis of public contracts. In service sectors, included the Schedule of Specific Commitments on Services of the Russian Federation, Russian juridical persons with 100 per cent foreign equity participation were allowed to apply for these exclusive rights on equal terms with national services suppliers.

1387. He stated that the policy of the Russian Federation in preserving, developing, and disseminating culture, required an authorization with respect to the acquisition of control over a Russian juridical person related to the cultural heritage of the Russian Federation and/or being a cultural property of the peoples of the Russian Federation. Also the number of service suppliers and scope of their operation could be limited on a non-discriminatory basis in specially protected territories.

1388. He noted that for the purpose of the protection and preservation of indigenous persons and exiguous ethnic communities, measures directed at the protection and preservation of the territories of the traditional habitation of these groups could be applied, and preferences to these groups could be granted with respect to their traditional economic activity in the territory of their traditional habitation. For the purpose of the protection and preservation of indigenous persons and exiguous ethnic communities, a special regime had been established for the use of land where they traditionally resided and exercised economic activity. According to that regime, such persons and communities had, *inter alia*, a priority right to the use of wild life and other natural resources in that land, and they had to give their consent to any use of natural resources in that land.

1389. For national security reasons the Russian Federation could also use measures to limit or prohibit economic and entrepreneurial activities with respect to trade in services, including possession, use and disposal of land, natural resources and immovable property, entry and/or permanent stay of natural persons, within the border zones and closed administrative areas.

1390. Responding to the concerns of some Members, the representative of the Russian Federation confirmed that commitments on "tour operator and tour agency services, CPC 7471" included services

rendered for passenger travel by: (i) tour agencies, tour operators, and similar services; (ii) travel information, advice and planning services; (iii) services related to arrangement of tours, accommodation, passenger and baggage transportation; and (iv) ticket issuance services.

1391. A Member noted that the Russian Federation had listed in its Schedule of Specific Commitments on Services discretionary authority to impose temporary limits on foreign investment in the banking and insurance sectors, if foreign investment in those sectors exceeded a specified charter capital ratio. This ratio was calculated annually and, if foreign investment exceeded this ratio, the relevant regulatory authority had the discretion to take certain actions to temporarily limit further foreign investment. This Member asked, if all banks and insurance enterprises had to meet the same charter capital requirements and requested detailed information from the Russian Federation on how the ratio would be calculated and administered. Noting that in the case of the banking sector, the regulator (the CBR) was also a stakeholder in some commercial banks, this Member sought assurances that for any sector subject to this limitation, any decisions relating to charter capital, including decisions on whether to act, if foreign investment in the banking or insurance sector exceeded the ratio, would be made on prudential grounds and not influenced by the participation of the regulator in the sector.

1392. In response to these questions, the representative of the Russian Federation confirmed that, with respect to the banking sector, the same charter capital requirements applied to all banks in the Russian Federation, except the CBR, including State-owned banks and private banks, and that charter capital requirements would be applied on a non-discriminatory basis. He further confirmed that the CBR had the discretion to take certain limited actions, if foreign investments in the banking sector of the Russian Federation exceeded the 50 per cent ratio calculated according to the following formula:

(i) The numerator would consist of the total amount of foreign (non-resident) investments in the charter capital of banks in the Russian Federation, excluding all foreign investments in banks:

  (a) made prior to 1 January 2007;
  (b) privatized after the date of accession of the Russian Federation to the WTO; and
  (c) that accounted for 51 per cent or more of charter capital of any individual bank, and made after 1 January 2007, and had been in place for a period of 12 years or more, unless thereafter annually, the CBR determined that it was necessary to continue to include such foreign investments in the calculation of the 50 per cent ratio and made such determination public.

(ii) The denominator would consist of the aggregated amount of total charter capital of banks in the Russian Federation (including all foreign investments, prior to 1 January 2007, all foreign investments in banks privatized after the date of accession of the Russian Federation to the WTO, and any foreign investment made after 1 January 2007, including that in place for a period of 12 years or more, that accounted for 51 per cent or more of the charter capital of any individual bank).

The representative of the Russian Federation confirmed that the ratio would be calculated in January of each year on the basis of the capital in existence at the end of the prior year, and that the ratio and supporting calculations would be made publicly available. He further confirmed that Federal financial authorities had the discretion to take certain temporary actions affecting foreign investments in the banking sector, if foreign investments exceeded the 50 per cent ratio. Any such action would follow notice and consultations with interested persons, and would require that a determination that the ratio had been exceeded due to new foreign investments, rather than due to a contraction of total capital or adjustments in charter capital, was made public. In such circumstances, the only actions authorities could take would be to: (i) stop issuance of licenses for new

foreign-invested banks; (ii) prohibit the increase of charter capital of existing Russian banks contributed by foreign investors (non-residents); and (iii) prohibit the alienation (sale) of shares of existing Russian banks to foreign investors (non-residents). He confirmed that only where the institution involved conducted commercial banking as its principal line of business, would it be subject to these adverse actions. For example, a Russian juridical person with a commercial banking licence whose principal line of business was as a broker dealer would not be subject to these adverse actions. The representative of the Russian Federation further confirmed that the Federal financial authorities would not be able to apply measures that would, for example: (i) prevent increases in the operational capital of existing foreign-invested banks; (ii) prevent expansion of the scope or volume of business of such foreign-invested banks; or (iii) prevent foreign-invested banks from opening internal branches (as distinct from direct branches from abroad) within the Russian Federation. Should the Russian Federation choose to exercise its discretion and, subsequently, the ratio fell below 50 per cent, the Russian Federation would withdraw the temporary action. The Working Party took note of these commitments.

1393. With respect to the insurance sector of the Russian Federation, the representative of the Russian Federation confirmed that charter capital requirements would be applied on a non-discriminatory basis. He further confirmed that the Federal regulatory authorities had the discretion to take certain limited temporary actions, if foreign investments in the insurance sector of the Russian Federation exceeded the 50 per cent ratio calculated according to the following formula:

(i) The numerator would consist of the total amount of foreign (non-resident) investments in the charter capital of insurers/re-insurers in the Russian Federation, excluding all foreign investments in insurers/re-insurers:

  (a) made prior to 1 January 2007;
  (b) privatized after the date of accession of the Russian Federation to the WTO; and
  (c) that accounted for 51 per cent or more of charter capital of any individual insurer/ re-insurer, made after 1 January 2007, and had been in place for a period of 12 years or more, unless thereafter, annually, the Federal financial authority determined that it was necessary to continue to include such foreign investments in the calculation of the 50 per cent ratio and made such a determination public.

(ii) The denominator would consist of the aggregated amount of the total charter capital of insurers/re-insurers in the Russian Federation, including all foreign investments, prior to 1 January 2007, foreign investments in insurers/re-insurers privatized after the date of accession of the Russian Federation to the WTO, all foreign investment in internal branches, and foreign investment made after 1 January 2007, that had been in place for a period of 12 years or more and that accounted for 51 per cent or more of the charter capital of any individual insurance/re-insurance company.

The representative of the Russian Federation also confirmed that, after nine years from the date of accession of the Russian Federation to the WTO, capitalization of branches of foreign insurers/re-insurers would be factored into the total amount of foreign investments in the insurance sector of the Russian Federation and thus would be included in the calculation of the ratio referred to above. He also confirmed that, at least six months prior to the expiration of the nine year transition period, the Russian Federation would consult with interested WTO Members on the methodology and amount of branch capital to be included in the calculation of the ratio.

The representative of the Russian Federation confirmed that, the ratio would be calculated in January of each year on the basis of the capital in existence at the end of the prior year, and that the ratio and supporting calculations would be made publicly available. He further confirmed that

Federal financial authorities had the discretion to take certain temporary actions affecting foreign investments in the insurance sector, if foreign investments exceeded the 50 per cent ratio. Any such action would follow notice and consultations with interested persons, and would require that a determination that the ratio had been exceeded, due to new foreign investments, rather than a contraction of total capital or adjustments in charter capital, was made public. In such circumstances, the only actions authorities could take would be to: (i) stop issuance of licenses for new foreign-invested insurers/re-insurers; (ii) prohibit the increase of the charter capital of existing insurers/re-insurers contributed by foreign investors (non-residents); and (iii) prohibit the alienation (sale) of shares of existing Russian insurers/re-insurers to foreign investors (non-residents). Only institutions involved in commercial insurance as their principal line of business could be subject to these adverse actions. The representative of the Russian Federation further confirmed that the Federal financial authorities of the Russian Federation would not have the right to apply measures that would, for example: (i) prevent increases in the operational capital of existing foreign-invested insurers/re-insurers in the Russian Federation; (ii) prevent expansion of the scope or volume of such foreign-invested or wholly foreign-owned businesses; or (iii) prevent foreign-invested Russian insurers/re-insurers from opening branches of juridical persons of the Russian Federation within the Russian Federation. Should the Russian Federation choose to exercise its discretion and, subsequently, the ratio fell below 50 per cent, the Russian Federation would withdraw the temporary action. The Working Party took note of these commitments.

1394. In response to a question from Members about a possible review and elimination of the 50 per cent charter capital ratio, the representative of the Russian Federation confirmed that, it would review the operation and necessity for the ratio and implementation of temporary discretionary measures in the banking and insurance sectors within five years of the date of accession of the Russian Federation to the WTO.

1395. In response to a question from a Member, the representative of the Russian Federation confirmed that an increase in charter capital of a foreign-invested Russian bank or foreign-invested Russian insurance company that was financed by its profits earned in the Russian Federation or repatriated to the Russian Federation from abroad would constitute domestic investments and only be included in the denominator of the respective ratios. He further confirmed that all investments by foreign-invested Russian juridical persons in subsidiaries and internal branches in the Russian Federation were domestic, not foreign, investments. The Working Party took note of this commitment.

1396. Several Members of the Working Party noted that, the Schedule of Specific Commitments in Services of the Russian Federation did not include any commitment for branching in non-insurance financial services, and inquired when the Russian Federation planned to allow this common form of establishment. In addition, several Members, who were also members of the Organization for Economic Co-operation and Development (OECD) noted that commitments for direct-branching in financial services were standard in that organization and that they would expect the Russian Federation to make full commitments to allow direct-branching in financial services as part of its accession to the OECD.

1397. However, the representative of the Russian Federation confirmed that the Russian Federation would come back to consideration of granting market access to direct branches of foreign banks and companies which were professional participants of the securities markets in the context of future negotiations on the accession of the Russian Federation to the OECD or within the framework of the next round of WTO multilateral trade negotiations whichever comes earlier. The Working Party took note of this commitment.

1398. In response to a question from a Member, the representative of the Russian Federation confirmed that the 20 per cent limit on equity ownership of "stock exchanges" would not apply to other kinds of trade arrangers. Companies that were trade arrangers other than stock exchanges that use such means of organizing trade on the securities market as, for example, via alternative trading systems (ATSs), such as electronic communications networks (ECNs), crossing networks or global agency brokers, or via internalized trades (i.e., matching trades internally between customers and/or between customers and proprietary positions) could be up to 100 per cent owned by a single investor, domestic or foreign. He further confirmed that, where the 20 per cent limit on equity ownership of "stock exchanges" applied, it would do so equally to foreign and domestic investors, as would any subsequent amendment to this limit. The Working Party took note of these commitments.

1399. Some Members expressed concerns about the restrictions in the offer of the Russian Federation on Telecommunication Services for Mode 1, cross-border supply, of satellite services. While Members noted that the concerns of the Russian Federation with respect to these services were related to security, frequency allocation and universal service fund contributions, these concerns were important to all Members. In their view, none of these concerns should prevent a Member from allowing market access for foreign satellite services. In the view of these Members, these issues could be more appropriately addressed in ways consistent with international practice, such as through the earth station licensee or through coordination at the International Telecommunications Union (ITU).

1400. The representative of the Russian Federation explained that any foreign-licensed fixed satellite operator could access the market of the Russian Federation by providing capacity to a juridical person of the Russian Federation that possessed a licence for telecommunications services issued in accordance with Chapter 6 of Federal Law No. 126-FZ of 7 July 2003 "On Communications". Thus, the foreign-licensed fixed satellite operator would not need to be both the operator and the licensee in the Russian Federation in order to provide services to juridical persons of the Russian Federation, as described above. The Working Party took note of this commitment.

1401. The representative of the Russian Federation further confirmed that certain measures adopted or maintained by the Russian Federation would be applied in a manner that would ensure the market access described above. For example, the Government Resolution No. 88 of 1 February 2000 "On the Procedures of the Admission of Foreign Satellite Systems to the Russian Market" would be administered in a manner consistent with the market access commitments of the Russian Federation. The Working Party took note of this commitment.

1402. Some Members raised other concerns about new requirements established in the Russian Federation under an Order titled "On Approval of Requirements for PSTN Development" in particular, the requirement that (Public Switched Telephone Network) PSTN traffic might be connected via communications satellites controlled from the territory of the Russian Federation. The representative of the Russian Federation confirmed that, consistent with its market access commitments, foreign fixed satellite operators would not be required to establish commercial presence in the territory of the Russian Federation for the purposes of providing capacity to a juridical person of the Russian Federation that possesses a licence for telecommunications services issued in accordance with Chapter 6 of Federal Law No. 126-FZ of 7 July 2003 "On Communications". The Working Party took note of this commitment.

1403. Members of the Working Party stated that they expected the Russian Federation to make a commitment to guarantee transparency of licensing requirements and procedures, qualification requirements and procedures, as well as of other authorization requirements, in particular with respect to obtaining, extending, renewing, denying and terminating licenses and other approvals required to provide services in the market of the Russian Federation, and appeals of such actions. The licensing

procedures and conditions of the Russian Federation should not in themselves act as a barrier to market access and should not be more trade restrictive than necessary. The Russian Federation should publish a list of authorities responsible for authorizing, approving or regulating those service sectors in which the Russian Federation had made specific commitments, as well as the licensing procedures and conditions of the Russian Federation. Members also expected the Russian Federation to make a commitment to guarantee that, for those services that would be included in the Schedule of Specific Commitments of the Russian Federation, the relevant regulatory authorities would be separated from, and not accountable to, any of the service suppliers they regulated. Members further expected the Russian Federation to make a commitment to guarantee that foreign service suppliers remain free to choose their partners.

1404. In response, the representative of the Russian Federation confirmed that, upon accession, the Russian Federation would ensure that all normative legal acts of general application pertaining to or affecting trade in services, as well as information on their effective date and scope of application, were published or made otherwise publicly available. He further confirmed that the Russian Federation would ensure that the names of competent authorities that were responsible for issuing licenses (authorizations) for service activities were published or made otherwise publicly available. The Working Party took note of these commitments.

1405. Without prejudice to the right of the Russian Federation to establish and apply licensing procedures and requirements, the representative of the Russian Federation confirmed that, in sectors in which the Russian Federation had undertaken specific commitments, it would ensure that its licensing procedures were not in themselves a restriction on the supply of the service, and that its licensing requirements directly related to eligibility to supply a service were not in themselves an unjustified barrier to the supply of the service. He further confirmed that for those services sectors in which specific commitments were undertaken by the Russian Federation in its Schedule of Specific Commitments, the Russian Federation would ensure that:

(a) All licensing procedures and requirements were set-out in normative legal acts and that any law establishing or implementing licensing procedures or requirements would be published no later than its effective date and that any other normative legal act that establishes and implements licensing procedures or requirements would be published prior to its effective date;
(b) Relevant authorities make a decision on granting/denial of a licence within the period specified in the relevant normative legal act or, if no time period was specified in the relevant normative legal act, without undue delay;
(c) Any fees charged in connection with the filing and review of an application for a licence would not in themselves be a restriction on the supply of the service;
(d) Once any period established in a normative legal act for review of an application for a licence had lapsed, and on the request of an applicant, the relevant regulatory authority of the Russian Federation would inform the applicant of the status of its application and whether it was considered complete. If the authority required additional information from the applicant, it would notify the applicant without delay and specify the additional information required to complete the application. Applicants would have the opportunity to provide the additional information requested and to make technical corrections in the application. An application would not be considered complete until all information and documents specified in the relevant laws and regulations were received;
(e) The relevant regulatory authority of the Russian Federation would make an administrative decision on a completed application for issuance of a licence for the supply of a financial service, and, as appropriate, approval of new products and rate changes, within a reasonable period of time and would promptly notify the applicant of the decision. An application would

not be considered complete until all information specified in the relevant normative legal act was received. Where it was not practicable for a decision to be made:

(i) On an application to supply banking services within 180 days; and
(ii) On an application to supply other financial services within 60 days.

- The relevant regulatory authority would notify the applicant without delay;

(f) On the written request of an unsuccessful applicant, a regulatory authority that has denied an application would, inform the applicant in writing of the reasons for denial of the application; however, this provision shall not be construed to require a regulatory authority to disclose information, where that disclosure would impede law enforcement or otherwise be contrary to the public interest or essential security interests;
(g) Where an application had been denied, an applicant might submit a new application that attempts to address any prior problems for licensing;
(h) Where approval was required, once the application had been approved, the applicant would be informed in writing and in the time period provided for by the relevant normative legal act or, if no time period was specified in the relevant normative legal act, without undue delay; and
(i) Where an examination was required to licence professionals, such examinations would be scheduled at reasonable intervals. That would not apply to qualifying examinations administered or offered by financial service regulators or self-regulatory bodies or organizations.

The Working Party took note of these commitments.

1406. The representative of the Russian Federation further confirmed that, in those sectors where the Russian Federation had undertaken specific commitments, relevant regulatory authorities would not be accountable to any service suppliers they regulated. Further, the representative of the Russian Federation confirmed that in sectors in which the Russian Federation had undertaken specific commitments it would ensure, where practicable, that:

- drafts of regulations of general application that it proposed to adopt were published in advance;
- an opportunity to comment on such proposed regulation was provided to interested persons and other Members; and
- reasonable time between publication of the adopted regulation and its effective date was allowed.

The Working Party took note of these commitments.

1407. The Russian Federation undertook market access negotiations in services with Members of the Working Party. The commitments of the Russian Federation in services were contained in the Schedule of Specific Commitments, reproduced in Annex I to the Protocol of Accession.

TRANSPARENCY

- **Publication of Information on Trade**

1408. Members of the Working Party requested a description of the measures providing legal authorization for the Russian Federation to implement Article X of the GATT 1994 and the other transparency provisions in the WTO Agreements, together with a confirmation that these measures

would be applied upon accession. A clarification was particularly sought on where the laws, decrees, resolutions, orders, letters and other measures of general application of the Russian Federation would be published to fulfil the requirements of Article X of the GATT 1994, and the transparency provisions in other WTO Agreements, including the WTO GATS Agreement and the WTO TRIPS Agreement. Because the CU Parties and competent bodies of the CU were adopting international treaties, decisions and other measures related to trade, Members also requested confirmation that the CU Parties and competent bodies of the CU would comply with the transparency provisions of the WTO Agreement on matters within CU competency.

1409. Some Members of the Working Party stated that access to customs regulations and decrees was vital for traders attempting to import and export. In this regard, those Members noted that the Russian Federation had over 4,500 customs regulations and "instructions". Access to the published versions of those provisions was very difficult, notwithstanding that they were considered to be regulatory and normative acts, legally binding and of general application, and the State Customs Committee did not provide them to importers (or Embassies) upon request. Those Members recalled statements reflected in other portions of the Report, including those on customs requirements and rules of origin, and requested that the Russian Federation elaborate how it would address that issue, i.e., the need to facilitate access to customs regulations and other subsidiary measures.

1410. These Members also noted that since 1 July 2010, when the Customs Union entered into force, CU agreements, decisions and other measures affecting trade with the CU as a whole and with the Russian Federation as a CU Party became relevant to Members and traders. These Members requested information on when and where CU agreements, decisions and other measures would be published and made available to Members and traders.

1411. One Member recalled its deep concerns regarding measures that the Russian Federation had maintained since 2008 with regard to trade with this Member.

1412. The representative of the Russian Federation took note again of this Member's concern and referred to paragraph 209. For these reasons, the Government of the Russian Federation concluded a bilateral agreement with this Member as referred to in paragraph 210.

1413. He also noted that the Russian Federation would transmit trade data to the Integrated Data Base (IDB) of the WTO. He also noted that the Russian Federation would participate in other WTO mechanisms, such as the Trade Policy Review Mechanism and WTO Council and Committee reviews, and various WTO consultation procedures which would provide opportunities to exchange information and provide for increased transparency. The Working Party took note of these commitments.

1414. Some Members expressed concern that CU treaties and decisions did not appear to provide the opportunity for Members to consult with or provide comments to the competent CU bodies on matters affecting trade, including where provisions of WTO Agreements specifically required Members to provide drafts of measures, receive comments from Members, consult on those comments, and take the comments and discussions into account. These Members requested a commitment that the Russian Federation would make drafts of laws and other normative legal acts, as well as proposals/submissions to CU bodies that, if adopted, would have the effect of a normative legal act in the Russian Federation, available for interested persons, including Members, to provide comments prior to their adoption and that the Russian Federation and the competent bodies of the CU would comply with the transparency requirements of the WTO Agreements on matters within their respective competence.

1415. The representative of the Russian Federation replied that in accordance with Article 15.3 of the Constitution of the Russian Federation, laws and other regulatory acts relating to human rights, freedom and duties were subject to official publication. This provision was developed in Federal Law No. 5-FZ of 14 June 1994 "On the Procedures for Publishing and Entering into Force of Federal Constitutional Laws, Federal Laws, and Acts passed by the Chambers of the Federal Assembly" (as last amended on 22 October 1999); and Presidential Decree No. 763 of 23 May 1996 "On the Procedures for Publication and Entering into Force of the Acts of the President of the Russian Federation, the Government of the Russian Federation and the Normative Legal Acts of the Federal Executive Bodies" (as last amended on 28 June 2005). According to Article 4 of Federal Law No. 5-FZ, the date of publication of a Federal constitutional law, Federal law or act passed by the Chambers of the Federal Assembly was the date of the first publication of their full text in the "Parlamentskaya Gazeta", "Rossiiyskaya Gazeta" or in the digest "Sobraniye Zakonodatelstva Rossijskoj Federatsii". Federal constitutional laws, Federal laws and acts of the Chambers could also be published in other press sources and brought to general knowledge through media, distributed to State authorities, officials, enterprises, establishments and organizations, transmitted via communication channels or distributed in machine-readable formats. He also noted that a great deal of draft legislation was made available on various governmental and parliamentary (e.g., the State Duma) websites from the time it was formally proposed to the State Duma. The Government intended to continue and expand this practice.

1416. He added that, in accordance with paragraph 2 of Presidential Decree No. 763, acts of the President of the Russian Federation and of the Government were subject to official publication in the "Rossiiyskaya Gazeta" and in the digest "Sobraniye Zakonodatelstva Rossijskoj Federatsii" within ten days after their signing. Distribution of the acts of the President and the Government in a machine-readable form by the scientific and technical centre of legal information "Systema" was also deemed to constitute an official publication. Moreover, in accordance with paragraph 8 of Presidential Decree No. 763, normative legal acts of Federal Executive bodies related to human rights, freedom and duties or establishing the legal status of organizations or acts of inter-agency nature were subject to official publication in the "Rossiiyskaya Gazeta" within three days of their registration by the Ministry of Justice of the Russian Federation, and in the "Bulletin of Normative Acts of the Federal Bodies of Executive Power" published by the publishing house "Yuridicheskaya Literatura" of the Administration of the President. This Bulletin was distributed in a machine-readable form by "Systema".

1417. He noted that, in accordance with Federal Law No. 164-FZ of 8 December 2003 "On Fundamentals of State Regulation of Foreign Trade Activity" (last amended on 2 February 2006) (Article 16), the Customs Code No. 61-FZ (as last amended on 24 November 2008) (Article 24) and Government Resolution No. 953 of 24 November 2009 "On Ensuring Access to Information on Activities of the Government of the Russian Federation and Federal Executive Bodies", all Federal Executive bodies were required to ensure public access to information with regard to laws, Presidential decrees, government resolutions, as well as their own regulations, orders, rules, instructions, recommendations, letters, telegrams, teletype messages, etc., having an impact on trade. Such access was provided, for example, through printed documents, databases, or placing this information on the Internet. The root e-portal containing the references to all web pages of the State bodies of the Russian Federation was www.gov.ru. The sites publishing documents, related to the international trade regulation in the Russian Federation, were: www.president.kremlin.ru, www.government.ru (general governmental sites with links to particular spheres of regulation), www.economy.gov.ru, www.customs.ru, www.nalog.ru (taxation), www.cbr.ru (financial services), www.gost.ru (standards), www.mte.gov.ru (industry and energy sector), www.vniiki.ru (a general informational resource governed by a State research centre) and others. Such documents were also published in the following printed publications (in addition to those noted above): *Rossiyskiy Nalogoviy Kur`er, Nalogovaya Politika I Praktika* (documents regarding taxation); *Vestnik Banka*

Rossii (financial regulations); *Vestnik Rostehregulirovaniya* (documents concerning TBT); *Standarti I Kachestvo* (documents concerning TBT); *Vestnik Rossiyskogo Informacionnogo Centra* (documents concerning TBT); *Tamozhennie Vedomosti* (customs regulations); *APK, Ekonomica, Upravlenie* (regulations in agriculture); *Intellektualnaya Sobstvennost* (regulations concerning the intellectual property). He also confirmed that his Government had set up operational enquiry points in conformity with the requirements of the WTO Agreements on TBT and SPS. He also confirmed that his Government was in the process of establishing an operational enquiry point in conformity with the requirements of Article III of the WTO General Agreement on Trade in Services. Responding to the question of the Member regarding transparency issues in customs regulation, he referred to paragraphs 294 through 300 of the Section "Customs Regulations and Procedures" of this Report.

1418. Members requested further information on any legal requirements in the Russian Federation that judicial decisions pertaining to the issues covered by the GATT 1994, the WTO GATS Agreement and other WTO Agreements also be published "in such a manner as to enable governments and traders to become acquainted with them" prior to their entry into force. In particular, they asked for information on where information on laws and regulations affecting the WTO GATS Agreement and Intellectual Property Protection might be published. They also suggested that the Russian Federation consider posting the contents of "Rossiiyskaya Gazeta", "Sobraniye Zakonodatelstva Rossijskoj Federatsii", and "Parlamentskaya Gazeta" on the Internet to improve access by the general public. While many legal provisions existed that laws, regulations, decrees, instructions, etc. be published and be available approximately at the time of implementation, some important rulings, particularly in the area of customs activities, were not easily accessible, and there were few facilities to acquaint traders and the general population with these provisions, prior to their enactment or to provide an opportunity for comment. Members also expressed concerns about the lack of opportunity to provide comments and views on laws, regulations and other measures prior to their implementation.

1419. Members noted that in the areas of licensing of services, it was often difficult to identify the responsible authorities. Moreover the operation of Russian agencies responsible for authorizing, approving or regulating services activities, whether through grant of licence or other approval, lacked transparency and procedures were often unpredictable.

1420. In response, the representative of the Russian Federation noted that Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (as last amended on 28 September 2010) imposed specific procedural requirements, including criteria and time limits for decisions on licensing and licensing authorities, and requirements for written notification of decisions. Under Federal Law No. 128-FZ licensing procedures and authorised bodies were established by Government Resolutions (according to Article 5 of that Federal Law). All acts of the Government of the Russian Federation were subject to official publication, before they came into effect, with the exception of acts or parts thereof constituting State secrets or confidential information.

1421. Members welcomed this information, but noted that the Law did not cover important sectors, such as activities in the field of communications, production and sale of ethyl alcohol and alcohol products, and market activity related to alcohol.

1422. In response, the representative of the Russian Federation noted that though Federal Law No. 128-FZ did not cover a certain range of activities, including communications, production and sale of alcohol, etc., specific requirements on transparency, including criteria and time limits for decisions on licensing and licensing authorities, and requirements for written notification of decisions, were stipulated in the special Federal Laws regulating those types of activity, namely Federal Law No. 126-FZ of 7 July 2003 "On Telecommunications" (as last amended on 29 June 2010), Federal Law No. 171-FZ of 22 November 1995 "On State Regulation on Producing and Turnover of

Ethyl Spirit, Alcohol and Alcohol-Containing Products" (as last amended on 5 April 2010) and Federal Law No. 374-FZ of 27 December 2009 "On Making Amendments in Article 45 of Part One and in Chapter 25.3 of Part Two of Tax Code of the Russian Federation and Some Legal Acts of the Russian Federation, as well as on Acknowledgement of Expiration of the Federal Law "On Fees for Licensing of Activities Connected with Production and Turnover of Ethyl Spirit, Alcohol and Alcohol-Containing Products"' (as last amended on 5 April 2010). Further, the representative of the Russian Federation recalled the commitment set-out in paragraph 1404 to publish or otherwise make available all normative legal acts of general application pertaining to or affecting trade in services and other information specified in that paragraph.

1423. With regard to publication of CU agreements, CU Commission Decisions and other CU measures, the representative of the Russian Federation stated that all the information about the activities and decisions of the CU bodies was available on the website www.tsouz.ru. Decisions were posted on this website within two working days after their adoption. He noted that the CU had a dedicated website and the date of publication of a measure on the website was considered to be the official date for determining the date of entry into force of the measure. Decisions of the Commission of the CU of an obligatory nature did not enter into force earlier than 30 days after the date of their publication on the CU website. He also stated that CU Parties were required to publish all decisions of the CU Commission in dedicated national official journals as well as the EurAsEC publications, stating the date of entry into force of a decision, the basis for which was the date of publication on the CU website.

1424. The representative of the Russian Federation informed Members that, in accordance with Article 12 of the Agreement on Introduction and Implementation of Measures Concerning Trade in Goods in the Common Customs Territory in Respect of Third Countries of 9 June 2009, organizations or individual entrepreneurs of the CU Parties could provide comments, as provided for under the procedure of the development of a draft decision on introduction, implementation and abolishment of non-tariff measures, concerning trade in goods with third countries. Proposals on introduction, amendment or elimination of a measure were prepared by a CU Party, in accordance with its national legislation. Interested stakeholders could provide comments on the draft proposal, in accordance with the national legislation of that CU Party. In addition, in cases where a CU Party had concluded an international treaty with a third country that provided for consultations, the government of that country, organizations and entrepreneurs of that country could present their views with regard to the measure in compliance with the terms of the relevant treaty.

1425. Some Members expressed concern that the CU agreements and other measures did not provide for Members and other interested persons to provide comments directly to CU bodies. Since CU authorities were responsible for decisions on matters under the WTO, Members needed to be provided an opportunity to consult with the competent CU authorities and provide comments to them on measures related to compliance with and implementation of WTO provisions.

1426. The representative of the Russian Federation confirmed that from the date of accession, all laws, regulations, decrees, decisions, judicial decisions and administrative rulings of general application pertaining to or affecting trade in goods, services, or intellectual property rights, whether adopted or issued in the Russian Federation or by a competent body of the CU, would be published promptly in a manner that fulfils applicable requirements of the WTO Agreement, including those of Article X of the GATT 1994, WTO GATS Agreement, and the WTO TRIPS Agreement. The representative of the Russian Federation confirmed that, from the date of accession, the Russian Federation and the competent bodies of the CU would update published resources, including websites, containing such measures, on a regular basis and make them readily available to WTO Members, individuals and enterprises. To improve access to such published resources, the Russian Federation would establish an enquiry point which would, from the date of accession, provide

assistance to Members and other interested persons in finding and obtaining copies, on a timely basis, of published versions of CU measures and those of the Russian Federation. Such measures would be available to interested persons, while they were in effect and for a reasonable period after they were no longer in effect. He added that the Russian Federation intended to post the contents of editions of "Rossiiyskaya Gazeta", "Sobraniye Zakonodatelstva Rossijskoj Federatsii", and "Parlamentskaya Gazeta" on websites as well, and would keep them current. The Working Party took note of these commitments.

1427. The representative of the Russian Federation further confirmed that, except in cases of emergency, measures involving national security, specific measures setting monetary policy, measures the publication of which would impede law enforcement, or otherwise be contrary to the public interest, or prejudice the legitimate commercial interest of particular enterprises, public or private, the Russian Federation would publish all laws, regulations, decrees (other than Presidential decrees), decisions and administrative rulings of general application pertaining to or affecting trade in goods, services, or intellectual property rights, prior to their adoption and would provide a reasonable period of time, normally not less than 30 days, for Members and interested persons to comment to the responsible authorities before the relevant measure was finalized or submitted to the competent CU bodies. In cases where a CU body was responsible for proposing or adopting CU legal acts, including CU decisions, or other measures corresponding to those specified in the preceding sentence of this paragraph, the competent CU body would publish them before their adoption and a reasonable period would be provided for Members and interested persons to comment to the competent CU body. Any comments received during the period for commenting, whether provided to the Russian Federation or a competent body of the CU, would be taken into account. The Working Party took note of these commitments.

1428. The representative of the Russian Federation confirmed that, from the date of accession, no law, regulation, decree, decision or administrative ruling of general application pertaining to or affecting trade in goods, services, or intellectual property rights, whether adopted or issued in the Russian Federation or by a competent body of the CU, would become effective prior to publication, as provided for in the applicable provisions of the WTO Agreement, including the GATT 1994, the WTO GATS Agreement, and the WTO TRIPS Agreement. The Working Party took note of this commitment.

- Notifications

1429. Members of the Working Party noted that all Members of the WTO were obliged to provide notifications to the various subsidiary bodies of the WTO, pursuant to the covered Agreements. Members of the Working Party requested a specific commitment that the Russian Federation would provide, as from the date of accession, initial notifications for all WTO Agreements, and that the Russian Federation would also comply with the notification requirements of the WTO Agreements with regard to CU agreements and CU Commission decisions, as well as domestic regulations, decrees, decisions or administrative rulings of general application, subsequently adopted by the Russian Federation, which implement any of the WTO Agreements.

1430. The representative of the Russian Federation confirmed that, upon the date of accession, the Russian Federation would submit all initial notifications required by any Agreement constituting part of the WTO Agreement, except for the notifications set-out in Table 38, which would be submitted within the time-frame indicated in that Table. After submitting its initial notifications, the Russian Federation would submit subsequent notifications in conformity with the relevant provisions and procedures of the WTO Agreement. The Working Party took note of these commitments.

FREE TRADE AND CUSTOMS UNION AGREEMENTS

1431. Members of the Working Party noted that the Russian Federation participated in a number of Preferential Trade Agreements, and that it was customary to provide a detailed description of the scope, nature, and status of such Agreements. This was required to ensure that the value of MFN commitments negotiated in the schedules would be known to all Members. These Agreements currently included: bilateral Free Trade Agreements with CIS Parties; a bilateral Free Trade Agreement with Georgia; a bilateral Free Trade Agreement (signed on 18 August 2000) with the Federal Republic of Yugoslavia (now the Republic of Serbia and the Republic of Montenegro); the Agreement on the Creation of Free Trade Area between CIS countries of 15 April 1994; the Agreement on Customs Union between the Russian Federation and the Republic of Belarus of 6 January 1995; the Agreement on the Customs Union of 20 January 1995 with the Republics of Belarus and Kazakhstan; the Treaty on Customs Union and Single Economic Space of 26 February 1999 and the subsequent Treaty on the Establishment of the Eurasian Economic Community with the Republics of Belarus and Kazakhstan, Tajikistan and the Kyrgyz Republic of 10 October 2000 (as amended by the Protocol of 6 October 2007); the Agreement on the Creation of a Unified State with the Republic of Belarus of 8 December 1999; the Agreement on the Establishment of a Single Economic Space with Ukraine and the Republics of Belarus and Kazakhstan of 19 September 2003; and the Treaty on the Establishment of the Common Customs Territory and the Formation of the Customs Union of 6 October 2007 between the Republics of Belarus, Kazakhstan and the Russian Federation. Implementation of the latter Treaty was initiated on 1 January 2010 among the Russian Federation, Kazakhstan and Belarus with the establishment of a Common External Tariff (CET), adoption of a Customs Union (CU) Customs Code and establishment of CU institutions.

1432. With regard to the establishment of the Customs Union between the Russian Federation, the Republics of Belarus and Kazakhstan, the representative of the Russian Federation stated that the first steps towards establishing this Customs Union had been taken with the approval of the Agreement on the Customs Union between the Russian Federation and the Republic of Belarus of 6 January 1995 and the Agreement on the Customs Union (between the Russian Federation and the Republics of Belarus and Kazakhstan) of 20 January 1995. He added that the Treaty on the Customs Union and Single Economic Space had been signed on 26 February 1999 with the Republics of Belarus, Kazakhstan, Tajikistan and the Kyrgyz Republic. The Agreement foresaw the gradual creation of a Free-Trade Area and a Customs Union that would eventually cover not only trade in goods, but also services (national treatment with respect to access to services markets, including the gradual elimination of existing restrictions on juridical and natural persons) and the movement of capital. In particular, the Agreement set the initial objective of the elimination of all customs tariffs and other restrictions related to trade in goods between the Parties, except those allowed under the WTO Agreement, and the establishment of a Common External Tariff.

1433. The representative of the Russian Federation further explained that in order to continue developing the integration process between the Russian Federation and the Republic of Belarus, the Agreement on the Creation of a Unified State and the Associated Programme of Actions of the Russian Federation and the Republic of Belarus on the Realization of Provisions of the Agreement on the Creation of a Unified State had been concluded on 8 December 1999. The Agreement had been ratified by the Russian Federation on 2 January 2000. The purpose of this Agreement was, *inter alia*, the establishment of a single economic space and the setting of a legal basis for a common market providing for free trade in goods and services, and free movement of capital and labour within the territory of the Parties, including equal conditions and guarantees for business, as well as implementation of a common trade policy. It also provided for development of a single currency, a common pricing policy, common securities market, common taxation principles, common legislation on foreign investment, and unified energy, transport and communication systems. In practice, however, these objectives had not been implemented and the trade regime or granting of additional

preferences in trade between the Russian Federation and Belarus had not been effectively modified by this Agreement.

1434. In order to continue progress towards the establishment of the Customs Union and Single Economic Space, the representative of the Russian Federation explained that the Treaty on the Establishment of the Eurasian Economic Community (EurAsEC) had been signed on 10 October 2000 and had entered into force on 30 May 2001. On 19 September 2003, the Presidents of the Russian Federation, Ukraine and the Republics of Belarus and Kazakhstan signed an Agreement on the Establishment of a Single Economic Space. Parties to the Agreement intended to promote mutual trade and investment on the basis of fundamental principles and norms of international law, including WTO rules, and also to increase the competitiveness of their economies via, *inter alia*, the creation of a Free-Trade Area and possibly of a customs union. It was intended that the Single Economic Space would be created by stages, taking into account the possibility of different implementation rates and levels of integration of the Parties. Transition from one stage to another could be achieved by those Parties who had performed all the measures envisaged in the previous stage. Each Member would determine independently which integration measures it would adopt and the rate and degree of such integration. No specific follow-on Agreements aimed at the realization of this four-party Single Economic Space had been concluded so far, and efforts to implement the Agreement are, at this time, suspended.

1435. Working from a List of Activities on Creating the Eurasian Economic Community for the years 2003-2006, the Heads of Governments of the EurAsEC authorised continued implementation of previously adopted decisions, conclusion of new international treaties and agreements, and the preparation of new documents. On 6 October 2007, the Russian Federation, and the Republics of Belarus and Kazakhstan concluded the Treaty on the Establishment of the Common Customs Territory and the Formation of the Customs Union of 6 October 2007. Provisions of the agreements concluded earlier by the contracting parties and resolutions of governing bodies that did not conflict with the Agreement on the Establishment of the EurAsEC continued to be in force. The representative of the Russian Federation stated that these Agreements, and other acts (see Table 11) subsequently agreed by the Russian Federation, and the Republics of Belarus and Kazakhstan through the end of 2009, finalized the legal basis for a Customs Union within EurAsEC and laid out a framework for progressively increasing economic co-operation between entities of member countries, starting with plans for the unification of foreign trade, customs policies and trade remedies; and, initiating co-operation between the financial and banking systems; co-operation in social and humanitarian areas; and co-operation in the field of legal regulation. The two members of EurAsEC not parties to these Agreements (Tajikistan and Kyrgyz Republic) were not members of the operational Customs Union established by the Russian Federation, Belarus, and Kazakhstan. He added that while the ultimate goals of these Agreements had not been reached yet, progress towards a common economic space was continuing.

1436. On 27 November 2009, the EurAsEC Interstate Council (the Supreme Body of the Customs Union) approved the CET of the Customs Union, as well as the Treaty on the Customs Union Customs Code. The CET and a number of basic agreements and protocols on tariff and non-tariff regulation came into force on 1 January 2010. The CU Customs Code entered into force in the Russian Federation and the Republic of Kazakhstan on 1 July 2010 and the Republic of Belarus joined on 6 July 2010. The Agreements, Decisions and national complementary customs regulations related to the CU Customs Code were being developed. The representative of the Russian Federation explained that as laid out in the Treaty on the Establishment of the Common Customs Territory and Formation of the Customs Union of 6 October 2007, the Interstate Council would take a decision on the establishment of the common customs territory and the completion of the Customs Union after the tasks set-out in the Treaty were completed. The representative of the Russian Federation further

noted that a detailed description of the CU trade policies and regulations was provided for in the relevant Sections of this Report.

1437. According to the trade statistics of the Russian Federation, the preferential trade (including import and export) between the Republics of Belarus and Kazakhstan and the Russian Federation in the three years preceding the creation of the CU (i.e., 2007 to 2009) amounted to 99 per cent in terms of tariff lines and 83 per cent in 2007, 82 per cent in 2008 and 81 per cent in 2009 in terms of trade value of their mutual total trade. Currently, no import tariffs were applied in trade between the Republics of Belarus and Kazakhstan and the Russian Federation. The Russian Federation did not apply export duties to products destined for the Republic of Kazakhstan, but maintained export duties on 97 per cent of its oil and oil products exported to the Republic of Belarus, which made up 19 per cent of the total internal Customs Union Parties' trade and 27 per cent of the total bilateral trade between the Russian Federation and the Republic of Belarus in 2009. While there were a number of items where a Common External Import Tariff rate of the CU would only be established after a transition, over 95 per cent of import tariff lines in the CET were currently harmonized. Exceptions, to be phased-out, in up to five years, from the moment of the entry into force of the CET, included tariffs on pharmaceuticals, aircraft, apples, plastics, wood pulp, paper, aluminium, certain tools, electrical parts, railroad equipment and scientific instruments. Currently, the Russian Federation and the Republics of Belarus and Kazakhstan applied separate export duty regimes *vis-à-vis* third countries, which made up approximately 35 per cent of the total external Customs Union Parties' trade in 2009. The representative of the Russian Federation noted that further description of the tariff policy of the Russian Federation was included in Sections "Ordinary Customs Duties", "Tariff Quotas", "Tariff Exemptions" and "Export Duties" of this Report.

1438. The representative of the Russian Federation explained that the Customs Union was also moving forward with the establishment of its institutions, i.e., the Commission, the Secretariat, the EurAsEC Court, and the Expert Council. The institutional and legislative set-up of the CU was described in the Section "Framework for Making and Enforcing Policies" to the extent it was relevant for the trade regime of the Russian Federation and the implementation of its WTO commitments.

1439. The Customs Union was open to the accession of new partners, as provided for in the Treaty on the Establishment of Eurasian Economic Community of 10 October 2000. Prospective EurAsEC membership was open to any state prepared to undertake the obligations and fulfil the commitments called for in the Treaty and the other treaties in force within the Community. EurAsEC members then had the option of adopting the additional agreements and protocols establishing the Customs Union as a single undertaking.

1440. Members also requested further information about the participation of the Russian Federation in the Ashkhabad Agreement. The representative of the Russian Federation said that the Agreement on General Conditions and Mechanism of Support for the Production Cooperation Development of Enterprises and Industries of CIS Member-states - the Ashkhabad Agreement - had been signed by all CIS Member-states on 23 December 1993. The Agreement had come into force in the Russian Federation on 1 September 1995. The Agreement provided for coordinated policies in the sphere of international specialization and industrial co-operation through joint projects and programmes, which were implemented through annual Protocols with member states, with attached lists of specific products generated by the individual participating enterprises. The goods covered included components, parts, and spare parts necessary for the technologically interconnected production of final products. The Agreement provided for the tax exemption for goods imported according to the contracts between enterprises of the CIS countries on industrial co-operation. Direct supply from an enterprise in one CIS country to an enterprise in another CIS country within the framework of such industrial co-operation was a precondition for the exemption. Raw materials and final products could not be subject to this exemption. During recent years, the Agreement had been

exercised only between the Russian Federation and Ukraine, and the Russian Federation and Moldova, where industrial cooperation supplies had been recorded in metallurgy, aircraft building and chemical industry. Protocols for further cooperation were signed with both countries in 2010.

1441. Concerning CIS countries, the representative of the Russian Federation noted that besides the Eurasian Economic Community, relations with the Republics of Belarus, Kazakhstan, Tajikistan and the Kyrgyz Republic, and, the Customs Union relations with the Republics of Belarus and Kazakhstan, at present, trade and economic relations between the Russian Federation and the other CIS countries (the Republics of Azerbaijan, Armenia, Belarus, Georgia (which withdrew from the CIS in 2008), Moldova, the Republics of Kazakhstan and Tajikistan, Turkmenistan, Ukraine, Republic of Uzbekistan and the Kyrgyz Republic) were determined by a number of multilateral and bilateral Agreements, most of which did not involve trade preferences. Over 1,000 inter-governmental Agreements had been concluded and were in force. These Agreements covered a wide range of issues, including taxation, education, public health, intellectual property protection, security and technical-military fields of cooperation. In response to a question from a Member of the Working Party, he added that plans were being developed to establish a single agricultural market in the CIS area, which would be aimed at coordination of national agricultural policies, although at present no roadmap had been established to achieve this objective.

1442. The representative of the Russian Federation stated that his Government believed that an obvious advantage of WTO Membership for CIS member states would be the implementation of the WTO requirement to bring the legislation of its Members into compliance with WTO norms and rules. As a result, trade among CIS countries was likely to become more efficient. When expanding and implementing trade and economic agreements with CIS countries, including the Eurasian Economic Community, at both multilateral and bilateral levels, the Russian Federation currently took due account of existing or future obligations of these countries as current or potential WTO Members. He also noted that Georgia, Moldova, the Kyrgyz Republic, the Republic of Armenia and Ukraine, which were parties to a number of these preferential agreements with the Russian Federation, had joined the WTO between 1998 and 2008. He recalled that those respective Agreements had also been discussed in the respective accession Working Parties of these countries.

1443. A regime of free trade in goods had been established between the Russian Federation and each individual CIS country and Georgia, based on bilateral agreements that covered a substantial part of trade in goods between them. All of these Agreements were currently in force and fully operational. In accordance with these Agreements on free trade, and similar agreements with the Republics of Serbia and Montenegro, the importation of 99 per cent of all goods (including agricultural products) originating from these countries into the customs territory of the Russian Federation was not subject to customs duties, and 66 per cent of exports of the Russian Federation to these countries was also duty-free. The list of exceptions was found in Table 33. He added that efforts had been made to create a single CIS-wide free trade area when, on 24 September 1993, CIS Member States had signed the Treaty On the Creation of the Economic Union, ratified by all CIS Member States, except Ukraine, who participated in the Treaty as an associated member. In accordance with the provisions of the 1993 Treaty, CIS Member states signed on 15 April 1994 the Agreement on Establishing a Free Trade Area. This Agreement provided for the gradual elimination of customs duties, taxes and charges and other limitations and obstructions to free movement of goods. The Agreement had been further modified by the Protocol on Amending the Agreement on Establishing a Free Trade Area, signed by CIS Member States on 2 April 1999. The Protocol established that the Free Trade Area (FTA) was to be implemented via existing or future bilateral agreements and protocols on exemptions. He added that the 1994 Agreement and the 1999 Protocol had been ratified by all CIS Member states, except the Russian Federation, and therefore, along with the 36 basic inter-governmental documents agreed under the amending Protocol, had not come into effect for the Russian Federation.

1444. More recently, the Russian Federation, along with the Republics of Kazakhstan and Belarus, had resumed collective negotiations with other CIS Member states to establish an FTA among the CIS Members. Five meetings to draft the Agreement had been held thus far and work on the draft continued in 2010. When completed and implemented, the new Agreement would focus on creation of a uniform legal structure based on WTO rules and regulating trade and economic relations within the framework of an FTA. The draft Agreement provided for, *inter alia*, elimination of import customs duties and restrictions in mutual trade, obligations regulating the levels and the application of export duties, coordinated application of safeguard measures in mutual trade, competition and subsidies rules, technical barriers to trade, SPS measures, and an effective mechanism for dispute settlement, all with a view to making gradual progress towards a common economic space. In the course of the negotiations, a common list of CIS-wide tariff exceptions from the free trade regime was being discussed with a view to substantial reduction of the number of tariff lines currently exempted under the bilateral CIS FTAs. Upon its entry into force, the new Agreement would replace the individual FTAs of the CIS countries with the Russian Federation and establish a CIS-wide preferential trade area. It was expected that negotiations on the new multilateral FTA would be finalized by the end of 2010. The Russian Federation also hoped to conclude more agreements on trade liberalization on this basis in the future. Currently, 25 countries and regional integration groups, including the Arab Republic of Egypt, the Syrian Arab Republic, New Zealand, and EFTA, had proposed to negotiate FTAs with the Russian Federation.

1445. Members inquired as to whether preferential access to exports of other CIS countries to the market of the Russian Federation was limited to exporters resident in the exporting countries as, if this was the case, this provision would be inconsistent with WTO obligations.

1446. In response, the representative of the Russian Federation said that the preferential trade agreements concluded by the Russian Federation had effectively led to the elimination of customs duties and other restrictive regulations of commerce, with the exception of duties on a number of exports of the Russian Federation to CIS countries not Parties to that Customs Union, in respect of substantially all trade between the Russian Federation and the parties to these Agreements. Duties on exports of the Russian Federation of petroleum and petroleum products existed on CU trade as well, except for the Republic of Kazakhstan. With regard to exports from other CIS countries to the Russian Federation, trade preferences were granted to goods originating in respective territories of parties to these preferential agreements on the basis of a certificate of origin pursuant to the Rules of Origin of Goods adopted by the Decision of the Council of Heads of Government of the CIS of 30 November 2000, provided that the exporter was a resident of the exporting country, i.e., a resident under the legislation of the exporting country party to the relevant agreement and that it had been shipped directly from another CIS Member. In the case of the Russian Federation, that meant that only goods exported from firms, which were residents of the Russian Federation, could be considered eligible for preferential access to other CU markets. The residency requirement for free trade between CIS countries and the direct shipment requirement were necessary for the effective implementation of those preferential agreements, to avoid false declarations of origin and combat money laundering, and did not, in the view of the Russian Federation, have practical effects for trade. According to the statistics of the Russian Federation, preferential trade represented 13.2 per cent of the total imports of the Russian Federation and 10.4 per cent of total exports in 2009, which included trade of the Russian Federation with all CIS countries, Georgia, the Republics of Serbia and Montenegro.

1447. The representative of the Russian Federation noted that an Agreement between the Government of the Russian Federation and the Government of the Federal Republic of Yugoslavia on Free Trade had been concluded on 28 August 2000. Since the establishment of the Republics of Serbia and Montenegro, as separate countries in 2006, the Free Trade Agreement has applied equally between the Russian Federation and these countries that had comprised the Federal Republic of Yugoslavia, prior to its dissolution. The original Agreement had not been ratified by the

Russian Federation and was still being applied provisionally. Article 1 of this Agreement stipulated that the Parties would liberalize trade in accordance with the provisions of the Agreement and WTO rules in order to create a free trade regime. The Agreement provided for the duty-free movement of goods between the Parties covering substantially all trade, i.e. 99.7 per cent and 80.3 per cent of the imports from, and 63.3 per cent and 99 per cent of the exports to the Republics of Serbia and Montenegro, respectively in 2009, or about 95 per cent of the tariff positions. The remaining positions were on the list of exceptions appended to the Agreement and were subject to staged duty reduction but not elimination. On 3 April 2009, the Russian Federation and the Republic of Serbia agreed on a new schedule of exceptions from the free trade regime. A similar agreement with the Republic of Montenegro was developed and implemented with the Russian Federation, but not with the Republics of Kazakhstan and Belarus. The Republics of Serbia and Montenegro were currently consulting with Customs Union Parties concerning a new preferential trade agreement between them and those Members.

1448. Members of the Working Party sought a commitment that the Russian Federation would observe Article XXIV of the GATT 1994 and Article V of the WTO GATS Agreement in its participation in trade Agreements, and would ensure that the provisions of these WTO Agreements for notification, consultation and other requirements concerning free trade areas and customs unions were met upon accession, and that any subsequent legislation or regulations enacted or altered under these Agreements would remain consistent with the provisions of the WTO. More specifically, they indicated that the Russian Federation should notify its pre-existing as well as upcoming FTA, Customs Unions and Economic Union Agreements for review by the Committee on Regional Trade Agreements (CRTA) upon accession. In response, the representative of the Russian Federation stated that, upon accession, WTO Agreements, and in particular Article XXIV of the GATT 1994 would apply, and constitute the legal basis within which the Customs Union with the Republics of Belarus and Kazakhstan would operate and a Single Economic Space would be established. WTO provisions, to the extent that they covered the same issues as these Agreements, would prevail if a conflict arose. He further noted that the hierarchy of legal acts in the Russian Federation had been elaborated in the Section "Framework for Making and Enforcing Policies" of this Report.

1449. The Representative of the Russian Federation confirmed that the Russian Federation would observe the provisions of the WTO Agreement, including all requirements of Article XXIV of the GATT 1994 and Article V of the WTO GATS Agreement, in its participation in preferential trade agreements without any difference based on whether those agreements were already in effect on the date of accession or would come into effect in the future and would ensure that the provisions of the WTO Agreement for notification, consultation and other requirements concerning free trade areas and customs unions of which the Russian Federation was a member were met from the date of accession. He confirmed that the Russian Federation would, upon accession, submit notifications and copies of its Free Trade Area and Customs Union Agreements, as well as information, including legislative and other measures, relevant to implementation of these Agreements, to the Committee on Regional Trade Agreements (CRTA). The Working Party took note of these commitments.

CONCLUSIONS

1450. The Working Party took note of the explanations and statements of the Russian Federation concerning its foreign trade regime, as reflected in this Report. The Working Party took note of the commitments by the Russian Federation in relation to certain specific matters which are reproduced in paragraphs 34, 72, 99, 115, 116, 117, 132, 133, 183, 209, 214, 215, 227, 251, 275, 302, 313, 319, 323, 324, 337, 351, 352, 353, 364, 366, 369, 382, 392, 417, 424, 472, 476, 477, 480, 481, 483, 486, 487, 497, 514, 527, 548, 562, 566, 574, 591, 613, 620, 638, 668, 669, 677, 698, 712, 714, 715, 719, 728, 738, 739, 744, 745, 756, 761, 765, 772, 773, 784, 785, 787, 789, 798, 799, 803, 804, 813, 826, 844, 847, 870, 875, 876, 880, 885, 890, 893, 895, 901, 904, 908, 923, 926, 927, 928, 932, 935, 936, 944,

950, 952, 955, 981, 984, 989, 1009, 1011, 1030, 1031, 1033, 1035, 1051, 1055, 1060, 1062, 1089, 1090, 1122, 1124, 1137, 1143, 1144, 1161, 1186, 1187, 1189, 1200, 1208, 1218, 1224, 1226, 1232, 1253, 1260, 1271, 1277, 1294, 1295, 1303, 1312, 1325, 1331, 1338, 1339, 1350, 1353, 1392, 1393, 1395, 1397, 1398, 1400, 1401, 1402, 1404, 1405, 1406, 1413, 1426, 1427, 1428, 1430 and 1449. The Working Party took note that these commitments had been incorporated in paragraph 2 of the Protocol of Accession of the Russian Federation to the WTO.

1451. Having carried out the examination of the foreign trade regime of the Russian Federation and in the light of the explanations, commitments and concessions made by the representative of the Russian Federation, the Working Party reached the conclusion that the Russian Federation be invited to accede to the Marrakesh Agreement Establishing the WTO under the provisions of Article XII. For this purpose, the Working Party has prepared the draft Decision and Protocol of Accession reproduced in the Appendix to this Report, and takes note of the Russian Federation's Schedule of Concessions and Commitments on Goods (document WT/ACC/RUS/70/Add.1) and its Schedule of Specific Commitments on Services (document WT/ACC/RUS/70/Add.2) that are annexed to the Protocol. It is proposed that these texts be adopted by the Eighth WTO Ministerial Conference, 15-17 December 2011, when it adopts the Report. When the Decision is adopted, the Protocol of Accession would be open for acceptance by the Russian Federation which would become a Member 30 days after it accepts the said Protocol. The Working Party agreed, therefore, that it had completed its work concerning the negotiations for the accession of the Russian Federation to the Marrakesh Agreement Establishing the WTO.

ANNEX 1

Laws, Regulations and Other Information Provided to the Working Party by the Russian Federation[1]

- **Fiscal and Monetary Policies**

1. Customs Code of the Russian Federation of 28 May 2003 No. 61-FZ (as last amended on 30 October 2007);
2. Tax Code of the Russian Federation – Part One No. 146-FZ of 31 July 1998 (as amended on 17 May 2007) and Part Two No. 117-FZ of 5 August 2000 (as amended on 4 December 2007);
3. Federal Law No. 55-FZ of 30 April 2008 "On Amending Certain Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law "On Additional Insurance Premiums for the Accumulative Part of the Labour Pension and the State Support to Pension Savings' Forming";
4. Federal Law No. 63-FZ of 26 April 2007 "On Amending the Budget Code of the Russian Federation, as Regards the Regulation of Budgetary Process, and on Bringing Some Legislative Acts of the Russian Federation into Accord with the Budgetary Legislation of the Russian Federation (as amended on 1 December 2007);
5. Federal Law No. 240-FZ of 30 October 2007 "On Amending the Federal Law "On Special Economic Zones in the Russian Federation and Individual Legislative Acts of the Russian Federation";
6. Federal Law No. 332-FZ of 4 December 2007 "On the Introduction of Amendments to Particular Legislative Acts of the Russian Federation for the Purpose of Improving of the Use of Air Space";
7. Federal Law No. 333-FZ of 6 December 2007 "On Amending the Federal Law "On Fishing and Preservation of Aquatic Biological Resources and Some Legislative Acts of the Russian Federation";
8. Resolution of the Government of the Russian Federation No. 506 of 30 September 2004 "On the Approval of the Regulations on the Federal Tax Service" (as amended on 22 February 2008);
9. Federal Law No. 86-FZ of 10 July 2002 "On the Central Bank of the Russian Federation (the Bank of Russia)" (as amended on 26 April 2007);
10. Resolution of the Government of the Russian Federation No. 116 of 22 February 2008 "On Amending the Regulations on the Federal Tax Service";

- **Foreign Exchange and Payments System**

11. Federal Law No. 58-FZ of 29 April 2008 "On Amending Certain Legislative Acts of the Russian Federation and Declaring Invalidated Certain Provisions of Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law "On the Procedure for Making Foreign Investments into Economic Companies Which are of Strategic Importance for Ensuring the Country's Defence Capacity and State Security";
12. Federal Law No. 242-FZ of 30 October 2007 "On Amending Article 12 of the Federal Law 'On Currency Regulation and Currency Control'";
13. Federal Law No. 58-FZ of 29 June 2004 "On the Introduction of Amendments to Some Legislative Acts of the Russian Federation in Connection with the Realization of Measures to Improve State Administration" (as amended on 2 October 2007);

[1] WT/ACC/RUS/58, WT/ACC/RUS/59 and Addendum 1 and WT/ACC/RUS/60 refers (see also WT/ACC/RUS/48 and Addenda 1 to 11).

14. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
15. Federal Law No. 173-FZ of 10 December 2003 "On Currency Regulation and Currency Control" (as amended on 30 October 2007);
16. Federal Law No. 193-FZ of 21 December 2002 "On Declaring as no Longer Valid Some Legislative Acts of the Russian Federation on the Tax on Purchase of Foreign Banknotes and Foreign Currency-Denominated Payment Documents";
17. Federal Law No. 39-FZ of 25 February 1999 "On Investment Activity in the Russian Federation Pursued in the Form of Capital Investments" (as amended on 24 July 2007);
18. Federal Law No. 160-FZ of 9 July 1999 "On Foreign Investment in the Russian Federation" (as amended on 29 April 2008);
19. Direction of the Central Bank of Russia No. 1676-U of 29 March 2006 "On Amending Instructions of the Bank of Russia No. 111-I of 20 March 2004 'On the Obligatory Sale of Part of Currency Receipts on the Internal Currency Market of the Russian Federation'";
20. Direction of the Central Bank of Russia No. 1688-U of 29 May 2006 "On the Repeal of the Requirement for Compulsory Use of Special Accounts during Foreign Currency Operations and on the Invalidation of Particular Normative Acts of the Central Bank of Russia";
21. Direction of the Central Bank of Russia No. 1388-U of 26 February 2004 "On the Adjustment of Acts of the Bank of Russia";
22. Direction of the Central Bank of Russia No. 1394-U of 18 March 2004 "On the Invalidation of Direction of the Bank of Russia No. 1223-U of 17 December 2002 'On the Peculiarities of the Purchase of Foreign Currency by Resident Legal Entities for the Currency of the Russian Federation on the Internal Currency Market of the Russian Federation for the Purpose of Making Payments Under Agreements on the Import of Goods into the Russian Federation'";
23. Direction of the Central Bank of Russia No. 1520-U of 26 November 2004 "On Amending Instructions of the Bank of Russia No. 111-I of 30 March 2004 'On the Obligatory Sale of Part of Currency Receipts on the Internal Currency Market of the Russian Federation'";
24. Direction of the Central Bank of Russia No. 1317-U of 7 August 2003 "On the Procedure for the Establishment by Authorised Banks of Correspondent Relations with Non-Resident Banks Registered in States and on Territories Granting a Privileged Tax Regime and/or not Stipulating the Disclosure and Furnishing of Information in the Conduct of Financial Operations (in Offshore Zones)" (as amended on 27 December 2006);

- **Investment Regime**

25. Civil Code of the Russian Federation – Part One No. 51-FZ of 30 November 1994 (as amended on 6 December 2007), Part Two No. 14-FZ of 26 January 1996 (as amended on 6 December 2007), Part Three No. 146-FZ of 26 November 2001 (as amended on 29 April 2008), Part Four No. 230-FZ of 18 December 2006 (as amended on 1 December 2007);
26. Land Code of the Russian Federation No. 136-FZ of 25 October 2001 (as amended on 8 November 2007);
27. Federal Law No. 55-FZ of 30 April 2008 "On Amending Certain Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law "On Additional Insurance Premiums for the Accumulative Part of the Labour Pension and the State Support to Pension Savings' Forming";
28. Federal Law No. 58-FZ of 29 April 2008 "On Amending Certain Legislative Acts of the Russian Federation and Declaring Invalidated Certain Provisions of Legislation Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On the Procedure for

Making Foreign Investments into Economic Companies which are of Strategic Importance for Ensuring the Country's Defence Capacity and State Security'";

29. Federal Law No. 57-FZ of 29 April 2008 "On the Order of Investing by Foreign Persons in Companies having Strategic Importance for Ensuring of the Defence of the Country and the Security of the State";
30. Federal Law No. 332-FZ of 4 December 2007 "On the Introduction of Amendments to Particular Legislative Acts of the Russian Federation for the Purpose of Improving of the use of Air Space";
31. Federal Law No. 334-FZ of 6 December 2007 "On Amending the Federal Law 'On Investment Funds/Trusts and Some Legislative Acts of the Russian Federation'";
32. Federal Law No. 215-FZ of 24 July 2007 "On amending the Town-building Code of the Russian Federation and Certain Legislative Acts of the Russian Federation" (as amended on 1 December 2007);
33. Federal Law No. 19-FZ of 2 February 2006 "On Amending Certain Legislative Acts of the Russian Federation and Declaring Invalidated Certain Provisions of Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On Placing Orders to Supply Goods, Carry Out Works And Render Services for Meeting State and Municipal Needs'" (as amended on 26 April 2007);
34. Federal Law No. 266-FZ of 30 December 2006 "On the Introduction of Amendments to Particular Legislative Acts of the Russian Federation in Connection with the Improvement of State Control in Crossing Points Across the State Border of the Russian Federation";
35. Federal Law of 8 December 2003 No. 164-FZ "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
36. Federal Law No. 101-FZ of 24 July 2002 "On Farm Land Turnover" (as amended on 5 February 2007);
37. Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (as amended on 6 December 2007);
38. Federal Law No. 129-FZ of 8 August 2001 "On the State Registration of Legal Entities and Individual Businessmen" (as amended on 1 December 2007);
39. Federal Law No. 134-FZ of 8 August 2001 "On the Protection of Legal Entities' and Individual Entrepreneurs' Rights in the Case of Exercise of State Control (Supervision)" (as amended on 30 December 2006);
40. Federal Law No. 39-FZ of 25 February 1999 "On Investment Activity in the Russian Federation Pursued in the Form of Capital Investments" (as amended on 24 July 2007);
41. Federal Law No. 160-FZ of 9 July 1999 "On Foreign Investment in the Russian Federation" (as amended on 29 April 2008);
42. Law of the Russian Federation No. 4730-1 of 1 April 1993 "On the State Border of the Russian Federation" (as amended on 4 December 2007);
43. Resolution of the Government of the Russian Federation No. 293 of 23 April 2008 "On the State Regulation and Control of Prices (Tariffs, Fees) for Services of Natural Monopolies' Entities at Transport Terminals, Ports, Airports and for Services of Using the Infrastructure of Internal Water Ways";
44. Resolution of the Government of the Russian Federation No. 883 of 23 July 1996 "On Exemptions from Import Customs Duties and the Value-Added Tax for Commodities Imported by Foreign Investors as a Contribution to the Registered (Shared) Capital of Enterprises with Foreign Investments";
45. Resolution of the Government of the Russian Federation No. 239 of 7 March 1995 "On Measures to Streamline the State Regulation of Prices (Tariffs)" (as amended on 23 April 2008);

- **State Ownership, Privatization and State-Trading Enterprises**

46. Federal Law No. 41-FZ of 14 April 1995 "On State Regulation of the Tariffs on Electric and Thermal Power in the Russian Federation" (as amended on 4 November 2007);
47. Federal Law No. 147-FZ of 17 August 1995 "On the Natural Monopolies" (as amended on 8 November 2007);
48. Decree of the President of the Russian Federation No. 224 of 28 February 1995 "On Measures to Improve the State Adjustment of Prices (Tariffs)" (as amended on 8 April 2003);

- **Pricing Policies**

49. Federal Law No. 250-FZ of 4 November 2007 "On Amending Some Legislative Acts of the Russian Federation in Connection with Implementation of Measures Aimed at Reforming the Unified Energy System of Russia";
50. Federal Law No. 261-FZ of 8 November 2007 "On the Seaports in the Russian Federation and on the Introduction of Amendments into the Individual Legislative Acts of the Russian Federation";
51. Federal Law No. 41-FZ of 14 April 1995 "On State Regulation of the Tariffs on Electric and Thermal Power in the Russian Federation" (as amended on 4 November 2007);
52. Federal Law No. 147-FZ of 17 August 1995 "On the Natural Monopolies" (as amended on 8 November 2007);
53. Resolution of the Government of the Russian Federation No. 239 of 7 March 1995 "On Measures to Streamline the State Regulation of Prices (Tariffs)" (as amended on 23 April 2008);
54. Resolution of the Government of the Russian Federation No. 293 of 23 April 2008 "On the State Regulation and Control of Prices (Tariffs, Fees) for Services of Natural Monopolies' Entities at Transport Terminals, Ports, Airports and for Services of Using the Infrastructure of Internal Water Ways";
55. Resolution of the Government of the Russian Federation No. 722 of 30 October 2007 "On the Introduction of an Amendment into the Basic Provisions on the Formation and the State Regulation of Prices of Gas and Tariffs for Transportation Services on the Territory of the Russian Federation";
56. Resolution of the Government of the Russian Federation No. 1021 of 29 December 2000 "On State Regulation of Gas Prices and Gas Transportation Services Tariffs on the Territory of the Russian Federation" (as amended on 30 October 2007);

- **Competition Policy**

57. Code of Administrative Offences of the Russian Federation No. 195-FZ of 30 December 2001 (as last amended on 6 December 2007);
58. Federal Law of 29 April 2008 No. 58-FZ "On Amending Certain Legislative Acts of the Russian Federation and Declaring Invalidated Certain Provisions of Legislation Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On the Procedure for Making Foreign Investments into Economic Companies which are of Strategic Importance for Ensuring the Country's Defence Capacity and State Security'";
59. Federal Law No. 135-FZ of 26 July 2006 "On Protection of Competition" (as last amended on 29 April 2008);
60. Law of the Russian Soviet Federative Socialist Republic No. 948-1 of 22 March 1991 "On Competition and Restriction of Monopoly Activity on Commodity Markets" (as last amended on 2 February 2006);

FRAMEWORK FOR MAKING AND ENFORCING POLICIES

61. Treaty on the Establishment of the Common Customs Territory and the Formation of the Customs Union of 6 October 2007;
62. Protocol on Rules on Entry into Force of International Treaties aimed at the Formation of the Legal Basis of the Customs Union, Withdrawal from them, and Accession to them of 6 October 2007;
63. Treaty on the Customs Union Customs Code of 1 July 2010;
64. Treaty on the Functioning of the Customs Union in the Framework of the Multilateral Trading System signed on 19 May 2011;
65. Treaty on Judicial Recourse to the EurAsEC Court of the Economic Operators on Disputes Within the Framework of the CU and Peculiarities of the Judicial Procedure on Them of 9 December 2010;
66. Treaty on the Commission of the Customs Union of 6 October 2007;
67. Agreement on Introduction and Implementation of Measures Concerning Trade in Goods in the Common Customs Territory in Respect of Third Countries of 9 June 2009;
68. Decision of the Interstate Council of EurAsEC at the level of Heads of State No. 16 of 27 November 2009;
69. Decision of the Interstate Council of EurAsEC at the level of Heads of State No. 69 of 9 December 2010;
70. Decision of the Interstate Council of EurAsEC at the level of Heads of State No. 14 of 27 November 2009;
71. Decision of the Interstate Council of EurAsEC No. 15 of 27 November 2009;
72. CU Commission Decision No. 308 "Decision-Making at the Commission of the Customs Union" of 18 June 2010;
73. The Constitution of the Russian Federation;
74. Arbitration Procedure Code of the Russian Federation No. 95-FZ of 24 July 2002 (as last amended on 6 April 2011);
75. Civil Procedure Code of the Russian Federation No. 138-FZ of 14 November 2002 (as last amended on 6 April 2011);
76. Code of Administrative Offences of the Russian Federation No. 195-FZ of 20 December 2001 (as last amended on 14 July 2008);
77. Civil Code of the Russian Federation Part IV No. 230-FZ of 18 December 2006 (as last amended on 4 October 2010);
78. Tax Code of the Russian Federation – Part One No. 146-FZ of 31 July 1998 (as amended on 19 July 2011) and Part Two No. 117-FZ of 5 August 2000 (as last amended on 7 March 2011);
79. Statute of the Court of the Eurasian Economic Community adopted by Interstate Council of EurAsEC Resolution No. 502;
80. Federal Constitutional Law No. 1-FKZ of 31 December 2006 "On the Judicial System of the Russian Federation" (as last amended on 28 December 2010);
81. Federal Constitutional Law No. 1-FKZ of 28 April 1995 "On Arbitration Courts in the Russian Federation" (as last amended on 30 April 2010);
82. Federal Constitutional Law No. 1-FKZ of 21 July 1994 "On the Constitutional Court of the Russian Federation" (as amended on 9 February 2011);
83. Federal Law No. 59-FZ of 2 May 2006 "On the Procedure for Handling Applications of Citizens of the Russian Federation";
84. Federal Law of 8 December 2003 No. 164-FZ "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 11 July 2011);
85. Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010);

86. Federal Law No. 113-FZ of 5 August 2000 "On the Order of Formation of the Council of the Federation of Federal Assembly of the Russian Federation" (as last amended on 15 November 2010);
87. Federal Law No. 51-FZ of 18 May 2005 "On Election of Deputies to the State Duma of Federal Assembly of the Russian Federation" (as last amended on 23 February 2011)
88. Federal Law No. 184-FZ of 6 October 1999 "On the General Principles of the Organization of the Legislative (Representative) and Executive Bodies of State Power of the Subjects of the Russian Federation" (as last amended on 28 December 2010);
89. Federal Law No. 4-FZ of 4 January 1999 "On Coordination of International and Foreign Economic Relations of the Subjects of the Russian Federation";
90. Federal Law No. 101-FZ of 15 July 1995 "On the International Treaties of the Russian Federation" (as amended on 1 December 2007);
91. Federal Law No. 2202-1 of 17 January 1992 "On the Public Prosecutor's Office of the Russian Federation" (as last amended on 7 February 2011);
92. Federal Law on Customs Regulation, No. 311-FZ of 27 November 2010;
93. Decree of the President of the Russian Federation No. 314 of 9 March 2004 "On the System and the Structure of the Federal Executive Bodies of the Russian Federation" (as last amended on 12 May 2008);
94. Decree of the President of the Russian Federation No. 849 of 13 May 2000 "On the Authorized Representative of the President of the Russian Federation in a Federal District" (as last amended on 7 September 2010);
95. Decree of the President of the Russian Federation No. 1486 of 10 August 2000 "On Supplementary Measures to Provide Integrity of Legal Treatment in the Russian Federation" (as last amended on 18 January 2010);
96. Resolution of the Government of the Russian Federation No. 437 of 5 June 2008 "On the Ministry of Economic Development of the Russian Federation" (as last amended on 6 April 2011);
97. Resolution of the Government of the Russian Federation "On the Ministry of Industry and Trade of the Russian Federation" No. 438 of 5 June 2008 (as last amended 24 March 2011);
98. Order of the Ministry of Justice of the Russian Federation No. 88 of 4 May 2007 "On the Approval of Explanations on the Application of Rules for Preparing the Normative Legal Acts of Federal Executive Power Bodies and on their State Registration";
99. Order of the Russian Patent and Trademark Agency No. 56 of 22 April 2003 "On the Rules of Filing Objections and Applications and the Consideration thereof by the Patent Disputes Chamber" (as amended on 11 December 2003);

POLICIES AFFECTING TRADE IN GOODS

- Registration requirements for import/export operations

100. Federal Law No. 60-FZ of 6 May 2008 "On amending the Federal Law 'On the Legal Status of Foreign Citizens in the Russian Federation and Some Legislative Acts of the Russian Federation'";
101. Federal Law No. 301-FZ of 1 December 2007 "On the Introduction of the Amendment to Article 2 of the Federal Law 'On the State Regulation of the Production and the Sale of Ethyl Alcohol, Alcoholic Drinks and Spirit-Containing Articles' and on the Invalidation of Particular Provisions of the Federal Law 'On the Introduction of Amendments' to the Federal Law 'On the State Regulation of the Production and the Sale of Ethyl Alcohol, Alcoholic Drinks and Spirit Containing Articles'";
102. Federal Law No. 302-FZ of 1 December 2007 "On the Introduction of Amendments to Article 8 of the Federal Law 'On State Regulation of the Production and the Sale of Ethyl Alcohol, Alcoholic Drinks and Spirit-Containing Articles'";

103. Federal Law No. 328-FZ of 4 December 2007 "On the Introduction of Amendments to Particular Legislative Acts of the Russian Federation on the Service in Military Units by Foreign Nationals and Persons with Dual Citizenship";
104. Federal Law No. 55-FZ of 20 April 2007 "On Amending Article 26 of the Federal Law 'On the State Regulation of the Manufacture and Turnover of Ethyl Alcohol and Alcoholic and Alcohol-Containing Products'";
105. Federal Law No. 231-FZ of 18 December 2006 "On Putting into Operation Part Four of the Civil Code of the Russian Federation" (as amended on 24 July 2007);
106. Federal Law No. 102-FZ of 21 July 2005 "On Amending the Federal Law 'On the State Regulation of Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products and on Declaring as no Longer Valid Certain Provisions of the Federal Law 'On the State Regulation of Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products'" (as amended on 1 December 2007);
107. Federal Law No. 114-FZ of 21 July 2005 "On Fees Charged for the Issuance of Licences for the Pursuance of Types of Activity Relating to the Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products";
108. Federal Law No. 153-FZ of 11 November 2003 "On Amending Article 5 of the Law of the Russian Federation 'On State Secrets'";
109. Federal Law No. 173-FZ of 10 December 2003 "On Currency Regulation and Currency Control" (as amended on 30 October 2007);
110. Federal Law No. 115-FZ of 25 July 2002 "On the Legal Position of Foreign Citizens in the Russian Federation" (as amended on 6 May 2008);
111. Federal Law No. 128-FZ of 8 August 2001 "On Licensing Specific Types of Activity" (as amended on 6 December 2007);
112. Federal Law No. 86-FZ of 22 June 1998 "On Medicines" (as amended on 18 December 2006);
113. Federal Law No. 171-FZ of 22 November 1995 "On the State Regulation of the Producing and Trading Volume of Ethyl Alcohol and Alcoholic Drinks" (as amended on 1 December 2007);
114. Decree of the President of the Russian Federation No. 460 of 8 April 2008 "On the Introduction of Amendments to Some Acts of the President of the Russian Federation in Connection with the Establishment of the State Corporation of Atomic Energy 'Rosatom'";
115. Decree of the President of the Russian Federation No. 26 of 11 January 2007 "On Perfecting the State Regulation of the Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones";
116. Decree of the President of the Russian Federation No. 243 of 3 March 2005 "On the Introduction of Amendments to the List of Information Items Containing State Secrets, Approved by Presidential Decree No. 1203 of 30 November 2005";
117. Decree of the President of the Russian Federation No. 232 of 13 March 1997 "On the Basic Document Establishing Identification Cards for Citizens of the Russian Federation in the Russian Federation";
118. Decree of the President of the Russian Federation No. 1203 of 30 November 1995 "On the Approval of the List of Data Referred to the State Secrets" (as amended on 8 April 2008);
119. Resolution of the Government of the Russian Federation No. 197 of 31 March 2007 "On the Introduction of Amendments to some Resolutions of the Government of the Russian Federation on the Functioning of the Single State Automated Information System of Accounting the Volume of the Production and Sale of Ethyl Alcohol, Alcoholic Drinks and Spirit-Containing Products";
120. Resolution of the Government of the Russian Federation No. 699 of 24 October 2007 "On the Introduction of Amendments to Resolution of the Government of the Russian Federation No. 866 of 31 December 2005";

121. Resolution of the Government of the Russian Federation No. 415 of 6 July 2006 "On the Approval of the Regulations on Licensing the Manufacture of Medicaments" (as amended on 19 July 2007);
122. Resolution of the Government of the Russian Federation No. 522 of 25 August 2006 "On the Functioning of the Uniform State Automated Information System for Recording the Volume of the Output and Turnover of Ethyl Alcohol, of Alcohol and Alcohol-Containing Products" (as amended on 31 March 2007);
123. Resolution of the Government of the Russian Federation No. 401 of 27 June 2005 "On the Optimization of the System of Trade Missions of the Russian Federation in Foreign States" (as amended on 25 September 2007)
124. Resolution of the Government of the Russian Federation No. 438 of 16 July 2005 "On the Importation and Exportation of Drugs Intended for Medical Use";
125. Resolution of the Government of the Russian Federation No. 758 of 1 July 1994 "On Measures to Improve the State Regulation of Export of Goods and Services" (as amended on 27 November 2006);

- Other licensing requirements

126. Federal Law No. 117-FZ of 18 July 2006 "On Gas Export";
127. Resolution of the Government of the Russian Federation No. 300 of 21 March 1996 "On Recognizing as Invalidated Certain Resolutions of the Government of the Russian Federation on the Issue of Registering Contracts in the Export of Commodities";

1. Import Regulations

- Customs Regulations and Customs Tariff

128. Customs Code of the Russian Federation of 28 May 2003 No. 61-FZ (as last amended on 30 October 2007);
129. Federal Law No. 318-FZ of 1 December 2007 "On Amending Certain Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On the State Atomic Power Corporation 'Rosatom'";
130. Federal Law No. 321-FZ of 3 December 2007 "On the Introduction of Amendments to Article 36 of the Law of the Russian Federation 'On the customs tariff'";
131. Federal Law No. 144-FZ of 8 November 2005 "On amending the Law of the Russian Federation 'On Customs Tariffs'";
132. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
133. Law of the Russian Federation No. 5485-1 of 21 July 1993 "On State Secrets" (as last amended on 1 December 2007);
134. Law of the Russian Federation No. 5003-1 of 21 May 1993 "On the Customs Tariff" (as last amended on 3 December 2007);
135. Agreement on Legal Assistance and Cooperation of Customs Authorities of the Member States of the Customs Union in Criminal and Administrative Cases of 5 July 2010;
136. Agreement on Notification and Exchange of Preliminary Information Regarding Goods and Vehicles Transported Across the Customs Border of the Customs Union of 21 May 2010;
137. Agreement on the Requirements for the Information Exchange Between Customs Authorities and Other State Authorities of the Members States of the Customs Union of 21 May 2010;
138. Treaty on the Customs Code of the Customs Union of 27 November 2009;
139. Agreement on Mutual Administrative Assistance of the Customs Authorities of the Member States of the Customs Union of 21 May 2005;

140. Decision of the Commission of the CU No. 354 of 17 August 2010 "On Adding into the Section 1.5 of the Common List of Goods, to which Prohibitions and Restrictions on Importation or Exportation are Applied by Members States of the Customs Union in Frames of Trade with the Third Countries";
141. Decision of the Commission of the CU No. 353 of 17 August 2010 "On Amending Section 2.26 of the Common List of Goods, to which Prohibitions and Restrictions are Applied by Member States of the Customs Union in Frames of Trade with the Third Countries";
142. Decision of the Commission of the CU No. 349 of 17 August 2010 "On Amending Common Customs Tariff of the Customs Union Regarding Details of Construction of Polyurethane";
143. Decision of the Commission of the CU No. 338 of 17 August 2010 "On Peculiarities of Sending of Goods in International Postal Items";
144. Decision of the EurAsEC Interstate Council No. 32 of 11 December 2009 "On Administering of a Common Commodity Nomenclature of Foreign Economic Activity of the Customs Union";
145. Resolution of the Government of the Russian Federation No. 288 of 21 April 2008 "On Amending Some Acts of the Government of the Russian Federation in Connection with Establishment of the Federal Agency for Arrangement of the State Border of the Russian Federation";
146. Resolution of the Government of the Russian Federation No. 418 of 7 July 2006 "On Some Measures to Realize Decree of the President of the Russian Federation of 13 October 2004 No. 1313 'On the Ministry of Justice of the Russian Federation'";
147. Resolution of the Government of the Russian Federation No. 459 of 26 July 2006 "On the Federal Customs Service" (as amended on 21 April 2008);
148. Decree of the President of the Russian Federation No. 736 of 28 June 2005 "On Amending and Declaring Invalidated Some Acts of the President of the RSFSR and the President of the Russian Federation" (as amended on 10 May 2007);
149. Resolution of the Government of the Russian Federation No. 1009 of 13 August 1997 "On the Approval of the Rules for Preparing the Normative Legal Acts of the Federal Bodies of the Executive Power and their State Registration" (as last amended on 7 July 2006);
150. Decree of the President of the Russian Federation No. 763 of 23 May 1996 "On the Procedure for the Publication and the Entry into Force of the Acts of the President of the Russian Federation, the Government of the Russian Federation and the Normative Legal Acts of the Federal Executive Bodies" (as amended on 28 June 2005);
151. Order of the Ministry of Justice of the Russian Federation No. 88 of 4 May 2007 "On the Approval of Explanations on the Application of Rules for Preparing the Normative Legal Acts of Federal Executive Power Bodies and their State Registration";
152. Decision of the EurAsEC Interstate Council No. 18 of 27 November 2009 "On Common Customs Tariff Regulation of the Customs Union of the Republic of Belarus, Republic of Kazakhstan and the Russian Federation";
153. Decision of the EurAsEC Interstate Council No. 130 of 27 November 2009 "On Common Customs Tariff Regulation of the Customs Union Between the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation";
154. Agreement On Common Measures for Non-Tariff Regulation with regard to the Third Countries of 25 January 2008;
155. Decision of the EurAsEC Interstate Council No. 19 of 27 November 2009 "On Common Non-Tariff Regulation of the Customs Union between the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation";
156. Regulations "On the Procedure of Import on the Customs Territory of the Customs Union and Export from the Customs Territory of the Customs Union of Ozone-Depleting Substances and Products Containing Them" (adopted by the CU Commission Decision No. 132 of November 2009);

157. Regulations "On the Procedure of Import on the Customs Territory of the Customs Union of Chemical Plant Protection" (adopted by the CU Commission Decision No. 132 of November 2009);
158. Regulations "On the Order of Entry into the Customs Territory of the Customs Union within the Eurasian Economic Community and the Export from the Customs Territory of the Customs Union within the Eurasian Economic Community Precious Metals, Precious Stones and Commodities Containing Precious Metals" (adopted by the CU Commission Decision No. 132 of November 2009);
159. Regulations "On the Order of Exportation of Mineral Raw Materials from the Customs Territory of the Customs Union" (adopted by the CU Commission Decision No. 132 of November 2009);
160. Regulations "On the Order of the Entry into the Customs Territory of the Customs Union of Medicines and Pharmaceutical Ingredients" (adopted by the CU Commission Decision No. 132 of November 2009);
161. Regulations "On the Order of Entry into the Customs Territory of the Customs Union of Medicines Used in Veterinary Medicine" (adopted by the CU Commission Decision No. 132 of November 2009);
162. Regulations "On the Order of Entry into the Customs Territory of the Customs Union of Radio Electronic Equipment and/or High Frequency Devices for Civilian Purpose, including Built-in or as Part of the Other Goods" (adopted by the CU Commission Decision No. 132 of November 2009);
163. Regulations of the Order of Import of Ethyl Alcohol and Alcoholic Products to the Customs Territory of the Customs Union (adopted by the CU Commission Decision No. 132 of November 2009);
164. Regulations "On the Order of Entry into the Customs Territory of the Customs Union and Removal of the Customs Territory of the Customs Union of Encryption (Cryptographic) Means" (adopted by the CU Commission Decision No. 132 of November 2009);
165. Decision of the CU Commission No. 132 of 27 November 2009 "On a Single Non-Tariff Regulation of the Customs Union of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation";
166. Decision of the CU Commission No. 168 of 27 January 2010 "On Maintenance of Functioning of Unified System for Non-Tariff Regulation in Customs Union Between Belarus, Kazakhstan and Russia";
167. Agreement on the Introduction and Application of Measures Affecting Foreign Trade in Goods on a Common Customs Territory to Third Countries;
168. Decision of the EurAsEC Interstate Council No. 18 of 27 November 2009 "On Common Customs Tariff Regulation of the Customs Union of the Republic of Belarus, Republic of Kazakhstan and the Russian Federation";
169. Decision of the CU Commission No. 130 of 27 November 2009 Minsk "On Common Customs Tariff Regulation of the Customs Union between the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation";
170. Decision of the CU Commission No. 131 of 27 November 2009 "On Tariff Regulation of Sugar Import to the Territory of the Customs Union within the Eurasian Economic Community";
171. List of Entities Engaged in 2010 in the Production of Motor Vehicles on the Basis of the of the Concept of "Industrial Assembly" in accordance with the Criteria Specified in Paragraph 7.1.1 of Decision of the CU Commission No. 130 of 27 November 2009;
172. Agreement on Common System of Customs Regulation of 25 January 2008;
173. Protocol on Granting Tariff Concessions of 12 December 2008;
174. Protocol on Common System of Tariff Preferences of Customs Union of 12 December 2008;
175. Draft Law "On Customs Regulation in the Russian Federation";

- **Ordinary Customs Duties**

176. Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On the Customs Tariffs of the Russian Federation and the Commodity Classification Applicable in the Conduct of Foreign Economic Activity" (as last amended on 5 February 2008);
177. Resolution of the Government of the Russian Federation No. 886 of 27 November 2000 "On Partial Amendment of the Resolution of the Government of the Russian Federation No. 148 of 22 February 2000";
178. Protocol on Conditions and Procedure for Use in Exceptional Cases of Import Customs Duties other than Common Customs Tariff Rates of 12 December 2008;
179. Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On the Customs Tariffs of the Russian Federation and the Commodity Classification Applicable in the Conduct of Foreign Economic Activity" (as last amended on 5 February 2008);
180. CU Commission Decision No. 169 of 27 January 2010 "On Granting of Tariff Concessions in the Form of the Payment of Import Customs Duties for Economic Entities Engaged in the Production of Motor Vehicles";
181. CU Commission Decision No. 196 of 26 February 2010 "On Adjusting the Rates of Import Customs Duties of the Common Customs Tariff of the Customs Union on Polycarbonates";
182. Agreement on the Grounds, Conditions and Procedure of Changes in Timing of Payment of Customs Duties of 21 May 2010;
183. Protocol on Conditions and Procedures for Use in Exceptional Cases of Import Customs Duties Other than Common Customs Tariff Rates of 12 December 2008;
184. CU Commission Decision No. 346 of 17 August 2010 "On Correction of Import Customs Duties of Common Customs Tariff, Regarding Means of Closing, Made of Plastics";
185. CU Commission Decision No. 347 of 17 August 2010 "On Correction of the Rates of Import Customs Duties of the Common Customs Tariff of the Customs Union on Used and Restored Tires";
186. CU Commission Decision No. 348 of 17 August 2010 "On Correction of the Rates of Import Customs Duties of the Common Customs Tariff of the Customs Union on Wine Materials";

- **Tariff Quotas**

187. Resolution of the Government of the Russian Federation No. 263 of 14 April 2008 "On Amending Resolution of the Government of the Russian Federation No. 732 of 5 December 2005";
188. Resolution of the Government of the Russian Federation No. 263 of 5 May 2007 "On Amending the Customs Tariff of the Russian Federation and Resolution of the Government of the Russian Federation No. 732 of 5 December 2005";
189. Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On the Customs Tariffs of the Russian Federation and the Commodity Classification Applicable in the Conduct of Foreign Economic Activity" (as last amended on 5 February 2008);
190. Resolution of the Government of the Russian Federation No. 732 of 5 December 2005 "On the Import of Beef, Pork and Meat of Poultry in the Years 2006-2009" (as amended on 14 April 2008);
191. Resolution of the Government of the Russian Federation No. 626 of 14 October 2003 "On the Exemption from the Customs Duty of Certain Goods (Equipment, including Accessories and Spare Parts thereof)" (as amended on 30 December 2006);
192. Resolution of the Government of the Russian Federation No. 1041 of 8 September 1994 "On the Procedure for the Exemption of Commodities Imported to the Customs Territory of

the Russian Federation and Exported from this Territory for the Purpose of Eliminating the Aftermath of Accidents, Catastrophes and Natural Calamities, from Customs Duties" (as amended on 26 July 1996);

193. Agreement on Regime and Implementation of Tariff Quota of 12 December 2008;

- **Tariff Exemptions**

194. Resolution of the Government of the Russian Federation No. 626 of 14 October 2003 "On the Exemption from the Customs Duty of Certain Goods (Equipment, including Accessories and Spare Parts thereof)" (as amended on 30 December 2006);
195. Resolution of the Government of the Russian Federation No. 414 of 11 April 1996 "On the Procedure for Granting Tariff Concessions on the Basis of the Federal Law 'On Introduction of Amendments to the Law of the Russian Federation 'On Customs Tariffs'" (as amended on 17 July 1998);
196. Resolution of the Government of the Russian Federation No. 883 of 23 July 1996 "On Exemptions from Import Customs Duties and the Value-Added Tax for Commodities Imported by Foreign Investors as a Contribution to the Registered (Shared) Capital of Enterprises with Foreign Investments";
197. Resolution of the Government of the Russian Federation No. 1041 of 8 September 1994 "On the Procedure for the Exemption of Commodities Imported to the Customs Territory of the Russian Federation and Exported from this Territory for the Purpose of Eliminating the Aftermath of Accidents, Catastrophes and Natural Calamities, from Customs Duties" (as amended on 26 July 1996);

- **Other Duties and Charges**

198. Resolution of the Government of the Russian Federation No. 803 of 25 December 2006 "On the Introduction of the Amendment to Resolution of the Government of the Russian Federation No. 863 of 28 December 2004";
199. Resolution of the Government of the Russian Federation No. 863 of 28 December 2004 "On the Rates of the Customs Fees for the Customs Clearance of Goods" (as amended on 25 December 2006);

- **Fees and Charges for the Services Rendered**

200. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of foreign Trade Activity" (as amended on 2 February 2006);
201. Resolution of the Government of the Russian Federation No. 863 of 28 December 2004 "On the Rates of the Customs Fees for the Customs Clearance of Goods" (as amended on 25 December 2006);

- **Application of Internal Taxes on Imports**

202. Federal Law No. 110-FZ of 24 July 2002 "On the Introduction of Amendments and Addenda into Part Two of the Tax Code of the Russian Federation and into Certain Other Acts of the Russian Federation" (as amended on 27 July 2006);
203. Federal Law No. 209-FZ of 31 December 2005 "On Amending the Federal Law 'On the State Regulation of the Manufacture and Turnover of Ethyl Alcohol and Alcoholic and Spirituous Products' and on Invalidating Certain Provisions of the Federal Law "On the State Regulation of the Manufacture and Turnover of Ethyl Alcohol and Alcoholic and Spirituous Products";

204. Resolution of the Government of the Russian Federation No. 988 of 21 December 2000 "On the State Registration of New Foodstuffs, Materials and Articles" (as amended on 10 March 2007);
205. Resolution of the Government of the Russian Federation No. 240 of 28 March 2001 "On the Approval of the List of Lenses and Frames for Spectacles (not including Sunglasses) whose Sale shall not be Subject to Value-Added Tax";
206. Resolution of the Government of the Russian Federation No. 718 of 29 November 2003 "On the Approval of the Regulations on the Application of Uniform Rates of the Customs Duties and Taxes with Respect to Goods Transferred Across the Customs Border of the Russian Federation by Natural Persons for Personal Use" (as amended on 3 March 2007);
207. Resolution of the Government of the Russian Federation No. 142 of 3 March 2007 "On Amending the Regulations on the Application of the Uniform Rates of Customs Duties and Taxes with Respect to Goods Transferred Across the Customs Border of the Russian Federation by Natural Persons for Personal Use Approved by Resolution of the Government of the Russian Federation No. 718 of 29 November 2003";
208. Resolution of the Government of the Russian Federation No. 149 of 10 March 2007 "On the Introduction of Amendments to Some Acts of the Government of the Russian Federation";
209. Protocol on Amending of the Agreement "On the Principles of Levying Indirect Taxes on Exports and Imports of Goods, Works, Services in the CU" of 25 January 2008;
210. Protocol on the Order of Levying of Indirect Taxes in View of Performance of Works and Rendering Services in the Customs Union of 11 December 2009;
211. Protocol on the Procedure for Levying Indirect Taxes and the Mechanism of Control over their Payment for Exports and Imports of Goods in a Customs Union of 11 December 2009;

- **Value Added Tax**

212. Federal Law No. 118-FZ of 26 June 2007 "On Amending Legislative Acts of the Russian Federation in as Much as it Concerns Bringing them in Line with the Land Code of the Russian Federation" (as amended on 2 October 2007);
213. Federal Law No. 117-FZ of 18 July 2006 "On Gas Export";
214. Federal Law No. 151-FZ of 27 July 2006 "On Amending Chapter 26 of Part Two of the Tax Code of the Russian Federation and Declaring Invalidated Some Provisions of Legislative Acts of the Russian Federation";
215. Federal Law No. 102-FZ of 18 August 2004 "On Amending Part Two of the Tax Code of the Russian Federation and Some Other Legislative Acts of the Russian Federation" (as amended on 27 July 2006);
216. Federal Law No. 118-FZ of 5 August 2000 "On the Entry into Force of Part Two of the Tax Code of the Russian Federation and on the Introduction of Amendments into Some Russian Federation Legislative Acts on Taxes" (as amended on 30 December 2006);
217. Resolution of the Government of the Russian Federation No. 466 of 23 July 2007 "On the Introduction of Amendments to the List of the Codes of Foodstuffs in Accordance with the All-Russia Classifier of the Products Assessed by the Value-Added Tax at the Tax Rate of 10 per cent During the Realization, Approved by Resolution of the Government of the Russian Federation No. 908 of 31 December 2004";
218. Resolution of the Government of the Russian Federation No. 908 of 31 December 2004 "On the Approval of the Lists of the Codes of the Types of Foodstuffs and Goods for Children Imposable with Value-Added Tax at the 10 per cent Tax Rate" (as amended on 23 July 2007);
219. ResolutionDecision of the Government of the Russian Federation No. 19 of 17 January 2002 "On the Approval of the List of Major and Vitally Necessary Medical Equipment, the Sale of which is Not Liable to the Value-Added Tax on the Territory of the Russian Federation";

220. Resolution of the Government of the Russian Federation No. 283 of 29 April 2002 "On the Endorsement of the List of Materials for Making Medical Immunobiological Preparations for Diagnostics, Prevention and/or Treatment of Infectious Diseases Import of which to the Customs Territory of the Russian Federation is Exempted from the Value-Added Tax" (as amended on 30 December 2006);
221. Resolution of the Government of the Russian Federation No. 240 of 28 March 2001 "On the Approval of the List of Lenses and Frames for Spectacles (not including Sunglasses) whose Sale shall not be Subject to Value-Added Tax";
222. Resolution of the Government of the Russian Federation No. 357 of 10 May 2001 "On the Introduction of Additions to the List of Technical Means, used Exclusively for Prophylaxis of Disability and Rehabilitation of Disabled Persons, the Realization of which is not Liable to Value-Added Tax";
223. Resolution of the Government of the Russian Federation No. 998 of 21 December 2000 "On the Approval of the List of Technical Appliances Used Exclusively for the Prophylaxis of Disability and Rehabilitation of Disabled Persons, the Realization of which is not Liable to Value-Added Tax" (as amended on 10 May 2003);

- **Import Licensing Systems**

224. Federal Law No. 318-FZ of 1 December 2007 "On Amending Certain Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On the State Atomic Power Corporation 'Rosatom'";
225. Federal Law No. 334-FZ of 6 December 2007 "On Amending the Federal Law "On Investment Funds/Trusts and Some Legislative Acts of the Russian Federation";
226. Federal Law No. 63-FZ of 26 April 2007 "On Amending the Budget Code of the Russian Federation, as Regards the Regulation of Budgetary Process, and on Bringing Some Legislative Acts of the Russian Federation into Accord with the Budgetary Legislation of the Russian Federation" (as amended on 1 December 2007);
227. Federal Law No. 231-FZ of 18 December 2006 "On Putting into Operation Part Four of the Civil Code of the Russian Federation" (as amended on 24 July 2007);
228. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
229. Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (as amended on 6 December 2007);
230. Federal Law No. 86-FZ of 22 June 1998 "On Medicines" (as amended on 18 December 2006);
231. Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On the Customs Tariffs of the Russian Federation and the Commodity Classification Applicable in the Conduct of Foreign Economic Activity" (as amended on 5 February 2008);
232. Resolution of the Government of the Russian Federation No. 700 of 20 November 2006 "On the Abolition of the Licensing of the Import of Starch Syrup into the Russian Federation";
233. Resolution of the Government of the Russian Federation No. 364 of 9 June 2005 "On Approval of the Regulations on Licensing in the Sphere of Foreign Trade in Commodities and on Creating and Keeping a Federal Data Bank of Issued Licences";
234. Resolution of the Government of the Russian Federation No. 438 of 16 July 2005 "On the Importation and Exportation of Drugs Intended for Medical Use";
235. Resolution of the Government of the Russian Federation No. 757 of 18 December 2003 "On the Abolition of Licensing of the Import of Raw Sugar into the Russian Federation" (as amended on 20 November 2006);

236. Resolution of the Government of the Russian Federation No. 114 of 2 February 1998 "On the Measures for Ordering the Importation of Alcoholic Products of Certain Names into the Customs Territory of the Russian Federation";
237. Resolution of the Government of the Russian Federation No. 1539 of 25 December 1998 "On the Importation into and Exportation from the Russian Federation of Medicaments and Pharmaceutical Substances" (as amended on 27 November 2006);
238. Agreement on the Rules of Licensing in the Area of Foreign Merchandise Trade of 9 June 2009;
239. Resolution of the Government of the Russian Federation No. 77 of 28 January 1997 "On Additional Measures to Control Import of Ethyl Spirits and Vodka" (as amended on 2 February 1998);

- **Customs Valuation**

240. Customs Code of the Russian Federation No. 61-FZ of 28 May 2003 (as last amended on 30 October 2007);
241. Federal Law No. 144-FZ of 8 November 2005 "On Amending the Law of the Russian Federation 'On Customs Tariffs'";
242. Federal Law No. 86-FZ of 10 July 2002 "On the Central Bank of the Russian Federation (the Bank of Russia)" (as amended on 26 April 2007);
243. Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as last amended on 3 December 2007);
244. Resolution of the Government of the Russian Federation No. 418 of 7 July 2006 "On Some Measures to Realize Decree of the President of the Russian Federation of 13 October 2004 No. 1313 'On the Ministry of Justice of the Russian Federation'";
245. Resolution of the Government of the Russian Federation No. 616 of 20 October 2006 "On Amending the Rules for Determining the Customs Value of Goods Exported from the Customs Territory of the Russian Federation, Approved by Regulation of the Government of the Russian Federation No. 500 of 13 August 2006;
246. Resolution of the Government of the Russian Federation No. 1009 of 13 August 1997 "On the Approval of the Rules for Preparing the Normative Legal Acts of the Federal Bodies of the Executive Power and their State Registration" (as last amended on 7 July 2006);
247. Letter of the State Customs Committee of the Russian Federation No. 01-06/22236 of 18 July 2004 "On the Determination of Customs Value of Goods, Imported in Accordance with Foreign Trade Contracts of Different Types";
248. Agreement on Customs Valuation of Goods Transferred Through the Customs Border of the Customs Union of 25 January 2008;

- **Rules of Origin**

249. Federal Law No. 135-FZ of 26 July 2006 "On Protection of Competition" (as amended on 29 April 2008);
250. Law of the Russian Federation No. 5003-1 of 21 May 1993 "On Customs Tariff" (as last amended on 3 December 2007);
251. Law of the Russian Soviet Federative Socialist Republic No. 948-1 of 22 March 1991 "On Competition and Restriction of Monopoly Activity on Commodity Markets" (as last amended on 2 February 2006);
252. Order of the Federal Customs Service No. 405 of 2 May 2006 "On the Invalidation of Some Legal Acts of the State Customs Committee of Russia";
253. Order of the State Customs Committee of the Russian Federation No. 920 of 22 August 2003 "On the Approval of the Regulations on the Procedure for Making Preliminary Decisions on

the Classification of a Commodity in Accordance with the Commodity Classification of Foreign Economic Activity and on the Country of Origin of a Commodity";

254. Agreement on Common Rules for Determining the Country of Origin of Goods of 25 January 2008;
255. Rules of Determination of the Country of Origin (Annex to the Agreement on Common Rules for Determining the Country of Origin of Goods of 25 January 2008, see 250);
256. Agreement on Rules of the Origin of Goods, Originating from Developing and Least-developed countries of 12 December 2008;
257. Rules Determining the Origin of Goods from the Developing and Least-developed countries (Annex to the Agreement on Rules of the Origin of Goods, Originating from Developing and Least-developed countries of 12 December 2008, see 252);
258. Requirements for Declarations, Certificates of Origin on the Form "A";

- **Preshipment Inspection**

259. Federal Law No. 63-FZ of 14 April 1998 "On the Measures for Protection of the Economic Interests of the Russian Federation in Foreign Trade of Goods" (as amended on 8 December 2003);

- **Balance of Payments**

260. Federal Law No. 153-FZ of 11 November 2003 "On Amending Article 5 of the Law of the Russian Federation 'On State Secrets'";
261. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
262. Federal Law No. 173-FZ of 10 December 2003 "On Currency Regulation and Currency Control" (as amended on 30 October 2007);
263. Federal Law No. 242-FZ of 30 October 2007 "On Amending Article 12 of the Federal Law 'On Currency Regulation and currency control'";
264. Resolution of the Government of the Russian Federation No. 791 of 17 July 1998 "On the Introduction of Additional Import Duty" (as amended on 27 February 1999);
265. Resolution of the Government of the Russian Federation No. 235 of 27 February 1999 "On Amending Resolution of the Government of the Russian Federation No. 791 of 17 July 1998 'On the Introduction of Additional Import Duty'";
266. Decree of the President of the Russian Federation No. 742 of 21 June 2001 "On the Procedure for the Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones" (as amended on 11 January 2007);
267. Decree of the President of the Russian Federation No. 243 of 3 March 2005 "On the Introduction of Amendments to the List of Information Items Containing State Secrets, Approved by Presidential Decree No. 1203 of 30 November 2005";
268. Decree of the President of the Russian Federation No. 26 of 11 January 2007 "On Perfecting the State Regulation of the Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones";

- **Anti-dumping, Countervailing and Safeguard Measures**

269. Federal Law No. 163-FZ of 14 April 1998 "On the Measures for Protection of the Economic Interests of the Russian Federation in Foreign Trade of Goods" (as amended on 8 December 2003);
270. Federal Law No. 165-FZ of 8 December 2003 "On Safeguards, Antidumping and Countervailing Measures Applied to Imports of Products" (as last amended on 30 December 2006);

271. Federal Law No. 280-FZ of 30 December 2006 "On Amending the Federal Law 'On Special Protective, Anti-Dumping and Compensation Measures in the Import of Goods'";
272. Protocol on the Mechanism of Application of Safeguard, Anti-Dumping and Countervailing Measures in Trade of the Member States of the Customs Union of 17 February 2000;
273. Agreement on Application of Safeguard, Anti-Dumping and Countervailing Measures in Respect of Third Countries of 25 January 2008;
274. CU Commission Decision No. 191 of 26 February 2010 "On the Application of Safeguard, Anti-Dumping and Countervailing Measures in the Territory of the Customs Union of Belarus, Kazakhstan and the Russian Federation";

2. Export Regulations

275. Federal Law No. 214-FZ of 24 July 2007 "On Amending Some Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On Amending the Criminal Procedural Code of the Russian Federation and the Federal Law 'On the Procurator's Office of the Russian Federation'";
276. Federal Law No. 153-FZ of 11 November 2003 "On Amending Article 5 of the Law of the Russian Federation 'On State Secrets'";
277. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
278. Federal Law No. 173-FZ of 10 December 2003 "On Currency Regulation and Currency Control" (as amended on 30 October 2007);
279. Federal Law No. 41-FZ of 26 March 1998 "On Precious Metals and Precious Stones (as amended on 24 July 2007);
280. Decree of the President of the Russian Federation No. 26 of 11 January 2007 "On Perfecting the State Regulation of the Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones";
281. Decree of the President of the Russian Federation No. 243 of 3 March 2005 "On the Introduction of Amendments to the List of Information Items Containing State Secrets, Approved by Presidential Decree No. 1203 of 30 November 1995";
282. Decree of the President of the Russian Federation No. 1373 of 30 November 2002 "On Endorsing the Regulations on Importation into the Russian Federation and Exportation from the Russian Federation of Rough Natural and Cut Diamonds" (as amended on 11 January 2007);
283. Decree of the President of the Russian Federation No. 742 of 21 June 2001 "On the Procedure for the Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones" (as amended on 11 January 2007);
284. CU Commission Decision No. 351 of 17 August 2010 "On Introduction of Temporary Prohibition of Exportation of Particular Kinds of Agricultural Goods from the Territory of the Russian Federation";
285. CU Commission Decision No. 352 of 17 August 2010 "On Volumes of Exportation of Gold from the Republic of Belarus in 2010 for Processing Outside the Customs Territory of the Customs Union";
286. Agreement on Export Duties with Regard to Third Countries of 25 January 2008;

- Quantitative Export Restrictions, Including Prohibitions and Quotas

287. Federal Law No. 55-FZ of 20 April 2007 "On amending Article 26 of the Federal Law "On the State Regulation of the Manufacture and Turnover of Ethyl Alcohol and Alcoholic and Alcohol-Containing Products";

288. Federal Law No. 118-FZ of 26 June 2007 "On Amending Legislative Acts of the Russian Federation in as Much as it Concerns Bringing them in Line with the Land Code of the Russian Federation" (as amended on 2 October 2007);
289. Federal Law No. 214-FZ of 24 July 2007 "On Amending Some Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On Amending the Criminal Procedural Code of the Russian Federation and the Federal Law 'On the Procurator's Office of the Russian Federation'";
290. Federal Law No. 301-FZ of 1 December 2007 "On the Introduction of the Amendment to Article 2 of the Federal Law 'On the State Regulation of the Production and the Sale of Ethyl Alcohol, Alcoholic Drinks and Spirit-Containing Articles and on the Invalidation of Particular Provisions of the Federal Law 'On the Introduction of Amendments to the Federal Law 'On the State Regulation of the Production and the Sale of Ethyl Alcohol, Alcoholic Drinks and Spirit-Containing Articles'";
291. Federal Law No. 102-FZ of 21 July 2005 "On Amending the Federal Law "On the State Regulation of Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products and on Declaring as no Longer Valid Certain Provisions of the Federal Law 'On the State Regulation of Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products" (as amended on 1 December 2007);
292. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
293. Federal Law No. 69-FZ of 31 March 1999 "On Gas Supply in the Russian Federation" (as amended on 26 June 2007);
294. Federal Law No. 41-FZ of 26 March 1998 "On Precious Metals and Precious Stones (as amended on 24 July 2007);
295. Federal Law No. 171-FZ of 22 November 1995 "On the State Regulation of the Production and Trading Volume of Ethyl Alcohol and Alcoholic Drinks" (as amended on 1 December 2007);
296. Decree of the President of the Russian Federation No. 26 of 11 January 2007 "On Perfecting the State Regulation of the Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones";
297. Decree of the President of the Russian Federation No. 742 of 21 June 2001 "On the Procedure for the Importation into and Exportation from the Russian Federation of Precious Metals and Precious Stones" (as amended on 11 January 2007);
298. Resolution of the Government of the Russian Federation No. 263 of 14 April 2008 "On Amending Resolution of the Government of the Russian Federation No. 732 of 5 December 2005";
299. Resolution of the Government of the Russian Federation No. 732 of 5 December 2005 "On the Import of Beef, Pork and Meat of Poultry in the Years 2006-2009" (as amended on 14 April 2008);

- **Export Licensing Procedures**

300. Federal Law No. 58-FZ of 29 April 2008 "On Amending Certain Legislative Acts of the Russian Federation and Declaring Invalidated Certain Provisions of Legislation Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On the Procedure for Making Foreign Investments into Economic Companies which are of Strategic Importance for Ensuring the Country's Defence Capacity and State Security'";
301. Federal Law No. 46-FZ of 8 April 2008 "On Amending Article 30 of the Federal Law 'On Banks and Bank Activity'";
302. Federal Law No. 20-FZ of 3 March 2008 "On Amending Article 22 of the Federal Law 'On Banks and Bank Activity'";

303. Federal Law No. 135-FZ of 26 July 2006 "On Protection of Competition" (as amended on 29 April 2008);
304. Federal Law No. 173-FZ of 23 December 2004 "On the Federal budget for 2005 (as amended on 4 November 2005);
305. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
306. Federal Law No. 41-FZ of 26 March 1998 "On Precious Metals and Precious Stones" (as amended on 24 July 2007);
307. Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On the Customs Tariffs of the Russian Federation and the Commodity Classification Applicable in the Conduct of Foreign Economic Activity" (as last amended on 5 February 2008);
308. Resolution of the Government of the Russian Federation No. 364 of 9 June 2005 "On approval of the Regulations on Licensing in the Sphere of Foreign Trade in Commodities and on Creating and Keeping a Federal Data Bank of Issued Licences";
309. Resolution of the Government of the Russian Federation No. 166 of 29 March 2005 "On Amending the Customs Tariff of the Russian Federation with Respect to Motor Components Imported for Industrial Assembly" (as amended on 27 November 2006);
310. Resolution of the Government of the Russian Federation No. 1299 of 31 October 1996 "On the Procedure for Holding Tenders and Auctions for Sales of Quotas when Quantitative Limitations and Licensing of Export and Import of Goods (Work, Services) are Introduced in the Russian Federation" (as amended on 9 June 2005);
311. Resolution of the Government of the Russian Federation No. 854 of 6 November 1992 "On the Licensing and Allocation of Exports and Imports of Goods (Works, Services) in the Russian Federation" (as last amended on 27 November 2006);
312. Federal Law No. 395-1 of 2 December 1990 "On Banks and Banking Activities" (as last amended on 8 April 2008);

- Other Customs Export Formalities

313. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
314. Law of the Russian Federation No. 4730-1 of 1 April 1993 "On the State Border of the Russian Federation" (as amended on 4 December 2007);
315. Order of the Ministry of Economic Development and Trade of the Russian Federation No. 105 of 25 May 2005 "On the Invalidation of Some Legal Acts of the State Customs Committee of Russia";

3. Internal Policies Affecting Foreign Trade in Goods

- Industrial Policy, including Subsidy Policies

316. Budgetary Code of the Russian Federation No. 145-FZ of 31 July 1998 (as amended on 1 December 2007);
317. Federal Law No. 333-FZ of 6 December 2007 "On amending the Federal Law "On Fishing and Preservation of Aquatic Biological Resources and Some Legislative Acts of the Russian Federation";
318. Federal Law No. 135-FZ of 26 July 2006 "On Protection of Competition" (as amended on 29 April 2008);
319. Federal Law No. 173-FZ of 23 December 2004 "On the Federal Budget for 2005" (as amended on 4 November 2005);

320. Resolution of the Government of the Russian Federation No. 538 of 15 May 1999 "On Granting Budgetary Subsidies for the Implementation of Highly Effective Contracts on the Output and on the Delivery of Products, Including for the Export" (as amended on 3 October 2002);
321. Resolution of the Government of the Russian Federation No. 413 of 23 April 1998 "On Additional Measures to Attract Investments for Development of Domestic Automotive Industry";
322. Decree of the President of the Russian Federation No. 135 of 5 February 1998 "On Additional Measures for Increasing Investments for the Development of the Domestic Automobile Industry";

- **Technical Barriers to Trade**

323. Water Code of the Russian Federation No. 74-FZ of 3 June 2006 (as amended on 19 June 2007);
324. Forest Code of the Russian Federation No. 200-FZ of 4 December 2006;
325. Federal Law No. 309-FZ of 1 December 2007 "On Amending Some Legislative Acts of the Russian Federation in as much as it Concerns Modification of the Term 'State Education Standard' and of the Structure thereof";
326. Federal Law No. 318-FZ of 1 December 2007 "On Amending Certain Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On the State Atomic Power Corporation 'Rosatom'";
327. Federal Law No. 191-FZ of 21 July 2007 "On Amending Articles 9 and 19 of the Law of the Russian Federation 'On Veterinary Medicine' and Article 26.3 of the Federal Law "On the General Principles of the Organization of the Legislative (Representative) and Executive Bodies of State Power of the Entities of the Russian Federation";
328. Federal Law No. 230-FZ of 18 October 2007 "On the Introduction of Amendments into Individual Legislative Acts of the Russian Federation in Connection with an Improvement in the Demarcation of Powers";
329. Federal Law No. 65-FZ of 1 May 2007 "On Amending the Federal Law 'On technical Regulation'";
330. Federal Law No. 102-FZ of 19 June 2007 "On Amending Articles 16 and 19 of the Water Code of the Russian Federation and Article 27 of the Land Code of the Russian Federation";
331. Federal Law No. 266-FZ of 30 December 2006 "On the Introduction of Amendments to Particular Legislative Acts of the Russian Federation in Connection with the Improvement of State Control in Crossing Points Across the State Border of the Russian Federation";
332. Federal Law No. 99-FZ of 30 December 2006 "On Quarantine of Plants";
333. Federal Law No. 126-FZ of 7 July 2003 "On Communications" (as amended on 29 December 2006);
334. Federal Law of 8 December 2003 No. 164-FZ "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
335. Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as amended on 1 December 2007);
336. Federal Law No. 29-FZ of 2 January 2000 "On the Quality and Safety of Food Products" (as amended on 30 December 2006);
337. Federal Law No. 52-FZ of 30 March 1999 "On the Sanitary and Epidemiological Welfare of the Population" (as amended on 1 December 2007);
338. Federal Law No. 170-FZ of 21 November 1995 "On the Use of Atomic Energy" (as amended on 1 December 2007);
339. Fundamentals of the Legislation of the Russian Federation on Health Protection No. 5487-1 of 22 July 1993 (as amended on 18 October 2007);
340. Law of the Russian Federation No. 4979-1 of 14 May 1993 "On Veterinary Medicine";

341. Agreement on the Basics of Harmonization of Technical Regulations of Member States of the Eurasian Economic Community of 24 March 2005;
342. Agreement on the Use of a Single Mark of Turnover of Products on the Market of the Member States of the Eurasian Economic Community of 19 May 2006;
343. Agreement on the Movement of Goods Subject to Mandatory Conformity Assessment on the Customs Territory of the Customs Union of 11 December 2009;
344. Agreement on Uniform Principles and Rules of Technical Regulation in the Republic of Belarus, Republic of Kazakhstan and the Russian Federation of 18 November 2010;
345. Decision of the CU Commission No. 606 "On Amendments to the Regulations on the Development, Adoption, Amendment and Cancellation of the Technical Regulations of the Customs Union" of 7 April 2011;
346. Agreement on Implementation of Coordination Policy in the Field of Technical Relations, Sanitary and Phytosanitary Measures of 25 January 2008;
347. Agreement on Mutual Recognition of Accreditation of Certification (Assessment (Confirmation of Compliance)) Bodies and Test Laboratories (Centres) that Perform Work on the Assessment (Confirmation) of Compliance of 11 December 2009;
348. Decision of the CU Commission No. 527 On the Regulations of the Commission of the Customs Union in the Sphere of Technical Regulation of 28 January 2011;
349. Decision of the CU Commission No. 526 of 28 January 2011 "On Common List of Products, in Respect of which Mandatory Requirements are Established in the Frame of the Customs Union";
350. Resolution No. 86-R of the Government of the Russian Federation of 27 January 2011;
351. Decision of the CU Commission No. 452 "On the Strategies of Development of Unified System of Technical Regulation, Application of Sanitary, Veterinary and Phytosanitary Measures in 2011-2015" of 18 November 2010;
352. Decision of the CU Commission No. 457 of 18 November 2010 "On the Draft of the Agreement on Harmonization of the Legislations of Member States of the Customs Union in Terms of Establishing Responsibility for Violation of the Requirements of the Legislation of the Customs Union in the field of Technical Regulation, Sanitary, Veterinary and Phytosanitary Measures";
353. Decision of the CU Commission No. 453 of 18 November 2010 "On the Drafts in the Sphere of Technical Regulation of the Customs Union";
354. Decision of the EurAsEC Interstate Council No. 521 of 19 November 2010 "On the Schedule of Development of EurAsEC First-Priority Technical Regulations";
355. Decision of the EurAsEC Interstate Council No. 27 of 11 December 2009 "On International Treaties and Other Normative Legal Acts in the Sphere of Technical Regulation in the Customs Union within the Eurasian Economic Community";
356. Decision of the CU Commission No. 149 of 11 December 2009 "On the Mutual Recognition of Registration Certificates on Medicines Manufacturers States - Members of a Customs Union";
357. Decision of the EurAsEC Interstate Council No. 399 of 12 December 2008 "On the Protocol on Amending the Agreement on the Basis of Harmonization of Technical Regulations of the Member States of the Eurasian Economic Community on 24 March 2005";
358. Resolution of the Government of the Russian Federation No. 863 of 12 December 2007 "On the Introduction of Amendments to the Rules for the Accreditation of Certification Bodies, Testing Laboratories or Centres Carrying Certification Test of Communication Facilities"
359. Decision of the EurAsEC Interstate Council No. 272 of 19 May 2006 "On the Agreement on the Application of a Single Mark of Turnover of Products on the Market of the Member States of the Eurasian Economic Community";

360. Resolution of the Government of the Russian Federation No. 255 of 29 April 2006 "On Amending Resolution of the Government of the Russian Federation No. 72 of 10 February 2004";
361. Resolution of the Government of the Russian Federation No. 810 of 28 December 2006 "On the Introduction of the Amendment to Resolution of the Government of the Russian Federation No. 72 of 10 February 2004";
362. Resolution of the Government of the Russian Federation No. 165 of 29 March 2005 "On Approval of the Rules for Accreditation of Certification Bodies and Test Laboratories (Centres) Conducting Certification Testing of Communications Facilities" (as amended on 12 December 2007);
363. Decision of the EurAsEC Interstate Council No. 206 of 24 March 2005 "On the Agreement on the Basis of Harmonization of Technical Regulation of the Member States of the Eurasian Economic Community";
364. Resolution of the Government of the Russian Federation No. 775 of 17 December 2005 "On Amending Resolutions of the Government of the Russian Federation No. 1013 of 13 August 1997 and No. 766 of 7 July 1999";
365. Resolution of the Government of the Russian Federation No. 214 of 13 April 2005 "On the Approval of Regulations on the Organization and Performance of Work of Compulsory Confirmation of Compliance of Communications Facilities"
366. Resolution of the Government of the Russian Federation No. 609 of 12 October 2005 "On the Approval of the Special Technical Regulations on the Demands Made on the Ejections by the Automobile Technology, Released into Turnover on the Territory of the Russian Federation, of Harmful (Polluting) Substances" (as amended on 27 November 2006);
367. Resolution of the Government of the Russian Federation No. 1421-r of 6 November 2004 (as amended on 29 May 2006);
368. Resolution of the Government of the Russian Federation No. 72 of 10 February 2004 "On the Introduction of Amendments into the List of Goods Subject to Compulsory Certification, the List of Products the Compliance of which may be Confirmed by a Declaration of Compliance and the Invalidation of the List of Works and Services Subject to Compulsory Certification" (as amended on 28 December 2006);
369. Resolution of the Government of the Russian Federation No. 294 of 17 June 2004 "On the Federal Agency on Technical Regulation and Metrology" (as amended on 5 September 2006);
370. Resolution of the Government of the Russian Federation No. 287 of 29 April 2002 "On the Introduction of Amendments to the List of Goods Subject to Compulsory Certification, to the List of Works and Services Subject to Compulsory Certification and to the List of Products the Compliance of which may be Confirmed by the Declaration of Compliance";
371. Resolution of the Government of the Russian Federation No. 766 of 7 July 1999 "On the Approval of the List of Products that are Subject to the Declaring of Conformance and of the Procedure for the Adoption of the Conformance Declaration and it's Registration" (as amended on 17 December 2005);
372. Resolution of the Government of the Russian Federation No. 1013 of 13 August 1997 "On the Approval of the List of Goods that shall be Subject to Obligatory Certification and the List of Works and Services that shall be Subject to Obligatory Certification" (as amended on 17 December 2005);
373. Decision of the CU Commission No. 621 "On Application of Modal Schemes of Conformity Assessment (Confirmation) in Technical Regulations of the Customs Union" of 7 April 2011;
374. Decision of the Integration Committee of EurAsEC No. 1175 of 17 August 2010 "On Development of Technical Regulations of Eurasian Economic Community";
375. Decision of the CU Commission No. 492 of 8 December 2010 "On Schedule of Development of Priority Technical Regulations of the Customs Union";
376. Protocol on Amending the Agreement on the Basis of Harmonization of Technical Regulations of Member States of Eurasian Economic Community of 24 March 2005;

- **Sanitary and Phytosanitary Measures**

377. Federal Law No. 230-FZ of 18 October 2007 "On the Introduction of Amendments into Individual Legislative Acts of the Russian Federation in Connection with an Improvement in Demarcation of Powers" (as amended on 1 March 2008);
378. Federal Law No. 309-FZ of 1 December 2007 "On Amending Some Legislative Acts of the Russian Federation in as much as it Concerns Modification of the Term 'State Education Standard' and of the Structure thereof";
379. Federal Law No. 266-FZ of 30 December 2006 "On the Introduction of Amendments to Particular Legislative Acts of the Russian Federation in Connection with the Improvement of State Control in Crossing Points Across the State Border of the Russian Federation";
380. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
381. Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as amended on 1 December 2007);
382. Federal Law No. 29-FZ of 2 January 2000 "On the Quality and Safety of Food Products" (as amended on 30 December 2006);
383. Federal Law No. 99-FZ of 15 July 2000 "On Quarantine of Plants" (as amended on 30 December 2006);
384. Federal Law No. 52-FZ of 30 March 1999 "On the Sanitary and Epidemiological Welfare of the Population" (as amended on 1 December 2007)
385. Fundamentals of the Legislation of the Russian Federation on Health Protection No. 5487-1 of 22 July 1993 (as amended on 18 October 2007);
386. Law of the Russian Federation No. 4979-1 of 14 May 1993 "On Veterinary Medicine"
387. Agreement on Establishing of Information System of Eurasian Economic Community in the Field of Technical Regulations, Sanitary and Phytosanitary Measures of 12 December 2008;
388. Agreement on Conducting Coordinated Policy with regard to Technical Standards, Sanitary and Phytosanitary Measures of 25 January 2008;
389. Resolution of the Government of the Russian Federation No. 149 of 10 March 2007 "On the Introduction of Amendments to Some Acts of the Government of the Russian Federation";
390. Resolution of the Government of the Russian Federation No. 60 of 2 February 2006 "On Approving the Regulations on Social-Hygienic Monitoring";
391. Resolution of the Government of the Russian Federation No. 310 of 26 May 2006 "On Requisitioning of Animals and Livestock Products to Liquidate Hotbeds of Very Dangerous Animal Diseases";
392. Resolution of the Government of the Russian Federation No. 159 of 24 March 2006 "On the Application of Veterinary Measures in the Importation of Live Animals and Products of Animal Origin onto the Customs Territory of the Russian Federation" (as amended on 27 November 2006);
393. Resolution of the Government of the Russian Federation No. 422 of 14 July 2006 "On the Introduction of Amendments to Resolution of the Government of the Russian Federation No. 26 of 18 January 2002";
394. Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On the Customs Tariffs of the Russian Federation and the Commodity Classification Applicable in the Conduct of foreign Economic Activity" (as last amended on 5 February 2008);
395. Resolution of the Government of the Russian Federation No. 303 of 16 May 2005 "On Division of Authority Between Federal Agencies in Ensuring Biological and Chemical Security of the Russian Federation" (as amended on 23 March 2006);
396. Resolution of the Government of the Russian Federation No. 166 of 29 March 2005 "On Amending the Customs Tariff of the Russian Federation with Respect to Motor Components Imported for Industrial Assembly" (as amended on 27 November 2006);

397. Resolution of the Government of the Russian Federation No. 757 of 13 December 2005 "On Amending the Customs Tariff of the Russian Federation with Respect to Motor Components Imported for Industrial Assembly";
398. Resolution of the Government of the Russian Federation No. 26 of 18 January 2002 "On the State Registration of Feedstuff Received from Genetically-Modified Organisms" (as amended on 14 July 2006);
399. Resolution of the Government of the Russian Federation No. 262 of 4 April 2001 "On State Registration of Certain Types of Products which can be Dangerous to Man, and Also of Certain Types of Products which are Imported to the Territory of the Russian Federation for the First Time" (as amended on 10 March 2007);
400. Resolution of the Government of the Russian Federation No. 987 of 21 December 2000 "On the State Supervision and Control in the Field of Securing Quality and Safety of Food Products";
401. Resolution of the Government of the Russian Federation No. 554 of 24 July 2000 "On Adopting the Regulations on the State Sanitation and Epidemics Control Service of the Russian Federation, and Regulations on State Sanitation and Epidemics Control Norms";
402. Resolution of the Government of the Russian Federation No. 988 of 21 December 2000 "On the State Registration of New Foodstuffs, Materials and Articles" (as amended on 10 March 2007);
403. Resolution of the Government of the Russian Federation No. 413 of 23 April 1998 "On Additional Measures to Attract Investments for Development of Domestic Car Industry";
404. Resolution of the Government of the Russian Federation No. 706 of 19 June 1994 "On Approval of the Regulations on State Veterinary Supervision in the Russian Federation";
405. Resolution of the Government of the Russian Federation No. 830 of 29 October 1992 "On the State Veterinary Service of the Russian Federation for Protection of the Territory of Russia from Importation of Transmissible Animal Diseases from Foreign States";
406. Order of the Ministry of Agriculture of the Russian Federation No. 677 of 29 December 2007 "On the Approval of the Rules for the Organization of Veterinary Supervision Over the Importation, Processing, Storage, Carriage and Realization of Imported Meat and Raw Meat Materials";
407. Agreement on Agreed Policy in the Field of Technical Regulations, Sanitary and Phytosanitary Measures of 25 January 2008;
408. Agreement on Establishing of Information System of Eurasian Economic Community in the Field of Technical Regulations, Sanitary and Phytosanitary Measures of 12 December 2009;
409. Decision of the EurAsEC Interstate Council No. 28 of 11 December 2009 "On International Treaties and Other Legal Acts in the Sphere of Application of Sanitary Measures in the Customs Union";
410. Customs Union Agreement on Sanitary Measures of 11 December 2009;
411. Decision No. 29 of 11 December 2009 "On International Treaties and Other Legal Acts in the Scope of Veterinary-Sanitary Measures in the Customs Union within the Eurasian Economic Community";
412. Customs Union Agreement on Veterinary and Sanitary Measures of 11 December 2009;
413. Decision of the EurAsEC Interstate Council No. 30 of 11 December 2009 "On International Treaties and Other Legal Acts in the Sphere of Application of Phytosanitary Measures in the Customs Union within the Eurasian Economic Community";
414. Customs Union Agreement on the Plant Quarantine of 11 December 2009;
415. CU Commission Decision No. 625 of 7 April 2011 "On Harmonization of CU Legal Acts in the Field of Sanitary, Veterinary and Phytosanitary Measures with International Standards"
    - Attachment: Amendments to the Regulation on Coordination committee on Technical Regulation, Application of Sanitary, Veterinary and Phytosanitary Measures approved by the CU Commission Decision No. 319 as of 18 June 2010

416. CU Commission Decision No. 721 of 22 June 2011 "On Application of International Standards, Recommendations and Guidance";
417. CU Commission Decision No. 722 of 22 June 2011 "On Alteration of the Decision of the Commission of the Customs Union No. 625 of 7 April 2011";
418. CU Commission Decision No. 724 of 22 June 2011 "On Amendments of the Regulation on Common Procedure for Conduct of Veterinary Control at the Customs Border of the Customs Union and within the Customs Territory of the Customs Union";
419. CU Commission Decision No. 726 of 15 July 2011 "On Veterinary Measures";
420. CU Commission Decision No. 801 of 23 September 2011 "On Regulation on the Uniform Procedure of Carrying Out Examination of Legal Acts of the Customs Union in the Sphere of Implementation of Sanitary, Veterinary and Phytosanitary Measures";
421. CU Commission Decision No. 830 of 18 October 2011 "On Amendments to the Common Veterinary (Veterinary And Sanitary) Requirements Applicable to the Goods Subject to Veterinary Control (Surveillance)";
422. CU Commission Decision No. 831 of 18 October 2011 "On Amendments to the Common List of Goods Subject to Veterinary Control (Surveillance)";
423. CU Commission Decision No. 832 of 18 October 2011 "On Amendments to the Forms of Common Veterinary Certificates for the Importing to the CU Customs Territory of the Controlled Goods from Third Countries";
424. CU Commission Decision No. 833 of 18 October 2011 "On Equivalence of Systems of Inspection of Objects of Veterinary Control (Surveillance)";
425. CU Commission Decision No. 834 of 18 October 2011 "On Regulation on Common System of Joint Inspections of Objects and Sampling Goods (Products), Subject to Veterinary Control (Surveillance)";
426. CU Commission Decision No. 835 of 18 October 2011 "On Equivalence of Sanitary, Veterinary or Phytosanitary Measures and Conduct of Risk Assessment";
427. CU Commission Decision No. 299 of 28 May 2010 "On the Application of Sanitary Measures in the Customs Union" (as last amended by CU Commission Decisions No. 342 of 17 August 2010, No. 455 of 18 November 2010, and No. 622 of 7 April 2011);
428. CU Commission Decision No. 317 of 18 June 2010 "On the Application of Veterinary-Sanitary Measures in the Customs Union" (as last amended by CU Commission Decision Nos. 342 of 17 August 2010, 455 of 18 November 2010, 623 of 7 April 2011, and 724 of 22 June 2011);
429. CU Commission Decision No. 455 of 18 November 2010 "On the Drafts of Documents in the Sphere of Application of Veterinary Measures of the Customs Union";
430. CU Commission Decision No. 607 of 7 April 2011 "On Common Forms of Veterinary Certificates on Imported Goods Subject to Veterinary Control into the Customs Union Territory";
431. CU Commission Decision No. 624 of 7 April 2011 "On the Regulation on the Procedure of Development and Maintenance of the Register of Companies and Persons which Carry out Production, Reprocessing and (or) Storing Products Subject to Veterinary Control (Surveillance) and Imported into the Territory of the Custom Union";
432. CU Commission Decision No. 318 of 18 June 2010 "On Assurance of Plant Quarantine in the Customs Union" (as last amended by CU Commission Decision No. 454 of 18 November 2010);
433. CU Commission Decision No. 454 of 18 November 2010 "On Certain Issues in the Sphere of Application of Phytosanitary Measures within Common Customs Territory of the Customs Union";
434. CU Commission Decision No. 773 of 16 August 2011 "On Entry into Force of the CU Commission Decision No. 721 of 22 June 2011 'On Application of International Standards, Guidelines and Recommendations'";

- **Trade-related Investment Measures**

435. Federal Law No. 199-FZ of 29 December 2004 "On Amending Legislative Acts of the Russian Federation in Connection with the Expansion of Powers of Governmental Bodies of the Subjects of the Russian Federation Concerning Subject Matters Under the Joint Jurisdiction of the Russian Federation and the Subjects of the Russian Federation and also the Expansion of the List of the Issues of Local Significance Relating to Municipal Formations" (as amended on 18 October 2007);
436. Federal Law No. 225-FZ of 30 December 1995 "On Production Sharing Agreements" (as amended on 29 December 2004);
437. Decree of the President of the Russian Federation No. 135 of 5 February 1998 "On Additional Measures for Increasing Investments for Development of the Domestic Automobile Industry";
438. Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On the Customs Tariffs of the Russian Federation and the Commodity Classification Applicable in the Conduct of Foreign Economic Activity" (as last amended on 5 February 2008);
439. Resolution of the Government of the Russian Federation No. 166 of 29 March 2005 "On Amending the Customs Tariff of the Russian Federation with Respect to Motor Components Imported for Industrial Assembly" (as amended on 27 November 2006);
440. Resolution of the Government of the Russian Federation No. 574 of 2 August 2001 "On Some Issues Concerning the Regulation of Temporary Import of Foreign-Made Aircraft";
441. Resolution of the Government of the Russian Federation No. 413 of 23 April 1998 "On Additional Measures to Attract Investments for Development of Domestic Automotive Industry";
442. Order of the Ministry of Economic Development and Trade of the Russian Federation, the Ministry of Industry and Energy of the Russian Federation and the Ministry of Finance of the Russian Federation No. 73/81/58N of 15 April 2005 "On the Approval of the Procedure Determining the Notion 'Industrial Assembly' and Establishing the Application of the Notion in the Importation into the Territory of the Russian Federation of Motor Components for the Manufacture of Motor Transport Vehicles of Headings 8701 - 8705 of the CC FEA and their Units and Sets" (as amended on 11 September 2007);

- **Special Economic Zones**

443. Federal Law No. 240-FZ of 30 October 2007 "On Amending the Federal Law 'On Special Economic Zones in the Russian Federation and Individual Legislative Acts of the Russian Federation'";
444. Federal Law No. 16-FZ of 10 January 2006 "On the Special Economic Zone in the Kaliningrad Region and on Amending Some Legislative Acts of the Russian Federation" (as amended on 30 October 2007);
445. Federal Law No. 116-FZ of 22 July 2005 "On Special Economic Zones in the Russian Federation" (as amended on 30 October 2007);
446. Federal Law No. 104-FZ of 31 May 1999 "On the Special Economic Zone in Magadan Region" (as amended on 24 July 2007);
447. Decree of the President of the Russian Federation No. 1274 of 24 September 2007 "Issues of the Structure of the Federal Bodies of Executive Power" (as amended on 20 March 2008);
448. Decree of the President of the Russian Federation No. 855 of 22 July 2005 "On the Federal Agency for the Management of Special Economic Zones" (as amended on 24 September 2007);
449. Agreement on Free (Special) Economic Zones on the Customs Territory of the Customs Union and the Customs Procedures of the Free Customs Zones of 18 June 2010;

450. Resolution of the Government of the Russian Federation No. 67 of 3 February 2007 "On Creation in the Territory of the Municipal Entity 'Maiminsky District' and Municipal Entitiy 'Chemalsky District' of Republic of Altai Special Economic Zones of Tourist-and-Recreational Type";
451. Resolution of the Government of the Russian Federation No. 68 of 3 February 2007 "On Creation in the Territory of the Municipal Entity 'Pribaikalsky District' of Republic of Buryatia of Special Economic Zone of Tourist-and-Recreational Type";
452. Resolution of the Government of the Russian Federation No. 69 of 3 February 2007 "On Creation in the Territory of Altaisky District of the Altai Territory of Special Economic Zone of Tourist-and-Recreational Type";
453. Resolution of the Government of the Russian Federation No. 70 of 3 February 2007 "On Creation in the Krasnodar Territory of Special Economic Zone of Tourist-and-Recreational Type";
454. Resolution of the Government of the Russian Federation No. 71 of 3 February 2007 "On Creation in the Stavropol Territory of Special Economic Zone of Tourist-and-Recreational Type";
455. Resolution of the Government of the Russian Federation No. 72 of 3 February 2007 "On Creation in the Territory of Irkutsky District Municipal Entity of Irkutsk Region of Special Economic Zone of Tourist-and-Recreational Type";
456. Resolution of the Government of the Russian Federation No. 73 of 3 February 2007 "On Creation in the Territory of Zelenogradsky District of Kaliningrad Region of Special Economic Zone of Tourist-and-Recreational Type";
457. Resolution of the Government of the Russian Federation No. 779 of 21 December 2005 "On Creation in the Territory of Moscow of Special Economic Zone of Technology-Innovative Type";
458. Resolution of the Government of the Russian Federation No. 780 of 21 December 2005 "On Creation in the Territory of St. Petersburg of Special Economic Zone of Technology-Innovative Type";
459. Resolution of the Government of the Russian Federation No. 781 of 21 December 2005 "On Creation in the Territory of Dubna (Moscow Region) of a Special Economic Zone of Technology-Innovative Type";
460. Resolution of the Government of the Russian Federation No. 782 of 21 December 2005 "On Creation in the Territory of Griazinsky District of Lipetsk Region of a Special Economic Zone of Industrial-Production Type";
461. Resolution of the Government of the Russian Federation No. 783 of 21 December 2005 "On Creation in the Territory of Tomsks of Special Economic Zone of Technology-Innovative Type";
462. Resolution of the Government of the Russian Federation No. 783 of 21 December 2005 "On Creation in the Territory of Elabuzhsky District of the Republic of Tatarstan of a Special Economic Zone of Industrial-Production Type";

- **Government Procurement**

463. Federal Law No. 222-FZ of 24 July 2007 "On Amending the Federal Law 'On the Delivery of Products for Federal State Needs and Article 12 of the Federal Law 'On Weapons'";
464. Federal Law No. 257-FZ of 8 November 2007 "On Motor Roads and on Road Activities in the Russian Federation, as well as on Amending Certain Legislative Acts of the Russian Federation"
465. Federal Law No. 318-FZ of 1 December 2007 "On Amending Certain Legislative Acts of the Russian Federation in Connection with Adoption of the Russian Federation 'On the State Atomic Power Corporation 'Rosatom'";

466. Federal Law No. 19-FZ of 2 February 2006 "On Amending Certain Legislative Acts of the Russian Federation and Declaring Invalidated Certain Provisions of Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On Placing Orders to Supply Goods, Carry Out Works and Render Services for Meeting State and Municipal Needs'" (as amended on 26 April 2007);
467. Federal Law No. 94-FZ of 21 July 2005 "On Placing Orders to Supply Goods, Carry Out Works and Render Services for Meeting State and Municipal Needs" (as amended on 8 November 2007);
468. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
469. Decree of the President of the Russian Federation No. 1209 of 18 August 1996 "On State Regulation of Foreign Trade Barter Deals";
470. Federal Law No. 213-FZ of 27 December 1995 "On the State Defence Order" (as amended on 1 December 2007);
471. Federal Law No. 53-FZ of 2 December 1994 "On Purchases and Deliveries of Farm Products, Raw Materials and Foodstuffs to Meet State Needs" (as amended on 2 February 2006);
472. Federal Law No. 60-FZ of 13 December 1994 "On the Deliveries of Products for Federal State Needs" (as amended on 24 July 2007);
473. Resolution of the Government of the Russian Federation No. 1300 of 31 October 1996 "On the Measures for State Regulation of Foreign Trade Barter Transactions";

- **Regulation of Trade in Transit**

474. Federal Law No. 214-FZ of 24 July 2007 "On Amending Some Legislative Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On Amending the Criminal Procedural Code of the Russian Federation and the Federal Law 'On the Procurator's Office of the Russian Federation'";
475. Federal Law No. 258-FZ of 8 November 2007 "On the Introduction of Amendments into Particular Legislative Acts of the Russian Federation and the Invalidation of Particular Provisions of the Legislative Acts of the Russian Federation on Licensing Individual Types of Activity";
476. Federal Law No. 3-FZ of 8 January 1998 "On Narcotic Agents and Psychotropic Substances" (as amended on 24 July 2007);
477. Federal Law No. 89-FZ of 24 June 1998 "On Production and Consumption Waste" (as amended on 8 November 2007);
478. Agreement on the Particularities of Use of Vehicles of International Transportation Carrying Passengers, as well as Trailers, Semi-Trailers, Containers and Railway Rolling Stock, Transporting Cargo and/or Luggage for Domestic Transportation Within the Customs Territory of the Customs Union of 18 June 2010;
479. Agreement on the Particularities of Customs Transit of Goods Transported by Rail Within the Customs Territory of the Customs Union of 21 May 2010;
480. Treaty on the Customs Code of the Customs Union of 27 November 2009;
481. Agreement on Peculiarities of Providing Coverage for the Payment of Customs Duties and Taxes in Respect of Goods Transported Under the Customs Procedure of Customs Transit, Particularities of Collection of Customs Duties, Taxes and of the Procedure of Transfer of Amounts Received in Respect of Such Goods of 21 May 2005;
482. Resolution of the Government of the Russian Federation No. 50 of 26 January 2007 "On Amending and Recognizing as Having Lost Force Certain Acts of the Government of the Russian Federation on the Issues of the State Duty" (as amended on 16 April 2008);
483. Resolution of the Government of the Russian Federation No. 500 of 13 August 2006 "On the Procedure for Determining the Customs Value of Goods Transferred Across the Customs Border of the Russian Federation" (as amended on 20 October 2006);

484. Resolution of the Government of the Russian Federation No. 442 of 17 July 2003 "On the Trans-Border Transfer of Waste" (as amended on 26 January 2007);
485. Resolution of the Government of the Russian Federation No. 283 of 29 April 2002 "On the Endorsement of the List of Materials for Making Medical Immunobiological Preparations for Diagnostics, Prevention and/or Treatment of Infectious Diseases Import of Which to the Customs Territory of the Russian Federation is Exempted from the Value-Added Tax" (as amended on 30 December 2006);

TRADE-RELATED INTELLECTUAL PROPERTY REGIME

486. Civil Code of the Russian Federation - Part One No. 51-FZ of 30 November 1994 (as amended on 6 December 2007), Part Two No. 14-FZ of 26 January 1996 (as amended on 6 December 2007), Part Three No. 146-FZ of 26 November 2001 (as amended on 29 April 2008), Part Four No. 230-FZ of 18 December 2006 (as amended on 1 December 2007);
487. Criminal-Procedural Code of the Russian Federation No. 174-FZ of 18 December 2001 (as amended on 4 March 2008);
488. Criminal Code of the Russian Federation No. 63-FZ of 13 June 1996 (as amended on 6 December 2007);
489. Labour Code of the Russian Federation No. 197-FZ of 30 December 2001 (as amended on 18 December 2007);
490. Federal Law No. 26-FZ of 4 March 2008 "On Amending Article 3 of the Criminal Procedural Code of the Russian Federation";
491. Federal Law No. 202-FZ of 24 July 2007 "On the invalidation of item two of Article 13 of the Federal Law "On the Putting into Effect of Part Four of the Civil Code of the Russian Federation";
492. Federal Law No. 234-FZ of 25 October 2007 "On Amending the Law of the Russian Federation 'On Protection of Consumers' Rights' and Part Two of the Civil Code of the Russian Federation";
493. Federal Law No. 160-FZ of 16 October 2006 "On Amending Certain Legislative Acts of the Russian Federation and Invalidating Certain Provisions of Legislative Acts of the Russian Federation in Connection with the Adoption of the Federal Law 'On Advertising'" (as amended on 4 December 2007);
494. Federal Law No. 231-FZ of 18 December 2006 "On Putting into Operation Part Four of the Civil Code of the Russian Federation" (as amended on 24 July 2007);
495. Federal Law No. 149-FZ of 27 July 2006 "On information, informational technologies and the Protection of Information";
496. Federal Law No. 98-FZ of 29 July 2004 "On Commercial Secrecy" (as amended on 24 July 2007);
497. Federal Law No. 14-FZ of 8 February 1998 "On Limited Liability Companies" (as amended on 18 December 2006);
498. Federal Law No. 109-FZ of 19 July 1997 "On the Safe Handling of Pesticides and Agrochemicals" (as amended on 16 October 2006);
499. Federal Law No. 144-FZ of 12 August 1995 "On Operational-Search Activities" (as amended on 24 July 2007);
500. Federal Law No. 208-FZ of 26 December 1995 "On Joint-Stock Companies" (as amended on 1 December 2007);
501. Law of the Russian Federation No. 5663-1 of 20 August 1993 "On Space Activities" (as amended on 18 December 2006);
502. Law of the Russian Federation No. 2300-1 of 7 February 1992 "On the Protection of Consumers' Rights" (as amended on 25 December 2007);

503. Law of the Russian Soviet Federative Socialist Republic of 22 March 1991 No. 948-1 "On Competition and Restriction of Monopoly Activity on Commodity Markets" (as last amended on 2 February 2006);
504. Decree of the President of the Russian Federation No. 188 of 6 March 1997 "On the Approval of the List of Confidential Information" (as amended on 23 September 2005);
505. Resolution of the Government of the Russian Federation No. 50 of 26 January 2007 "On Amending and Recognizing as Having Lost Force Certain Acts of the Government of the Russian Federation on the Issues of the State Duty" (as amended on 16 April 2008);
506. Resolution of the Government of the Russian Federation No. 185 of 27 March 2007 "On Amending the Rules for Sale of Certain Types of Goods";
507. Resolution of the Council of Ministers (Government) of the Russian Federation No. 793 of 12 August 1993 "On Endorsement of the Regulations for Duties on Patenting Inventions, Useful Models, Industrial Designs, Registration of Trademarks, Service Marks, the Names of Goods Origin, on Granting the Right to use the Names of Goods Origin, and of the Regulations for the Registration Fees for the Official Registration of Software, Data Bases and Integral Microcircuit Topologies" (as amended on 26 January 2007);
508. Order of the Russian Patent and Trademark Agency No. 56 of 22 April 2003 "On the Rules of Filing Objections and Applications and the Consideration thereof by the Patent Disputes Chamber" (as amended on 11 December 2003);

POLICIES AFFECTING TRADE IN SERVICES

509. Civil Code of the Russian Federation - Part One No. 51-FZ of 30 November 1994 (as amended on 6 December 2007), Part Two No. 14-FZ of 26 January 1996 (as amended on 6 December 2007), Part Three No. 146-FZ of 26 November 2001 (as amended on 29 April 2008), Part Four No. 230-FZ of 18 December 2006 (as amended on 1 December 2007);
510. Federal Law of 29 April 2008 No. 58-FZ "On Amending Certain Legislative Acts of the Russian Federation and Declaring Invalidated Certain Provisions of Legislation Acts of the Russian Federation in Connection with Adoption of the Federal Law 'On the Procedure for Making Foreign Investments into Economic Companies which are of Strategic Importance for Ensuring the Country's Defence Capacity and State Security'";
511. Federal Law No. 287-FZ of 29 November 2007 "On Amending the Law of the Russian Federation 'On the Organization of Insurance Business in the Russian Federation and Some Other Legislative Acts of the Russian Federation'";
512. Federal Law No. 34-FZ of 13 March 2007 "On Amending Article 11 of the Federal Law "On the Insurance of Deposits of Natural Persons in Banks of the Russian Federation" and Article 6 of the Federal Law "On the Payments by the Bank of Russia of Deposits of Natural Persons in Bankrupt Banks not Participating in the System of Obligatory Insurance of Deposits of Natural Persons in Banks of the Russian Federation";
513. Federal Law No. 177-FZ of 23 December 2003 "On Insuring Natural Persons' Deposits made with Banks of the Russian Federation" (as amended on 13 March 2007);
514. Federal Law No. 164-FZ of 8 December 2003 "On the Fundamental Principles of State Regulation of Foreign Trade Activity" (as amended on 2 February 2006);
515. Federal Law No. 126-FZ of 7 July 2003 "On Communications" (as amended on 29 December 2006);
516. Federal Law No. 115-FZ of 25 July 2002 "On the Legal Position of Foreign Citizens in the Russian Federation" (as amended on 6 May 2008);
517. Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (as amended on 6 December 2007);
518. Federal Law No. 129-FZ of 8 August 2001 "On the State Registration of Legal Entities and Individual Businessmen" (as amended on 1 December 2007);

519. Federal Law No. 14-FZ of 8 February 1998 "On Limited Liability Companies" (as amended on 18 December 2006);
520. Federal Law No. 208-FZ of 26 December 1995 "On Joint-Stock Companies" (as amended on 29 April 2008);
521. Law of the Russian Federation No. 4015-1 of 27 November 1992 "On the Organization of Insurance Business in the Russian Federation" (as amended on 29 November 2007);
522. Resolution of the Government of the Russian Federation No. 88 of 1 February 2000 "On the Approval of Basic Provisions of State Police in Distribution, Use and Security of the Orbital Frequency Resources of the Russian Federation and Regulations on the State Control of Admission and Use of Foreign Systems of Satellite Communication and Broadcasting in the Information (Telecommunication) Space of the Russian Federation";

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523. Federal Law No. 114-FZ of 21 July 2005 "On Fees Charged for the Issuance of Licences for the Pursuance of Types of Activity Relating to the Production and Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products";
524. Federal Law No. 126-FZ of 7 July 2003 "On Communications" (as amended on 29 December 2006);
525. Federal Law No. 128-FZ of 8 August 2001 "On Licensing of Specific Types of Activity" (as amended on 6 December 2007);
526. Federal Law No. 171-FZ of 22 November 1995 "On the State Regulation of the Production and Trading Volume of Ethyl Alcohol and Alcoholic Drinks" (as amended on 1 December 2007);
527. Federal Law No. 5-FZ of 14 June 1994 "On the Procedure of Publishing and Entering into Force Federal Constitutional Laws, federal Laws, Acts Passed by the Chambers of the Federal Assembly" (as amended on 22 October 1999);
528. Resolution of the Government of the Russian Federation No. 98 of 12 February 2003 "On Providing Access to Information on the Activity of the Government of the Russian Federation and Federal Executive Authorities"; and
529. CU Commission Decision No. 812 of 23 September 2011 "On Publication of Drafts of CU Decisions".

ANNEX 2

Table 1 - Progress in Privatization of Enterprises of State and Municipal Ownership Within 2005-2009

Year	2005	2006	2007	2008	2009
Number of privatized enterprises of state and municipal ownership[1]	491	444	302	260	366
Federal	112	98	73	26	140
Subjects of the Russian Federation	226	254	115	135	87
Municipal	153	92	114	99	139

[1] Not including property of federal unitary enterprises, whose privatization was effected by Federal Agency of State Property Management of the Russian Federation.

Table 2 - Progress in Privatization of Enterprises of State and Municipal Ownership Within 2005-2009

Area of activity	2005-2009
Agriculture, hunting and forestry	187
Fishery	4
Mining	13
Manufacturing, including:	234
- Food industry, incl. beverages and tobacco products	33
- Pulp and paper industry, printing and publishing	106
- Metallurgy	7
- Machinery and equipment	14
- Electrical, electronic and optical equipment	21
- Electric machines	5
- Medical equipment, measurement, control, management instruments and instruments for testing, optical devices, photo and motion picture apparatus, watches	12
- Transport and transportation equipment	9
Power, water and gas generation and distribution	67
Construction	136
Trade of vehicles and motorcycles, their repair and maintenance	17
Wholesale trade, including trade using agents, excluding trade of vehicles and motorcycles	91
Retail trade, excluding trade of vehicles and motorcycles; repair of articles of private use	236
Catering	51
Transportation and communications, including:	216
- land transport	100
- water transport	3
- air transport and space	6
- auxiliary services	100
- communications	7
Immovable property operations, rent and other services	311
State management, military security, mandatory social services	155
Education	11
Public health and social services	19
Public utilities, other social and personal services, including:	88
- recreation and entertainment, cultural and sports services	18
- personal services	48
Total[1]	1,863

Source: Federal Service of state statistics

[1] Does not include Federal Unitary Enterprises, privatized by Russian Agency on Management of State Property.

Table 3 - The Number of State Unitary Enterprises by Types of Economic Activity in 2008 - 2010

	Federal state unitary enterprises (numbers)		
	01.01.2008	01.01.2009	01.01.2010
Non-production sector	1,151	988	1,424
Industry and construction	1,744	776	797
Agriculture	618	611	410
Transport and communications	409	249	338
Forestry	37	n/d	94
Other	1,750	1,141	440
Total	5,709	3,765	3,517

Table 4 - The Number of Joint-stock Companies with Federal Participation by Types of Economic Activity in 2008 - 2010

	Joint-stock companies with federal participation (numbers)		
	01.01.2008	01.01.2009	01.01.2010
Non-production sector	638	383	1,162
Industry and construction	695	1,817	799
Agriculture	761	522	397
Transport and communications	397	280	269
Forestry	n/d	n/d	35
Other	1,183	335	288
Total	3,674	3,337	2,950

Table 5 - The Allotment of Federal Share Holding in Joint-stock Companies

The share of federal participation	Number of JSCs (numbers)		
	01.01.2008	01.01.2009	01.01.2010
100%	1,989	1,858	1,757
50% to 100%	269	200	138
25% to 50%	645	510	358
less than 25%	771	769	697
Total	3,674	3,337	2,950

Table 6 - Volume of Production of Goods and Services, Produced by State-Owned Enterprises in Specific Areas in 2005-2009

	Share of production by state enterprises in total volume of production (goods and services), produced in a sector of economy (%)				
	2005	2006	2007	2008	2009
Total	8.7	7.5	5.9	5.5	n/d
Agriculture (including hunting and forestry)	12.6	11.9	10.5	9.0	n/d
Communication services	10.3	10.4	9.8	10.1	n/d
Construction	5.4	4.5	4.1	3.6	3.6
Retail trade (except trade in vehicles and motorcycles); repair of domestic items and items of personal use	2.2	2.1	1.8	1.5	1.4
Catering	2.2	1.6	1.4	1.8	n/d
Manufacturing activity	8.3	5.1	4.8	4.5	5.5
Health and social services	36.7	37.5	37.5	35.0	n/d
Education services	69.5	66.9	66.8	66.8	n/d
Volume of production by State-Owned Enterprises of oil and natural gas					
Oil, including gas concentrate, mln. tonne	470.2	480.5	490.9	488.1	494.4
Natural gas, bill m^3	640.8	656.3	652.7	665.5	582.7

Table 7 - List of Goods and Services for Internal Consumption for which Prices are Regulated by the Government of the Russian Federation and Federal Executive Bodies

HS Code/ CPC[1]	Description of goods and services	Regulating body	Principles of setting of the prices	Legal Act
2711 21	Natural gas (excluding as sold to the population)	The Federal Service for Tariffs	Setting of fixed prices of the limit level	Resolution of the Government No.59 of 9 February 2008; Resolution of the Government No. 239 of 7 March 1995.
2711 11 2711 29	Accompanying oil gas and stripped dry gas (excluding the gas sold by the producers not affiliated with the open joint stock company Gazprom, joint stock companies Yakutgazprom, Norilskgazprom, Kamchatgazprom, Rosneft-Sakhalinmorneftegaz and excluding gas sold to population and building cooperative societies), liquefied gas for household needs (excluding gas sold to the population)	The Federal Service for Tariffs		
7131	Gas transportation services through truck pipelines	The Federal Service for Tariffs	Setting of the fixed prices	Resolution of the Government No. 239 of 7 March 1995.
2844	Nuclear fuel cycle products	The Federal Service for Tariffs	Setting of the fixed prices	Resolution of the Government No. 239 of 7 March 1995.
271600	Electric power and heat power generated by the entities supplying the electricity energy on the wholesale market	The Federal Service for Tariffs	Fixed tariffs, their limit levels and mark-up	Federal Law No.35-FZ of 26 March 2003; Resolution of the Government No. 109 of 26 February 2004; and Resolution of the Government No. 239 of 7 March 1995.
887	Electricity energy network transmission services, operational dispatch control services and other services provided on the electric energy (power) markets at the tariffs (prices) regulated by the Federal Service for Tariffs according to the list approved by the Government of the Russian Federation (services of the commercial operator, services for securing the system stability, technological joining the networks)	The Federal Service for Tariffs	Fixed tariffs, their limit levels and mark-up	Federal Law No. 35-FZ of 26 March 2003; and Resolution of the Government No. 239 of 7 March 1995.

[1] The codes provided for in column 1 of the table are intended to illustrate the correlation between the HS/CPC Codes and the description of the scope of regulate good/service in column 2 respectively.

HS Code/ CPC[1]	Description of goods and services	Regulating body	Principles of setting of the prices	Legal Act
3601-3603 871000 8802 40 001 9 8802 40 002 9 8802 40 009 9 9301-9307	Products for defence purposes	The Federal Service for Tariffs	Setting of fixed prices	Resolution of the Government No. 239 of 7 March 1995.
7102 7103	Raw diamonds and precious stones	The Ministry of Finance of the Russian Federation	Setting of the fixed price	Resolution of the Government No. 279 of 30 April 1992; and Resolution of the Government No. 239 of 7 March 1995.
9021	Prosthetic and orthopaedic appliances	The Ministry of Economic Development of the Russian Federation	Setting limit level of profitability on these goods	Resolution of the Government No. 694of 10 July 1995.
2208	Vodka, liquor products and other alcohol products stronger than 28° proof, produced in the territory of the Russian Federation or imported into the customs territory of the Russian Federation.	The Federal Service for alcohol market regulation	Setting of the minimum price	Resolution of the Government No. 239 of 7 March 1995.
2207, 2208 90 910/990	Ethyl alcohol from food raw materials produced on the territory of the Russian Federation	The Federal Service for alcohol market regulation	Setting of the minimum price	Federal Law No. 171-FZ of 22 November 1995; and Resolution of the Government No. 239 of 7 March 1995.
7131	Transportation services of crude oil and oil products through trunk pipelines	The Federal Service for Tariffs	Setting of fixed prices of the limit level	Resolution of the Government No. 980 of 29 December 2007.
711 743	Railway transportation services	The Federal Service for Tariffs	Setting of fixed tariffs and their limit level	Resolution of the Government No. 643 of 5 August 2009; and Order of the Federal Energy Commission.
745	Ice-breaking fleet service on the Northern Sea Route passages	The Federal Service for Tariffs	Setting of the coefficient limit of raising of tariffs or profitability limit level and fixed prices	Resolution of the Government No. 239 of 7 March 1995.
7461 7462	Aero-navigation services of aircraft on the routes and on airfields	The Ministry of Transport of the Russian Federation	Setting of the coefficient limit of raising of tariffs or profitability limit level and fixed tariffs	Resolution of the Government No. 239 of 7 March 1995; and Order of the Ministry of Transport No. 110 of 2 October 2000.

HS Code/ CPC[1]	Description of goods and services	Regulating body	Principles of setting of the prices	Legal Act
751 752 8412	Certain postal and electronic communication services, communication services in respect of broadcasting of programmes of Russian State TV and radio organizations	The Federal Service for Tariffs	Setting of a fixed tariff	Resolution of the Government No. 637 of 24 October 2005.
	Drugs included in the list of vital and essential medical goods	The Ministry of Health and Social Development on agreement with the Federal Service for Tariffs	Setting of fixed selling prices of the limit level	Decision of the Government of No. 2135-r of 30 December 2009.
74	Services at transport terminals, ports and airports provided by natural monopolies included in the list of natural monopolies related to services at transport terminals, ports and airports and controlled by the Federal Service for Tariffs	The Federal Service for Tariffs	Setting of fixed prices of the limit level	Resolution of the Government No. 293 of 23 April 2008.
74 722	Internal waterways infrastructure use services	The Federal Service for Tariffs	Setting of fixed prices of the limit level	Resolution of the Government No. 239 of 7 March 1995.
	Services for conduct of assessment of security vulnerability of the transportation infrastructure and transport	The Federal Service for Tariffs	Setting of fixed prices of the limit level	Resolution of the Government No. 239 of 7 March 1995.
1710 887 881 94	Housing and communal services (e.g., water supply and sewerage, drainage system services, sewage treatment services)	The Federal Service for Tariffs	Setting limit indices of tariffs growth	Resolution of the Government No. 239 of 7 March 1995.

Table 8 - List of Goods and Services for Internal Consumption for which Prices are Regulated by the Sub-Federal Executive Bodies

HS code/ CPC[1]	Description of goods and services	Regulating body	Principles of setting of the prices
2711	Gas distributed to the population, as well as distributed to housing operating, organizations managing tenement buildings, building cooperative societies, householders societies for the population household needs	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed prices
1710	Services for electric power transmission by the networks owned by territorial network organizations	The Executive Bodies of the Subjects of the Russian Federation upon the agreement of the Federal Service for Tariffs	Setting of fixed tariffs within the limit levels of tariffs on services for electronic energy transmission by the electricity networks set by the Federal Service for Tariffs
	Heat power transmission services	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs
	Heat power produced by power plants carrying out production by the means of electric power and heat power combined generation	The Executive Bodies of the Subjects of the Russian Federation upon the agreement of the Federal Service for Tariffs	Setting of fixed tariffs within the limit levels (highest or lowest) of tariffs on heat power produced by power plants carrying out production by the means of electric power and heat power combined generation set by the Federal Service for Tariffs
5164 7543	Technological connection to electricity networks and/or standardized tariff rates defining the amount of these payments for territorial network organizations	The Executive Bodies of the Subjects of the Russian Federation	Setting of prices and/or standardized tariff rates
2701-2704	Solid fuel, furnace fuel for household use and kerosene distributed to the population, managing organizations, householders societies, housing, housing construction or other special-purposed consumers cooperatives created with the purpose to satisfy the population's needs in accommodation	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs
3001-3006	Medical goods included in the list of vital and essential medical goods	The Executive Bodies of the Subjects of the Russian Federation	Setting limits of the wholesale and retail premium to the producers' actual sale prices for

[1] The codes provided for in column 1 of the table are intended to illustrate the correlation between the HS/CPC Codes and the description of the scope of regulate good/service in column 2 respectively.

HS code/ CPC[1]	Description of goods and services	Regulating body	Principles of setting of the prices
912 913 92 931 933	Social services supplied to the population of the Russian Federation by state and local institutions of social service.	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs
912 913 92 931 933	Social services guaranteed by the State and supplied to elderly citizens and invalids of the Russian Federation	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs
711 712 722	Transportation of passengers and baggage by all types of public transport, including urban, subway and suburban transport (except railway transport and except for transportation carried out by local enterprises and establishments)	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs
1710 887 881 94	Housing and communal services (e.g., water supply and sewerage, drainage system services, sewage treatment services)	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs

Table 9 - List of Services for Internal Consumption for which the Sub-Federal Executive Bodies have the Right to Introduce Regional Regulations over Prices (Tariffs) and Mark-ups

HS code/CPC[1]	Description of goods and services	Regulating body	Principles of setting of the prices
	Products and commodities distributed in the Far North areas or territories of equivalent status with limited cargo delivery periods	The Executive Bodies of the Subjects of the Russian Federation	Setting of the amount limit of the mercantile mark-ups
	Products (commodities), distributed to public catering enterprises affiliated with secondary schools, vocational schools, secondary specialized and higher educational institutions	The Executive Bodies of the Subjects of the Russian Federation	
	Baby food (including food concentrates)	The Executive Bodies of the Subjects of the Russian Federation	Setting of mercantile mark-ups
711	Transportation of passengers and baggage by suburban railway transport	The Executive Bodies of the Subjects of the Russian Federation on agreement with the Ministry of Transport of the Russian Federation	Setting of fixed tariffs
712	Transportation of passengers and baggage by motor transport along intra-regional and inter-regional routes (inter-republican routes within the Russian Federation), including taxi (except for transportation carried out by local enterprises and establishments)	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs
722 73	Local transportation of passengers and baggage by local airlines and river transport (except for transportation carried out by local enterprises and establishments)	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs
721 722 73	Transportation of cargoes, passengers and baggage by sea, river and air transport in the Far North areas and the territories of equivalent status	The Executive Bodies of the Subjects of the Russian Federation	Setting of tariffs and fees
711 743	Services rendered on branch lines by enterprises of the industrial railway transport and other subjects (except for the organizations of the Federal railway transport)	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed tariffs

[1] The codes provided for in column 1 of the table are intended to illustrate the correlation between the CPC Codes and the description of the scope of regulate good/service in column 2 respectively.

HS code/CPC[1]	Description of goods and services	Regulating body	Principles of setting of the prices
9311 9312 9319	Services of medical departments of sobriety	The Executive Bodies of the Subjects of the Russian Federation	Setting of fixed price
	Goods and services provided by organizations of municipal complex (municipal complex organizations	The Executive Bodies of the Subjects of the Russian Federation upon the agreement of the Federal Service for Tariffs	Setting of fixed tariffs
1710 881 887 94	Housing and communal services (e.g., water supply and sewerage, drainage system services, sewage treatment services)	The Executive Bodies of the Subjects of the Russian Federation	Setting of the amount limit of the mercantile mark-ups

Table 10 - International Agreements, Finalizing the Legal Basis of the Customs Union[1]

No.	Title of the International Agreement	Status of the Agreement in the Russian Federation	Status of the Agreement in Republic of Belarus	Status of the Agreement in Republic of Kazakhstan	Date of Entry into Force/Number and Date of the Decision of the Board of Heads of States
1.	Treaty On the Commission of the Customs Union of 6 October 2007	Ratified 27 October 2008 No. 188- FZ	Ratified	Ratified	10.10.2008, No. 3
2.	Treaty On the Establishment of Common Customs Territory and Formation of Customs Union of 6 October 2007	Ratified 27 October 2008 No. 187- FZ	Ratified	Ratified	10.10.2008, No. 3
3.	Protocol On Rules on Entry Into Force of International Treaties Aimed at the Formation of the Legal Basis of the Customs Union, Withdrawal from Them and Accession to Them of 6 October 2007	Ratified 27 October 2008 No. 189- FZ	Ratified	Ratified	11.01.2009
4.	Agreement On Common Customs Tariff Regulation of 25 January 2008	Ratified 22 December 2008 No. 253-FZ	Ratified 9 July 2008 No. 383-3	Ratified 18.11.08 No. 83-IV-ZRK	01.01.2010, No. 20
5.	Agreement On Export Customs Duties in Respect of Third Countries of 25 January 2008	Ratified 22 December 2008 No. 254-FZ	Ratified 9 July 2008 No. 384-3	Ratified 18.11.08 No. 81-IV-ZRK	Information to be provided
6.	Agreement On Common Rules for Determining the Country of Origin of Goods of 25 January 2008	Ratified 22 December 2008 No. 257-FZ	Ratified 9 July 2008 No. 388-3	Ratified	01.07.2010, No. 36
7.	Agreement On Common Measures of Non-tariff Regulation with Regard to Third Countries of 25 January 2008	Ratified 22 December 2008 No. 255-FZ	Ratified 9 July 2008 No. 386-3	Ratified 18.11.08 No. 82-IV-ZRK	01.01.2010, No. 19
8.	Agreement On Application of Special Safeguard, Anti-dumping and Countervailing Measures in Respect of Third Countries of 25 January 2008	Ratified 22 December 2008 No. 252-FZ	Ratified 9 July 2008 No. 385-3	Ratified	01.07.2010, No. 37

[1] Agreements enter into force as established by the Protocol on Entry into Force of the International Treaties Aimed at the Formation of the Legal Basis of the Customs Union, Withdrawal from its Membership and Accession Thereto of 6 October 2007, hereinafter referred to as the Protocol. As provided by this Protocol, all international agreements from Annex 2 (with the exception of the Protocol which came into force after the Parties had ratified it) enter into force after the Board of Heads of States or the Board of Heads of Governments approves entry into force if the Depositary of Parties informs them that the Parties have accomplished all the internal procedures necessary for this international treaty to take effect. The purpose of this system is to ensure that international treaties enter into force throughout the territory of the Customs Union simultaneously.

No.	Title of the International Agreement	Status of the Agreement in the Russian Federation	Status of the Agreement in Republic of Belarus	Status of the Agreement in Republic of Kazakhstan	Date of Entry into Force/Number and Date of the Decision of the Board of Heads of States
9.	Agreement On Determination of Customs Value of Goods, Transferring Across Customs Border of the Customs Union of 25 January 2008	Ratified 22 December 2008 No. 258-FZ	Ratified 9 July 2008 No. 389-3	Ratified	For Russian Federation and Republic of Kazakhstan. from 01.07.2010; For Republic of Belarus from 06.07.2010, No. 17
10.	Agreement On Administration of Customs Statistics of External and Mutual Trade in Goods of Customs Union of 25 January 2008	Internal procedures fulfilled	Ratified 9 July 2008 No. 390-3	Internal procedures fulfilled	09.06.2009, No. 13
11.	Agreement On the Principles of Indirect Tax Collection at Export and Import of Goods, Performing work and rendering services in the Customs Union of 25 January 2008	Ratified	Ratified 9 July 2008 No. 391-3	Internal procedures fulfilled	01.07.2010, No. 36
12.	Agreement On Conditions and Mechanism of Tariff Rate Quotas of 12 December 2008	Ratified 28 November 2009 No. 291-FZ	Ratified	Ratified	01.01.10 No. 18
13.	Protocol On Conditions and Procedure for use in Exceptional Cases of Import Customs Duties, other than Common Customs Tariff Rates of 12 December 2008	Ratified 28 November 2009 No. 288-FZ	Ratified	Ratified	01.01.10 No. 18
14.	Protocol On Provision of Tariff Preferences of 12 December 2008	Ratified 28 November 2009 No. 302-FZ	Ratified	Ratified	01.01.10 No. 18
15.	Protocol On Common System of Tariff Preferences of Customs Union of 12 December 2008	Ratified 28 November 2009 No. 301-FZ	Ratified	Ratified	01.01.10 No. 18
16.	Agreement On the Order of Calculation and Paying of Customs Payments in Member States of the Customs Union of 12 December 2008	Is not planned to enter into force as the guidelines regulated by this agreement will be specified in the Customs Code of the Customs Union.			
17.	Agreement On the Procedure of Declaration of Goods of 12 December 2008	Is not planned to enter into force as the guidelines regulated by this agreement will be specified in the Customs Code of the Customs Union.			
18.	Agreement On the Procedure of Customs Clearance and Customs Control of 12 December 2008	Is not planned to enter into force as the guidelines regulated by this agreement will be specified in the Customs Code of the Customs Union.			
19.	Agreement On the Types of Customs Procedures and Customs Regimes of 12 December 2008	Is not planned to enter into force as the guidelines regulated by this agreement will be specified in the Customs Code of the Customs Union.			

No.	Title of the International Agreement	Status of the Agreement in the Russian Federation	Status of the Agreement in Republic of Belarus	Status of the Agreement in Republic of Kazakhstan	Date of Entry into Force/Number and Date of the Decision of the Board of Heads of States
20.	Protocol On Provision of Unified Implementation of Rules on Determination of Customs Value of Goods, Transferring Across Customs Border of the Customs Union of 12 December 2008	Ratified	Ratified	Ratified	15.05.2011, No. 82
21.	Agreement On Order of Declaration of Customs Value of Goods, Transferred Across Customs Border of the Customs Union of 12 December 2008	Under ratification	Under ratification	Under ratification	Is planned to come into force from July 2010
22.	Agreement on the Order of Provision of Control over Validity of Determination of Customs Value of Goods, Transferred across the Customs Border of the Customs Union of 12 December 2008	Under ratification	Under ratification	Under ratification	Is planned to come into force from July 2010
23.	Protocol On Exchange of Information, Required for Determination and Control over Customs Value of Goods Between Customs Bodies of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation of 12 December 2008	Under ratification	Under ratification	Under ratification	Is planned to come into force from July 2010
24.	Agreement On Rules of Determination of Origin of Goods from Developing and Least-developed Countries of 12 December 2008	Ratified	Ratified	Ratified	01.07.2010, No. 36
25.	Agreement On Secretariat of the Commission of the Customs Union of 12 December 2008	Under ratification	Under ratification	Under ratification	Temporarily in effect from the date of signing
26.	Agreement On Introduction and Implementation of Measures, Concerning Trade in Goods, on the Common Customs Territory in Respect of Third Countries of 9 June 2009	Ratified 28.11.09 No. 304-FZ	Ratified	Ratified	01.01.2010, No. 19
27.	Agreement On Licensing Procedures in the Sphere of Foreign Trade in Goods of 9 June 2009	Ratified 28.11.09 No. 300-FZ	Ratified	Ratified	01.01.2010, No. 19,
28.	Protocol On Status of the Centre of the Customs Statistics of 9 June 2009	Ratified	Ratified	Ratified	01.07.2010, No. 40
29.	Treaty On the Customs Code of the Customs Union of 27 November 2009	Ratified	Ratified	Ratified	For Russian Federation and Republic of Kazakhstan from 01.07.2010; For Republic of Belarus from 06.07.2010

No.	Title of the International Agreement	Status of the Agreement in the Russian Federation	Status of the Agreement in Republic of Belarus	Status of the Agreement in Republic of Kazakhstan	Date of Entry into Force/Number and Date of the Decision of the Board of Heads of States
30.	Agreement On the Circulation of Goods Subject to Mandatory Conformity Assessment on the Customs Territory of the Customs Union of 11 December 2009	Ratified	Ratified	Ratified	01.07.2010, No. 38
31.	Agreement On Mutual Recognition of Accreditation of Certification Bodies (Conformity Assessment (Confirmation)) and Test Laboratories (Centres), Performing Works on Conformity Assessment (Confirmation) of 11 December 2009	Ratified	Ratified	Ratified	01.07.2010, No. 38
32.	Agreement On the Customs Union on Sanitary Measures of 11 December 2009	Ratified	Ratified	Ratified	01.07.2010, No. 39
33.	Agreement On the Customs Union On Veterinary and Sanitary Measures of 11 December 2009	Ratified	Ratified	Ratified	01.07.2010, No. 39
34.	The Agreement of the Customs Union On Quarantine of Plants of 11 December 2009	Ratified	Ratified	Ratified	01.07.2010, No. 39
35.	Protocol on 11 December 2009 On amending the Agreement of 25 January 2008 on Principles of Indirect Tax Collection at Export and Import of Goods, Performing Works, Rendering Services	Ratified	Ratified	Ratified	01.07.2010, No. 36
36.	Protocol On the Control over Their Payment when Exporting and Importing Goods in the Customs Union of 11 December 2009	Ratified	Ratified	Ratified	01.07.2010, No. 36
37.	Protocol On Order of Collection of Indirect Taxes Connected with Works Performance, Provision of Services in the Customs Union of 11 December 2009	Ratified	Ratified	Ratified	01.07.2010, No. 36
38.	The Protocol on Order of Transfer of Statistical Data of Foreign Trade Statistics and Statistics of Bilateral Trade of 11 December 2009	Ratified	Ratified	Ratified	01.07.2010, No. 40
39.	The Treaty on the Functioning of the Customs Union in the Framework of the Multilateral Trading System	Ratified	Ratified	Ratified	Upon accession of any CU Party to the WTO

Table 11 - List of EurAsEC Agreements, Forming Legal Basis of The Customs Union[1]

No.	Title of the International Agreement	Status of the Agreement in the Russian Federation	Status of the agreement in Republic of Belarus	Status of the agreement in Republic of Kazakhstan	Date of Entry into Force
1.	The Agreement on Customs Union between the Russian Federation and the Republic of Belarus of 6 January 1995	Ratified No. 164-FZ of 4 November 1995	Ratified	Ratified	30 November 1995
2.	The Agreement on Customs Union of 20 January 1995	Ratified No. 21-FZ of 29 January 1997	Ratified	Ratified	3 December 1997
3.	The Treaty on Customs Union and Common Economical Space of 26 February 1999	Ratified No. 55-FZ of 22 May 2001	Ratified	Ratified	23 December 1999
4.	The Treaty on Establishment of Eurasian Economic Community of 10 October 2000	Ratified No. 56-FZ of 22 May 2001	Ratified	Ratified	30 May 2001
5.	The Agreement on Unified Order of Export Control of Member States of EurAsEC of 28 October 2003	Ratified No. 277-FZ of 29 November 2007	Ratified	Ratified	21 December 2007
6.	The Protocol on Mechanism of Implementation of Special Safeguard, Anti-dumping and Compensatory Measures in Trade of Customs Union Member-States of 17 February 2000	internal procedures fulfilled	internal procedures fulfilled	internal procedures fulfilled	12 December 2000
7.	The Agreement on the Fundamentals of Harmonization of Technical Regulations of EurAsEC Member-States of 24 March 2005	internal procedures fulfilled	internal procedures fulfilled	internal procedures fulfilled	17 May 2007
8.	The Agreement on Application of Common Sign of Turnover of Goods on the Market of EurAsEC Member-States of 19 May 2006	internal procedures fulfilled	internal procedures fulfilled	internal procedures fulfilled	5 May 2008
9.	The Protocol on International Trade Negotiations of States-Parties to The Agreements on Customs Union on Accession to the WTO of 3 June 1997				3 June 1997
10.	The Protocol of 6 October 2007 on Amending the Treaty on Establishment of EurAsEC of 10 October 2000	Ratified No. 192- FZ of 27 November 2008	Ratified	Ratified	24 November 2008

[1] Agreements enter into force after the Parties send notifications of fulfilment of their internal procedures to the Depositary.

No.	Title of the International Agreement	Status of the Agreement in the Russian Federation	Status of the agreement in Republic of Belarus	Status of the agreement in Republic of Kazakhstan	Date of Entry into Force
11.	The Agreement on Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 25 January 2008	internal procedures fulfilled.	Ratified 9 July 2008 No. 387-3	internal procedures fulfilled.	4 June 2009
12.	The Agreement on Establishment of Information System of EurAsEC in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 12 December 2008	internal procedures not yet fulfilled	internal procedures fulfilled	internal procedures fulfilled.	Information to be provided
13.	Protocol on Amending The Agreement on the Fundamentals of Harmonization of Technical Regulations of EurAsEC Member-States of 24 March 2005 of 12 December 2008	internal procedures not yet fulfilled	internal procedures fulfilled	internal procedures fulfilled.	Information to be provided

Table 12 - Licensing Fees Structure for Production, Storage, Purchase and Supply of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products

Types of Activity	Licensing Fees in rubles
Production, storage and supply of produced ethyl alcohol, including denaturates	3,000,000
Production, storage and supply of produced alcoholic alcohol-containing products (excluding wine)	3,000,000
Production, storage and supply of produced wine	250,000
Storage of ethyl alcohol, alcoholic products and alcohol-containing edible products	250,000
Purchase, storage and supply of alcoholic products and alcohol-containing products	250,000
Production, storage and supply of alcohol-containing non-edible products	250,000

Table 13 - Restricting Customs Checkpoints for Certain Categories of Goods

Restricting Customs Checkpoints for Declaration			
No.	Type of Goods	Normative Legal Act	Comments
1.	Meat and food meat sub-products (HS codes 02).	Order of the FCS of the Russian Federation No. 893 of 6 May 2010 "On the Competence of the Customs Bodies in respect of adoption of Custom declaration and release for free circulation of the goods classified in Group 02 of the Harmonized system imported to the territory of the Russian Federation and placed under the customs procedure of release for free circulation".	The reasons for introducing: goods require special conditions of storage at the customs border (freezers) and customs control. Customs check-points are distributed throughout the Russian Federation (there are check-points in every federal district of Russia), depending on the volumes of imports coming to different regions.
2.	Alcohol products, originating from the Republic of Moldova and imported into the customs territory of the Russian Federation.	Order of the FCS of the Russian Federation No. 1388 of 9 November 2007 "On Places of Declaration of Certain Types of Goods".	The reason for introducing: "risky" products which need strengthened customs control.
3.	Goods transported through the customs territory of the Russian Federation by pipelines and electric power grids	Order of the SCC of the Russian Federation No. 1013 of 15 September 2003 "On customs clearance of goods, transported through the customs territory of the Russian Federation by pipelines and electric power grids" (as last amended on 24 August 2006).	Establishment of special customs check-points is connected with the specificity of transportation of such goods.
4.	Fuel-wood, wood-scrap; wood in the rough; hoopwood, split poles; railway or tramway cross-ties of wood; wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6mm (HS codes 4401, 4403, 4404, 4406, 4407).	Order of the FCS of the Russian Federation No. 801 of 20 April 2010 "On Places of Declaration of Certain Types of Goods".	The reason for introducing: the specificity of classification of such goods under HS.

Restricting Customs Checkpoints for Entry or Exit			
No.	Type of Goods	Normative Legal Act	Comments
1.	Meat and food meat sub-products of poultry (HS codes 0207).	Resolution of the Government of the Russian Federation No. 665 of 3 November 2003 "On the designation of certain check-points for entry to the customs territory of the Russian Federation of meat and meat sub-products of poultry".	The reason for introducing: the post should be specifically equipped.
2.	Fuel-wood, wood-scrap; wood in the rough; hoopwood, split poles; railway or tramway cross-ties of wood; wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6mm (HS codes 4401, 4403, 4404, 4406, 4407).	Resolution of the Government of the Russian Federation No. 521 of 15 July 2010 "On the determination of certain check points of exit from the territory of the Russian Federation of certain types of goods".	The reason for introducing: the post should be specifically equipped.
3.	Alcohol products (HS codes 2204 - 2206 00, 2208 except for 2208 90 910 0 and 2208 90 990 0) and tobacco products (HS codes 2402 10 000 0, 2402 20, 2403 10, except for the tobacco raw materials used for manufacture of tobacco products)	Resolution of the Government of the Russian Federation No. 743 of 9 December 2003 "On establishment of designated customs check-points for entry to the customs territory of the Russian Federation of alcoholic and tobacco products".	The reason for introducing: the post should be specifically equipped.

Table 14 - Distribution of Authorities of the Customs Bodies on Carrying out Customs Operations at Designated Customs Checkpoints

No.	Type of the goods	Normative legal act	Comments
1.	Goods transported with the use of Temporary Admission.	Order of the FCS of the Russian Federation No. 1268 of 7 July 2010 "On the Approval of the List of Customs Bodies, Authorised to Carry Out Customs Operations with Goods, Conveyed with the Use of ATA Carnets.	The reasons for introducing: need for special equipment (unified computer system registering the temporary imported goods) and trained staff. In the future there are plans to supply all customs points with the necessary equipment and to enlarge substantially the number of customs offices authorised to deal with ATA carnets.
2.	Goods subject to the issuance of passports of vehicles, passports of chassis of vehicles and passports of self-propelled vehicles and spare parts to them, conveyed by natural persons.	Order of the FCS of the Russian Federation No. 1172 of 15 December 2005 "On Establishing Authorities of the Customs Bodies in Carrying out Customs Operations with the Goods, Conveyed by Natural Persons".	The reasons for introducing: need for special technical control and equipment with a unified computer base for registration of imported cars (including checking in Interpol database etc.).
3.	Goods subject to excise (including those subject to licensing, marking with excise stamps, wines and cognacs spirits, beer (including alcohol-free beer), goods subjected to the issuance of passports according to the established procedures.	Order of the FCS of the Russian Federation No. 1005 of 28 October 2005 "On Establishing Authorities of the Customs Bodies in Carrying out Customs Procedures with Excise Goods and Other Particular Type of Goods".	The reason for introducing: "risky" products which need strengthened customs control.
4.	Diplomatic correspondence and goods, conveyed by certain categories of foreign persons.	Order of the SCC of the Russian Federation No. 357 of 24 March 2004 "On Establishing Competence of Customs Bodies in Carrying out Customs Procedures in Respect of Diplomatic Correspondence and Goods Conveyed by Certain Categories of Foreign Persons" (Registered by the Ministry of Justice of the Russian Federation No. 5716 of 5 April 2004) amended by SCC Order No. 681 of 17 June 2004 "On Amending Order of the SCC of the Russian Federation No. 357 of 24 March 2004".	The reason for introducing: designation of certain offices, which are able to provide for express control of diplomatic goods.
5.	Goods, transported across the customs border of the Russian Federation by international mail (except for diplomatic pouch and consular valise)	Order of the FCS of the Russian Federation No. 4 of 11 January 2007 "On Establishing Authorities of the Customs Bodies located in Moscow or Sankt Petersburg in Carrying out Customs Procedures in Respect of Goods, Transported Across the Customs Border of the Russian Federation by International Mail"	The reason for introducing: The goods containing in the international mail are normally cleared by customs offices which are situated directly in the post offices distributing international mail.

No.	Type of the goods	Normative legal act	Comments
6.	Goods, meant for demonstration at exhibitions, fairs, international meetings and similar actions.	Order of the FCS of the Russian Federation No. 1387 of 29 December 2006 "On Establishing Competence of the Customs Bodies located in Moscow or Sankt Petersburg in Carrying out Customs Procedures in Respect of Goods, Destined for Displaying on Exhibitions, Fairs, International Meetings and Other Such Actions and in respect of cultural valuables"	The reasons for introducing: customs operations with goods destined for exhibitions are quite specific, so normally there are specialized customs units operating with them: besides. Dealing with cultural valuables, temporarily imported for exhibitions, needs especially well-trained personnel.
7.	Goods, transported by air	Order of the FSC of the Russian Federation No. 382 of 29 March 2007 "On Establishing Competence of the Customs Bodies in Carrying out Customs Procedures in Respect of Goods Conveyed by Air".	The reasons for introducing: the customs bodies authorised to carry out customs procedures with goods transported by air, are, as a rule, located in the airports.
8.	Precious stones and metals (including natural diamonds and cut diamonds (HS codes 7102 10 000 0, 7102 21 000 0, 7102 31 000 0), watches (cased in precious metals or plated with precious metals, inlaid with precious stones), watch cases and parts thereof (cased in precious metals or plated with precious metals, inlaid with precious stones), as provided for in the Presidential Decree No. 1137 of 20 September 2010; banknotes or treasury notes, securities, coins (HS codes 4907 00 300 0, 4907 00 900 0, 7101, 7103, 7116, 7117, 7118).	Order of the FSC of the Russian Federation No. 489 of 19 April 2007 "On Establishing Competence of the Customs Bodies in Carrying out Customs Procedures in Respect of Precious Stones and Metals".	The reasons for introducing: the need for special technical control (measurement, assessment), which undermines need for special equipment and trained staff.
9.	Fissionable and radio-active materials, transported within the customs border of the Russian Federation (HS codes 2612, 2844 and HS code 8401 30 000), other goods containing spare parts (HS codes 2612, 2844 and HS code 8401 30 000), as well as the equipment for their production, storage, transporting, measuring and corresponding documentation.	Order of the FCS of the Russian Federation No. 567 of 26 March 2009 "On Establishing Competence of the Customs Bodies in Carrying out Customs Procedures in Respect of Fissionable and Radio-active Materials"	The reasons for introducing: need for special equipment and treatment.

Table 15 - List of Sensitive Products, where Decision on the Level of Import Duties shall be taken by CU Commission Members Consensus[1]

CET Code	Description of products
0201	Meat of bovine animals, fresh or chilled.
0202	Meat of bovine animals, frozen.
0203	Meat of swine, fresh, chilled, or frozen.
0207	Meat and edible offal, of the poultry of Heading N° 0105, fresh, chilled, or frozen.
0301	Live fish.
0302	Fish, fresh or chilled, excluding fish fillets and other fish meat of Heading 0304.
0303	Fish, frozen, excluding fish fillets and other fish meat of Heading 0304.
0304	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen.
0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter.
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter.
0403	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa.
0405	Butter and other fats and oils derived from milk; dairy spreads.
0406	Cheese and curd.
0408	Birds' eggs, not in shell and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen, or otherwise preserved, whether or not containing added sugar or other sweetening matter.
0602	Other live plants (including their roots), cuttings and slips; mushroom spawn.
0701	Potatoes, fresh or chilled.
0703	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled.
0704	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled.
0706	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled.
0808	Apples, pears and quinces, fresh.
0810	Other fruit, fresh.
1006	Rice.
1102	Cereal flours other than of wheat or meslin.
1103	Cereal groats, meal and pellets.
1104	Cereal grain otherwise worked (for example, hulled, rolled, flaked, pearled, sliced or kibbled), except rice of Heading 1006; germ of cereals, whole, rolled, flaked or ground.
1105	Flour, meal, powder, flakes, granules and pellets of potatoes.
1107	Malt, whether or not roasted.
1108	Starches; inulin.
1507	Soya-bean oil and its fractions, whether or not refined but not chemically modified.
1511	Palm oil and its fractions, whether or not refined, but not chemically modified.
1512	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined but not chemically modified.
1513	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined but not chemically modified.
1514	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified.
1517	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of Heading 1516.
1701	Cane or beet sugar and chemically pure sucrose, in solid form.
1704	Sugar confectionery (including white chocolate), not containing cocoa.
1806	Chocolate and other food preparations containing cocoa.

[1] Not all 10 digit HS codes within 4 digit HS subgroup may be included in the list.

CET Code	Description of products
1901	Malt extract; food preparations of flour, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of Headings 0401 to 0404, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified of included.
1905	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper, and similar products.
2001	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid.
2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of Heading 2006.
2007	Jams, fruit jellies, marmalades, fruit or nut puree, and fruit or nut pastes, being cooked preparations, whether or not containing added sugar or other sweetening matter.
2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included.
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.
2102	Yeasts (active or inactive); other single-cell micro-organisms, dead (but not including vaccines of Heading 3002); prepared baking powders.
2207	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% or higher; ethyl alcohol and other spirits, denatured, of any strength.
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80%; spirits, liqueurs and other spirituous beverages.
2522	Quicklime, slaked lime and hydraulic lime, other than calcium oxide and hydroxide of Heading 2825.
2523	Portland cement, aluminous cement, slag cement, super-sulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers.
2615	Niobium, tantalum, vanadium or zirconium ores and concentrates.
2620	Ash and residues (other than from the manufacture of iron or steel), containing arsenic, metals or metal compounds.
2707	Oils and other products of the distillation of high temperature coal tar; similar products in which the weight of the aromatic constituents exceeds that of the non-aromatic constituents.
2708	Pitch and pitch coke, obtained from coal tar or from other mineral tars.
2710	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; used oils.
2711	Petroleum gases and other gaseous hydrocarbons.
2712	Petroleum jelly; paraffin wax, microcrystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured.
2713	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals.
2801	Fluorine, chlorine, bromine and iodine.
2804	Hydrogen, rare gases and other non-metals.
2805	Alkali or alkaline-earth metals; rare-earth metals, scandium and yttrium, whether or not intermixed or interalloyed; mercury.
2806	Hydrogen chloride (hydrochloric acid); chlorosulphuric acid.
2809	Diphosphorus pentaoxide; phosphoric acid and polyphosphoric acids, whether or not chemically defined.
2811	Other inorganic acids and other inorganic oxygen compounds of non-metals.
2812	Halides and halide oxides of non-metals.

CET Code	Description of products
2813	Sulphides of non-metals; commercial phoshporus trishulphide.
2814	Ammonia, anhydrous or in aqueous solution.
2815	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium.
2816	Hydroxide and peroxide of magnesium; oxides, hydroxides and peroxides, of strontium or barium.
2818	Artificial corundum, whether or not chemically defined; aluminium oxide; aluminium hydroxide.
2819	Chromium oxides and hydroxides.
2820	Manganese oxides.
2821	Iron oxides and hydroxides; earth colours containing 70% or more by weight of combined iron evaluated as Fe2O3.
2824	Lead oxides; red lead and orange lead.
2825	Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides and peroxides.
2826	Fluorides; fluorosilicates,fluoroaminates and other complex fluorine salts.
2827	Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides.
2828	Hypochlorites; commercial calcium hypochlorite; chlorites; hypobromites.
2829	Chlorates and perchlorates; bromates and perbromates; iodates and periodates.
2830	Sulphides; polysulphides whether or not chemically defined.
2831	Dithionites and sulphoxylates.
2832	Sulphites; thiosulphates.
2833	Sulphates; alums; peroxosulpohates (persulphates).
2834	Nitrites; nitrates.
2835	Phosphinates (hypophosphites), phosphonates (phosphites), phosphates and polyphosphates whether or not chemically defined.
2836	Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate.
2837	Cyanides, cyanide oxides, and complex cyanides.
2839	Silicates; commercial alkali metal silicates.
2840	Borates; peroxoborates (perborates).
2841	Salts of oxometallic or peroxometallic acids.
2842	Other salts of inorganic acids or peroxacids (including aluminosilicates whether or not chemically defined), other than azides.
2843	Colloidal precious metals; inorganic or organic compounds of precious metals, whether or not chemically defined; amalgams of precious metals.
2844	Radioactive chemical elements and radioactive isotopes (including the fissile or fertile chemical elements and isotopes) and their compounds; mixtures and residues containing these products.
2845	Isotopes other than those of Heading 2844; compounds, inorganic or organic, of such isotopes, whether or not chemically defined.
2846	Compounds, inorganic or organic, of rare-earth metals, of yttrium or of scandium or of mixtures of these metals.
2849	Carbides, whether or not chemically defined.
2901	Acyclic hydrocarbons.
2902	Cyclic hydrocarbons.
2903	Halogenated derivatives of hydrocarbons.
2904	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated.
2905	Acyclic alcohols and their halogented, sulphonated, nitrated or nitrosated derivatives.
2906	Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives.
2907	Phenols; phenol-alcohols.
2908	Halogenated, sulphonated, nitrated or nitrosated derivatives of phenols or phenol-alcohols.
2909	Ethers, ether-alcohols, ether phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides (whether or not chemically defined), and their halogenated, sulphonated, nitrated or nitrosated derivatives.

CET Code	Description of products
2910	Epoxides, epoxyalcohols, epoxyphenols,and epoxyethers, with a three-member ring and their halogented, sulphonated, nitrated or nitrosated derivatives.
2912	Aldehydes, whether or not with other oxygen function; cyclic polymers of aldehydes; paraformaldehyde.
2914	Ketones and quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives.
2915	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.
2916	Unsaturated acyclic monocarboxylic acids, cyclic monocarbolic acids, their anhydrides, halides, peroxides, and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.
2917	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.
2918	Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peoxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.
2919	Phosphoric esters and their salts, including lactophosphates; their halogenated, sulphonated, nitrated or nitrosated derivatives.
2920	Esters of other inorganic acids (excluding esters of hydrogen halides) and their salts; their halogenated, sulphonated, nitrated or nitrosated derivatives.
2921	Amine-function compounds.
2922	Oxygen-function amino-compounds.
2923	Quaternary ammonium salts and hydroxides; lecithins and other phosphoaminolipids.
2924	Carboxyamide-function compounds; amide-function compounds of carbonic acid.
2925	Carboxyimide-function compounds (including saccharin and its salts) and imine-function compounds.
2926	Nitrile-function compounds.
2929	Compounds with other nitrogen function.
2930	Organo-sulphur compounds.
2932	Heterocyclic compounds with oxygen hetero-atom(s) only.
2933	Heterocyclic compounds with nitrogen hetero-atom(s) only.
2934	Nucleic acids and their salts whether or not chemically defined; other heterocyclic compounds.
2936	Provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates),derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent.
2937	Hormones, prostaglandins, thromboxanes and leukotrienes, natural or reproduced by synthesis; derivatives and structural analogues thereof, including chain modified polypeptides, used primarily as hormones.
2938	Glycosides, natural or reproduced by synthesis and their salts, ethers, esters and other derivatives.
2939	Vegetable alkaloids, natural or reproduced by synthesis and their salts, ethers, esters and other derivatives.
2941	Antibiotics.
3001	Glands and other organs for organo-therapeutic uses, dried, whether or not powdered; extracts of glands or other organs or of their secretions for organo-therapeutic uses; heparin and its salts; other human or animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included.
3002	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of microorganisms (excluding yeasts) and similar products.
3003	Medicaments (excluding goods of Headings 3002, 3005 or 3006) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measures doses or in forms or packings for retail sale.

CET Code	Description of products
3004	Medicaments (excluding goods of Heading 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale.
3005	Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices),impregnated or coated with pharmaceutical substances or put up in forms or packings for retail trade for medical, surgical, dental or veterinary purposes.
3006	Pharmaceutical goods specified in Note 4 to this Chapter.
3202	Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre-tanning.
3204	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined. – synthetic organic colouring matter and preparations based thereon as specified in Note 3 to this Chapter.
3209	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an aqueous medium.
3215	Printing ink, writing or drawing ink, and other inks, whether or not concentrated or solid.
3302	Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages.
3307	Pre-shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties.
3401	Soap, organic surface-active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap; organic surface-active agents and washing preparations for leather in the form of liquid or cream, in packings for retail sale, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent.
3402	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of Heading 3401.
3507	Enzymes; prepared enzymes not elsewhere specified or included.
3805	Gum, wood or sulphate turpentine and other terpenic oils produced by the distillation or other treatment of coniferous woods; crude dipentene; sulphite turpentine and other crude para-cymene; pine oil containing alpha-terpineol as the main constituent.
3806	Rosin and resin acids, and derivatives thereof; rosin spirit and rosin oils; run gums.
3808	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, sulphur-treated bands, wicks and candles, and fly-papers).
3901	Polymers of ethylene, in primary forms.
3902	Polymers of propylene or of other olefins, in primary forms.
3903	Polymers of styrene, in primary forms.
3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms.
3905	Polymers of vinyl acetate or of other vinyl esters, in primary forms; other vinyl polymers in primary forms.
3906	Acrylic polymers in primary forms.
3907	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms.
3908	Polyamides in primary forms.
3909	Amino-resins, phenolic resins, and polyurethanes, in primary forms.
3911	Petroleum resins, coumarone-indene resins, polyterpenes,polysulphides, polysulphones and other products specified in Note 3 to this Chapter, not elsewhere specified or included, in primary forms.
3912	Cellulose and its chemical derivatives, not elsewhere specified or included, in primary forms.

CET Code	Description of products
3913	Natural polymers (for example, alginic acid) and modified natural polymers (for example, hardened proteins, chemical derivatives of natural rubber), not elsewhere specified or included, in primary forms.
3915	Waste, parings and scrap, of plastics.
3916	Monofilament of which any cross-sectional dimension exceeds 1 mm, rods, sticks and profile shapes, whether or not surface-worked but not otherwise worked, of plastics.
3917	Tubes, pipes, and hoses, and fittings therefore (for example, joints, elbows, flanges), of plastics.
3918	Floor coverings of polymer materials, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of polymers, as defined in Note 9 to this Chapter.
3919	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of polymer materials, whether or not in rolls.
3920	Other plates, sheets, film, foil and strip, of polymer materials, non-cellular and not reinforced,laminated,supported or similarly combined with other materials.
3921	Other plates, sheets, film, foil and strip, of polymer materials.
3922	Baths, shower-baths, wash-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics.
3923	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics.
3924	Tableware, kitchenware, other household articles and toilet articles, of plastics.
3925	Builders' ware of plastics, not elsewhere specified or included.
3926	Other articles of plastics and articles of other materials of Headings 3901 to 3914.
4001	Natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip.
4011	New pneumatic tyres, of rubber.
4104	Leather or leather crust of bovine (including buffalo), or equine animals, without hair on, whether or not split, but not further prepared.
4202	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling-bags, toilet bags, rucksacks, handbags, shopping-bags, wallets, purses, map-cases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottle-cases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of polymer or textile materials, of vulcanized fibre or of paperboard, or wholly or mainly covered with such materials or with paper.
4303	Articles of apparel, clothing accessories and other articles of fur skin.
4410	Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances.
4411	Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances.
4412	Plywood, veneered panels and similar laminated wood.
4418	Builders' joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes.
4808	Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in Heading 4803.
4814	Wallpaper and similar wall coverings; window transparencies of paper.
4818	Toilet paper and similar paper, cellulose wadding or webs of cellulose fibres, of a kind used for household or sanitary purposes, in rolls of a width not exceeding 36 cm, or cut to size or shape; handkerchiefs, cleansing tissues, towels, tablecloths, serviettes, napkins for babies, tampons, bed sheets and similar household, sanitary or hospital articles, articles of apparel and clothing accessories, of paper pulp, paper, cellulose wadding or webs of cellulose fibres.
4819	Cartons, boxes, cases, bags and other packing containers, of paper, paperboard, cellulose wading or webs of cellulose fibres; box files, letter trays, and similar articles, of paper or paperboard, of a kind used in offices, shops or the like.

CET Code	Description of products
4820	Registers, account books, note books, order books, receipt books, letter pads, memorandum pads, diaries and similar articles, exercise-books, blotting pads, binders (loose-leaf or other), folders, file covers, manifold business forms, interleaved carbon sets and other articles of stationery, of paper or paperboard; albums for samples or for collections and book covers, of paper or paperboard.
5007	Woven fabrics of silk or of silk waste.
5101	Wool, not carded or combed.
5102	Fine or coarse animal hair, not carded or combed.
5103	Waste of wool or of fine or coarse animal hair, including yarn waste but excluding garneted stock.
5105	Wool and fine or coarse animal hair, carded or combed (including combed wool in fragments).
5106	Yarn of carded wool, not put up for retail sale.
5107	Yarn of combed wool, not put up for retail sale.
5108	Yarn of fine animal hair (carded or combed), not put up for retail sale.
5109	Yarn of wool or of fine animal hair, put up for retail sale.
5111	Woven fabrics of carded wool or of carded fine animal hair.
5112	Woven fabrics of combed wool or of combed fine animal hair.
5202	Cotton waste (including yarn waste and garneted stock).
5204	Cotton sewing thread, whether or not put up for retail sale.
5205	Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale.
5206	Cotton yarn (other than sewing thread), containing less than 85% by weight of cotton, not put up for retail sale.
5207	Cotton yarn (other than sewing thread) put up for retail sale.
5208	Woven fabrics of cotton containing 85% or more by weight of cotton, weighing not more than 200 g/m2.
5209	Woven fabrics of cotton containing 85% or more by weight of cotton, weighing more than 200 g/m2.
5210	Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200 g/m2.
5211	Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200 g/m2.
5212	Other woven fabrics of cotton.
5301	Flax, raw or processed but not spun; flax tow and waste (including yarn waste and garneted stock).
5302	True hemp (Cannabis sativa L.), raw or processed but not spun; tow and waste of true hemp (including yarn waste and garneted stock).
5303	Jute and other textile bast fibres (excluding flax, true hemp and ramie), raw or processed but not spun; tow and waste of these fibres (including yarn waste and garneted stock).
5306	Flax yarn.
5307	Yarn of jute or of other textile bast fibres of Heading 5303.
5308	Yarn of other vegetable textile fibres; paper yarn.
5309	Woven fabrics of flax.
5310	Woven fabrics of jute or of other textile bast fibres of Heading 5303.
5401	Sewing thread of man-made filaments, whether or not put up for retail sale.
5402	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex.
5403	Artificial filament yarn (other than sewing thread), not put up for retail sale, including artificial monofilament of less than 67 decitex.
5404	Synthetic monofilament of 67 decitex or more and of which no cross– sectional dimension exceeds 1 mm; strip and the like (for example, artificial straw) of synthetic textile materials of an apparent width not exceeding 5 mm.
5407	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of Heading 5404.
5408	Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of Heading 5405.

CET Code	Description of products
5501	Synthetic filament tow.
5503	Synthetic staple fibres, not carded, combed or otherwise processed for spinning.
5504	Artificial staple fibres, not carded, combed or otherwise processed for spinning.
5505	Waste (including noils, yarn waste and garneted stock) of man-made fibres.
5506	Synthetic staple fibres, carded, combed or otherwise processed for spinning.
5508	Sewing thread of man-made staple fibres, whether or not put up for retail sale.
5509	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale.
5510	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale.
5511	Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale.
5512	Woven fabrics of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibres.
5513	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m2.
5514	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170 g/m2.
5515	Other woven fabrics of synthetic staple fibres.
5516	Woven fabrics of artificial staple fibres.
5601	Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps.
5602	Felt, whether or not impregnated, coated, covered or laminated.
5603	Nonwovens, whether or not impregnated, coated, covered or laminated.
5604	Rubber thread and cord, textile covered; textile yarn and strip and the like of Heading 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics.
5607	Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics.
5608	Knotted netting of twine, cordage of rope; made up fishing nets and other made up nets, of textile materials.
5701	Carpets and other textile floor coverings, knotted, whether or not made up.
5702	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs.
5703	Carpets and other textile floor coverings, tufted, whether or not made up.
5704	Carpets and other textile floor coverings, of felt, not tufted or flocked, whether or not made up.
5801	Woven pile fabrics and chenille fabrics, other than fabrics of Heading 5802 or 5806.
5802	Terry towelling and similar woven terry fabrics, other than narrow fabrics of Heading 5806; tufted textile fabrics, other than products of Heading 5703.
5804	Tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of Headings 6002– 6006.
5806	Narrow woven fabrics, other than goods of Heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs).
5807	Labels, badges, and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered.
5808	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles.
5810	Embroidery in the piece, in strips or in motifs.
5901	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations.
5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon.
5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of Heading 5902.
5904	Linoleum, whether or not cut to shape; floor coverings consisting of a coating or covering applied to a textile backing, whether or not cut to shape.
5906	Rubberized textile fabrics, other than those of Heading 5902.

CET Code	Description of products
5911	Textile products and articles, for technical uses, specified in Note 7 to this Chapter.
6001	Pile fabrics, including "long-pile" fabrics and terry fabrics, knitted or crocheted.
6002	Knitted or crocheted fabrics, of a width not exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than fabrics of Heading 6001.
6003	Knitted or crocheted fabrics, of a width not exceeding 30 cm, other than fabrics of Headings 6001 or 6002.
6004	Knitted or crocheted fabrics, of a width not exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than fabrics of Heading 6001.
6005	Raschel lace (including crocheted fabrics for manufacture of lace), other than fabrics of Headings 6001– 6004.
6006	Other knitted or crocheted fabrics.
6101	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of Heading 6103.
6102	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, knitted or crocheted, other than those of Heading 6104.
6103	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.
6104	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib–and-brace overalls, breeches and shorts (other than swimwear), knitted or crocheted.
6105	Men's or boys' shirts, knitted or crocheted.
6106	Women's or girls' blouses, shirts, and shirt– blouses, knitted or crocheted.
6107	Men's or boys' underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles, knitted or crocheted.
6108	Women's or girls' slips, petticoats, briefs, panties, nightdresses, pyjamas, negligees, bathrobes, dressing gowns and similar articles, knitted or crocheted.
6109	T–shirts, singlets and other vests, knitted or crocheted.
6110	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted.
6111	Babies' garments and clothing accessories, knitted or crocheted.
6112	Track suits, ski suits and swimwear, knitted or crocheted.
6114	Other garments, knitted or crocheted.
6115	Pantyhose, tights, stockings, socks and other hosiery, including graduated compression hosiery (for example, stockings for varicose veins) and footwear without applied soles, knitted or crocheted.
6116	Gloves, mittens and mitts, knitted, or crocheted.
6117	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories.
6201	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of Heading 6203.
6202	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of Heading 6204.
6203	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear)..
6204	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts (other than swimwear).
6205	Men's and boys' shirts.
6206	Women's or girls' blouses, shirts and shirt-blouses.
6207	Men's or boys' singlets and other vests, underpants, briefs, nightshirts, pyjamas, bathrobes, dressing gowns and similar articles.
6208	Women's and girls' singlets and other vests, slips, petticoats, briefs, panties, nightdresses, pyjamas, negligees, bathrobes, dressing gowns and similar articles.
6209	Babies' garments and clothing accessories.
6210	Garments, made up of fabrics of Headings 5602, 5603, 5903, 5906 or 5907.
6211	Track suits, ski suits and swimwear; other garments.

CET Code	Description of products
6212	Brassieres, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, whether or not knitted or crocheted.
6213	Handkerchiefs.
6214	Shawls, scarves, mufflers, mantillas, veils and the like.
6215	Ties, bow ties and cravats.
6217	Other made-up clothing accessories; parts of garments or of clothing accessories, other than those of Heading 6212.
6301	Blankets and travelling rugs.
6302	Bed linen, table linen, toilet linen and kitchen linen.
6303	Curtains (including drapes) and interior blinds; curtain or bed valances.
6304	Other furnishing articles excluding those of Heading 9404.
6305	Sacks and bags, of a kind used for the packing goods.
6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods.
6307	Other made-up articles, including dress patterns.
6310	Used or new rags, scrap twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials.
6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather.
6404	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials.
6405	Other footwear.
6806	Slag wool, rock wool and similar mineral wools; exfoliated vermiculite, expanded clays, foamed slag and similar expanded mineral materials; mixtures and articles of heat-insulating, sound-insulating or sound-absorbing mineral materials, other than those of Heading 6811 or 6812 or of Chapter 69.
6907	Unglazed ceramic flags and paving, hearth or wall tiles; unglazed ceramic mosaic cubes and the like, whether or not on a backing.
6908	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, whether or not on a backing.
6909	Ceramic wares for laboratory, chemical or other technical uses; ceramic troughs, tubs and similar receptacles of kind used in agriculture; ceramic pots, jars and similar articles of kind used for the conveyance or packing of goods. Ceramic wares for laboratory, chemical or other technical uses.
6910	Ceramic sinks, wash basins, wash basin pedestals, baths, bidets, water closet pans, flushing cisterns, urinals and similar sanitary fixtures.
6911	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china.
7005	Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked.
7009	Glass mirrors, whether or not framed, including rear-view mirrors.
7010	Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packing of goods; preserving jars of glass; stoppers, lids and other closures, of glass.
7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (other than that of Heading 7010 or 7018).
7016	Paving blocks, slabs, bricks, squares, tiles and other articles of pressed or moulded glass, whether or not wired, of a kind used for building or construction purposes; glass cubes and other glass small wares, whether or not on a backing, for mosaics or similar decorative purposes; leaded lights and the like; multicellular or foam glass in blocks, panels, plates, shells or similar forms.
7019	Glass fibres (including glass wool) and articles thereof (for example, yarn, woven fabrics).
7105	Dust and powder of natural or synthetic precious or semi-precious stones.
7204	Ferrous waste and scrap; re-melting scrap ingots of iron or steel.
7209	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated.
7210	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated.

CET Code	Description of products
7213	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel.
7214	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded but including those twisted after rolling.
7216	Angles, shapes, and sections of iron or non-alloy steel.
7219	Flat-rolled products of stainless steel, of a width of 600 mm or more.
7220	Flat-rolled products of stainless steel, of a width of less than 600 mm.
7225	Flat-rolled products of other alloy steel, of a width of 600 mm or more.
7227	Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel.
7228	Other bars and rods of other alloy steel; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel.
7304	Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel.
7305	Other tubes and pipes (for example, welded, riveted or similarly closed), with circular cross-sections and external diameter of which exceeds 406.4 mm, of iron or steel.
7306	Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted, or similarly closed), of iron or steel.
7408	Copper wire.
7410	Copper foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0.15 mm.
7606	Aluminium plates, sheets and strip, of a thickness exceeding 0.2 mm.
7607	Aluminium foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials), of a thickness (excluding any backing) not exceeding 0.2 mm.
7608	Aluminium tubes and pipes.
8104	Magnesium and articles thereof, including waste and scrap.
8302	Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat-racks, hat-pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal.
8309	Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers), capsules for bottles, threaded bungs, bung covers, seals, and other packing accessories, of base metal.
8407	Spark-ignition reciprocating or rotary internal combustion piston engines.
8408	Compression-ignition, internal combustion piston engines (diesel or semi-diesel engines).
8415	Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which humidity cannot be separately regulated.
8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of Heading 8415.
8424	Mechanical appliances (whether or not hand-operated) for projecting, dispersing or spraying liquids or powders; fire extinguishers, whether or not charged; spray guns and similar appliances; steam or sand blasting machines and similar jet projecting machines.
8428	Other lifting, handling, loading or unloading machinery (for example, lifts, escalators, conveyors, teleferics).
8432	Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers.
8433	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of Heading 8437.
8434	Milking machines and dairy machinery.
8443	Printing machinery used for printing by means of plates, cylinders and other printing components of Heading 8442; other printers, copying machines and facsimile machines, whether or not combined; parts and accessories thereof.
8450	Household or laundry-type washing machines, including machines which both wash and dry.

CET Code	Description of products
8451	Machinery (other than machines of Heading 8450) for washing, cleaning, wringing, drying, ironing, pressing (including fusing presses), bleaching, dyeing, dressing, finishing, coating or impregnating textile yarns, fabrics, or made up textile articles and machines for applying the paste to the base fabric or other support used in the manufacture of floor coverings such as linoleum; machines for reeling, unreeling, folding, cutting or pinking textile fabrics.
8452	Sewing machines, other than book-sewing machines of Heading 8440; furniture, bases and covers specially designed for sewing machines; sewing machine needles.
8455	Metal-rolling mills and rolls therefore.
8456	Machine-tools for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ion-beam or plasma arc processes.
8457	Machining centres, unit construction machines (single station) and multi-station transfer machines for working metal.
8458	Lathes (including turning centres), for removing metal.
8459	Machine-tools (including way-type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes (including turning centres) of Heading 8458.
8460	Machine-tools for deburring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal or cermets by means of grinding stones, abrasives or polishing products, other than gear cutting, gear grinding or gear finishing machines of Heading 8461.
8461	Machine-tools for planing, shaping, slotting, broaching, gear cutting, gear grinding or gear finishing, sawing, cutting-off and other machine-tools working by removing metal or cermets, not elsewhere specified or included.
8462	Machine-tools (including presses) for working metal by forging, hammering or die-stamping; machine-tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching; presses for working metal or metal carbides, not specified above.
8474	Machinery for sorting, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances, in solid (including powder or paste) form; machinery for agglomerating, shaping or moulding solid mineral fuels, ceramic paste, unhardened cements, plastering materials or other mineral products in powder or paste form; machines for forming foundry moulds of sand.
8481	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves.
8482	Ball or roller bearings.
8501	Electric motors and generators (excluding generating sets).
8502	Electric generating sets and rotary converters.
8504	Electrical transformers, static converters (for example, rectifiers) and inductors.
8505	Electro-magnets; permanent magnets and articles intended to become permanent magnets after magnetisation; electro-magnetic or permanent magnet chucks, clamps and similar holding devices; electro-magnetic couplings, clutches and brakes; electro-magnetic lifting heads.
8507	Electric accumulators, including separators therefore, whether or not rectangular (including square).
8508	Vacuum cleaners.
8516	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro-thermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes; electric heating resistors, other than those of Heading 8545.
8517	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of Heading 8443, 8525, 8527 or 8528.
8519	Sound recording or sound reproducing apparatus.
8521	Video recording or reproducing apparatus, whether or not incorporating a video tuner.

CET Code	Description of products
8525	Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video camera recorders.
8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus.
8529	Parts suitable for use solely or principally with the apparatus of Headings 8525 to 8528.
8537	Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of Heading 8535 or 8536, for electric control or distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of Heading 8517.
8539	Electric filament or discharge lamps, including sealed-beam lamp units and ultra-violet or infra-red lamps; arc-lamps.
8542	Electronic integrated circuits.
8544	Insulated (including enamelled or anodised) wire, cable (including co-axial cable) and other insulated electric conductors, whether or not fitted with connectors; optical fibre cables, made up of individually sheathed fibres, whether or not assembled with electric conductors or fitted with connectors.
8545	Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes.
8603	Self-propelled railway or tramway coaches, vans and trucks, other than those of Heading 8604.
8701	Tractors (other than tractors of Heading 8709).
8702	Motor vehicles for the transport of ten or more persons, including the driver.
8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of Heading 8702), including station wagons and racing cars.
8704	Motor vehicles for the transport of goods.
8705	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown lorries, crane lorries, fire fighting vehicles, concrete-mixer lorries, road-sweeper lorries, spraying lorries, mobile workshops, mobile radiological units).
8708	Parts and accessories of the motor vehicles of Headings 8701 to 8705.
8716	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof.
8802	Other aircraft (for example, helicopters, aeroplanes); spacecraft (including satellites) and suborbital and spacecraft launch vehicles.
9001	Optical fibres and optical fibre bundles; optical fibre cables other than those of Heading 8544; sheets and plates of polarising material; lenses (including contact lenses), prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked.
9003	Frames and mountings for spectacles, goggles or the like and parts thereof.
9006	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of Heading 8539.
9013	Liquid-crystal devices not constituting articles provided for more specifically in other headings; lasers, other than laser diodes; other optical appliances and instruments, not specified or included elsewhere in this Chapter.
9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro-medical apparatus and sight-testing instruments.
9022	Apparatus based on the use of X-rays or of alpha, beta or gamma radiations, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X-ray tubes and other X-ray generators, high-tension generators, control panels and desks, screens, examination or treatment tables, chairs and the like.– apparatus based on the use of X-rays, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus.
9025	Hydrometers and similar floating instruments, thermometers, pyrometers, barometers, hygrometers and psychrometers, recording or not and any combination of these instruments.

CET Code	Description of products
9028	Gas, liquid or electricity supply or production meters, including calibrating meters therefore.
9401	Seats (other than those of Heading 9402), whether or not convertible into beds, and parts thereof.
9402	Medical, surgical, dental or veterinary furniture (for example, operating tables, examination tables, hospital beds with mechanical fittings, dentists' chairs); barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles.
9403	Other furniture and parts thereof.

Table 16 - List of Beneficiaries of the CU GSP Scheme[1]

1. Albania
2. Algeria
3. Anguilla
4. Antigua and Barbuda
5. Antilles, the Netherlands
6. Argentina
7. Aruba
8. Bahamas
9. Bahrain, Kingdom of
10. Barbados
11. Belize
12. Bermuda
13. Bolivarian Republic of Venezuela
14. Bolivia, Plurinational State of
15. Bosnia and Herzegovina
16. Botswana
17. Brazil
18. British Virgin Islands
19. Brunei
20. Caiman Islands
21. Cameroon
22. Cape Verde
23. Chile
24. China
25. Colombia
26. Congo
27. Cook Islands
28. Costa Rica
29. Côte d'Ivoire
30. Croatia
31. Cuba
32. Dominica
33. Dominican Republic
34. Ecuador
35. Egypt
36. El Salvador
37. Federated States of Micronesia
38. Fiji
39. Former Yugoslav Republic of Macedonia
40. Gabon
41. Ghana
42. Grenada
43. Guatemala
44. Guyana
45. Honduras
46. Hong Kong, China
53. Jordan
54. Kenya
55. Korea, Democratic People's Republic of
56. Korea, Republic of
57. Kuwait
58. Lebanese Republic
59. Libya
60. Malaysia
61. Marshall Islands, Republic of the
62. Mauritius
63. Mexico
64. Mongolia
65. Montenegro
66. Montserrat
67. Morocco
68. Namibia
69. Nauru, Republic of
70. Nicaragua
71. Nigeria
72. Niue
73. Oman
74. Pakistan
75. Panama
76. Papua New Guinea
77. Paraguay
78. Peru
79. Philippines
80. Qatar
81. Saint Kitts-Nevis
82. Saint Helena
83. Saint Lucia
84. Saint Vincent and the Grenadines
85. Serbia
86. Seychelles
87. Singapore
88. South Africa
89. Sri Lanka
90. Suriname
91. Swaziland
92. Syrian Arab Republic
93. Thailand
94. Tokelau
95. Tonga
96. Trinidad and Tobago
97. Tunisia
98. Turkey

[1] The CU GSP Scheme was adopted by the Decision of the Board of Heads of States of EurAsEC No. 18 of 27 November 2009 and by the Decision of the CU Commission No. 130 of 27 November 2009. The CU Commission is currently engaged in revising and updating this Decision.

47. India
48. Kingdom of Saudi Arabia
49. Indonesia
50. Iraq
51. Iran, Islamic Republic of
52. Jamaica
99. Turks and Caicos Islands
100. United Arab Emirates
101. Uruguay
102. Viet Nam
103. Zimbabwe

Table 17 - List of Least-Developed Countries Beneficiaries of the CU GSP Scheme[1]

1. Afghanistan, Islamic Republic of
2. Angola, Republic of
3. Bangladesh
4. Benin
5. Bhutan
6. Burkina Faso
7. Burundi
8. Cambodia
9. Central African Republic
10. Chad
11. Comoros, Union of the
12. Democratic Republic of Eastern Timor
13. Democratic Republic of the Congo
14. Djibouti
15. Equatorial Guinea
16. Eritrea
17. Ethiopia
18. The Gambia
19. Guinea
20. Guinea Bissau
21. Haiti
22. Kiribati, Republic of
23. Lao People's Democratic Republic
24. Lesotho
25. Liberia
26. Madagascar
27. Malawi
28. Maldives
29. Mali
30. Mauritania
31. Mozambique
32. Myanmar
33. Nepal
34. Niger
35. Rwanda
36. Samoa
37. Sao Tome and Principe
38. Senegal
39. Sierra Leone
40. Solomon Islands
41. Somalia
42. Sudan
43. Tanzania
44. Togo
45. Tuvalu
46. Uganda
47. Vanuatu
48. Yemen
49. Zambia

[1] The CU GSP Scheme was adopted by the Decision of the Board of Heads of States of EurAsEC No. 18 of 27 November 2009 and by CU Commission Decision No. 130 of 27 November 2009. The CU Commission is currently engaged in updating this Decision, *inter alia*, to reflect the current list of Least-Developed Countries established by the United Nations.

Table 18 - List of Goods Originating and Imported from Developing and Least-Developed Countries Subject to the CU GSP Scheme[1]

HS Code	Description[a]
02	Meat and edible meat offal
03 (except 0305)	Fish and crustaceans, molluscs and other aquatic invertebrates (except sturgeon and salmon and the hard roes thereof)
04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included
05	Products of animal origin, not elsewhere specified or included
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
07	Edible vegetables and certain roots and tubers
08	Edible fruit and nuts; peel of citrus fruit or melons
09	Coffee, tea, mate and spices
1006	Rice
11	Products of the milling industry; malt; starches; inulin; wheat gluten
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder
13	Lac; gums, resins and other vegetable saps and extracts
14	Vegetable plaiting materials; vegetable products not elsewhere specified or included
15 (except 1509, 1517 - 1522 00)	Animal or vegetable fats and oils
16	Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates
1801 00 000 0	Cocoa beans, whole or broken, raw or roasted
1802 00 000 0	Cocoa shells, husks, skins and other cocoa waste
20 (except 2001 10 000 0, 2009 50, 2009 71, 2009 79)	Preparations of vegetables, fruit, nuts or other parts of plants
2103	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard
2104	Soups and broths and preparations therefor; homogenised composite food preparations
2401	Unmanufactured tobacco; tobacco refuse
25 (except 2501 00 91, 2529 21 000 0, 2529 22 000 0)	Salt; sulphur; earths and stone; plastering materials, lime and cement
26	Ores, slag and ash
3003	Medicaments (excluding goods of heading No. 3002, 3005 or 3006) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packings for retail sale
32	Tanning or dying extracts, tanins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks
3301, 3302	Essential oils; resinoids; mixtures of odoriferous substances
3402	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading No. 3401
35	Albuminoidal substances; modified starches; glues; enzymes

[1] The list of goods originating and imported from developing and least-developed countries subject to the CU GSP Scheme, was adopted by the Decision of the EurAsEC Board of Heads of States No. 18 of 27 November 2009 and by the CU Commission Decision No. 130 of 27 November 2009.

HS Code	Description[a]
3923	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics
4001	Natural rubber, balata, guttapercha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip
4403 41 000 0, 4403 49	Other wood in the rough, of tropical wood
4407 21 - 4407 29	Wood sawn or chopped lengthwise, ..., of tropical wood
4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94
4421	Other articles of wood
45	Cork and articles of cork
46	Items of straw, of esparto or of other plaiting materials; basket ware and wickerwork
50	Silk
5101	Wool, not carded or combed
5201 00	Cotton, not carded or combed
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn
56	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof
5701	Carpets and other textile floor coverings, knotted, whether or not finished
5702 10 000 0	'Kelem', 'Schumacks', 'Karamanie' and similar hand-woven rugs
5705 00 100 0	Other carpets and other textile floor coverings, whether or not finished, of wool or fine animal hair[b]
5808	Braids in the roll; ornamental trimmings in the roll, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles
6702 90 000 0	Artificial flowers, foliage and fruit and parts thereof of other materials (excluding polymer materials); articles made of artificial flowers, foliage or fruit of other materials (excluding polymer materials)
68	Articles of stone, plaster, cement, asbestos, mica or similar materials
6913	Statuettes and other ornamental ceramic articles
6914	Other ceramic articles
7018 10	Glass beads, imitation pearls, imitation precious or semiprecious stones and similar glass small wears
7117	Costume jewellery
9401 51 000 0, 9401 59 000 0	Seats of cane, osier, bamboo or similar materials
9403 81 000 0, 9403 89 000 0	Furniture of other materials, including cane, osier, bamboo or similar materials
9403 90 900 0	Parts of furniture of other materials (excluding wood and metal)
9601	Worked ivory, bone, tortoiseshell, horn, antlers, coral, mother-off-pearl and other animal carving material, and articles of these materials (including articles obtained by moulding)
9602 00 000 0	Worked vegetable or mineral carving material and articles of these materials; moulded or carved articles of wax, of stearin, of natural gums or natural resins or of modelling pastes, and other moulded or carved articles, not elsewhere specified or included; worked, unhardened gelatine (except gelatine of heading No. 3503) and articles of unhardened gelatine
9603	Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand-operated mechanical floor sweepers, not motorised, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; squeegees (other than roller squeegees)
9604 00 000 0	Hand sieves and hand riddles
9606	Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other parts of

HS Code	Description[a]
	these articles; button blanks
9609	Pencils (other than pencils of heading No. 9608), crayons, pencil leads, pastels, drawing charcoals, writing or drawing chalks and tailors' chalks
9614 00	Smoking pipes (including pipe bowls) and cigar or cigarette holders, and parts thereof
9615 11 000 0	Combs, hair-slides and the like, of hard rubber or plastics
9617 00	Vacuum flasks and other vacuum vessels, complete with cases; parts thereof other glass inners
97	Works of art, collectors' items and antiques

[a] In this List the goods shall be determined exclusively by the HS commodity code; the description is given only for convenience in use.

[b] The preferential tariff shall be granted only for hand-made carpets.

Table 19 - List of Import Tariff Exemptions Applied by a CU Member (currently applied exclusively by Kazakhstan, as of 30 June 2011)

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
0808	Apples, pears and quinces, fresh:								
0808 10	- apples:								
0808 10 100 0	- - cider apples, in bulk, from 16 September to 15 December	€0.2 per 1 kg	5	5	CET duty rate				
0808 10 800	- - other:								
0808 10 800 1	- - - from 1 January to 31 March	€0.1 per 1 kg	5	5	CET duty rate				
0808 10 800 2	- - - from 1 April to 30 June	€0.1 per 1 kg	5	5	CET duty rate				
0808 10 800 3	- - - from 1 July to 31 July	€0.1 per 1 kg	5	5	CET duty rate				
0808 10 800 4	- - - from 1 August to 31 December	€0.2 per 1 kg	5	5	CET duty rate				
0808 20	- pears and quinces:								
	- - pears:								
0808 20 100 0	- - - perry pears, in bulk, from 1 August to 31 December	10.0	5	5	CET duty rate				
0808 20 500 0	- - - other	10.0	5	5	CET duty rate				
0808 20 900 0	- - quinces	10.0	5	5	CET duty rate				
3001	Glands and other organs for organo-therapeutic uses, dried, whether or not powdered; extracts of glands or other organs or of their secretions for organo-therapeutic uses; heparin and its salts; other human or animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included:								
3001 20	- extracts of glands or other organs or of their secretions:								
3001 20 100 0	- - of human origin	10.0	0	0		0	0	5	CET duty rate
3001 20 900 0	- - other	10.0	0	0		0	0	5	CET duty rate
3001 90	- other:								
3001 90 200 0	- - of human origin	10.0	0	0		0	0	5	CET duty rate
	- - other:								
3001 90 910 0	- - - heparin and its salts	10.0	0	0		0	0	5	CET duty rate
3001 90 980 0	- - - other	10.0	0	0		0	0	5	CET duty rate
3002	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of microorganisms (excluding yeasts) and similar products:								
3002 10	- antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes:								
3002 10 100	- - antisera:								
3002 10 100 1	- - - antisera against serpent's poison	5.0	0	0		0	0	0	CET duty rate
3002 10 100 9	- - other	15.0	0	0		0	0	5	CET duty rate

[1] Common External Tariff of the CU Members.

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
	- - other:								
3002 10 910 0	- - - haemoglobin, blood globulins and serum globulins	10.0	0	0		0	0	5	CET duty rate
	- - - other:								
3002 10 950	- - - - of human origin:								
3002 10 950 1	- - - - - factors of coagulation of human blood	5.0	0	0		0	0	0	CET duty rate
3002 10 950 9	- - - - - other	10.0	0	0		0	0	5	CET duty rate
3002 10 990 0	- - - - other	10.0	0	0		0	0	5	CET duty rate
3002 20 000	- vaccines for human medicine:								
3002 20 000 1	- - - vaccines against German measles	5.0	0	0		0	0	0	CET duty rate
3002 20 000 2	- - - vaccines against Hepatitis B	5.0	0	0		0	0	0	CET duty rate
3002 20 000 9	- - other	10.0	0	0		0	0	5	CET duty rate
3002 30 000 0	- vaccines for veterinary medicine	10.0	0	0		0	0	5	CET duty rate
3002 90	- other:								
3002 90 100 0	- - human blood	10.0	0	0		0	0	5	CET duty rate
3002 90 300 0	- - animal blood prepared for therapeutic, prophylactic or diagnostic uses	10.0	0	0		0	0	5	CET duty rate
3002 90 500 0	- cultures of microorganisms	10.0	0	0		0	0	5	CET duty rate
3002 90 900 0	- - other	10.0	0	0		0	0	5	CET duty rate
3004	Medicaments (excluding goods of Heading 3002, 3005 or 3006) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale:								
3004 10	- containing penicillins or derivatives thereof, with a penicillanic acid structure, or streptomycin or their derivatives:								
3004 10 100	- - containing, as active substances, only penicillins or derivatives thereof with a penicillanic acid structure:								
3004 10 100 1	- - - Ampicillin trihydrate or ampicillin- sodium salt or salts of benzyl penicillin and compounds or carbenicillin or oxacillin or phenoxymethylpenicillin	15.0	0	0		0	0	5	CET duty rate
	- - - other:								
3004 10 100 2	- - - - others, put up in measured doses or in forms, but not packings for retail sale	5.0	0	0		0	0	0	CET duty rate
3004 10 100 9	- - - - other	10.0	0	0		0	0	5	CET duty rate

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3004 10 900	- - other:								
	- - - put up in measured doses or in forms but not in packings for retail sale:								
3004 10 900 1	- - - - sulacillin (sultamicillin)	15.0	0	0		0	0	5	CET duty rate
3004 10 900 2	- - - - other	5.0	0	0		0	0	5	CET duty rate
3004 10 900 9	- - - other	10.0	0	0		0	0	5	CET duty rate
3004 20	- containing other antibiotics:								
3004 20 100	- - put up in forms or packings for retail sale:								
3004 20 100 1	- - - Amikacin or gentamicin or griseofulvin or doxycyline or doxorubicin or kanamycin or fucidin acid and its sodium salt or levomycetin (chloramphenicol) and its salts or lincomycin or methacyclin or nistatin or rifampicin or cefazolin or CEP	15.0	0	0		0	0	5	CET duty rate
3004 20 100 9	- - - other	10.0	0	0		0	0	5	CET duty rate
3004 20 900	- - other:								
3004 20 900 1	- - - base of erythromycin or kanamycin sulphate	15.0	0	0		0	0	5	CET duty rate
3004 20 900 9	- - - other	10.0	0	0		0	0	5	CET duty rate
3004 32	- - containing adrenal cortical hormones, derivatives thereof:								
3004 32 100	- - - put up in forms or in packings of a kind sold by retail:								
3004 32 100 1	- - - - fluocinolon	15.0	0	0		0	0	5	CET duty rate
3004 32 100 9	- - - - other	10.0	0	0		0	0	5	CET duty rate
3004 32 900 0	- - - other	10.0	0	0		0	0	5	CET duty rate
3004 39	- - other:								
3004 39 100 0	- - - put up in forms or in packings of a kind sold by retail	10.0	0	0		0	0	5	CET duty rate
3004 39 900 0	- - - other	10.0	0	0		0	0	5	CET duty rate
3004 40	- containing alkaloids or derivatives thereof but not containing hormones, other products of heading 2937 or antibiotics:								
3004 40 100	- - put up in forms or in packings of a kind sold by retail:								
3004 40 100 1	- - - caffeine and sodium benzoate or xantinol nicotinate or papaverine or pilocarpine or theobromine or theo-filamin	15.0	0	0		0	0	5	CET duty rate
3004 40 100 9	- - - other	10.0	0	0		0	0	5	CET duty rate

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3004 40 900 0	- - other	10.0	0	0		0	0	5	CET duty rate
3004 50	- other medicaments containing vitamins or other products of Heading 2936:								
3004 50 100	- - put up in forms or in packings of a kind sold by retail:								
3004 50 100 1	- - - other medicaments containing ascorbic acid (vitamin C) or nicotine acid or carboxilase or nicotinamide or pyridoxine or tiamin and its salts (vitamin B1) or cyanocobalamine (vitamin B12)	15.0	0	0		0	0	5	CET duty rate
3004 50 100 9	- - - other	10.0	0	0		0	0	5	CET duty rate
3004 50 900	- - other:								
3004 50 900 1	- - - acetate of alpha-tocopherol (vitamin E)	10.0	0	0		0	0	5	CET duty rate
3004 50 900 2	- - - cocarboxylase or ascorbic acid (vitamin C) or cyanocobalamin (vitamin B 12)	10.0	0	0		0	0	5	CET duty rate
3004 50 900 9	- - - other	10.0	0	0		0	0	5	CET duty rate
3004 90	- other:								
	- - put up in forms or in packings of a kind sold by retail:								
3004 90 110 0	- - - containing iodine or iodine compounds	10.0	0	0		0	0	5	CET duty rate
3004 90 190	- - - other:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3004 90 190 1	- - - - containing, as active substances, only sodium salt of adenosine triphosphoric acid (ATPh) or acetylsalicylic acid (except medicaments in the form of tablets covered with an entero soluble coating containing, as an active substance, acetylsalicylic acid), or benzocaine, or biscalcitrate (colloidal bismuth subcitrate), or verapamil, or gamma aminobutyric acid, or dibazol, or sodium diclofenac, or dimedrol, or ibuprofen, or corvalol, or validol, or isosorbide dinitrate, or inosine (riboxin), captopril, or ketamin, or ketotifen, or clozapin, or clomifen citrate, or lidocaine, or lipoic acid, or lithium carbonate, or metazid, or metamizole (analginum), or metenamin, or methyluracil, or methionine, or metronidazole, or sodium chloride, or nafazolin, or nitroxoline, or nifedipine, (except medicaments in the form of two-layer tablets, with laser perforation of a semipermeable membrane, a polymer layer and a layer of an operating active substance - nifedipine in osmotic state), or nicetamid, or pancreat	10.0	0	0		0	0	5	CET duty rate
3004 90 190 9	- - - - other	10.0	0	0		0	0	5	CET duty rate
	- - other:								
3004 90 910 0	- - - containing iodine or iodine compounds	10.0	0	0		0	0	5	CET duty rate

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3004 90 990	- - - other:								
3004 90 990 1	- - - - of acetylsalicylic acid or paracetamol or riboxin	10.0	0	0		0	0	5	CET duty rate
3004 90 990 9	- - - - other	10.0	0	0		0	0	5	CET duty rate
3006	Pharmaceutical goods specified in Note 4 to this Chapter:								
3006 10	- sterile surgical catgut, similar sterile suture materials (including sterile absorbable surgical or dental yarns) and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics; sterile surgical or dental adhesion barriers, whether or not absorbable:								
3006 10 100 0	- - sterile surgical catgut	5.0	0	0		0	0	0	CET duty rate
3006 10 300 0	- - sterile surgical or dental adhesion barriers, whether or not absorbable	10.0	0	0		0	0	5	CET duty rate
3006 10 900 0	- - other	5.0	0	0		0	0	0	CET duty rate
3006 20 000 0	- blood- grouping reagents	10.0	0	0		0	0	5	CET duty rate
3006 30 000 0	- opacifying preparations for X- ray examinations; diagnostic reagents designed to be administered to the patient	10.0	0	0		0	0	5	CET duty rate
3006 40 000 0	- dental cements and other dental fillings; bone reconstruction cements	10.0	0	0		0	0	5	CET duty rate
3006 50 000 0	- first- aid boxes and kits	10.0	0	0		0	0	5	CET duty rate
3006 60	- chemical contraceptive preparations based on hormones, other compounds of heading 2937 or spermicides:								
	- - based on hormones or other compounds of heading 2937:								
3006 60 110 0	- - - put up in forms or in packings of a kind sold by retail	10.0	0	0		0	0	5	CET duty rate
3006 60 190 0	- - - other	10.0	0	0		0	0	5	CET duty rate
3006 60 900 0	- - based on spermicides	10.0	0	0		0	0	5	CET duty rate
3006 70 000 0	- gel preparations designed to be used in human or veterinary medicine as a lubricant for parts of the body for surgical operations or physical examinations or as a coupling agent between the body and medical instruments	5.0	0	0		0	0	0	CET duty rate
	- other:								
3006 92 000 0	- - waste pharmaceuticals	15.0	0	0		0	0	5	CET duty rate

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3901	Polymers of ethylene, in primary forms:								
3901 10	- polyethylene having a specific gravity of less than 0.94:								
3901 10 900 0	Other polyethylene with a specific gravity of less than 0.94, in primary forms	10.0	0			0	0	CET duty rate	
3901 20	- polyethylene having a specific gravity of 0.94 or more:								
3901 20 100 0	- - polyethylene, in one of the forms mentioned in Note 6b to this Chapter, of a specific gravity of 0.958 or more at 23°C, containing: - not more than 50 mg/kg of aluminium, - not more than 2 mg/kg of calcium, - not more than 2 mg/kg of chromium, - not more than 2 mg/kg of iron, - not more than 2 mg/kg of nickel, - not more than 2 mg/kg of titanium, - not more than 8 mg/kg of vanadium, for the manufacture of chlorosulfonated polyethylene	10.0	0	0		0	0	CET duty rate	
3901 20 900 0	- - other	10.0	0	0		0	0	CET duty rate	
3901 30 000 0	- ethylene- vinyl acetate copolymers	10.0	0	0		0	0	CET duty rate	
3901 90	- other:								
3901 90 100 0	- - ionomer resin consisting of a salt of a terpolymer of ethylene, isobutyl acrylate, and methacrylic acid	10.0	0	0		0	0	CET duty rate	
3901 90 200 0	- - A- B- A block- copolymer of polystyrene, ethylene-butylene copolymer and polystyrene, containing by weight 35% or less of styrene, in one of the forms mentioned in Note 6b) to Chapter 39	10.0	0	0		0	0	CET duty rate	
3901 90 900 0	- - other	10.0	0	0		0	0	CET duty rate	

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3902	Polymers of propylene or of other olefins, in primary forms:								
3902 10 000 0	- polypropylene	10.0	0	0		0	0	CET duty rate	
3902 20 000 0	- polyisobutylene	10.0	0	0		0	0	CET duty rate	
3902 30 000 0	- propylene copolymers	10.0	0	0		0	0	CET duty rate	
3902 90	- other:								
3902 90 100 0	- - A- B- A block- copolymer of polystyrene, ethylene-butylene copolymer and polystyrene, containing by weight not more than 35% of styrene, in one of the forms mentioned in Note 6b) to this Chapter	10.0	0	0		0	0	CET duty rate	
3902 90 200 0	- - polybut- 1- ene, a copolymer of but- 1- ene with ethylene containing by weight 10% or less of ethylene, or a blend of polybut- 1- ene with polyethylene and/or polypropylene containing by weight 10% or less of polyethylene and/or 25% or less of polypropylene, in one of the forms mentioned in Note 6b to this Chapter	10.0	0	0		0	0	CET duty rate	
3902 90 900 0	- - other	10.0	0	0		0	0	CET duty rate	
3903	Polymers of styrene, in primary forms:								
3903 20 000 0	- styrene- acrylonitrile (SAN) copolymers	10.0	0	0		0	0	CET duty rate	
3903 30 000 0	- acrylonitrile- butadiene-styrene (ABS) copolymers	10.0	0	0		0	0	CET duty rate	
3903 90	- other:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3903 90 100 0	- - copolymers, solely of allyl alcohol with styrene, which have an acetyl value of not less than 175	10.0	0	0		0	0	CET duty rate	
3903 90 200 0	- - brominated polystyrene, containing by weight 58% or more but not more than 71% of bromine, in one of the forms mentioned in Note 6b to this Chapter	10.0	0	0		0	0	CET duty rate	
3903 90 900 0	- - other	10.0	0	0		0	0	CET duty rate	
3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms:								
3904 10 00	- polyvinylchloride, not mixed with any other substances:								
3904 10 009	- - other:								
3904 10 009 9	- - - other	10.0	0	0		0	0	CET duty rate	
	- other poly(vinyl chloride)								
3904 21 000 0	- - non- plasticised	10.0	0	0		0	0	CET duty rate	
3904 22 000 0	- - - plasticised	10.0	0	0		0	0	CET duty rate	
3904 30 000 0	- vinyl chloride- vinyl acetate copolymers	10.0	0	0		0	0	CET duty rate	
3904 40 000 0	- other vinyl chloride polymers	10.0	0	0		0	0	CET duty rate	
3904 50	- vinylidene chloride polymers:								
3904 50 100 0	- - copolymer of vinylidene chloride with acrylonitrile, in the form of expansible beads of a diameter of 4 micrometres or more but not more than 20 micrometres	10.0	0	0		0	0	CET duty rate	
3904 50 900 0	- - other	10.0	0	0		0	0	CET duty rate	
	- fluoropolymers								
3904 61 000 0	- - polytetrafluoroethylene	10.0	0	0		0	0	CET duty rate	
3904 69	- - other:								
3904 69 100 0	- - - polyvinyl fluoride in one of the forms mentioned in Note 6b to this Chapter	10.0	0	0		0	0	CET duty rate	
3904 69 900 0	- - - other	10.0	0	0		0	0	CET duty rate	
3904 90 000 0	- other	10.0	0	0		0	0	CET duty rate	
3905	Polymers of vinyl acetate or of other vinyl esters, in primary forms; other vinyl polymers in primary forms:								
	- polyvinyl acetate:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3905 12 000 0	- - dispersed in water	10.0	0	0		0	0	CET duty rate	
3905 19 000 0	- - dispersed in water	10.0	0	0		0	0	CET duty rate	
	- vinyl acetate copolymers								
3905 21 000 0	- - dispersed in water	10.0	0	0		0	0	CET duty rate	
3905 29 000 0	- - other	10.0	0	0		0	0	CET duty rate	
3905 30 000 0	- polyvinyl alcohols, whether or not containing unhydrolyzed acetate groups	10.0	0	0		0	0	CET duty rate	
	- other:								
3905 91 000 0	- copolymers	10.0	0	0		0	0	CET duty rate	
3905 99	- - other:								
3905 99 100 0	- - - poly(vinyl formal), in one of the forms mentioned in Note 6b to this Chapter, of a molecular weight of 10,000 or more but not exceeding 40,000 and containing by weight: - 9.5% or more but not more than 13% of acetyl groups, expressed as vinyl acetate, - 5% or more but not more than 6.5% of hydroxy groups, expressed as vinyl alcohol	10.0	0	0		0	0	CET duty rate	
3905 99 90	- - - other:								
3905 99 901 0	- - - - polyvinylpyrrolidone	10.0	0	0		0	0	CET duty rate	
3905 99 909 0	- - - - other	10.0	0	0		0	0	CET duty rate	
3906	Acrylic polymers in primary forms:								
3906 10 000 0	- polymethyl methacrylate	10, but not less than €0.2 per 1 kg	0	0		0	0	CET duty rate	
3906 90	- other:								
3906 90 100 0	- - poly[N- (3- hydroxyimino-1,1- dimethyl-butyl)acrylamide]	10.0	0	0		0	0	CET duty rate	

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3906 90 200 0	- - copolymers of 2- di-isopropylaminoethyl methacrylate and decyl methacrylate dissolved in N,N- dimethylacetamide, with a copolymer content of not less than 55% by weight	10.0	0	0		0	0	CET duty rate	
3906 90 300 0	- - copolymer of acrylic acid with 2- ethylhexyl acrylate, containing by weight 10% or more but not more than 11% of 2- ethylhexyl acrylate	10.0	0	0		0	0	CET duty rate	
3906 90 400 0	- - copolymer of acrylonitrile and methylacrylate modified with polybutadieneacrylonitrile (NBR)	10.0	0	0		0	0	CET duty rate	
3906 90 500 0	- - polymerization products of acrylic acid, with alkyl methacrylate and small quantities of other monomers for use as thickeners in the manufacture of textile printing pastes	10.0	0	0		0	0	CET duty rate	
3906 90 600 0	- - copolymer of methyl acrylate with ethylene and a monomer containing a non-terminal carboxy group as a substituent, containing by weight 50% or more of methyl acrylate, whether or not compounded with silica	10.0	0	0		0	0	CET duty rate	
3906 90 900 0	- - other	10.0	0	0		0	0	CET duty rate	
3907	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms:								
3907 10 000 0	- polyacetals	10.0	0	0		0	0	CET duty rate	
3907 20	- other polyethers:								
	- - polyether alcohols:								
3907 20 110 0	- - - polyethylene glycols	10.0	0	0		0	0	CET duty rate	
	- - - other:								
3907 20 290 0	- - - - other:	10.0	0	0		0	0	CET duty rate	

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
	- - other:								
3907 20 910 0	- - - - copolymer of 1- chloro-2,3- epoxypropane with ethylene oxide	10.0	0	0		0	0	CET duty rate	
3907 20 990 0	- - - other	10.0	0	0		0	0	CET duty rate	
3907 30 000 0	- epoxide resins	10.0	0	0		0	0	CET duty rate	
3907 40 000	- polycarbonates								
3907 40 000 9	- - other	10.0	0	0		0	0	CET duty rate	
3907 50 000 0	- alkyd resins	10.0	0	0		0	0	CET duty rate	
3907 60	- polyethylene terephthalate:								
3907 60 200 0	- - with intrinsic viscosity of 78 ml/g or more	5.0	0	0		0	0	CET duty rate	
3907 60 800 0	- - other	5.0	0	0		0	0	CET duty rate	
3907 70 000 0	- poly(lactic acid)	10.0	0	0		0	0	CET duty rate	
	- other polyesters								
3907 91	- - unsaturated:								
3907 91 100 0	- - - liquid	10.0	0	0		0	0	CET duty rate	
3907 91 900 0	- - - other	10.0	0	0		0	0	CET duty rate	
3907 99	- - other:								
	- - - with a hydroxyl number not exceeding 100:								
3907 99 110 0	- - - - poly(ethylene naphthalene- 2.6- di-carboxylate)	10.0	0	0		0	0	CET duty rate	
3907 99 190 0	- - - - other	10.0	0	0		0	0	CET duty rate	
	- - - other:								
3907 99 910 0	- - - - poly(ethylene naphthalene- 2.6- di-carboxylate)	10.0	0	0		0	0	CET duty rate	
3907 99 980 0	- - - - other	10.0	0	0		0	0	CET duty rate	
3908	Polyamides in primary forms:								
3908 10 000 0	- polyamide - 6,- 11, - 12, - 6.6, - 6.9, - 6.10 or – 6.12	10.0	0	0		0	0	CET duty rate	
3908 90 000 0	- other	10.0	0	0		0	0	CET duty rate	
3909	Amino- resins, phenolic resins, and polyurethanes, in primary forms:								
3909 10 000 0	- urea resins, thiourea resins	10.0	0	0		0	0	CET duty rate	
3909 20 000 0	- melamine resins	10.0	0	0		0	0	CET duty rate	
3909 30 000 0	- other amino- resins	10.0	0	0		0	0	CET duty rate	
3909 40 000 0	- phenolic resins	10.0	0	0		0	0	CET duty rate	
3909 50	- polyurethanes:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3909 50 100 0	- - polyurethane of 2.2'- (tert-butylimino)diethanol and 4.4'- methylene dicyclohexyl diisocyanate, in the form of a solution in N,N-diamethylacetamide containing by weight 50% or more of polymer	10.0	0	0		0	0	CET duty rate	
3909 50 900 0	- - other	10.0	0	0		0	0	CET duty rate	
3910 00 000	Silicones in primary forms:								
3910 00 000 9	- other	10.0	0	0		0	0	CET duty rate	
3911	Petroleum resins, coumarone- indene resins, polyterpenes, polysulphides, polysulfones and other products specified in Note 3 to this Chapter, not elsewhere specified or included, in primary forms:								
3911 10 000 0	petroleum resins, coumarone, indene or coumarone- indene resins and polyterpenes	7.0	0	0		0	0	CET duty rate	
3911 90	- other:								
	- - condensation or rearrangement polymerisation products whether or not chemically modified:								
3911 90 110 0	- - - poly(oxy- 1.4-phenylenesulphonyl- 1.4-phenyleneoxy- 1.4-phenyleneisopropylidene- 1.4- phenylene) in one of the forms mentioned in Note 6b to this Chapter	7.0	0	0		0	0	CET duty rate	
3911 90 130 0	- - - poly(thio- 1.4-phenylene)	7.0	0	0		0	0	CET duty rate	
3911 90 190 0	- - - other	7.0	0	0		0	0	CET duty rate	
	- - other:								
3911 90 910 0	- - - copolymer of p- cresol and divinylbenzene, in the form of a solution in N,N-dimethylacetamide containing by weight 50% or more of polymer	7.0	0	0		0	0	CET duty rate	
3911 90 930 0	- - - hydrogenated copolymers of vinyltoluene and alpha- methylstyrene	7.0	0	0		0	0	CET duty rate	
3911 90 990 0	- - - other	7.0	0	0		0	0	CET duty rate	
3912	Cellulose and its chemical derivatives, not elsewhere specified or included, in primary forms:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
	- cellulose acetates:								
3912 11 000	- - non- plasticised:								
3912 11 000 1	- - - - for production of cigarette filters	5.0	0	0		0	0	CET duty rate	
3912 11 000 9	- - - - other	5.0	0	0		0	0	CET duty rate	
3912 12 000 0	- - plasticised	5.0	0	0		0	0	CET duty rate	
3912 20	- cellulose nitrates (including collodions):								
	- - non- plasticised:								
3912 20 110 0	- - - collodions and celloidin	5.0	0	0		0	0	CET duty rate	
3912 20 190 0	- - - other	5.0	0	0		0	0	CET duty rate	
3912 20 900 0	- - plasticised	5.0	0	0		0	0	CET duty rate	
	- cellulose ethers								
3912 31 000 0	- carboxymethylcellulose and its salts	5.0	0	0		0	0	CET duty rate	
3912 39	- - other:								
3912 39 100 0	- - - ethylcellulose	5.0	0	0		0	0	CET duty rate	
3912 39 200 0	- - - hydroxypropylcellulose	5.0	0	0		0	0	CET duty rate	
3912 39 800 0	- - - other	5.0	0	0		0	0	CET duty rate	
3912 90	- other:								
3912 90 100 0	- - cellulose esters	5.0	0	0		0	0	CET duty rate	
3912 90 900 0	- - other	5.0	0	0		0	0	CET duty rate	
3913	Natural polymers (for example, alginic acid) and modified natural polymers (for example, hardened proteins, chemical derivatives of natural rubber), not elsewhere specified or included, in primary forms:								
3913 10 000 0	- alginic acid, its salts and esters	5.0	0	0		0	0	CET duty rate	
3913 90 000 0	- other	5.0	0	0		0	0	CET duty rate	
3914 00 000 0	Ion- exchangers based on polymers of heading Nos. 3901 to 3913, in primary forms	10.0	0	0		0	0	CET duty rate	
3916	Monofilament of which any cross- sectional dimension exceeds 1 mm, rods, sticks and profile shapes, whether or not surface- worked but not otherwise worked, of plastics:								
3916 10 000 0	- of polymers of ethylene	10.0	5	5		5	5	CET duty rate	
3916 20	- of polymers of vinyl chloride:								
3916 20 100 0	- - of polyvinylchloride	10.0	5	5		5	5	CET duty rate	
3916 20 900 0	- - other	10.0	5	5		5	5	CET duty rate	
3916 90	- of other plastics:								
	- - of condensation or rearrangement polymerization products, whether or not chemically modified:								
3916 90 110 0	- - - of polyesters	10.0	5	5		5	5	CET duty rate	

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
3916 90 130 0	- - - of polyamides	10.0	5	5		5	5	CET duty rate	
3916 90 150 0	- - - of epoxide resins	10.0	5	5		5	5	CET duty rate	
3916 90 190 0	- - - other	10.0	5	5		5	5	CET duty rate	
	- - of addition polymerisation products								
3916 90 510 0	- - - of polymers of propylene	10.0	5	5		5	5	CET duty rate	
3916 90 590 0	- - - other	10.0	5	5		5	5	CET duty rate	
3916 90 900 0	- - other	10.0	5	5		5	5	CET duty rate	
3920	Other plates, sheets, film, foil and strip, of polymer materials, non- cellular and not reinforced, laminated, supported or similarly combined with other materials:								
3920 20	- - of a thickness not exceeding 0.10 mm:								
	- of polymers of propylene:								
3920 20 210 0	- - - with biaxial orientation	10.0	0	0		0	5	CET duty rate	
4701 00	Mechanical wood pulp:								
4701 00 100 0	- thermomechanical wood pulp	10.0	0	0	CET duty rate				
4701 00 900 0	- other	10.0	0	0	CET duty rate				
4702 00 000 0	Chemical wood pulp, dissolving grades	10.0	0	0	CET duty rate				
4703	Chemical wood pulp, soda or sulphate, other than dissolving grades:								
	- unbleached:								
4703 11 000 0	- - coniferous	10.0	0	0	CET duty rate				
4703 19 000 0	- - non-coniferous	10.0	0	0	CET duty rate				
	- semi-bleached or bleached								
4703 21 000	- - coniferous:								
4703 21 000 1	- - - for the manufacture of filter paper*(5)	5.0	0	0	CET duty rate				
4703 21 000 9	- - - other	10.0	0	0	CET duty rate				
4703 29 000	- - non- coniferous:								
4703 29 000 1	- - - in which cellulose fibres of eucalyptus wood make up 100% from a lump of the fibre, used for manufacturing paper - basis of facing materials	7.5	0	0	CET duty rate				
4703 29 000 9	- - - other	10.0	0	0	CET duty rate				
4704	Chemical wood pulp, sulphite, other than dissolving grades:								
	- unbleached:								
4704 11 000 0	- - coniferous	10.0	0	0	CET duty rate				
4704 19 000 0	- - non- coniferous	10.0	0	0	CET duty rate				
	- semi- bleached or bleached								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
4704 21 000 0	- - coniferous	10.0	0	0	CET duty rate				
4704 29 000 0	- - non- coniferous	10.0	0	0	CET duty rate				
4809	Carbon paper, self- copy paper and other copying or transfer papers (including coated or impregnated paper for duplicator stencils or offset plates), whether or not printed, in rolls or sheets:								
4809 20	- self- copy paper:								
4809 20 100 0	- - in rolls	15.0	5	5		5	10	CET duty rate	
4809 20 900 0	- - in sheets	15.0	5	5		5	10	CET duty rate	
4809 90 000 0	- other	15.0	5	5		5	10	CET duty rate	
4810	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface- decorated, or printed, in rolls or rectangular (including square) sheets, of any size:								
	- paper and paperboard of a kind used for writing, printing or other graphic purposes, not containing fibres obtained by a mechanical or chemi- mechanical process or of which not more than 10% by weight of the total fibre content consists of such fibres:								
4810 13	- - in rolls:								
4810 13 200	- - - paper and paperboard weighing not more than 150 g/m2, of a kind used as a base for photosensitive, heat- sensitive or electro- sensitive paper or paperboard:								
4810 13 200 9	- - - - other	15.0	5	5		5	10	CET duty rate	
4810 13 800	- - - other:								
4810 13 800 9	- - - - other	15.0	5	5		5	10	CET duty rate	
4810 14	- - in sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm in the unfolded state:								
4810 14 200 0	- - - paper and paperboard weighing not more than 150 g/m2, of a kind used as a base for photosensitive, heat-sensitive or electro-sensitive paper or paperboard	15.0	5	5		5	10	CET duty rate	
4810 14 800 0	- - - other	15.0	5	5		5	10	CET duty rate	
4810 19	- - other:								
4810 19 100 0	- - - paper and paperboard weighing not more than 150 g/m2, of a kind used as a base for photosensitive, heat-sensitive or electro-sensitive paper or paperboard	15.0	5	5		5	10	CET duty rate	
4810 19 900 0	- - - other	15.0	5	5		5	10	CET duty rate	
	- paper and paperboard of a kind used for writing, printing or other graphic purposes, of which more than 10 % by weight of the total fibre content consists of fibres obtained by a mechanical or chemi-mechanical process								
4810 22	- - light- weight coated paper:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
4810 22 100 0	- - - in rolls of a width exceeding 15 cm or in sheets with one side exceeding 36 cm and the other side exceeding 15 cm in the unfolded state	15.0	5	5		5	10	CET duty rate	
4810 22 900 0	- - - other	15.0	5	5		5	10	CET duty rate	
4810 29	- - other:								
4810 29 300 0	- - - in rolls	15.0	5	5		5	10	CET duty rate	
4810 29 800 0	- - - other	15.0	5	5		5	10	CET duty rate	
	- kraft paper and paperboard, other than that of a kind used for writing, printing or other graphic purposes								
4810 31 000 0	- - bleached uniformly throughout the mass and of which more than of wood fibres obtained by a chemical process, and weighting 150 g/m2 or less 95% by weight of the total fibre content consists	15.0	5	5		5	10	CET duty rate	
4810 32	- - bleached uniformly throughout the mass and of which more than 95% by weight of the total fibre content consists of wood fibres obtained by a chemical process, and weighing more than 150 g/m2:								
4810 32 100 0	- - - coated with kaolin	15.0	5	5		5	10	CET duty rate	
4810 32 900 0	- - - other	15.0	5	5		5	10	CET duty rate	
4810 39 000 0	- - other	15.0	5	5		5	10	CET duty rate	
	- other paper and paperboard								
4810 92	- - multi- ply:								
4810 92 100 0	- - - each layer bleached	15.0	5	5		5	10	CET duty rate	
4810 92 300 0	- - - with only one outer layer bleached	15.0	5	5		5	10	CET duty rate	
4810 92 900	- - - other:								
4810 92 900 9	- - - - other	15.0	5	5		5	10	CET duty rate	
4810 99	- - other:								
4810 99 100 0	- - - bleached paper and paperboard, coated with kaolin	15.0	5	5		5	10	CET duty rate	
4810 99 300 0	- - coated with mica powder	15.0	5	5		5	10	CET duty rate	
4810 99 900 0	- - - other	15.0	5	5		5	10	CET duty rate	
4811	Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, overed, surface- coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets, of any size, other than goods of the kind described in Headings 4803, 4809 or 4810:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
4811 10 000 0	- tarred, bituminized or asphalted paper and paperboard	15.0	5	5		5	10	CET duty rate	
	- gummed or adhesive paper and paperboard								
4811 41	- - self- adhesive:								
4811 41 200 0	- - - of a width not exceeding 10 cm, the coating of which consists of unvulcanised natural or synthetic rubber	15.0	5	5		5	10	CET duty rate	
4811 49 000 0	- - other	15.0	5	5		5	10	CET duty rate	
	- paper and paperboard, coated, impregnated or covered with plastics (excluding adhesives)								
4811 51 000	- - bleached, weighing more than 150 g/m2:								
4811 51 000 1	- - - floor coatings on a base of paper or of paperboard, whether or not cut to size	15.0	5	5		5	10	CET duty rate	
4811 59 000	- - other:								
4811 59 000 1	- - - floor coatings on a base of paper or of paperboard, whether or not cut to size	15.0	5	5		5	10	CET duty rate	
4811 60 000 0	- paper and paperboard, coated, impregnated or covered with wax, paraffin wax, stearin, oil or glycerol	15.0	5	5		5	10	CET duty rate	
4811 90 000 0	- other paper, paperboard, cellulose wadding and webs of soft cellulose	15.0	5	5		5	10	CET duty rate	
4812 00 000 0	Filter blocks, slabs and plates, of paper pulp	15.0	5	5		5	10	CET duty rate	
4816	Carbon paper, self- copy paper and other copying or transfer papers (other than those of Heading 4809), duplicator stencils and offset plates, of paper, whether or not put up in boxes:								
4816 20 000 0	- self- copy paper	15.0	5	5		5	10	CET duty rate	
4816 90 000 0	- other	15.0	5	5		5	10	CET duty rate	
7604	Aluminium bars, rods and profiles:								
7604 10	- of aluminium, not alloyed:								
7604 10 100	- - bars and rods:								
7604 10 100 9	- - - Other	10.0	5	5	CET duty rate				
7604 10 900 0	- - profiles	20, but not less than €4 per 1kg	5	10	CET duty rate				
	- of aluminium alloys								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
7604 21 000 0	- - hollow profiles	20, but not less than €4 per 1kg	5	10	CET duty rate				
7604 29	- - other:								
7604 29 100	- - - bars and rods:								
7604 29 100 9	- - - - Other	10.0	5	5	CET duty rate				
7604 29 900 0	- - - profiles	20, but not less than €4 per 1kg	5	10	CET duty rate				
7605	Aluminium wire:								
	- of aluminium, not alloyed:								
7605 11 000 0	- - of which the maximum cross- sectional dimension exceeds 7 mm	10.0	0	5	CET duty rate				
7605 19 000 0	- - other	10.0	0	5	CET duty rate				
	- of aluminium alloys								
7605 21 000 0	- - of which the maximum cross sectional dimension exceeds 7 mm	10.0	0	5	CET duty rate				
7605 29 000	- - other:								
7605 29 000 9	- - - Other	10.0	0	5	CET duty rate				
7606	Aluminium plates, sheets and strip, of a thickness exceeding 0.2 mm:								
	- rectangular (including square):								
7606 11	- - of aluminium, not alloyed:								
7606 11 100 0	- - - painted, varnished or plastic- coated	20.0	5	10	CET duty rate				
	- - - other, of a thickness of:								
7606 11 910 0	- - - - less than 3 mm	20.0	5	10	CET duty rate				
7606 11 930 0	- - - - no less than 3 mm, but less than 6 mm	20.0	5	10	CET duty rate				
7606 11 990 0	- - - - no less than 6 mm	20.0	5	10	CET duty rate				
7606 12	- - of aluminium alloys:								
7606 12 100 0	- - - strip for venetian blinds	20.0	5	10	CET duty rate				
	- - - other:								
7606 12 500 1	- - - - composite panels	20, but not less than 2.8 euro per 1 kg	5	5	CET duty rate				
7606 12 500 9	- - - - other	10	5	5	CET duty rate				
	- - - - other, of a thickness of:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
7606 12 910	- - - - - less than 3 mm:								
7606 12 910 9	- - - - - - Other	10.0	5	5	CET duty rate				
7606 12 930	- - - - - not less than 3 mm but less than 6 mm:								
7606 12 930 9	- - - - - - Other	20.0	5	10	CET duty rate				
7606 12 990 0	- - - - - not less than 6 mm	20.0	5	10	CET duty rate				
	- other:								
7606 91 000 0	- - of aluminium, not alloyed	20.0	5	10	CET duty rate				
7606 92 000 0	- - of aluminium alloys	20.0	5	10	CET duty rate				
7607	Aluminium foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials), of a thickness (excluding any backing) not exceeding 0.2 mm:								
	- not backed:								
7607 11	- - rolled but not further worked:								
7607 11 100 0	- - - of a thickness of less than 0.021 mm	20.0	0	0		5	CET duty rate		
7607 11 900 0	- - - of a thickness of not less than 0.021 mm, but no more than 0.2 mm	20.0	0	0		5	CET duty rate		
7607 19	- - other:								
7607 19 100 0	- - - of a thickness of less than 0.021 mm	20.0	0	0		5	CET duty rate		
	- - - of a thickness of not less than 0.021 mm but not more than 0.2 mm								
7607 19 910 0	- - - - self- adhesive	20.0	0	0		5	CET duty rate		
7607 19 990 0	- - - - other	20.0	0	0		5	CET duty rate		
7607 20	- backed:								
7607 20 100 0	- - of a thickness (excluding any backing) of less than 0.021 mm	20.0	0	0		5	CET duty rate		
	- - of a thickness (excluding any backing) of not less than 0.021 mm but not more than 0.2 mm								
7607 20 910 0	- - - self- adhesive	20.0	0	0		5	CET duty rate		
7607 20 990 0	- - - other	20.0	0	0		5	CET duty rate		
7608	Aluminium tubes and pipes:								
7608 10 000 0	- Of aluminium, not alloyed	20.0	5	10	CET duty rate				
7608 20	- of aluminium alloys:								
7608 20 200 0	- - Welded	20.0	5	10	CET duty rate				
	- - other:								
7608 20 810	- - - not further worked than extruded:								
7608 20 810 9	- - - - Other	20.0	5	10	CET duty rate				
7608 20 890	- - - other:								
7608 20 890 9	- - - - Other	20.0	5	10	CET duty rate				

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
7609 00 000 0	Aluminium tube or pipe fittings (for example, couplings, elbows, sleeves)	10.0	5	5	CET duty rate				
8467	Tools for working in the hand, pneumatic, hydraulic or with self- contained electric or non- electric motor:								
	- pneumatic:								
8467 11	- - rotary type (including combined rotary- percussion):								
8467 11 100 0	- - - metal working	10.0	0	0		5	CET duty rate		
8467 11 900 0	- - - other	10.0	0	0		5	CET duty rate		
8467 19 000 0	- - other	10.0	0	0		5	CET duty rate		
	- with self- contained electric motor								
8467 21	- - drills of all kinds								
8467 21 100 0	- - - capable of operation without an external source of power	10.0	0	0		5	CET duty rate		
	- - - other:								
8467 21 910 0	- - - - electro pneumatic	10.0	0	0		5	CET duty rate		
8467 21 990 0	- - - - other	10.0	0	0		5	CET duty rate		
8467 22	- - saws:								
8467 22 100 0	- - - chain saws	10.0	0	0		5	CET duty rate		
8467 22 300 0	- - - circular saws	10.0	0	0		5	CET duty rate		
8467 22 900 0	- - - other	10.0	0	0		5	CET duty rate		
8467 29	- - other:								
8467 29 100 0	- - - of a kind used for working textile materials	10.0	0	0		5	CET duty rate		
	- - - other:								
8467 29 300 0	- - - - capable of operation without an external source of power	10.0	0	0		5	CET duty rate		
	- - - - other:								
	- - - - - grinders and sanders								
8467 29 510 0	- - - - - - angle grinders	10.0	0	0		5	CET duty rate		
8467 29 530 0	- - - - - - belt sanders	10.0	0	0		5	CET duty rate		
8467 29 590 0	- - - - - - other	10.0	0	0		5	CET duty rate		
8467 29 700 0	- - - - - planers	10.0	0	0		5	CET duty rate		
8467 29 800 0	- - - - - hedge trimmers and lawn edge cutters	10.0	0	0		5	CET duty rate		
8467 29 900 0	- - - - - other	10.0	0	0		5	CET duty rate		
	- other tools:								
8467 81 000 0	- - chain saws	10.0	0	0		5	CET duty rate		

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
8467 89 000 0	- - other	10.0	0	0		5	CET duty rate		
	- parts:								
8467 91 000 0	- - of chain saws	5.0	0	0		0	CET duty rate		
8467 92 000 0	- - of pneumatic tools	10.0	0	0		5	CET duty rate		
8467 99 000	- - other:								
8467 99 000 1	- - - parts of tools with the electric engine	5.0	0	0		0	CET duty rate		
8467 99 000 9	- - - other	10.0	0	0		5	CET duty rate		
8486	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines and apparatus specified in Note 9 (C) to this Chapter; parts and accessories:								
8486 40 000	- machines and apparatus specified in Note 9(C) to this Chapter:								
8486 40 000 2	- - Photo cameras used to produce patterns for masks and reticles on semiconductor devices	10.0	5	5		5	CET duty rate		
8486 40 000 3	- - Drawing or marking- out instruments used to produce masks and reticles for patterns on semiconductor devices	10.0	5	5		5	CET duty rate		
8505	Electro- magnets; permanent magnets and articles intended to become permanent magnets after magnetisation; electro- magnetic or permanent magnet chucks, clamps and similar holding devices; electro- magnetic couplings, clutches and brakes; electro- magnetic lifting heads:								
	- permanent magnets and articles intended to become permanent magnets after magnetisation:								
8505 11 000 0	- - of metal	15.0	0	5		10	CET duty rate		
8505 19	- - other:								
8505 19 100 0	- - - permanent magnets of agglomerated ferrite	15.0	0	5		10	CET duty rate		
8505 19 900 0	- - - other	15.0	0	5		10	CET duty rate		
8505 20 000 0	- electro- magnetic couplings, clutches (regulated or not) and brakes	15.0	0	5		10	CET duty rate		
8505 90	- other, including parts:								
8505 90 100 0	- - electro- magnets	15.0	0	5		10	CET duty rate		
8505 90 300 0	- - electro- magnetic or permanent magnet chucks, clamps and similar holding devices	15.0	0	5		10	CET duty rate		
8505 90 500 0	- - electro- magnetic lifting heads	15.0	0	5		10	CET duty rate		
8505 90 900 0	- - parts	5.0	0	0		0	CET duty rate		

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
8534 00	Printed circuits:								
	- consisting only of conductor elements and contacts:								
8534 00 110	- - multiple circuits:								
8534 00 110 9	- - - multiple circuits, other	15.0	0	5		10	CET duty rate		
8534 00 190 0	- - other	15.0	0	5		10	CET duty rate		
8534 00 900 0	- with other passive elements	15.0	0	5		10	CET duty rate		
8535	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, fuses, lightning arresters, voltage limiters, surge suppressors, plugs, junction boxes), for a voltage exceeding 1,000 V:								
8535 10 000 0	- fuses	15.0	0	5		10	CET duty rate		
	- automatic circuit breakers								
8535 21 000 0	- - for a voltage of less than 72.5 kV	15.0	0	5		10	CET duty rate		
8535 29 000 0	- - other	15.0	0	5		10	CET duty rate		
8535 30	- isolating switches and make- and- break switches:								
8535 30 100 0	- - for a voltage of less than 72.5 kV	15.0	0	5		10	CET duty rate		
8535 30 900 0	- - other	15.0	0	5		10	CET duty rate		
8535 40 000 0	- lightning arresters, voltage limiters and surge suppressors	15.0	0	5		10	CET duty rate		
8535 90 000 0	- other	15.0	0	5		10	CET duty rate		
8536	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, relays, fuses, surge suppressors, plugs, sockets, lamp- holders, junction boxes), for a voltage not exceeding 1,000 V; connectors for optical fibres, optical fibre bundles or cables:								
8536 10	- fuses:								
8536 10 100 0	- - for a current not exceeding 10 A	15.0	0	5		10	CET duty rate		
8536 10 500 0	- - for a current exceeding 10 A but not exceeding 63 A	15.0	0	5		10	CET duty rate		
8536 10 900 0	- - for a current exceeding 63 A	15.0	0	5		10	CET duty rate		
8536 20	- automatic circuit breakers:								
8536 20 100	- - for a current not exceeding 63 A:								
8536 20 100 8	- - - other	15.0	0	5		10	CET duty rate		
8536 20 900	- - for a current exceeding 63 A:								
8536 20 900 8	- - - other	15.0	0	5		10	CET duty rate		
8536 30	- other apparatus for protecting electrical circuits:								
8536 30 100 0	- - for a current not exceeding 16 A	15.0	0	5		10	CET duty rate		

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
8536 30 300 0	- - for a current exceeding 16 A but not exceeding 125 A	15.0	0	5		10	CET duty rate		
8536 30 900 0	- - for a current exceeding 125 A	15.0	0	5		10	CET duty rate		
	- relays								
8536 41	- - for a voltage not exceeding 60 V:								
8536 41 100 0	- - - for a current not exceeding 2 A	10.0	0	0		5	CET duty rate		
8536 41 900 0	- - - for a current exceeding 2 A	10.0	0	0		5	CET duty rate		
8536 49 000 0	- - other	15.0	0	5		10	CET duty rate		
8536 50	- other switches:								
8536 50 030 0	- - electronic AC switches consisting of optically coupled input and output circuits (insulated thyristor AC switches)	15.0	0	5		10	CET duty rate		
8536 50 050 0	- - electronic switches including temperature protected electronic switches, consisting of a transistor and a logic chip (chip-on-chip technology)	15.0	0	5		10	CET duty rate		
8536 50 070 0	- - electro mechanical snap-action switches for a current not exceeding 11 A	15.0	0	5		10	CET duty rate		
	- - other:								
	- - - for a voltage not exceeding 60 V								
8536 50 110	- - - - push-button switches:								
8536 50 110 9	- - - - - keyboard relays other	15.0	0	5		10	CET duty rate		
8536 50 150	- - - - rotary switches:								
8536 50 150 9	- - - - - rotary relays other	15.0	0	5		10	CET duty rate		
8536 50 190	- - - - other:								
8536 50 190 8	- - - - - other	15.0	0	5		10	CET duty rate		
8536 50 800 0	- - - other	15.0	0	5		10	CET duty rate		
	- lamp holders, plugs and sockets								
8536 61	- - lamp- holders:								
8536 61 100 0	- - - Edison lamp- holders	15.0	0	5		10	CET duty rate		
8536 61 900 0	- - - other	10.0	0	0		5	CET duty rate		
8536 69	- - other:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
8536 69 100 0	- - - coaxial connectors	10.0	0	0		5	CET duty rate		
8536 69 300 0	- - - for printed circuits	10.0	0	0		5	CET duty rate		
8536 69 900	- - - other:								
8536 69 900 9	- - - - other	10.0	0	0		5	CET duty rate		
8536 70 000	- connectors for optical fibres, optical fibre bundles or cables:								
8536 70 000 1	- - of materials of subheading 3901- 3914	20, but not less than €0.48 per 1 kg	0	0		10	CET duty rate		
8536 70 000 2	- - of ceramics	10.0	0	0		5	CET duty rate		
8536 70 000 3	- - Of ferrous metals	15.0	0	5		10	CET duty rate		
8536 70 000 4	- - Of copper	5.0	0	0		5	CET duty rate		
8536 90	- other apparatus:								
8536 90 010 0	- - prefabricated elements for electrical circuits	10.0	0	0		5	CET duty rate		
8536 90 100	- - connections and contact elements for wire and cables:								
8536 90 100 9	- - - connections and contact elements for wire and cables other	10.0	0	0		5	CET duty rate		
8536 90 200 0	- - checking semiconductor plates probes	10.0	0	0		5	CET duty rate		
8603	Self- propelled railway or tramway coaches, vans and trucks, other than those of Heading 8604:								
8603 10 000	- powered from an external source of electricity:								
8603 10 000 9	- - other	5.0	0	0		0	CET duty rate		
8603 90 000 0	- other	5.0	0	0		0	CET duty rate		
8604 00 000 0	Railway or tramway maintenance or service vehicles, whether or not self-propelled (for example, workshops, cranes, ballast tampers, track liners, testing coaches and track inspection vehicles)	10.0	0	0		5	CET duty rate		
8605 00 000	Railway or tramway passenger coaches, not self- propelled; luggage vans, post office coaches and other special purpose railway or tramway coaches, not self-propelled (excluding those of heading 8604)								
8605 00 000 9	- other	10.0	0	0		5	CET duty rate		
8606	Railway or tramway goods vans and wagons, not self- propelled:								
8606 10 000 0	- tank wagons and the like	10.0	0	0		5	CET duty rate		

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
8606 30 000 0	- self- discharging vans and wagons, other than those of subheading Nos. 8606 10 or 8606 20	10.0	0	0		5	CET duty rate		
	- other:								
8606 91	- - covered and closed:								
8606 91 100 0	- - - specially designed for the transport of highly radioactive materials	10.0	0	0		5	CET duty rate		
8606 91 800 0	- - - other	10.0	0	0		5	CET duty rate		
8606 92 000 0	- - open, with non- removable sides of a height exceeding 60 cm	10.0	0	0		5	CET duty rate		
8606 99 000 0	- - other	10.0	0	0		5	CET duty rate		
9001	Optical fibres and optical fibre bundles; optical fibre cables other than those of Heading 8544; sheets and plates of polarising material; lenses (including contact lenses), prisms, mirrors and other optical elements, of any material, unmounted, other than such elements of glass not optically worked:								
9001 10	- optical fibres, optical fibre bundles and cables:								
9001 10 100 0	- - image conductor cables	15.0	5	5		10	CET duty rate		
9001 10 900	- - other:								
9001 10 900 9	- - - other	15.0	5	5		10	CET duty rate		
9001 20 000 0	- sheets and plates of polarising material	10.0	5	5		5	CET duty rate		
9002	Lenses, prisms, mirrors and other optical elements, of any material, mounted, being parts of or fittings for instruments or apparatus, other than such elements of glass not optically worked:								
	- objective lenses:								
9002 11 000 0	- - for cameras, projectors or photographic enlargers or reducers	15.0	5	5		10	CET duty rate		
9002 19 000 0	- - other	15.0	5	5		10	CET duty rate		
9002 20 000 0	- filters	15.0	5	5		10	CET duty rate		
9002 90 000 0	- other	15.0	5	5		10	CET duty rate		
9006	Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of Heading 8539:								
9006 10 000 0	- cameras of a kind used for preparing printing plates or cylinders	10.0	5	5		5	CET duty rate		
9006 40 000 0	- instant print cameras	10.0	5	5		5	CET duty rate		
	- other cameras								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
9006 51 000 0	- - with a through- the- lens viewfinder (single lens reflex (SLR)), for roll film of a width not exceeding 35 mm	10.0	5	5		5	CET duty rate		
9006 52 000	- - other, for roll film of a width less than 35 mm:								
9006 52 000 9	- - - other	10.0	5	5		5	CET duty rate		
9006 53	- - other, for roll film of a width of 35 mm:								
9006 53 100 0	- - - portable cameras	10.0	5	5		5	CET duty rate		
9006 53 800	- - - other:								
9006 53 800 9	- - - - other	10.0	5	5		5	CET duty rate		
9006 59 000	- - other:								
9006 59 000 9	- - - other	10.0	5	5		5	CET duty rate		
	- photographic flashlight apparatus and flashbulbs								
9006 61 000 0	- - discharge lamp ("electronic") flashlight apparatus	10.0	5	5		5	CET duty rate		
9006 69 000 0	- - other	10.0	5	5		5	CET duty rate		
	- parts and accessories								
9006 99 000 0	- - other	10.0	5	5		5	CET duty rate		
9015	Surveying (including photogrammetrical surveying), hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances, excluding compasses; rangefinders:								
9015 10	- rangefinders:								
9015 10 100 0	- - electronic	15.0	5	5		10	CET duty rate		
9015 10 900 0	- - other	15.0	5	5		10	CET duty rate		
9015 20	- theodolites and tachometers:								
9015 20 100 0	- - electronic	15.0	5	5		10	CET duty rate		
9015 20 900	- - other:								
9015 20 900 1	- - - optical- mechanical theodolites	15.0	5	5		10	CET duty rate		
9015 20 900 9	- - - other	15.0	5	5		10	CET duty rate		
9015 30	- levels:								
9015 30 100	- - electronic:								
9015 30 100 1	- - - laser levels	15.0	5	5		10	CET duty rate		
9015 30 100 9	- - - other	15.0	5	5		10	CET duty rate		
9015 30 900	- - other:								
9015 30 900 1	- - - optical- mechanical levels	15.0	5	5		10	CET duty rate		
9015 30 900 9	- - - other	15.0	5	5		10	CET duty rate		

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences, including scintigraphic apparatus, other electro- medical apparatus and sight- testing instruments:								
	- electro-diagnostic apparatus (including apparatus for functional exploratory examination or for checking physiological parameters):								
9018 11 000 0	- - electro-cardiographs	5.0	0	0		0	0	CET duty rate	
9018 19	- - other:								
9018 19 100 0	- - - monitoring apparatus for simultaneous monitoring of 2 or more parameters	5.0	0	0		0	0	CET duty rate	
9018 31	- - syringes, with or without needles:								
9018 31 100	- - - of plastics:								
9018 31 100 1	- - - - for insulin of volume not exceeding 2 ml	5.0	0	0		0	0	CET duty rate	
9018 31 100 9	- - - other	15.0	0	0		0	0	CET duty rate	
9018 31 900	- - - other:								
9018 31 900 1	- - - - for insulin of volume not exceeding 2 ml	5.0	0	0		0	0	CET duty rate	
9018 31 900 9	- - - - other	15.0	0	0		0	0	CET duty rate	
9018 32	- - tubular metal needles and needles for sutures:								
9018 32 100 0	- - - tubular metal needles	5.0	0	0		0	0	CET duty rate	
9018 32 900 0	- - - needles for sutures	5.0	0	0		0	0	CET duty rate	
9018 49	- - other:								
9018 49 100 0	- - - chisel, disks, drills, brushes used in dental drill engines	5.0	0	0		0	0	CET duty rate	
9018 90	- other instruments and appliances:								
9018 90 200 0	- - endoscopes	5.0	0	0		0	0	CET duty rate	
9018 90 500	- - transfusion apparatus:								
9018 90 500 1	- - - apparatus for taking and transfusion of blood, blood substitute and infusing solutions	15.0	0	0		0	0	CET duty rate	
9018 90 700 0	- - ultrasonic lithotripters	5.0	0	0		0	0	CET duty rate	
9022	Apparatus based on the use of X- rays or of alpha, beta or gamma radiations, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus, X- ray tubes and other X- ray generators, high- tension generators, control panels and desks, screens, examination or treatment tables, chairs and the like:								
	- apparatus based on the use of X- rays, whether or not for medical, surgical, dental or veterinary uses, including radiography or radiotherapy apparatus:								
9022 14 000 0	- - for medical, surgical, dental or veterinary uses	5.0	0	0		0	0	CET duty rate	

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
9026	Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases (for example, flow meters, level gauges, manometers, heat meters), excluding instruments and apparatus of Heading 9014, 9015, 9028 or 9032:								
9026 10	- for measuring or checking the flow or level of liquids:								
	- - electronic:								
9026 10 890	- - - other:								
9026 10 890 9	- - - - - other	10.0	0	0		0	CET duty rate		
9026 20	- for measuring or checking pressure:								
9026 20 200	- - electronic:								
9026 20 200 9	- - - other	10.0	0	0		0	CET duty rate		
	- - other:								
9026 20 400 0	- - - spiral or metal diaphragm type pressure gauges	10.0	0	0		0	CET duty rate		
9026 20 800	- - - other:								
9026 20 800 9	- - - - other	10.0	0	0		0	CET duty rate		
9026 80	- other instruments or apparatus:								
9026 80 200	- - electronic:								
9026 80 200 9	- - - other	10.0	0	0		0	CET duty rate		
9026 80 800	- - other:								
9026 80 800 9	- - - other	10.0	0	0		0	CET duty rate		
9026 90 000	- parts and accessories:								
9026 90 000 9	- - other	10.0	0	0		0	CET duty rate		
9027	Instruments and apparatus for physical or chemical analysis (for example, polarimeters, refractometers, spectrometers, gas or smoke analysis apparatus); instruments and apparatus for measuring or checking viscosity, porosity, expansion, surface tension or the like; instruments and apparatus for measuring or checking quantities of heat, sound or light (including exposure meters); microtomes:								
9027 80	- other instruments and apparatus:								
9027 80 100 0	- - exposure meters	10.0	0	0		5	CET duty rate		
9027 80 930	- - - - apparatus for performing measurements of the physical properties of semiconductor materials or of LCD substrates or associated insulating and conducting layers during the semiconductor wafer production process or the LCD production process:								
9027 80 930 1	- - - - - apparatus for performing measurements of the physical properties of semiconductor materials or of LCD substrates or associated	10.0	0	0		5	CET duty rate		
	insulated and conducting layers during the semiconductor wafer production process or the LCD production process								
9027 80 930 9	- - - - - other	5.0	0	0		0	CET duty rate		
9027 80 970 0	- - - - other	5.0	0	0		0	CET duty rate		

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
9027 90	- microtomes; parts and accessories:								
9027 90 100 0	- - microtomes	10.0	0	0		0	CET duty rate		
	- - parts and accessories:								
9027 90 500 0	- - - parts and accessories of subheadings 9027 20 to 9027 80	5.0	0	0		0	CET duty rate		
9027 90 800 0	- - - of microtomes or of gas or smoke analysis apparatus	5.0	0	0		0	CET duty rate		
9029	Revolution counters, production counters, taximeters, mileometers, pedometers and the like; speed indicators and tachometers, other than those of Heading 9014 or 9015; stroboscopes:								
9029 10 000	- revolution counters, production counters, taximeters, mileometers, pedometers and the like:								
9029 10 000 1	- - for the industrial assembly of motor vehicles of HS 8701 - 8705, their units and aggregates	5.0	0	0		0	CET duty rate		
9029 10 000 9	- - other	15.0	0	0		5	CET duty rate		
9030	Oscilloscopes, spectrum analysers and other instruments and apparatus for measuring or checking electrical quantities, excluding meters of Heading 9028; instruments and apparatus for measuring or detecting alpha, beta, gamma, X- ray, cosmic or other ionizing radiations:								
9030 10 000 0	- instruments and apparatus for measuring or detecting ionizing radiation	5.0	0	0		0	CET duty rate		
9030 20	- oscilloscopes and oscillographs:								
9030 20 100 0	- - for use in civil aircraft	10.0	0	0		5	CET duty rate		
9030 20 200	- - other, with a recording device:								
9030 20 200 9	- - - other	5.0	0	0		0	CET duty rate		
	- - other:								
9030 20 500 0	- - - electronic	5.0	0	0		0	CET duty rate		
9030 20 900 0	- - - other	5.0	0	0		0	CET duty rate		
	- other instruments and apparatus, for measuring or checking voltage, current, resistance or power								
9030 31 000 0	- - multi meters without a recording device	5.0	0	0		0	CET duty rate		
9030 32 000	- - multimeters, with a recording device:								
9030 32 000 9	- - - other	5.0	0	0		0	CET duty rate		
9030 33	- - other, without a recording device:								
9030 33 300	- - - electronic:								
9030 33 300 1	- - - - specialized for TV- set tuning	5.0	0	0		0	CET duty rate		
9030 33 300 9	- - - - other	10.0	0	0		5	CET duty rate		
	- - - other:								

HS codes	Product description	CET[1] (01.03.2010)	2010	2011		2012	2013	2014	2015
				01.01.2011	01.07.2011				
9030 33 910 0	- - - - voltmeters	10.0	0	0		5	CET duty rate		
9030 33 990 0	- - - - other	10.0	0	0		5	CET duty rate		
9030 39 000	- - other, with a recording device:								
9030 39 000 9	- - - other	5.0	0	0		0	CET duty rate		
9030 40 000 0	- other instruments and apparatus for measuring and checking, specially designed for telecommunications (for example, cross- talk meters, gain measuring instruments, distortion factor meters, psophometers)	5.0	0	0		0	CET duty rate		
	- other instruments and apparatus								
9030 82 000 0	- - for measuring or checking semiconductor wafers and devices	5.0	0	0		0	CET duty rate		
9030 84 000	- - other, with a recording device:								
9030 84 000 9	- - - other	5.0	0	0		0	CET duty rate		
9030 89	- - other:								
9030 89 300 0	- - - electronic	5.0	0	0		0	CET duty rate		
9030 89 900 0	- - - other	5.0	0	0		0	CET duty rate		
9406 00	Prefabricated buildings:								
9406 00 310 0	- - - greenhouse	20.0	0	0		0	CET duty rate		
9406 00 800 9	- - - other	20.0	0	0		0	CET duty rate		

Table 20 - Fees and Charges for Customs Services Rendered Related to Importation or Exportation

Description of Service Rendered/ Purpose of Charges	Rate Applied
Customs fees for customs clearance: a) of goods including motor transport vehicles moved across the customs border of the Russian Federation with customs value of:	
Rub 200,000 and less;	Rub 500;
Rub 200,000 for 1 kopek and more, but not more than Rub 450,000;	Rub 1,000;
from Rub 450,000 rubles for 1 kopek and more, but not more than Rub 1,200,000;	Rub 2,000;
from Rub 1,200,000 for 1 kopek and more, but not more than Rub 2,500,000;	Rub 5,500;
from Rub 2,500,000 for 1 kopek and more, but not more than Rub 5,000,000;	Rub 7,500;
from Rub 5,000,000 for 1 kopek and more, but not more than Rub 10,000,000 rubles;	Rub 20,000;
from Rub 10,000,000 for 1 kopek and more, but not more than Rub 30,000,000;	Rub 50,000;
Rub 30,000,000 for 1 kopek and more.	Rub 100,000.
b) of goods, moved by the railway transport in keeping with the customs regime of international customs transit	Rub 500 for each consignment of the goods in one invoice in one carrier
c) of securities in foreign currency, which are brought into the customs territory of the Russian Federation	Rub 500 for each consignment in one customs declaration
d) of goods for personal, home and family needs not related to the entrepreneurial activity, except for passenger cars classified in commodity positions of HS Codes 8702 and 8703	Rub 250
e) of passenger cars, classified in commodity positions of HS Codes 8702 and 8703, which are shifted for personal, home and family needs	Customs fees shall be calculated in accordance with paragraph "a" of the present Table
f) of air, sea, river combined (river-and-sea) vessels which are moved as commodities in keeping with the customs regime of temporary importation, temporary exportation and processing (if the repair of such vehicles is an operation in processing), also after the completion of the following customs regimes: i) the temporary importation by means of the re-export of goods brought in on a temporary basis ii) the temporary exportation by means of the re-import of goods brought out on a temporary basis; iii) the processing on customs territory by means of bringing products of processing (vehicles) out of the customs territory of the Russian Federation; and iv) the processing outside customs territory by means of the release for free circulation of products of processing (vehicles) on the customs territory of the Russian Federation.	Rub 10,000 for each vehicle
g) Customs fees for customs registration of a customs declaration repeated for the same products under the same customs regime	Rub 500

Description of Service Rendered/ Purpose of Charges	Rate Applied
Customs charges for customs escort of goods: a) for each motor and rail way vehicle utilized either for the transportation of goods or which moves under its own power to be used as a commodity: - for the distance up to 50 km; - for the distance from 50 to 100 km; - for the distance from 100 to 200 km; - for the distance over 200 km; b) for each sea, river or air craft.	 - Rub 2,000; Rub 3,000; Rub 4,000; - Rub 1,000 for every 100 km, but not less than Rub 6,000; - Rub 20,000 independently of the distance.
Customs fees for the storage of goods in the customs warehouses or bonded warehouse; for the storage of certain types of goods in the specially equipped warehouses.	Rub 1 for every 100 kg of the weight of the goods per day; Rub 2 per 100 kg of the weight of goods per day.

Table 21 - Port Fees Used in Commercial Seaports of the Russian Federation by Group of Vessels

Group of Vessels	Vessels and floating facilities
1	All vessels, except roll-on, float-on, container vessels and tankers
2	Roll-on, bulk and container vessels
3	Tankers

Table 22 - Port Fees Used in Commercial Seaports of the Russian Federation

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
		Rate, rub/1 GT		
North Basin				
Arkhangelsk	- Vessels with ice breaker type LU6, LU7 (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies) paid ice-breaker fee with coefficient 0.5; - Vessels, arriving to Severodvinsk from the sea or departing from Severodvinsk to the sea, paid ice-breaker fee according to the rates of Arkhangelsk; - Vessels, arriving to Severodvinsk from the sea or departing from Severodvinsk to the sea were exempted from paying of navigation fee; - Ice-breaker fee in the period of winter navigation was paid by all vessels except science and surveying vessels, vessels on testing, vessels arriving to port due to threat to safety of the further travel, to life and health of the crew and passengers, without fulfilment of cargo and passenger operations in port; and - Vessels, arriving to Severodvinsk from the sea or departing from Severodvinsk to the sea, paid tonnage according to rates of Arkhangelsk.			
	Tonnage fee	15.10	10.57	16.51
	Canal dues	16.58	11.61	18.24
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	 1.15 0.30	 0.81 0.21	 1.27 0.33
	Beaconage fee	1.25	0.88	1.37
	Navigation due: Including Vessel Traffic Management System	2.26 1.10	1.58 0.77	2.48 1.21
	Ice breaker fee: 11 May to 9 November 10 November to 10 May	 10.90 24.00	 7.63 16.80	 11.95 26.31
Igarka	Tonnage fee	15.10	10.57	16.51
Kandalaksha	Tonnage fee	5.50	3.85	6.01
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	 0.75 0.03	 0.53 0.02	 0.82 0.03
	Beaconage fee	1.22	0.85	1.34
Mezen	- Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	15.10	10.57	16.51
	Canal dues	0.00	0.00	0.00
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	 0.77 0.04	 0.54 0.03	 0.84 0.04
	Beaconage fee	1.19	0.83	1.30
Murmansk	Tonnage fee	5.50	3.85	6.01
	Pilotage fee: intra-port pilotage, per one	 0.44	 0.31	 0.48

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	operation; and out-of-port pilotage per mile.	0.08	0.06	0.09
	Beaconage fee	1.10	0.77	1.21
	Navigation due: Including Vessel Traffic Management System	5.58 0.77	3.91 0.54	6.12 0.84
Naryan-Mar	- Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	15.10	10.57	16.51
	Canal dues	16.70	11.69	18.13
	Pilotage fee: Intra-port pilotage, per one operation; and Out-of-port pilotage per mile.	0.88 0.21	0.61 0.15	0.95 0.23
	Beaconage fee	1.26	0.88	1.37
Onega	Tonnage fee	15.10	10.57	16.51
	Canal dues	14.87	10.41	16.36
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	1.31 0.31	0.92 0.22	1.44 0.34
	Beaconage fee	1.26	0.88	1.38
Other ports of north basin	Tonnage fee	8.05	5.64	8.80
	Pilotage fee: Intra-port pilotage, per one operation; and Out-of-port pilotage per mile.	0.66 0.12	0.46 0.09	0.73 0.13
	Beaconage fee	2.37	1.66	2.59
Baltic Basin				
Vyborg	- Vessels, arriving to Vyborg from Vusotsk, were exempted from payment of icebreaker fee. - From the 1 December to 30 April vessels with ice breaker type LU5, LU6 (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies) paid ice-breaker fee with coefficient 0.75. - From the 1 May to 30 November no ice breaker fee was paid by: - vessels, arriving to port from internal waterways of Russia or Saimaa Chanel and departing back within calendar year; - vessels, arriving to port from another Russian part of the eastern part of Gulf of Finland; and - vessels in transit, en route from the sea to internal waterways of Russia or to Saimaa Chanel and back. Canal and pilotage fees were paid in full irrespective of the fact if the passenger and cargo operations or only transit through the port harborage were fulfilled.			
	Tonnage fee	2.10	1.47	2.30
	Canal dues: For vessels go towards and backwards from Saimaa Chanel.	7.50 1.30	5.25 0.91	8.22 1.43

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	Pilotage fee: intra-port pilotage, per one operation; out-of-port pilotage per mile; and for vessels go towards and backwards from Saimaa Chanel.	 0.69 0.29 0.17	 0.48 0.20 0.12	 0.76 0.32 0.19
	Beaconage fee	1.10	0.77	1.21
	Navigation due: Including Vessel Traffic Management System; and including vessels go towards and backwards from Saimaa Chanel.	0.42 0.20	0.29 0.14	0.46 0.22
	Ice breaker fee: 1 May to 30 November 1 December to 30 April	 5.50 13.70	 3.85 9.59	 6.03 15.02
Vysotsk	- Icebreaker fee was not paid by vessels arriving to Vysotsk from Vyborg. - From the 1 December to 30 April, vessels with ice breaker type LU5, LU6 (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies) paid ice-breaker fee with coefficient 0.75. - From the 1 May to 30 November no ice breaker fee was paid by: - vessels, arriving to port from internal waterways of Russia or Saimaa Chanel and departing back within calendar year; - vessels, arriving to port from another Russian part of the eastern part of Gulf of Finland; and - vessels in transit, en route from the sea to internal waterways of Russia or to Saimaa Chanel and back.			
	Tonnage fee	2.10	1.47	2.30
	Canal dues	2.57	1.80	3.90
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile	 0.62 0.28	 0.43 0.20	 0.68 0.31
	Beaconage fee	1.09	0.76	1.20
	Navigation due	4.67	3.27	5.12
	Including Vessel Traffic Management System	2.00	1.40	2.19
	Ice breaker fee: 1 May to 30 November 1 December to 30 April	 5.50 13.70	 3.85 9.59	 6.03 15.02
Saint Petersburg	- Vessels, transporting sand from the sea the Gulf of Finland in the Grand Port of St. Petersburg and the Passenger Port of St. Petersburg, was paid port charges at a rate of 0.5. - Vessels in route to internal waterways and back with stoppage in port for carrying of port formalities by authorities without fulfilment of passenger and cargo operations of commercial nature, were considered as vessels in transit. - From the 1 December to 30 April vessels with ice breaker type LU5, LU6 (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies) paid ice-breaker fee with coefficient 0.75.			

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	- From the 1 May to 30 November no ice breaker fee was paid by: - vessels, arriving to port from internal waterways of Russia or Saimaa Chanel and departing back within calendar year; - vessels, arriving to port from another Russian part of the eastern part of Gulf of Finland; and - vessels in transit, en route from the sea to internal waterways of Russia or to Saimaa Chanel and back. - For the calculation of port dues ships calling at Passenger Port of St. Petersburg and in transit Grand Port of St. Petersburg, were exempted from payment of port charges in the Grand Port of St. Petersburg, with the exception of pilotage fees, and pay port charges in the passenger port of St. Petersburg. - Vessels entering the Grand Port of St. Petersburg and in transit through the Passenger Port of St. Petersburg, were exempted from payment of port charges to the passenger port of St. Petersburg, with the exception of pilotage fees, port charges paid in the Grand Port of St. Petersburg. - For passenger ships, as second entry to the port is considered any entry during a calendar year after the first entry to any of the mentioned ports. - Vessels, following from inland waterways through the Grand Port of St. Petersburg, Passenger Port of St. Petersburg and back with a stop at the port for port formalities, not involved in the port in freight and passenger operations, paid separately for tonnage for entering the port and exit from the port by a coefficient of 0.25. - Tonnage fee was paid in full irrespective of the fact of carrying cargo and passenger operations.			
	Tonnage fee	2.10	1.47	1.47
	Canal dues	4.94	3.46	1.76
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.64 0.09	0.45 0.07	0.25 0.04
	Beaconage fee	0.75	0.53	0.29
	Navigation due: Including Vessel Traffic Management System.	5.23 1.55	3.66 1.09	2.02 0.60
	Environmental fee	2.46	1.72	0.95
	Ice breaker fee: 1 May to 30 November	5.50	3.85	2.12
Primorsk	- From the 1 December to 30 April vessels with ice breaker type LU5, LU6 (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies) paid ice-breaker fee with coefficient 0.75. - From the 1 May to the 30 November no ice breaker fee was paid by: - vessels, arriving to port from internal waterways of Russia or Saimaa Chanel and departing back within calendar year; - vessels, arriving to port from another Russian part of the eastern part of Gulf of Finland; and - vessels in transit, en route from the sea to internal waterways of Russia or to Saimaa Chanel and back.			
	Tonnage fee	2.10	1.47	2.30
	Pilotage fee: intra-port pilotage, per one operation; and	0.51	0.36	0.56

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	out-of-port pilotage per mile.	0.10	0.07	0.11
	Beaconage fee	0.64	0.45	0.70
	Navigation due: Including Vessel Traffic Management System.	5.90 1.55	4.13 1.09	6.47 1.70
	Ice breaker fee: 1 May to 30 November 1 December to 30 April	 5.50 13.70	 3.85 9.59	 6.03 15.02

Ust-Luga	- From the 1 December to 30 April vessels with ice breaker type LU5, LU6 (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies) paid ice-breaker fee with coefficient 0.75.
	- From the 1 May to 30 November no ice breaker fee was paid by:
	  - vessels, arriving to port from internal waterways of Russia or Saimaa Chanel and departing back within calendar year;
	  - vessels, arriving to port from another Russian part of the eastern part of Gulf of Finland; and
	  - vessels in transit, en route from the sea to internal waterways of Russia or to Saimaa Chanel and back.
	For calculation of all types of fees gross capacity of roll-on vessels, used for transportation of railway stock, was multiplied by coefficient 0.4.			

	Tonnage fee	2.10	1.47	2.30
	Canal dues	3.55	2.49	3.91
	Pilotage fee: Intra-port pilotage, per one operation; and Out-of-port pilotage per mile.	 0.71 0.15	 0.50 0.11	 0.78 0.17
	Beaconage fee	2.90	2.03	3.18
	Navigation due: Including Vessel Traffic Management System	3.77 1.09	2.64 0.76	4.13 1.19
	Ice breaker fee: 1 May to 30 November 1December to 30 April	 5.50 13.70	 3.85 9.59	 6.03 15.02

Kaliningrad	- Discount was provided to the vessels, not on routes, established in prescribed order, for tonnage and navigation fees on arrival in port within calendar year:
	  - 11 - 15 arrival (10%);
	  - 16 - 20 arrival (15%); and
	  - starting from 21 arrival(20%).
	- Russian fishing vessels, fishing in Baltic sea in territorial or internal waters of the Russian Federation, with length less than 35.0 m. were exempted from payment of port fees.
	- Russian vessels on routes for fishing (from fishing) were paying fees on cabotage rates with coefficient of 0.6.
	- For vessels in transit, navigation fees were collected with coefficient of 0.5.
	- Cargo vessels on transfer of goods through Kaliningrad bay were exempted from payment of navigation, beaconage and sanitary fees; canal, tonnage and pilotage fees were collected with coefficient 0.3.
	- Maintenance and service vessels, providing services to vessels on raid without entering the port, were paying canal, navigation and beaconage fees with coefficient 0.35, pilotage fee with coefficient - 0.5.			

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	- Sport and small vessels with length up to 20 m. were paying pilotage fee in the amount of 1000,0 rubles for every pilotage; with length exceeding 20 m. - 1500,0 rubles. - Passenger vessels were paying port fees in full amount. - Roll-on and bulk vessels, going to (from) harborage N 3 and N 4 of Baltiysk, were exempted from paying canal fee.			
	Tonnage fee	3.45	2.76	1.04
	Canal dues	10.94	8.75	3.28
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.30 0.07	0.24 0.05	0.10 0.03
	Beaconage fee	1.05	0.84	0.32
	Navigation due (Vessel Traffic Management System)	4.71	3.77	1.41
	Environmental fee	2.64	2.11	0.79
Other port of Baltic Basin	Tonnage fee	2.10	1.47	2.30
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.47 0.10	0.33 0.07	0.52 0.11
	Beaconage fee	2.37	1.66	2.59
Black Sea – Sea of Azov basin				
Eisk	Tonnage fee	5.39	3.77	5.89
	Canal dues	7.65	5.36	8.39
	Pilotage fee: intra-port pilotage, per one operation; out-of-port pilotage per mile; and pilotage in the Sea of Azov to the port of Eisk, per one operation	0.57 0.12 2.85	0.40 0.09 2.00	0.63 0.13 3.14
	Beaconage fee	1.10	0.77	1.21
	Ice breaker fee	9.76	6.83	10.74
Kavkaz	- For calculation of all types of fees gross capacity of roll-on vessels, used for transportation of railway stock, was multiplied by coefficient 0.4. - Vessels, entering the port and on transit without carrying passenger and cargo operations was paying necessary canal and pilotage fees in full.			
	Tonnage fee	4.30	3.01	4.70
	Canal dues: Fairways No. 50 and No. 52 of Kerch Strait	3.80 2.17	2.66 1.52	4.18 2.38
	Pilotage fee: intra-port pilotage, per one operation; and Fairways No. 50 and No. 52 of Kerch Strait, per one mile.	1.54 0.11	1.08 0.08	1.70 0.12

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	Beaconage fee	2.15	1.51	2.36
	Navigation due: Including Vessel Traffic Management System, Fairways No. 50 and No. 52 of Kerch Strait	4.62 0.26	3.23 0.18	5.06 0.29
Novorossiysk	Tonnage fee	2.10	1.47	2.30
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.39 0.11	0.27 0.08	0.43 0.12
	Beaconage fee	1.32	0.92	1.45
	Navigation due: Including Vessel Traffic Management System	8.90 0.57	6.23 0.40	9.76 0.62
Sochi	Tonnage fee	6.25	4.38	6.83
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.71 0.25	0.50 0.18	0.78 0.28
	Beaconage fee	0.90	0.63	0.99
	Navigation due: Including Vessel Traffic Management System	3.70 0.57	2.60 0.40	4.07 0.62
Taganrog	Tonnage fee	6.12	4.29	6.74
	Canal dues	7.21	5.05	7.90
	Pilotage fee: intra-port pilotage, per one operation; out-of-port pilotage per mile; and pilotage in the Sea of Azov, per one operation	1.07 0.20 7.29	0.75 0.14 5.10	1.18 0.22 8.02
	Navigation due: Including Vessel Traffic Management System	3.49 1.00	2.44 0.70	3.83 1.10
	Beaconage fee	0.84	0.59	0.93
	Environmental fee	3.78	2.65	4.14
	Ice breaker fee: 11 December to 15 March	19.86	13.90	21.77
Azov, Rostov-na-Donu	- Vessels, entering the port and on transit without carrying passenger and cargo operations was paying necessary canal fees in full; - Vessels, arriving to port of Rostov-na-Donu and transiting through the port of Azov, were exempted from paying port fees in the port of Azov and pay fees in port of Rostov-na-Donu; - Vessels, arriving to port of Azov and transiting through the port of Rostov-na-Donu, were exempted from paying port fees in the port of Rostov-na-Donu and pay fees in port of Azov; and - Vessels, arriving from internal waterways to the ports of Azov and Rostov-na-Donu and back, carrying cargo operations in ports, paid navigation and beaconage			

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	fees separately for arrival to and leaving from the port with coefficient 0.5.			
	Tonnage fee	5.39	3.77	5.93
	Canal dues	6.05	4.24	6.66
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile	0.49 0.12	0.34 0.09	0.54 0.15
	Navigation due	4.55	3.19	5.01
	Beaconage fee	0.85	0.59	0.93
	Ice breaker fee: 1 December to 31 March	28.27	19.79	31.10
Temruk	- For calculation of all types of fees gross capacity of roll-on vessels, used for transportation of railway stock, was multiplied by coefficient 0.4.			
	Tonnage fee	4.30	3.01	4.70
	Canal dues	4.59	3.21	5.03
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	1.46 0.11	1.02 0.08	1.61 0.12
	Beaconage fee	1.08	0.76	1.18
	Navigation due: Including Vessel Traffic Management System	2.20 0.25	1.54 0.18	2.42 0.27
Tuapse	Tonnage fee	4.05	2.84	4.43
	Canal dues	0.46	0.32	0.50
	Beaconage fee	1.26	0.88	1.38
	Navigation due: Including Vessel Traffic Management System	9.27 1.68	6.49 1.18	10.16 1.84
Gelenghik, Anapa	Tonnage fee	2.10	1.47	2.30
	Pilot fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.37 0.10	0.26 0.07	0.41 0.11
	Beaconage fee	1.32	0.92	1.45
Other ports of Black Sea – Sea of Azov basin	Tonnage fee	6.75	4.73	7.40
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.33 0.09	0.23 0.07	0.36 0.10
	Beaconage fee	2.37	1.66	2.59
Caspian basin				
Astrakhan	- Vessels, entering the port and on transit without carrying passenger and cargo operations paid necessary canal and pilotage fees in full. Vessels, arrived in port from inland waterways and going back to the inland waterways in the river ports, paid tonnage fee with a coefficient 0.5. - Vessels, arriving from Olya were exempted from payment of icebreaker fee. - From the 1 May to 30 November no ice breaker fee was paid by: - vessels, going from the Caspian Sea to internal waterways of Russia and			

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	back without carrying cargo operations in port; and - fishing fleet vessels. - From the 1 December to 28 February vessels with ice breaker type LU3 and higher (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies) paid ice-breaker fee with coefficient 0.75. - Pilotage fee did not include payment for transportation of the pilot on board and off board. - No navigation fee was paid by vessels: - within the limits of Streletskoe - 0 km of the Volga-Caspian Sea navigation canal (VCSNC) entering/leaving (from) harborage of the seaport Astrakhan from (in) adjacent water objects (horns, feeders); and - passing the seaport of Astrakhan from adjacent water objects (from one horn to another). - No fees were paid by vessels, maintaining means of navigation support for navigating safety. - No fees were paid by vessels, following from internal waterways to port of Olya and going back to internal waterways.			
	Tonnage fee	8.60	6.02	9.40
	Canal dues	16.97	11.88	18.60
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.63 0.05	0.44 0.04	0.69 0.06
	Navigation due: Including Vessel Traffic Management System	4.56 2.35	3.19 1.65	5.02 2.58
	Ice breaker fee: 1 May to 30 November 1 December to 28(29) February	3.80 19.39	2.66 13.57	4.17 21.26
Olya	- Vessels, arriving to port from internal waterways and going back to internal waterways into river ports, paid tonnage fee with coefficient 0.5. - Vessels, arriving from Astrakhan were exempted from payment of icebreaker fee. - From the 1 May to 30 November no ice breaker fee was paid by: - vessels, going from the Caspian Sea to internal waterways of Russia and back without carrying cargo operations in port; and - fishing fleet vessels. - From the 1 December to 28 February vessels with ice breaker type LU3 and higher (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies) paid ice-breaker fee with coefficient 0.75. - Pilotage fee did not include payment for transportation of the pilot on board and off board. - No port fees were paid by Russian fishing fleet vessels, training vessels, vessels purposed for performing state functions, maintenance vessels, Russian military vessels, hospital vessels, ice-breakers, hydro-graphic vessels, coastal recreation vessels, working in waters of Volga-Caspian sea navigation canal and adjacent water objects (horns, feeders), not entering the port of Olya and not leaving to Astrakhan sea raid and back. - Tonnage fee from barge tugboats was collected on the sum of gross capacity of all elements of consisting floating objects in one single journey only for entry and exit from port, in which cargo operations were performed. If the towing vessel,			

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	due to objective circumstances, might not submit to the dock at the same time more than one object, the tonnage fee is charged with the tug for entry to and exit from the port only for the first object being towed.			
	Tonnage fee	8.60	6.02	9.40
	Canal dues	10.18	7.13	11.16
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.60 0.05	0.42 0.04	0.66 0.06
	Navigation due: Including Vessel Traffic Management System	4.24 0.29	2.97 0.20	4.67 0.32
	Ice breaker fee: 1 March to 30 November 1 December to 28(29) February	1.90 9.69	1.33 6.78	2.08 10.62
Other ports of Caspian basin	Tonnage fee	8.60	6.02	9.43
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.53 0.28	0.37 0.20	0.58 0.31
Arctic and Far Eastern basin				
Anadyr	- Vessels, arriving to the port from the rivers of the Russian Federation and leaving back, were paying port fees according to rates of the cabotage.			
	Tonnage fee	11.70	8.19	12.79
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	1.21 0.55	0.85 0.39	1.33 0.61
	Beaconage fee	1.06	0.74	1.16
	Navigation due	1.64	1.15	1.81
Aleksandrovsk-Sakhalinsk	- Tonnage, beaconage, pilotage and navigation fees were also collected in points referred to the port of Aleksandrovsk-Sakhalinsk (transshipment complexes), timber shipment points, and temporary points of shipment of goods according to rates, established for the port of Aleksandrovsk-Sakhalinsk. - Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.82 0.16	0.57 0.11	0.90 0.18
	Beaconage fee	0.77	0.54	0.84
	Navigation due	6.26	4.38	6.86
Boshnyakovo	- Pilotage fee does not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee:			

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.82 0.16	0.57 0.11	0.90 0.18
	Beaconage fee	0.77	0.54	0.84
	Navigation due	6.26	4.38	6.86
Vanino	- Passenger roll-on vessels, performing on the route Vanino-Holmsk-Vanino, established in the prescribed order, paid the tonnage fee only on the first entry to the port and exit from the port one time within one calendar year. - No ice breaker fee was paid by vessels with ice breaker type LU3 and higher (under classification of Russian Sea Navigation Registry or their corresponding types of other classification societies). - Tonnage fee was collected in adjacent to port of Vanino transshipment complexes, timber shipment points and temporary points of timber shipment according to rates established for port of Vanino.			
	Tonnage fee	3.75	2.63	4.10
	Pilotage fee: intra-port pilotage, per one operation.	1.12	0.78	1.23
	Beaconage fee	0.66	0.46	0.72
	Navigation due: Including Vessel Traffic Management System	6.46 0.67	4.52 0.47	7.11 0.73
	Environmental fee	1.50	1.05	1.64
	Ice breaker fee: 1 April to 31 December 1 January to 31 March	 0.55 2.18	 0.39 1.53	 0.60 2.39
Vladivostok	Tonnage fee	6.75	4.73	7.38
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	 0.63 0.48	 0.44 0.34	 0.69 0.53
	Beaconage fee	0.66	0.46	0.72
	Navigation due: Including Vessel Traffic Management System	6.80 2.25	4.76 1.58	7.45 2.47
	Environmental fee	1.82	1.27	2.00
Handling Complexes Bolshoy Kamen, Chazhma of the port of Vladivostok	Tonnage fee	6.75	4.73	7.38
Vostochniy	Tonnage fee	3.35	2.35	3.66
	Canal dues	1.16	0.81	1.27
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	 1.42 0.30	 0.99 0.21	 1.56 0.33
	Beaconage fee	0.82	0.57	0.90

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	Navigation due: Including Vessel Traffic Management System	8.70 2.25	6.09 1.58	9.54 2.47
	Environmental fee	3.36	2.35	3.68
De-Kastri	Tonnage fee	3.75	2.63	4.10
	Pilotage fee: intra-port pilotage, per one operation	0.99	0.69	1.09
	Beaconage fee	0.40	0.28	0.44
	Navigation due	6.33	4.43	6.96
Korsakov	- Tonnage, beaconage, pilotage and navigation fees were collected in points (transshipment complexes) adjacent to port Korsakov, timber shipment points and temporary timber shipment points, regions of sea surveillance, extraction and shipment of hydrocarbon on the seabed of Sakhalin island on rates, established for port of Korsakov. - Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.92 0.19	0.64 0.14	1.01 0.21
	Beaconage fee	0.77	0.54	0.84
	Navigation due	4.00	2.80	4.39
Handling complex "Vityaz" of the port Korsakov	- Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee: intra-port pilotage, per one operation.	0.58	0.41	0.64
	Beaconage fee	0.54	0.38	0.59
	Navigation due	2.19	1.53	2.40
Krasnogorsk	- Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.82 0.16	0.57 0.11	0.90 0.18
	Beaconage fee	0.77	0.54	0.84
	Navigation due	6.26	4.38	6.86

Magadan	- Pilotage fee did not include payment for transportation of the pilot on board and off board.
	- Ice breaker was paid all year long.
	- No ice breaker fee was paid by the following:
	  - vessels, providing local transportation of goods along the coast; and
	  - fishing fleet vessels, except cases, when they were included in convoys for ice breaking pilotage or transport goods, that do not refer to water biological resources.
	- No vessel types were exempted from payment of ice breaker fee.			

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	Tonnage fee	13.24	9.27	14.57
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	1.43 0.11	1.00 0.08	1.57 0.12
	Beaconage fee	1.18	0.83	1.29
	Navigation due: Including Vessel Traffic Management System	9.75 4.12	6.83 2.88	10.73 4.53
	Environmental fee	4.10	2.87	4.51
	Ice breaker fee	42.50	29.75	46.59
Nahodka	Tonnage fee	5.76	4.03	6.30
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	1.11 0.19	0.78 0.13	2.11 0.21
	Beaconage fee	0.82	0.57	0.90
	Navigation due: Including Vessel Traffic Management System	8.70 2.25	6.09 1.58	9.54 2.47
	Environmental fee	3.36	2.35	3.68
Nikolaevsk-na-Amure	Tonnage fee	3.75	2.63	4.10
	Canal dues	0.00	0.00	0.00
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	1.21 0.21	0.85 0.15	1.33 0.23
	Beaconage fee	0.15	0.11	0.16
	Navigation due	7.20	5.04	7.90
Handling Complex Mys Lazareva of the port Nikolaevsk-na-Amure	Tonnage fee	3.75	2.63	4.10
	Pilotage fee: intra-port pilotage, per one operation.	0.86	0.60	0.94
	Beaconage fee	0.18	0.13	0.20
	Navigation due	6.78	4.75	7.43
Port Olga and Handling complexes Platun, Svetlaya, Rudnaya Pristan	Tonnage fee	6.75	4.73	7.38
	Beaconage fee	0.66	0.46	0.72
	Navigation due	3.83	2.68	4.20
Pevek	Tonnage fee	11.70	8.19	12.79
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.40 0.27	0.28 0.19	0.44 0.30
	Beaconage fee	1.06	0.74	1.16
	Navigation due	0.90	0.63	0.99
Petropavlovsk-	- Pilotage fee did not include payment for transportation of the pilot on board and			

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
Kamchatskiy	off board			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.50 0.25	0.35 0.18	0.55 0.27
	Beaconage fee	0.63	0.44	0.70
Poronaysk	- Tonnage, beaconage, pilotage and navigation fees were collected in points (transshipment complexes) adjacent to port Poronaysk, timber shipment points and temporary timber shipment points, regions of sea surveillance on the seabed of Sakhalin island on rates, established for port of Poronaysk. - Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.82 0.16	0.57 0.11	0.90 0.18
	Beaconage fee	0.77	0.54	0.84
	Navigation due	3.15	2.21	3.45
Port Posiet, Handling complex Slavyanka, port Zarubino	Tonnage fee	6.75	4.73	7.38
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.75 0.21	0.53 0.15	0.82 0.23
	Beaconage fee	0.97	0.68	1.06
	Navigation due: Including Vessel Traffic Management System	5.70 2.25	3.99 1.58	6.25 2.47
Prigorodnoe	Tonnage fee	6.75	4.73	7.38
	Navigation due (Vessel Traffic Management System)	0.98	0.69	1.08
Provideniya	Tonnage fee	11.70	8.19	12.79
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	1.42 0.58	1.00 0.41	1.56 0.64
	Beaconage fee	1.06	0.74	1.16
	Environmental fee	1.86	1.30	2.04
	Navigation due	2.13	1.49	2.34
Sovetskaya Gavan	- Tonnage fee was also collected in points (transshipment complexes) adjacent to port Sovetskaya Gavan, timber shipment points and temporary timber shipment points, regions of sea surveillance on rates, established for port of Sovetskaya Gavan.			
	Tonnage fee	3.75	2.63	4.10
	Pilotage fee: intra-port pilotage, per one	1.57	1.10	1.73

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
	operation.			
	Beaconage fee	0.40	0.28	0.44
	Navigation due	6.10	4.27	6.71
	Tonnage fee	3.75	2.63	4.10
Uglegorsk	- Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile	0.82 0.16	0.57 0.11	0.90 0.18
	Beaconage fee	0.77	0.54	0.84
	Navigation due	4.30	3.01	4.71
Holmsk	- Passenger roll-on vessels, performing on the route Vanino-Holmsk-Vanino, established in the prescribed order, paid the tonnage fee only on the first entry to the port and exit from the port one time within one calendar year. - Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Canal dues	0.00	0.00	0.00
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.82 0.16	0.57 0.11	0.90 0.18
	Beaconage fee	0.77	0.54	0.84
	Navigation due	3.79	2.66	4.16
Shahtersk	- Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.82 0.16	0.57 0.11	0.90 0.18
	Beaconage fee	0.77	0.54	0.84
	Navigation due	0.77	0.54	0.84
Egvekinot	Tonnage fee	11.70	8.19	12.79
	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.90 0.41	0.63 0.29	0.99 0.45
	Beaconage fee	1.06	0.74	1.16
	Navigation due	2.13	1.49	2.34
Moskalkovo	- Pilotage fee did not include payment for transportation of the pilot on board and off board.			
	Tonnage fee	9.00	6.30	9.84
	Beaconage fee	1.31	0.92	1.44
Other ports of	Tonnage fee	6.75	4.73	7.38

Port	Type of fee	All vessels, except roll-on, float-on, container vessels and tankers	Roll-on, bulk and container vessels	Tankers
Arctic and Far Eastern basin	Pilotage fee: intra-port pilotage, per one operation; and out-of-port pilotage per mile.	0.57 0.19	0.40 0.13	0.62 0.21
	Beaconage fee	2.37	1.66	2.59

Port	Group A, B or H vessels		Group C, D, E, F or G vessels
	for vessel being alongside, with load handling operations carried out (US$)	for all other cases (US$)	(US$)
4. Wharfage Shall be collected for 1 cubic meter of vessel conventional capacity for each day of vessel being alongside. The wharfage dues are collected from vessels staying alongside the berth. For the vessels of groups "A", "B" and "H" wharfage dues are charged per 1 m^3 of the conventional volume of the vessel for each day of the vessel's stay alongside the berth. The time of stay at a berth is rounded off upward to one-half of the day. For the vessels of groups "C", "D", "E", "F" and "G" berth dues are charged per 1m^3 of the conventional volume for each call.			
Black Sea – Sea of Azov basin			
Novorossiysk			
- for bulk-carriers	0.0022	0.0007	0.0044
- for tankers	0.0045	0.0015	
Sochi	0.0220	0.0070	0.0044
Taganrog	0.0063	0.0021	0.0044
Tuapse			
- for bulk-carriers	0.0021	0.0007	0.0044
- for tankers	0.0042	0.0014	
Other ports	0.0040	0.0014	0.0044
Baltic basin			
Vyborg	0.0051	0.0017	0.0040
Vysotsk	0.0056	0.0019	0.0040
Kaliningrad	0.0070	0.0023	0.0040
Saint Petersburg	0.0031	0.0010	0.0040
Other ports	0.0040	0.0013	0.0040
North basin			
Arkhangelsk	0.0062	0.0021	0.0050
Kandalaksha	0.0180	0.0060	0.0050
Murmansk	0.0049	0.0016	0.0050
Naryan-Mar	0.0156	0.0052	0.0050
Tiksi	0.0072	0.0024	0.0050
Other ports	0.0100	0.0033	0.0050
Arctic and Far East basins			
Anadyr	0.0079	0.0027	0.0070
Vanino	0.0046	0.0015	0.0060
Vladivostok	0.0054	0.0018	0.0060
Vostochny	0.0130	0.0043	0.0060
Korsakov	0.0190	0.0063	0.0060
Magadan	0.0056	0.0018	0.0070
Nakhodka	0.0049	0.0016	0.0060
Nakhodka (oil harbor)	0.0148	0.0049	0.0060
Nikolaevsk-on-Amur	0.0184	0.0061	0.0060
Pevek	0.0113	0.0038	0.0070
Petropavlovsk-Kamchatskiy	0.0121	0.0040	0.0070
Posyet	0.0113	0.0038	0.0060
Provideniya	0.0068	0.0024	0.0070

Port	Group A, B or H vessels		Group C, D, E, F or G vessels
	for vessel being alongside, with load handling operations carried out (US$)	for all other cases (US$)	(US$)
Kholmsk	0.0190	0.0063	0.0070
Egvekinot	0.0103	0.0034	0.0070
Other ports	0.0097	0.0032	0.0060
Caspian basin			
Astrakhan	0.0220	0.0070	0.0044
Makhachkala	0.0156	0.0052	0.0050
Other ports	0.0146	0.0048	0.0044
5. Anchor dues Shall be collected for 1 cubic meter of vessel conventional capacity for each hour of anchorage in the outer or inner harbour in excess of 12 hours. Incomplete hour of anchorage shall be considered as a complete hour of anchorage.			
Black Sea - Sea of Azov basin			
Novorossiysk	0.0001	Taganrog	0.0001
Sochi	0.0001	Tuapse	0.0001
		Other ports	0.0001
Baltic basin			
Vyborg	0.0001	Kaliningrad	0.0001
Vysotsk	0.0001	Other ports	0.0001
Saint Petersburg	0.0001		
North basin			
Arkhangelsk	0.0001	Naryan-Mar	0.0001
amuerma	0.0001	Onega	0.0001
Kandalaksha	0.0001	Tiksi	0.0001
Mezen	0.0001	Khatanga	0.0001
Murmansk	0.0001	Other ports	0.0001
Arctic and Far East basins			
Anadyr	0.0001	Pevek	0.0001
Aleksandrovsk-in-Sakhalin	0.0001	Provideniya	0.0001
Beringovskiy	0.0001	Petropavlovsk-Kamchatskiy	0.0001
Boshnyakovo	0.0001	Poronaysk	0.0001
Vladivostok	0.0001	Posyet	0.0001
Vostochny	0.0001	Uglegorsk	0.0001
Vanino	0.0001	Ust-Kamchatsk	0.0001
Krasnogorsk	0.0001	Kholmsk	0.0001
Magadan	0.0001	Shakhtyorsk	0.0001
Nakhodka	0.0001	Egvekinot	0.0001
Nakhodka (oil harbor)	0.0001	Other ports	0.0001
Nikolaevsk-on-Amur	0.0001		
Caspian basin			
Makhachkala	0.0001	Other ports	0.0001
Astrakhan	0.0001		

Table 23 - State Duties

Service rendered/type of Fees and Charges	Rates applied
For committing notary actions by the notaries of the State notary's offices or by official persons of the executive power bodies, the bodies of local self-government and of the consular institutions authorised for this and also for their compiling the drafts of the documents and issuing the copies and duplicates of the documents, the State duty shall be levied in the following amounts[1]:	
1. For the attestation of agreements the subject of which is subject to evaluation if such attestation is required pursuant to the Russian legislation;	0.5% of the value of the agreement but not less than Rub 300 and not more than Rub 20,000
2. For the attestation of agency agreements;	0.5% of the amount of obligation undertaken but not less than Rub 200 and not more than Rub 20,000
3. For the certification of other warrants;	Rub 200
4. For effecting a captain's protest;	Rub 30,000
5. For testifying to the correctness of a document's translation from one language into another;	100 rubles per 1 page of the document's translation
6. For accepting in deposit of moneys and securities if such acceptance is required by the Russian legislation;	0.5% of accepted monetary sum or the value of securities, but not less than 20 rubles and not more than 20,000 rubles
7. For testifying to the authenticity of the signature: - on applications and on other documents (with the exception of the bank cards); - on bank cards (from every person and on every document);	 Rub 100 Rub 200
8. for the issue of duplicates of the documents, kept in the cases of the State notary's offices, executive power bodies and consular institutions;	Rub 100
For licensing of commercial activity connected with internal sale of some specific goods:	
1. Purchase, storage and delivery of alcohol products; ethyl alcohol, alcohol and spirit-based products;	Rub 500,000

[1] Not obligatory for the importation of goods into the Russian Federation.

Table 24 - Consular Fees

Documents and acts, for which consular fees are collected	Rates applied (US$)	
Fees for certification and notarization of documents		
For certification of each document	30	
Power of attorney notarization		
For power of attorney authorizing the use and command of property, including motor vehicles, as well as carrying out the lending operations:	60	
For confirming other powers claimed by an individual	20	
For notarization of:		
Agreements subject to evaluation:	5% of the amount specified in the agreement, but no less than US$10	
For authentication of signature:	10	
For authentication of copies of instruments and extracts from instruments	15	
For authentication of Photostats:	6	
For issuing the extracts from, or copies of, instruments kept in the files of consular offices (for one page)	15	
	Minimum fee for this act: 30	
For making an executive inscription	2% of the collected amount, but no less than US$5.	
	Translation with simultaneous notarization of its correctness for each page:	
	For translations from foreign languages into Russian	20
	For translations from Russian into foreign languages	35
	For certification of correctness of a translation made without participation of consular office for each page	15
	For typing the documents	5

Table 25 - Excise Taxes (rates in force in 2010)

Types of excisable goods	Tax rate (since the 1 January till the 31 December 2010 inclusive)
1. Ethyl alcohol made of all types of raw materials	Rub 30.50 per 1 litre of absolute ethyl
2. Alcohol containing perfumery cosmetic goods in metal aerosol packing	Rub 0 per 1 litre of absolute ethyl alcohol
3. Alcohol containing household chemical goods in metal aerosol packing	Rub 0 per 1 litre of absolute ethyl alcohol
4. Alcohol products of volume fraction of ethyl alcohol over 9% (except for natural wines) and alcohol containing products (except for cosmetic perfumery goods and household chemical goods in metal packing)	Rub 210.00 per 1 litre of absolute ethyl alcohol contained in excisable goods
5. Alcohol products of volume fraction of ethyl alcohol up to 9% inclusive (except for natural wines)	Rub 158.00 per 1 litre of absolute ethyl alcohol contained in excisable goods
6. Champagne and sparkling wines	Rub 14.00 per 1 litre
7. Natural wines (except for sparkling and champagne)	Rub 3.50 per 1 litre
8. Beer with normative (standard) volume of fraction of ethyl alcohol up 0.5% inclusive	Rub 0 per 1 litre
9. Beer with normative (standardized) volume of fraction of ethyl alcohol over 0.5% up to 8.6% inclusive	Rub 9.00 per 1 litre
10. Beer with normative (standardized) volume of fraction of ethyl alcohol over 8.6%	Rub 14.00 per 1 litre
11. Smoking and pipe tobacco, except for tobacco utilized as raw material to produce tobacco articles	Rub 422.00 per 1 kg
12. Cigars	Rub 25.00 per 1 piece
13. Cigarillos	Rub 360.00 per 1,000 pieces
14. Cigarettes with filter	Rub 205.00 per 1,000 pieces plus 6.5%
15. Non-filter cigarettes, mouthpiece cigarettes	Rub 125.00 per 1,000 pieces plus 6.5%
16. Cars with engine power up to 67.5 Kw (90 hp) inclusive	Rub 0 per 0.75 kWh (1 hp)
17 Cars with engine power up over 67.5 Kw (90 hp) and up to 112.5 Kw (150 hp) inclusive	Rub 23.90 per 0.75 kWh (1 hp)
18. Cars with engine power over 112.5 Kw (150 hp), motorcycles with engine power over 112.5 Kw (150 hp)	Rub 235.00 per 0.75 kWh (1 hp)
22. Virgin petrol	Rub 4,290.00 per 1 tonne
23. Oil for diesel and/or carburettors (injector) engines	Rub 3,246.10 per 1 tonne

Tax rates for motor gasoline and diesel fuel (since the 1 January till the 31 December 2010 inclusive):

Types of excisable goods	Tax rate
Motor gasoline:	
Motor gasoline with octane value up to "80" inclusive	Rub 2,923.00 per 1 tonne
Motor gasoline with other octane values	Rub 3,992.00 per 1 tonne
Diesel fuel	Rub 1,188.00 per 1 tonne

Table 26- List of Goods Exempt from VAT on the Territory of the Russian Federation

1.	Major, vital medical equipment.
2.	Prosthetic and orthopaedic items, raw materials and articles for their manufacture and semi-finished products for such items.
3.	Facilities, including motor vehicles, materials which may be used exclusively for disability prevention or the rehabilitation of the disabled.
4.	Spectacles (except sunglasses), lenses and spectacle frames (except sunglasses frames)
5.	Foodstuffs directly produced by student and school canteens, other educational establishments' canteens, medical organizations' and pre-school establishments' canteens, and sold in such establishments, and foodstuffs directly produced by public catering organizations and sold to such canteens or the establishments described.
6.	Postage stamps (except collectable stamps), stamped postcards and envelopes, lottery tickets for lotteries held upon the decision of the authorised body.
7.	Coins made of precious metals (except collectable coins) constituting the currency of the Russian Federation or of foreign states.
8.	Goods placed under the customs regime of duty-free shops.
9.	Goods (works, services), except excisable goods and excisable minerals, sold (performed, rendered) as part of the granting of free aid (assistance) by the Russian Federation under the Federal Law "On Free Aid (Assistance) of the Russian Federation and the Introduction of Amendments and Addenda to Certain Legislative Acts of the Russian Federation on Taxes and on Provision of Preferential Payment Terms in Respect of Payments to State Non-Budgetary Funds in Connection with Free Aid (Assistance) of the Russian Federation".
10.	The sale of entrance tickets and subscriptions for theatrical and spectator, cultural and entertainment events, amusements in zoos and culture and relaxation parks, excursion tickets and passes, the form of which has been approved in the established procedure as blank forms for which strict records are kept.
11.	The sale of programmes at performances and concerts, catalogues and booklets.
12.	The sale (transfer for personal need) of religious articles and religious literature (in accordance with the list approved by the Government of the Russian Federation as advised by religious organizations (associations), produced and sold by religious organizations (associations), organizations owned by religious organizations (associations), and companies whose charter (reserve) capital consists entirely of contributions from religious organizations (associations), as part of religious activities, except excisable goods and minerals, and the organization and holding by such organizations of religious rites, ceremonies, prayer meetings or other cult activities.
13.	The sale (including the transfer, performance, rendering for personal needs) of goods (except excisable goods, minerals and mineral deposits, and other goods under the list to be approved by the Government of the Russian Federation as advised by Russian public organizations of disabled persons), works, services (except brokers' and other intermediary services) produced and sold: - by public organizations of disabled persons (including those created as unions of public organizations of disabled persons), no less than 80% of Members of which are the disabled and their lawful representatives; - organizations whose charter capital consists entirely of contributions by the public organizations of disabled persons described in the second paragraph of this sub-paragraph, if the number of disabled persons on the payroll constitutes no less than 50%, and their share in the salary fund no less than 25%; - institutions, the sole owners of the property of which are the public organizations of disabled persons described in the second paragraph of this sub-paragraph, created for educational, cultural, therapeutic, physical exercise and sport, scientific, informational and other social purposes, and to render legal and other assistance to the disabled, disabled children and their parents; - health treatment (industrial) workshops in anti-tuberculosis, psychiatric, psycho-neurological institutions, public social protection or social rehabilitation establishments.
14.	The sale of articles of folk craft of recognised artistic value (except excisable goods), samples of which have been registered in the procedure established by the Government of the Russian Federation.

15.	The sale of ore, concentrates and other industrial products containing precious metals, scrap and waste from precious metals for the manufacture of precious metals and refining; the sale of precious metals and gems by taxpayers (except those described in Article 164:1:6 of the present Code) to the State Fund of Precious Metals and Gems of the Russian Federation, of gems for raw materials (except uncut diamonds) for treatment to enterprises, regardless of their forms of ownership, for subsequent sale for export; the sale of gems for raw materials and cut gems to specialized foreign economic organizations, the State Fund of Precious Metals and Gems, the Central Bank of the Russian Federation and banks; the sale of precious metals from the State Fund of Precious Metals and Gems of the Russian Federation to specialize foreign economic organizations, the Central Bank of the Russian Federation and banks, and of precious metals in ingots by the Central Bank of the Russian Federation and banks, provided that such ingots remain in one of the certified vaults (the State Vault of Valuables, the Vault of the Central Bank of the Russian Federation or bank vaults).
16.	The sale of uncut diamonds to refining enterprises of all forms of ownership.
17.	The internal sale (transfer, performance, and rendering for internal needs) by penitentiary system organizations and institutions of goods produced by such organizations and institutions (works performed, services rendered).
18.	The charitable transfer of goods (performance of works, rendering of services), free of charge under the Federal Law "On Charitable Activity and Charity Organizations', except excisable goods.
19.	The sale of entrance tickets, the form of which has been approved as blank forms for which strict records are kept, by physical exercise and sport organizations for sport and spectator events held by such organizations; the rendering of services for the leasing of sports facilities for holding such events
20.	The sale of home-grown produce of organizations engaged in producing agricultural products, the share of income from the sale of which in the total amount of revenue constitutes no less than 70%, as in-kind compensation, in-kind issuances for remuneration of labour, and for catering for employees engaged in the agricultural work.
21.	Goods (works, services) for space activity.
22.	Ferrous and non-ferrous scrap and waste (Implemented by Federal Law No. 85-FZ of 17 May 2007).

Table 27 - List of Goods Taxed on the Territory of the Russian Federation at the VAT Rate of 10 Per Cent

1.	Foodstuffs: – livestock and poultry on a live weight basis; – meat and meat products (except gourmet products: tenderloin, veal, tongue, sausage goods - high quality smoked, high-quality smoked semi-dry, freshly seasoned, high-quality stuffed; smoked pork, lamb, beef and veal products, poultry meat - balyk, carbonnade, neck, gammon, pastrami, sirloin; baked pork and beef; preserved foods - ham, bacon, carbonnade and jellied tongue); – milk and dairy products (including dairy ice cream, except ice cream made from fruits and berries, fruit and edible ice); – eggs and egg products; – vegetable oil; – margarine; – sugar, including raw sugar; – salt; – grain, compound feed, feed mix, grain waste; – oilseeds and products of their processing (coarsely cut, oil cake); – bread and bakery products (including rich, rusk and roll articles); – cereal; – flour; – pasta; – live fish (except valuable species: white salmon, Baltic Sea and Far East salmon, sturgeon (beluga, bester, sturgeon, starred sturgeon, sterlet), salmon, trout (except sea trout), nelma, dog salmon, king salmon, coho salmon, muksun, omul, Siberian and Amur whitefish, chira); – seafood and fish products, including refrigerated, frozen fish and other types of processed fish, herring, conserves and preserves (except gourmet types: caviar from sturgeon and salmon; white salmon, Baltic Sea salmon, sturgeon - beluga, bester, sturgeon, starred sturgeon, sterlet; salmon; nelma cold-smoked backs and flanks; dog salmon, king salmon lightly-salted, medium-salted and semuzh-pickled; backs of cold-smoked dog-salmon, king salmon and coho salmon, flanks of dog-salmon and flanks of cold-smoked king salmon; backs of cold-smoked muksun, omul, Siberian and Amur whitefish, chira; pickled canned fillet slices of Baltic Sea and Far East salmon; crabmeat and sets of cooked and frozen individual crab sticks; lobster); – baby and diabetic foodstuffs; – vegetables (including potatoes).

2.	Children's goods: – knitwear articles for new-born babies and children of nursery, pre-school, junior and senior school age groups: outer knitwear articles, clothing knitwear articles, legwear garments, other knitwear articles: gloves, mittens, hats; – garments, including articles made from sheepskin and rabbit (including articles made from sheepskin and rabbit with leather pieces) for new-born babies and children of nursery, pre-school, junior and senior school age groups, outer garments (including dresses and suits), underwear, headwear, clothing and articles for new-born babies and children of a nursery age. The provisions of this paragraph do not apply to garments made of natural leather and fur, except from sheepskin and rabbit; – footwear (except sport footwear): bootees, pre-school, school; felt; rubber: for nursery children, children's, school; – children's beds; – children's mattresses; – prams; – school exercise books; – toys; – plasticine; – pencil cases; – counting sticks; – school abacuses; – school diaries; – drawing books; – sketchbooks; – folders for exercise books; – covers for textbooks, diaries, exercise books; – cards containing figures and letters; – diapers.
3.	Periodical printed publications, except periodical printed publications of an advertising or erotic nature.
4.	Books connected to education, science and culture, except books of an advertising or erotic nature.
5.	Medical goods of domestic and foreign origin: medicines, including drug substances, including of internal pharmacy production; articles for medical use.
6.	Medical products that are imported on the territory of Russian Federation and are used for clinical researches (since the 1 January 2008).

According to the Article 164.2(4) of the Tax Code of the Russian Federation medical products that are imported on the territory of Russian Federation and are used for clinical studies are subject to the reduced excise tax rate (10 per cent) since 1 January 2008.

Table 28 - Common List of Goods that are Subject to Non-Tariff Measures (came into force on 1 January 2010)

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
1. Goods which transportation through the customs border of the Customs Union is prohibited			
1.1 Ozone destroying substances	2903 14 000 0; 2903 19 100 0; 2903 41 - 2903 44; 2903 45 100 0 – 2903 45 550 0; 2903 46	Import prohibition, all CU countries (except for goods in transit)	In accordance with national legislation
1.2 Hazardous wastes	Ex. 0511 99 100 0; Ex. 2106 90 980 3; Ex. 2524; Ex. 2620; Ex. 2621; Ex. 2706 00 000 0; 2707 91 000 0; 2707 99; Ex. 2710; 2713 20 000 0; Ex. 2713 90; Ex. 2714 90 000 0; Ex. 28; Ex. 29; Ex. 3006 92 000 0; Ex. 3101 00 000 0; Ex. 3802; Ex. 3808; Ex. 3811 11; Ex. 3824; Ex. 3825; Ex. 3915; Ex. 3923; Ex. 4013; Ex. 4017 00; Ex. 4101 – 4103; Ex. 4115 20 000 0; Ex. 4301; Ex. 4401 30;	Import prohibition (including goods in transit), all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	Ex. 4415; Ex. 4707; Ex. 4819; Ex. 5701 90; Ex. 5702 32; Ex. 5702 42 000 0; Ex. 5702 52 100 0; Ex. 5702 52 200 0; Ex. 5702 92 100 0; Ex. 5702 92 900 0; Ex. 5703 20; Ex. 5703 30; Ex. 5705 00 300 0; 6811 40 000 0; Ex. 6812; Ex. 7001 00 100 0; Ex. 7010; Ex. 7019; Ex. 7204; Ex. 7404 00; Ex. 7503 00; Ex.7602 00; Ex. 7802 00 000 0; Ex. 7902 00 000 0; Ex. 8002 00 000 0; Ex. 8101 97 000 0; Ex. 8102 97 000 0; Ex. 8103 30 000 0; Ex. 8104 20 000 0; Ex. 8104 90 000 0; Ex. 8105 30 000 0; Ex. 8106 00 100 0; Ex. 8107 30 000 0; Ex. 8108 30 000 0; Ex. 8109 30 000 0; Ex. 8110 20 000 0; Ex. 8111 00 190 0; Ex. 8112 13 000 0;		

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	Ex. 8112 22 000 0; Ex. 8112 52 000 0; Ex. 8112 92 100 0; Ex. 8112 92 200 1; Ex. 8112 92 200 9; Ex. 8113 00 400 0; Ex. 8539; Ex. 8540; Ex. 8548 10		
1.3 Printed information or information on audio-visual and other devices containing information which may cause damage to political or economic interests of the republic, to its state security, to the health and morality of its citizens	Ex. 3706; Ex. 4901, ex. 4902; Ex. 4908; Ex. 4909 00; Ex. 4911; Ex. 4910 00 000 0; Ex. 8523	Import/export/transit prohibition, all CU countries	In accordance with national legislation
1.4 Plant protection chemicals prohibited to be imported to the customs territory of the Customs Union subject to Annexes A and B of the Stockholm Convention on persistent polluting substances signed in Stockholm on 22 May 2001	2903 52 000 0; 2903 59 800 0; 2903 62 000 0; 2903 69; 2910 40 000 0; 2910 90 000 0; 3808 50 000 0; 3808 91 200 0; 3824 82 000 0	Import prohibition, all CU countries (except for goods in transit)	In accordance with national legislation
1.5 Timber, recovered paper, paperboard and wastepaper	Ex. 4401 10 000 0; Ex. 4401 30; Ex. 4403 10 000 0 – 4403 20; Ex. 4403 91 – 4403 99; 4404; 4406; 4407 10; 4407 91; 4407 99; 4408 10; 4408 90;	Export prohibition, Kazakhstan	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	4409; 4418 40 000 0; Ex. 4418 60 000 0; Ex. 4418 90 800 0; 4707		
1.6 Office or civil weapon, its main parts and cartridges	Ex. 93	Import/export/transit prohibition, all CU countries (except for goods, subject to the export control system)	In accordance with national legislation
1.7 Implements for catch of aquatic biological resources	5608 11 190 0 5608 11 990 0 8543 20 000 0	Import prohibition, all CU countries	In accordance with national legislation
2. Goods which transportation through the customs border of the Customs Union is restricted			
2.1 Ozone destroying substances and products containing such substances	2903 39 110 0; Ex. 2903 49 100 0; Ex. 2903 49 300 0; Ex. 2903 49 800 0; Ex. 3824 71 000 0; Ex. 3824 72 000 0; Ex. 3824 74 000 0 – 3824 79 000 0; Ex. 3907 20 210 0; Ex. 3907 20 290; Ex. 3921 11 000 0 – 3921 19 000 0; 8415 10; 8415 81 00; 8415 82 000; Ex. 8418; Ex. 8419; Ex. 8479 89 970 1; Ex. 8479 89 970 9	Import licensing, all CU countries (except for goods in transit)	In accordance with national legislation
2.2 Plant protection chemicals	Ex. 3808	Import licensing, all CU countries	In accordance with national legislation
2.3 Hazardous wastes	Ex.0511 99 100 0; 2307 00; Ex. 2520 10 000 0; Ex. 2530 90; 2618 00 000 0; 2619 00;	Import and/or export licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	2620; Ex. 2621 90 000 0; Ex. 28; Ex. 2907; Ex. 2908; Ex. 2926; Ex. 2929; Ex. 3206; Ex. 3208; Ex. 3212; Ex. 3504 00 000 0; Ex. 3802; Ex. 3824; Ex. 3825; Ex. 3912 20; Ex. 4004 00 000 0; Ex. 4012 20 000 0; Ex.4101 - 4103; Ex. 4115 10 000 0; Ex. 4115 20 000 0; Ex. 4301; Ex. 5003 00 000 0; Ex. 5103 20 100 0; Ex. 5202 10 000 0; Ex. 5505; Ex. 5601 30 000 0; Ex. 7112 30 000 0; Ex. 7112 99 000 0; Ex. 7204; Ex. 7404 00; Ex. 7503 00; Ex. 7602 00; Ex. 7802 00 000 0; Ex. 7902 00 000 0; Ex. 8002 00 000 0; Ex. 8101 97 000 0; Ex. 8102 97 000 0; Ex. 8103 30 000 0;		

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	Ex. 8104 20 000 0; Ex. 8105 30 000 0; Ex. 8106 00 100 0; Ex. 8107 30 000 0; Ex. 8108 30 000 0; Ex. 8109 30 000 0; Ex. 8110 20 000 0; Ex. 8111 00 190 0; Ex. 8112 13 000 0; Ex. 8112 22 000 0; Ex. 8112 52 000 0; Ex. 8112 92 200 9; Ex. 8113 00 400 0; Ex. 85		
2.4 Collectible materials in mineralogy and palaeontology	Ex. 9601; 9705 00 000 0	Export licensing, all CU countries	In accordance with national legislation
2.5 Wild growing crude drug (plants, parts of plants, seeds, fruits)	Ex. 1211; Ex. 1302	Export licensing, all CU countries	In accordance with national legislation
2.6 Wild live animals and certain wild growing plants	Ex. 01; Ex. 0301; Ex. 0306; Ex. 0307; Ex. 0407; 0802 90 500 0; 1212 20 000	Export licensing, all CU countries	In accordance with national legislation
2.7 Species of wild fauna and flora subject to the Convention on international trade in endangered species of wild fauna and flora	Ex. 0101 – 0106; Ex. 02; Ex. 0301; Ex. 0302; Ex. 0303; Ex. 0304; Ex. 0305; Ex. 0307; Ex. 0505; Ex. 0507; Ex. 0508 00 000 0; Ex. 0510 00 000 0;	Export restriction, all CU countries (the goods included into this list are not subject to licensing and transported through the customs border of the CU members in accordance with the order established by the Convention on international trade in endangered species of wild fauna and flora as of 3 March 1973)	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	Ex. 0511; Ex. 0601 – 0604; Ex. 1211; Ex. 3001; Ex. 1604; Ex. 4301; Ex. 4302; Ex. 4303; Ex. 6701 00 000 0; Ex. 9601; Ex. 9705 00 000 0		
2.8 Rare and endangered species of wild animals and wild growing plants and parts thereof and/or derivates inscribed in the "Red books" of the Republic of Belarus, Republic of Kazakhstan and Russian Federation	Ex. 0101 – 0106; Ex. 0301; Ex. 0306; Ex. 0307; Ex. 0601 – 0604; Ex. 07; Ex. 1211; Ex. 1212; Ex. 20; Ex. 2102	Export licensing, all CU countries	In accordance with national legislation
2.9 Precious metals and gems	2530 90 980 0; 7101 10 000 0; Ex. 7102 21 000 0; 7102 31 000 0; 7103 10 000 0; 7103 91 000 0; 7103 99 000 0; 7106; 7108; 7110	Export licensing, all CU countries (except for precious metals exported by the Central (National) Banks of the Customs Union states - members)	In accordance with national legislation
2.10 Unprocessed precious metals, waste and scrap of precious metals, ores and concentrates of precious metals and commodities containing precious metals	2603 00 000 0; 2604 00 000 0; 2607 00 000 0; 2608 00 000 0; 2609 00 000 0; 2616;	Export licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	2617; 2620 19 000 0; 2620 21 000 0; 2620 29 000 0; 2620 30 000 0; 2620 91 000 0; 2620 99 100 0; 2620 99 400 0; 2620 99 950 1; 2620 99 950 2; 2620 99 950 3; 2620 99 950 9; 2621; 7106 91; 7108 12 000 0; 7110 11 000 0; 7110 21 000 0; 7110 31 000 0; 7110 41 000 0; 7112; 7401 00 000 0; 7402 00 000 0; 7501; 7801 99 100 0;		
2.11 Mineral raw materials (only untreated stones)	7103 10 000 0; 2530 90 980 0	Export licensing, all CU countries	In accordance with national legislation
2.12 Drugs, substances with psychotropic effects and their precursors	1211 30 000 0; 1211 40 000 0; 1211 90 980 0; 1301 90 000 0; 1302 11 000 0; 1302 19 800 0; 2806 10 000 0; 2905 51 000 0; 2921 46 000 0; 2922 14 000 0; 2922 19 800 0;	Import and/or export licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	2922 29 000 0; 2922 39 000 0; 2922 44 000 0; 2922 49 950 0; 2924 29 950 0; 2932 91 000 0; 2932 92 000 0; 2932 93 000 0; 2932 94 000 0; 2932 95 000 0; 2932 99 850 0; 2933 32 000 0; 2933 33 000 0; 2933 39 990 0; 2933 53 900 0; 2933 55 000 0; 2933 59 950 0; 2933 72 000 0; 2933 91 100 0; 2933 91 900 0; 2933 99; 2934 91 000 0; 2934 99 900 0; 2939 11 000 0; 2939 19 000 0; 2939 41 000 0 - 2939 49 000 0; 2939 51 000 0; 2939 61 000 0; 2939 62 000 0; 2939 63 000 0; 2939 69 000 0; 2939 91 900 0; 2939 99 000 0; 3003; 3004; 3824 90 980		

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
2.13 Toxic substances except for precursors of the drugs and substances with psychotropic effects	Ex 1211 90 980 0 Ex 1302 19 800 0 Ex 2804 70 001 0 Ex 2804 80 000 0 Ex 2805 40 Ex 2811 29 900 0 Ex 2837 19 000 0 Ex 2842 90 800 0 Ex 2843 29 000 0 Ex 2848 00 000 0 Ex 2852 00 000 9 Ex 2905 11 000 0 Ex 2905 59 Ex 2907 11 000 0 Ex 2922 19 800 0 Ex 2924 19 000 0 Ex 2926 90 950 0 Ex 2930 90 850 0 Ex 2931 00 950 0 Ex 2933 39 990 0 Ex 2939 20 000 0 Ex 2939 99 000 0 Ex 3001 90 980 0 Ex 8112 51 000 0	Import/export licensing, all CU countries	In accordance with national legislation
2.14 Medicines and pharmaceutical products	Ex 2106 90 980 3 Ex 2106 90 980 9 Ex 2904 - 2909 Ex 2912 – 2942 00 000 0 Ex 2936 Ex 3001 Ex 3002 Ex 3004 3006 30 000 0 3006 60 Ex 3913	Import licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
2.15 Medicines used for veterinary purposes	Ex 2922 41 000 0 Ex 2922 49 Ex 2930 40 Ex 2930 90 130 0 Ex 2930 90 160 0 Ex 2932 21 000 0 Ex 2936 Ex 2937 Ex 2938 Ex 2939 Ex 2941 Ex 3001 20 900 0 Ex 3001 90 980 0 Ex 3002 Ex 3003 Ex 3004 Ex 3006 20 000 0 Ex 3401 Ex 3402 Ex 3822 00 000 0 Ex 3808 50 Ex 3808 91 Ex 3808 92 Ex 3808 94 Ex 3808 99	Import licensing, all CU countries	In accordance with national legislation
2.16 Civil radio-electronic and/or high-frequency means including built-in or forming part of other goods	Ex 8419 Ex 8470 Ex 8471 Ex 8514 8516 50 000 0 Ex 8517 Ex 8518 Ex 8519 Ex 8521 Ex 8525 Ex 8526 Ex 8527 Ex 8528	Import licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	Ex 8531 Ex 8540 Ex 9018 Ex 9021 Ex 9027		
2.17 Special devices for unauthorised obtaining of information	Ex 8301 70 000 0 Ex 8471 Ex 8505 90 100 0 Ex 8517 61 000 Ex 8517 62 000 Ex 8517 69 390 0 Ex 8517 69 900 0 Ex 8517 70 900 1 Ex 8518 30 950 0 Ex 8518 40 Ex 8519 81 500 0 Ex 8519 81 510 Ex 8519 81 520 Ex 8519 81 530 Ex 8519 81 540 Ex 8519 81 580 Ex 8519 89 900 0 Ex 8521 Ex 8523 51 Ex 8523 29 210 1 Ex 8523 29 210 2 Ex 8523 40 200 0 Ex 8523 40 400 0 Ex 8523 40 700 1 Ex 8523 51 700 1 Ex 8523 59 910 1 Ex 8523 80 910 1 Ex 8525 50 000 0 Ex 8525 60 000 0 Ex 8525 80 Ex 8526 10 000 9 Ex 8526 91 Ex 8527	Import/export licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	Ex 8529 10 390 0 Ex 9002 Ex 9006 51 000 0 Ex 9006 52 000 9 Ex 9006 53 100 0 Ex 9019 10 900 9 Ex 9022 19 000 0		
2.18 Ethyl alcohol and spirits	2207 2208 90 910 0 2208 90 990 0 Ex 1302 (*) Ex 2101 (*) 2103 90 300 0 (*) 2103 90 900 9 (*) Ex 2106 90 200 0 (*) 2203 00 (**) 2204 2205 2206 2208 20 2208 30 2208 40 2208 50 2208 60 2208 70 2208 90 (except for 2208 90 910 0, 2208 90 990 0) Ex 3302 10 (*)	Import licensing, all CU countries; - (*) Applied by the Republic of Belarus only; - (**) Applied by the Republic of Kazakhstan only.	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
2.19 Encryption devices	Ex 8443 31 Ex 8443 32 100 9 Ex 8443 32 200 0 Ex 8443 99 100 9 Ex 8470 10 000 0 Ex 8470 50 000 Ex 8471 30 000 0 Ex 8471 41 000 0 Ex 8471 49 000 0 Ex 8471 50 000 0 Ex 8471 70 500 0 Ex 8471 70 980 0 Ex 8471 80 000 0 Ex 8471 90 000 0 Ex 8473 21 100 0 Ex 8473 21 900 0 Ex 8473 30 200 9 Ex 8473 30 800 9 Ex 8517 11 000 0 Ex 8517 12 000 0 Ex 8517 18 000 0 Ex 8517 61 000 1 Ex 8517 61 000 9 Ex 8517 62 000 Ex 8517 62 000 1 Ex 8517 62 000 9 Ex 8517 69 390 0 Ex 8517 69 900 0 Ex 8517 70 900 1 Ex 8517 70 900 9 Ex 8523 29 210 1 Ex 8523 29 210 2 Ex 8523 29 250 Ex 8523 40 200 0 Ex 8523 40 400 0 Ex 8523 40 700 1 Ex 8523 40 910 0 Ex 8523 51 700 1	Import/export licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	Ex 8523 51 910 0 Ex 8523 52 Ex 8523 59 910 1 Ex 8523 59 950 0 Ex 8523 80 910 1 Ex 8523 80 950 0 Ex 8525 50 000 0 Ex 8525 60 000 0 Ex 8529 90 490 1 Ex 8529 90 650 0 Ex 8529 90 970 0 Ex 8526 91 200 0 Ex 8526 91 800 0 Ex 8526 92 000 Ex 8528 71 300 0 Ex 8542 31 900 1 Ex 8542 31 900 9 Ex 8542 32 410 9 Ex 8543 70 900 9 Ex 8543 90 000 9		
2.20 Cultural values, documents of the national archive funds, originals of the archive documents	Ex 37 Ex 39 Ex 40 Ex 42 Ex 43 Ex 44 Ex 46 Ex 49 Ex 57 Ex 58 Ex 61 Ex 62 Ex 63 Ex 64 Ex 65 Ex 66 Ex 69 Ex 70	Export licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	Ex 71 Ex 73 Ex 74 Ex 75 Ex 76 Ex 78 Ex 79 Ex 80 Ex 81 Ex 82 Ex 83 Ex 84 Ex 85 Ex 87 Ex 88 Ex 89 Ex 90 Ex 91 Ex 92 Ex 93 Ex 94 Ex 95 Ex 96 Ex 97		
2.21 Human organs and tissues, blood and its components	Ex 3001 90 200 Ex 3002 10 910 0 Ex 3002 10 950 Ex 3002 90 100 0	Import and (or) export licensing, all CU countries	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
2.22 Office and civil weapon, its main parts and cartridges	Ex 9302 00 000 0 Ex 9303 Ex 9304 00 000 0 Ex 9305 10 000 0 Ex 9305 21 000 0 Ex 9305 29 000 0 Ex 9306 21 000 0 Ex 9306 30 100 0 Ex 9306 30 910 0 Ex 9306 29 400 0 Ex 9306 30 970 0 Ex 9307 Ex 9506 99 900 0	Import/export licensing, all CU countries	In accordance with national legislation
2.23 Information on subsoil		Export restriction, all CU countries	In accordance with national legislation
2.24 Goods subject to quantitative restrictions	1701 99 100 0;(**) 1701 99 900 0;(**) 7204; (*) 7404 00;(*) 7503 00;(*) 7602 00 (*)	Export and/or import restriction. - (*) Applied to the goods originating from the Republic of Belarus when exported from the customs territory of the Customs Union. Application of the exclusive right is regulated by the Belarus' legislation; - (**) Applied in the volume of 54,422.8 tonnes until 1 April 2010 when imported to the Republic of Kazakhstan. Application of the import restrictions is regulated by the Kazakhstan's legislation	In accordance with national legislation
2.25 Goods subject to licensing	1701 11*; Ex. 2709 00**; 2710**; 2712**; 2713**; 3102**; 3103**; 3105**	Export and/or import licensing. Applied to: *- the goods imported to the territory of the Republic of Kazakhstan from the third countries **- the goods, originating from the Republic of Belarus when exported from the customs territory of the Customs Union	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
2.26 Goods subject to export/import monopoly	Goods subject to export monopoly 2711 11 000 0 (*) 2711 21 000 0 (*) 3104 (**) Goods subject to import monopoly (***) 0303; 0304 0305 0306 0307 1604 1605 2401 2402 2403	- (*) Applied to the goods originating from the Russian Federation when exported from the customs territory of the Customs Union. Application of the exclusive right is regulated by the Russian Federation's legislation; - (**) Applied to the goods originating from the Republic of Belarus when exported from the customs territory of the Customs Union. Application of the exclusive right is regulated by the Belarus' legislation; - (***) Applied to the goods originating from the third countries when imported to the Republic of Belarus. Application of the exclusive rights is regulated by the Belarus' legislation.	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
2.27 Goods subject to Tariff Rate Quotas	0201 10 000 1 0201 20 200 1 0201 20 300 1 0201 20 500 1 0201 20 900 1 0201 30 000 4 0202 10 000 1 0202 20 100 1 0202 20 300 1 0202 20 500 1 0202 20 900 1 0202 30 100 4 0202 30 500 4 0202 30 900 4 0203 11 100 1 0203 11 900 1 0203 12 110 1 0203 12 190 1 0203 12 900 1 0203 19 110 1 0203 19 130 1 0203 19 150 1 0203 19 550 1 0203 19 590 1 0203 19 900 1 0203 21 100 1 0203 21 900 1 0203 22 110 1 0203 22 190 1 0203 22 900 1 0203 29 110 1 0203 29 130 1 0203 29 150 1 0203 29 550 1 0203 29 590 1 0203 29 900 1 0203 29 550 2 0203 29 900 2	Import TRQ, all CU countries (within CU Member TRQ). Import procedure is determined by a Resolution of the Customs Union Commission in accordance with the Agreement on conditions and mechanism of implementation of tariff quotas of 12 December 2008	In accordance with national legislation

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	0207 11 100 1 0207 11 300 1 0207 11 900 1 0207 12 100 1 0207 12 900 1 0207 13 100 1 0207 13 200 1 0207 13 300 1 0207 13 400 1 0207 13 500 1 0207 13 600 1 0207 13 700 1 0207 13 910 1 0207 13 990 1 0207 14 100 1 0207 14 200 1 0207 14 300 1 0207 14 400 1 0207 14 500 1 0207 14 600 1 0207 14 700 1 0207 14 910 1 0207 14 990 1 0207 24 100 1 0207 24 900 1 0207 25 100 1 0207 25 900 1 0207 26 100 1 0207 26 200 1 0207 26 300 1 0207 26 400 1 0207 26 500 1 0207 26 600 1 0207 26 700 1 0207 26 800 1 0207 26 910 1 0207 26 990 1 0207 27 100 1		

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	0207 27 200 1 0207 27 300 1 0207 27 400 1 0207 27 500 1 0207 27 600 1 0207 27 700 1 0207 27 800 1 0207 27 910 1 0207 27 990 1 0207 32 110 1 0207 32 150 1 0207 32 190 1 0207 32 510 1 0207 32 590 1 0207 32 900 1 0207 33 110 1 0207 33 190 1 0207 33 510 1 0207 33 590 1 0207 33 900 1 0207 34 100 1 0207 34 900 1 0207 35 110 1 0207 35 150 2 0207 35 150 4 0207 35 210 1 0207 35 230 1 0207 35 250 1 0207 35 310 2 0207 35 310 4 0207 35 410 2 0207 35 410 4 0207 35 510 1 0207 35 530 2 0207 35 530 4 0207 35 610 1 0207 35 630 2 0207 35 630 4		

Description	CN codes	Measure and territorial scope	Institutions responsible to administer the measure
	0207 35 710 1 0207 35 790 2 0207 35 790 4 0207 35 910 1 0207 35 990 1 0207 36 110 1 0207 36 150 2 0207 36 150 4 0207 36 210 1 0207 36 230 1 0207 36 250 1 0207 36 310 2 0207 36 310 4 0207 36 410 2 0207 36 410 4 0207 36 510 1 0207 36 530 2 0207 36 530 4 0207 36 610 1 0207 36 630 2 0207 36 630 3 0207 36 630 4 0207 36 710 1 0207 36 790 2 0207 36 790 4 0207 36 810 1 0207 36 850 1 0207 36 890 1 0207 36 900 1		

Table 29 - Categories of Goods which are Encryption (cryptographic) Means or Containing thereof the Technical and Encryption Characteristics of which are Subject to Notification

1. Goods containing encryption technology which consist of any of the following components:

a) a symmetric cryptographic algorithm employing a key length not exceeding 56 bits long; or

b) an asymmetric cryptographic algorithm based on one of the following methods:

- factorization of integers not exceeding 512 bits;
- computation of discrete logarithms in multiplicative group of a finite field of a size not exceeding 512 bits; or
- the discrete logarithm in group other than in item B hereof not exceeding 112 bits.

Remark: i) Bites of parity are not included in the length of a key; and
ii) The term "cryptography" does not refer to fixed methods of compression or coding of data.

2. Goods containing encryption with the following limited functions:

a) authentication, including all the aspects of access control without encryption of files and texts, except encryption related to passwords and identification and other similar data protection from unauthorised access; and

b) electronic digital signature.

Remark: Functions of authentication and electronic digital signature include connected with them function of keys distribution.

3. Encryption (cryptographic) means, which are the components of programme operations systems, cryptographic abilities of which cannot be altered by users, which are developed for installation by the user individually without further substantial support by the provider and technical documentations (the description of algorithms of cryptographic changes, protocols on interactions, description of interfaces, etc.) on which is available.

4. Personal smart-cards:

a) cryptographic abilities of which are limited by use in equipment and systems, referred to in paragraphs 5 to 8 of the present list; or
b) for wide, publicly available use, cryptographic abilities of which are not available for use and which as a result of special development have limited abilities of protection of stored personal information on them.

Remark: If a smart-card can perform few functions, then the control status of each of them is defined separately.

5. Receiving equipment for radio-broadcasting and commercial TV broadcasting or analogue commercial equipment for broadcasting to limited audience without encryption of digital signal, except for the cases of use of encryption solely for management of video or audio-channels and sending of bills or return of information connected to the programme to the providers of broadcasting.

6. Equipment encryption functionality of which are not available to the user, specially developed or limited to the use with any of the following:

a) software is protected from copy;
b) access to any of the following:

- data protected from copy stored on the medium available for read only; and
- information, stored in encrypted form on media, when these media are offered for sale to public in identical kits;

c) control of coping of audio- and video-information protected by the copyrights.

7. Encryption (cryptographic) equipment specially designed and limited for banking use and financial operations.

Remark: Financial operations include duties and charges for transport services and crediting.

8. Portable or mobile radio electronic devices for civil use (for example for use with commercial civil cellular radio communication systems) that are not capable of transmitting encrypted data directly to another radiotelephone or equipment.

9. Wireless radio equipment encrypting information only in radio channel with the maximum effective range of un-boosted cordless operation is less than 400 meters according to the manufacturer's specifications.

10. Encryption (cryptography) means used for protection of technological channels of information-telecommunication systems and communication networks.

11. Goods whose encryption function is blocked by the manufacture.

12. "Mass market goods" are goods that meet all of the following:

a) generally available to the public in the territory of the Russian Federation by being sold, without restriction, from stock at retail selling points by means of any of the following:

- over-the-counter transactions;
- mail order transactions;
- electronic transactions; or
- telephone call transactions.

b) the cryptographic functionality cannot easily be changed by the user;

c) designed for installation by the user without further substantial support by the supplier; and

d) when necessary, details of the items are accessible and will be provided, upon request, to the appropriate authority in the regulator's country in order to ascertain compliance with conditions described in points a) to c) above.

Table 30 - Format of Notification of Goods which contain Encryption Means

Registered in the Register "___" _____ 20__ . N _____

Place for Seal _____ _____
(signature of a person of authorised body) (Name)

NOTIFICATION

on characteristics of goods (products), which contain encryption means

1. Name of a good (product) _____
_____

2. Use of a good (product) _____
_____

3. Requisites of a producer of a good (product) _____
_____

4. Used encryption algorithms: N of a good category from Annex 1

a) _____
_____

b) _____
_____

c) _____
_____

5. Presence of functional ability in a good (product), which is not described in a provided exploitation documents to the user _____

6. Period of validity of notification till "__" _____ 20__.

7. Requisites of the applicant _____
_____

8. Requisite of the document of a producer, who provided to the authority's representative the rights for drafting of notification (if necessary) _____
_____

9. The date of adaptation of notification "__" _____ 20__ .

Place for Seal _____ _____
(signature of applicant) (Name)

Table 31- Results of Negotiations on Export Duties referred to in paragraph 636 of this Report

	Tariff code	Description	Rate of duty in the year of accession	Rate of duty after the implementation period	Implementation period
1.	7204	Ferrous waste and scrap; remelting scrap ingots of iron or steel:	15%, but not less than €15/1,000 kg	5%, but not less than €5/1,000 kg	5*
2.	7204 41 100 0	- - - turnings, shavings, chips, milling waste, sawdust and filings	5%	5%	0
3.	7204 41 910 0	- - - - in bundles	15%, but not less than €15/1,000 kg	5%, but not less than €5/1,000 kg	5*
4.	7204 41 990 0	- - - - other	15%, but not less than €15/1,000 kg	5%, but not less than €5/1,000 kg	5*
5.	7403 11 000 0	--cathodes and sections of cathodes	10%	0%	4

* The first year – 15 per cent, but not less than €15/1,000 kg, the second – 12.5 per cent, but not less than €12.5/1,000 kg, the third - 10 per cent, but not less than €10/1,000 kg, the fourth – 7.5 per cent, but not less than €7.5/1,000 kg, the fifth - 5 per cent, but not less than €5/1,000 kg.

Table 32 - Export Duties Currently Applied by the Russian Federation

HS	Description	Units	Export duty rate, %
0302 35 900 0	– – – bluefin tunas (*Thunnus thynnus*) excluding for the industrial manufacture of products falling within Heading 1604	-	5
0303	Fish, frozen, excluding fish fillets and other fish meat of Heading 0304:		
	– Pacific salmon (*Oncorhynchus nerka, Oncorhynchus gorbuscha, Oncorhynchus keta, Oncorhynchus tschawyscha, Oncorhynchus kisutch, Oncorhynchus masou, and Oncohynchus rhodurus*), excluding livers and roes:		
0303 11 000 0	– – sockeye salmon (red salmon)	-	5
0303 19 000 0	– – other	-	5
	– other salmonidae, excluding livers and roes:		
0303 21	– – trout (*Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarki, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache, Oncorhynchus chrysogaster*):		
0303 21 100 0	– – – trout of the species *Oncorhynchus apache* and *Oncorhynchus chrysogaster*	-	5
0303 21 200 0	– – – of the species *Oncorhynchus mykiss*, fish, gutted, head-on, weighing more than 1.2kg each or fish, gutted, headless and gilled, weighing more than 1kg each	-	5
0303 21 800 0	– – – other	-	5
0303 22 000 0	– – Atlantic Salmon (*Salmo salar*) and Danube Salmon (*Hucho Hucho*)	-	5
0303 29 000 0	– – other	-	5
	– flat fish (*Pleuronectidae, Bothidae, Cynoglos sidae, Soleidae, Scophthalmidae and Citharidae*), excluding livers and roes:		
0303 31	– – halibut (*Reinhardtius hippoglossoides, Hippoglossus hippoglossus, Hippoglossus stenolepis*):		
0303 31 100 0	– – – lesser or greenland halibut (*Reinhardtius hippoglossoides*)	-	5
0303 31 300 0	– – – Atlantic halibut (*Hippoglossus Hippoglossus*)	-	5
0303 31 900 0	– – – pacific halibut (*Hippoglossus stenolepis*)	-	5
0303 32 000 0	– – plaice (*Pleuronectes platessa*)	-	5
0303 33 000 0	– – sole (*Solea spp.*)	-	5
0303 39	– – other:		
0303 39 100 0	– – – flounder (*Platichthys flesus*)	-	5
0303 39 300 0	– – – fish of the genus *Rhombosolea*	-	5
0303 39 700 0	– – – other	-	5
0303 44	– – bigeyed tuna (*Thunnus obesus*):		
	– – – for the industrial manufacture of products falling within Heading 1604:		
0303 44 110 0	– – – – whole	-	5
0303 44 130 0	– – – – gilled and gutted	-	5
0303 44 190 0	– – – – other (for example "heads off")	-	5
0303 44 900 0	– – – other	-	5
0303 45	– – bluefin tunas (*Thunnus thynnus*):		

HS	Description	Units	Export duty rate, %
	– – – for the industrial manufacture of products falling within Heading 1604:		
0303 45 110 0	– – – – whole	-	5
0303 45 130 0	– – – – gilled and gutted	-	5
0303 45 190 0	– – – – other (for example "heads off")	-	5
0303 45 900 0	– – – other	-	5
0303 46	– – southern bluefin tunas (*Thunnus maccoyii*):		
	– – – for the industrial manufacture of products falling within Heading 1604:		
0303 46 110 0	– – – – whole	-	5
0303 46 130 0	– – – – gilled and gutted	-	5
0303 46 190 0	– – – – other (for example "heads off")	-	5
0303 46 900 0	– – – other	-	5
0303 49	– – other:		
	– – – for the industrial manufacture of products falling within Heading 1604:		
0303 49 310 0	– – – – whole	-	5
0303 49 330 0	– – – – gilled and gutted	-	5
0303 49 390 0	– – – – other (for example "heads off")	-	5
0303 49 800 0	– – – other	-	5
0303 51 000 0	– – herrings (*Clupea harengus, Clupea pallasii*)	-	5
0303 52	– – cod (*Gadus morhua, Gadus ogac, Gadus macrocephalus*):		
0303 52 100 0	– – – of the species *Gadus morhua*	-	5
0303 52 300 0	– – – of the species *Gadus ogac*	-	5
0303 52 900 0	– – – of the species *Gadus macrocephalus*	-	5
	– swordfish (*Xiphias gladius*) and toothfish (*Dissostichus spp*.), excluding livers and roes:		
0303 61 000 0	– – swordfish	-	5
0303 62 000 0	– toothfish	-	5
	– other fish, excluding livers and roes:		
0303 72 000 0	– – haddock (*Melanogrammus aeglefinus*)	-	5
0303 73 000 0	– – coalfish (*Pollachius virens*)	-	5
0303 76 000 0	– – eels (*Anguilla spp*.)	-	5
0303 77 000 0	– – sea bass (*Dicentrarchus labrax, Dicentrarchus punctatus*)	-	5
0303 78	– – hake (*Merluccius spp., Urophycis spp*.):		
	– – – hake of the genus *Merluccius*:		
0303 78 110 0	– – – – Cape hake and deep-water hake	-	5
0303 78 120 0	– – – – Argentine hake	-	5
0303 78 130 0	– – – – Southern hake	-	5
0303 78 190 0	– – – – other	-	5

HS	Description	Units	Export duty rate, %
0303 78 900 0	hake of the genus *Uroahycis*	-	5
0303 79	– – other:		
	– – – freshwater fish:		
0303 79 110 0	– – – – carp	-	5
0303 79 19	– – – – other:		
	– – – – – Acipenseridae:		
	– – – – – – for the industrial manufacture of products falling within Heading 1604:		
0303 79 191 0	– – – – – – – whole	-	5
0303 79 192 0	– – – – – – – gilled and gutted	-	5
0303 79 193 0	– – – – – – – other cutted	-	5
0303 79 198 0	– – – – – – other	-	5
0303 79 199 0	– – – – – other	-	5
	– – – saltwater fish:		
	– – – – fish of the genus *Euthynnus*, other than the skipjack or stripe-bellied bonitos (*Euthynnus (Katsuwonus) pelamis*) mentioned in Subheading 0303 43:		
	– – – – – – for the industrial manufacture of products falling within Heading 1604:		
0303 79 210 0	– – – – – – whole	-	5
0303 79 230 0	– – – – – – gilled and gutted	-	5
0303 79 290 0	– – – – – – other (for example "heads off")	-	5
0303 79 310 0	– – – – – other	-	5
	– – – – redfish (*Sebastes spp*.):		
0303 79 350 0	– – – – – of the species *Sebastes marinus*	-	5
0303 79 370 0	– – – – – other	-	5
0303 79 410 0	– – – – fish of the species *Boreogadus saida*	-	5
0303 79 450 0	– – – – whiting (*Merlangus Merlangus*)	-	5
0303 79 510 0	– – – – ling (*Molva spp*.)	-	5
0303 79 550 0	– – – – Alaska pollock (*Theragra chalcogramma*) and pollock (*Pollachius Pollachius*)	-	5
0303 79 580 0	– – – – fish of the species *Orcynopsis* unicolor	-	5
0303 79 650 0	– – – anchovies (*Engraulis spp*.)	-	5
0303 79 710 0	– – – – sea bream (*Dentex Dentex* and *Pagellus spp*.)	-	5
0303 79 750 0	– – – – ray's bream (*Brama spp*.)	-	5
0303 79 810 0	– – – – monkfish (*Lophius spp*.)	-	5
0303 79 830 0	– – – – blue whiting (*Micromesistius poutassou* or *Gadus poutassou*)	-	5
0303 79 850 0	– – – – blue south whiting (*Micromesistius australis*)	-	5
0303 79 910 0	– – – – European scad (*Caranx trachurus, Trachurus trachurus*)	-	5
0303 79 920 0	– – – – New Zealand grendier (*Macruronus novaezealandiae*)	-	5

HS	Description	Units	Export duty rate, %
0303 79 930 0	– – – – black rockling (*Genypterus blacodes*)	-	5
0303 79 940 0	– – – – fish of the species *Pelotreis flavilatus* and *Peltorhamphus novaezealandiae*	-	5
0303 79 980 0	– – – – other	-	5
0303 80	– livers and roes:		
0303 80 100 0	– – hard and soft roes, for the manufacture of deoxyribonucleic acid or protamine sulphate	-	5
0303 80 900 0	– – other	-	5
0306	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption: - frozen:		
	– frozen:		
0306 11	– – rock lobster and other sea crawfish (*Palinurus spp., Panulirus spp., Jasus spp*.):		
0306 11 100 0	– – sea crawfish's caudas	-	10
0306 11 900 0	– – – other	-	10
0306 12	– – lobsters (*Homarus spp*.):		
0306 12 100 0	– – – whole	-	10
0306 12 900 0	– – – other	-	10
0306 13	– – shrimps and prawns:		
0306 13 100 0	– – – of the family *Pandalidae*	-	10
0306 13 300 0	– – – shrimps of the genus *Crangon*	-	10
0306 13 400 0	– – – deep-water rose shrimps	-	10
0306 13 500 0	– – – shrimps of the genus *Penaeus*	-	10
0306 13 800 0	– – – other	-	10
0306 14	– – crabs:		
0306 14 100 0	– – – crabs of the species *Paralithodes camchaticus, Chionoecetes spp. and Callinectes sapidus*	-	10
0306 14 300 0	– – – crabs of the species *Cancer pagurus*	-	10
0306 14 900 0	– – – other	-	10
0306 19	– – other, including flours, meals and pellets of crustaceans, fit for human consumption:		
0306 19 100 0	– – – freshwater crayfish	-	10
0306 19 300 0	– – – Norway lobsters (*Nephrons norvegicus*)	-	10
0306 19 900 0	– – – other	-	10
ex. 0306 19 900 0	Flour, powder and pellets of other invertebrates for human consumption	-	free
0306 24	– – crabs:		
0306 24 300 0	– – – crabs of the species *Cancer pagurus*	-	10
0306 24 800 0	– – – other	-	10
0306 29	– – other, including flours, meals, and pellets of crustaceans, fit for human consumption:		

HS	Description	Units	Export duty rate, %
0306 29 100 0	– – – freshwater crayfish	-	10
0306 29 300 0	– – – Norway lobsters (*Nephrops norvegicus*)	-	10
0306 29 900 0	– – – other	-	10
ex. 0306 29 900 0	Flour, powder and pellets of other invertebrates for human consumption	-	free
1201 00	Soya beans, whether or not broken:		
1201 00 100 0	– for sowing	-	20, but not less than €35 per 1,000kg
1201 00 900 0	– other	-	20, but not less than €35 per 1,000kg
1205	Rape or colza seeds, whether or not broken:		
1205 10	– rape or colza seeds low- containing erucic acid:		
1205 10 100 0	– – for sowing	-	15, but not less than €30 per 1,000kg
1205 10 900 0	– – other	-	15, but not less than €30 per 1,000kg
1205 90 000	– other:		
1205 90 000 1	– – for sowing	-	15, but not less than €30 per 1,000kg
1205 90 000 9	– – other	-	15, but not less than €30 per 1,000kg
1206 00	Sunflower seeds, whether or not broken:		
1206 00 100 0	– for sowing	-	20, but not less than €30 per 1000kg
	– other:		
1206 00 910 0	– – shelled; when shelled - grey with white stripes	-	20, but not less than €30 per 1,000kg

HS	Description	Units	Export duty rate, %
1206 00 990 0	– – other	-	20, but not less than €30 per 1,000kg
1207 50	– mustard seeds:		
1207 50 100 0	– – for sowing	-	10, but not less than €25 per 1,000kg
1207 50 900 0	– – other		10, but not less than €25 per 1,000kg
2519	Natural magnesium carbonate (magnesite); fused magnesia; dead-burned (sintered) magnesia, whether or not containing small quantities of other oxides added before sintering; other magnesium oxide, whether or not pure:		
2519 90	– other:		
2519 90 300 0	– – dead-burned (sintered) magnesia	-	6.5
2613	Molybdenum ores and concentrates:		
2613 10 000 0	– roasted	-	6.5
2613 90 000 0	– other	-	6.5
2704 00	Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon:		
	– coke and semi-coke of coal:		
2704 00 110 0	– – for the manufacture of electrodes	-	6.5
2704 00 300 0	– coke and semi-coke of lignite	-	6.5
2704 00 900 0	– other	-	6.5
2705 00 000 0	Coal gas, water gas, producer gas, and similar gases, other than petroleum gases and other gaseous hydrocarbons	$1{,}000m^3$	5
2706 00 000 0	Tar distilled from coal, from lignite or from peat, and other mineral tars, whether or not dehydrated or partially distilled, including reconstituted tars	-	5
2707	Oils and other products of the distillation of high temperature coal tar; similar products in which the weight of the aromatic constituents exceeds that of the non-aromatic constituents:		
2707 40 000 0	– naphthalene	-	5
2707 50	– other aromatic hydrocarbon mixtures of which 65% or more by volume (including losses) distils at 250°C by the ASTM D 86 method:		
2707 50 100 0	– – for use as power or heating fuels	-	5
2707 91 000 0	– – creosote oils	-	5
2707 99	– – other:		
	– – – crude oils:		
2707 99 300 0	– – – sulphureted toppings	-	5
2707 99 700 0	– – anthracene	-	5

HS	Description	Units	Export duty rate, %
	– – – other:		
2707 99 910 0	– – – – for the manufacture of the products in Heading 2803	-	5
2708	Pitch and pitch coke, obtained from coal tar or from other mineral tars:		
2708 10 000 0	– pitch	-	5
2708 20 000 0	– pitch coke:	-	5
2709 00	Petroleum oils crude excluding:	1,000kg	US$303.8
2709 00 900 3	Crude oil with the thickness not less than 694.7kg/m^3, but no more than 887.6 kg/m^3 at 20 C and with a sulphur contents not less than 0.04 mas.%, but no more than 1.5 mas.%	1,000kg	US$108
2710 11- 2710 19 490 0	Light oils, medium oils, gas oils	1,000kg	US$217
2710 19 510 – 2710 99 000 0	Fuel oils, lubricating oils, waste oils	1,000kg	US$116.9
2711 12 – 2711 19 000 0	Propane, butanes, ethylene, propylene, butylene and butadiene, other liquefied gases	1,000kg	US$118.1
	– in gaseous state:		
2711 21 000 0	– – natural gas	m^3	30
	In 2010-2019 calculation of supplies to Ukraine - Government Resolution No. 291 as of 30 April 2010		
2711 29 000 0	– – other	m^3	5
2712	Petroleum jelly; mineral waxes, and similar products, excluding:	1,000kg	US$116.9
2712 90 110 0	Crude	1,000kg	0
2712 90 190 0	Other	1,000kg	0
2713	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals, excluding:	1,000kg	US$116.9
2713 12 000	Petroleum coke calcined	1,000kg	0
2714	Bitumen and asphalt, natural; bituminous or oil shale and tar sands; asphaltites and asphaltic rocks:		
2714 90 000 0	– other	-	5
2715 00 000 0	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, *bituminous mastics*, cut-backs)	-	5
2902 20 000 0 – 2902 43 000 0	Benzene, toluene, xylenes	1,000kg	US$217
4101	Raw hides and skins of bovine or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed, or further prepared), whether or not de-haired or split:		
4101 20	– whole hides and skins, with the weight per skin not exceeding 8kg when simply dried, 10kg when dry-salted, or 16kg when fresh, wet-salted or otherwise preserved:		
4101 20 100 0	– – fresh	pc	€500 per 1,000kg

HS	Description	Units	Export duty rate, %
4101 20 300 0	– – wet-salted	pc	€500 per 1,000kg
4101 20 500 0	– – simply dried or dry-salted	pc	€500 per 1,000kg
4101 20 900 0	– – other	pc	€500 per 1,000kg
4101 50	– whole hides and skins, with the weight per skin exceeding 16kg:		
4101 50 100 0	– – fresh	pc	€500 per 1,000kg
4101 50 300 0	– – wet-salted	pc	€500 per 1,000kg
4101 50 500 0	– – dried or dry-salted	pc	€500 per 1,000kg
4101 50 900 0	– – other	pc	€500 per 1,000kg
4101 90 000 0	– other, including butts and bends	-	€500 per 1,000kg
4102	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1c to this Chapter:		
4102 10	– with wool on:		
4102 10 100 0	– – of lambs	pc	€500 per 1,000kg
4102 10 900 0	– – other	pc	€500 per 1,000kg
	– without wool on		
4102 21 000 0	– – pickled	pc	€500 per 1,000kg
4102 29 000 0	– – other	pc	€500 per 1,000kg
4103	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not de-haired or split, other than those excluded by Note 1b or 1c to this Chapter:		
4103 20 000 0	– of reptiles	-	€500 per 1,000kg
4103 30 000 0	– of swine	pc	€500 per 1,000kg
4103 90	– other:		

HS	Description	Units	Export duty rate, %
4103 90 100 0	– – of goats or kids	pc	€500 per 1,000kg
4103 90 900 0	– – other	pc	€500 per 1,000kg
4104	Leather or leather crust of bovine (including buffalo), or equine animals, without hair on, whether or not split, but not further prepared:		
	– in the wet-blue state (including leather not further prepared than chrome-tanned):		
4104 11	– – outer surface, not split; outer surface, split:		
4104 11 100 0	– – – of whole bovine skin leather, (including buffalo), of a unit surface area not exceeding 2.6m^2 (28 square feet)	pc	10, but not less than €90 per 1,000kg
	– – – other:		
	– – – – of bovine (including buffalo) animals		
4104 11 510 0	– – – – – of whole bovine skin leather, of a unit surface area exceeding 2.6m^2 (28 square feet)	pc	10, but not less than €90 per 1,000kg
4104 11 590 0	– – – – – other	pc	10, but not less than €90 per 1,000kg
4104 11 900 0	– – – – other	pc	10, but not less than €90 per 1,000kg
4104 19	– – other:		
4104 19 100 0	– – – of whole bovine skin leather, (including buffalo), of a unit surface area not exceeding 2.6m^2 (28 square feet)	pc	10, but not less than €90 per 1,000kg
	– – – other:		
	– – – – of bovine (including buffalo) animals		
4104 19 510 0	– – – – – of whole bovine skin leather, of a unit surface area exceeding 2.6m^2 (28 square feet)	pc	10, but not less than €90 per 1,000kg
4104 19 590 0	– – – – – other	pc	10, but not less than €90 per 1,000kg
4104 19 900 0	– – – – other	pc	10, but not less than €90 per 1,000kg

HS	Description	Units	Export duty rate, %
	– in the dry state (crust)		
4104 41	– – outer surface, not split; outer surface, split:		
	– – – whole bovine skin leather, (including buffalo), of a unit surface area not exceeding 2.6m^2 (28 square feet):		
4104 41 110 0	– – – – East Indian kip, whole, whether or not the heads and legs have been removed, each of a net weight of not more than 4.5kg, not further prepared than vegetable tanned, whether or not having undergone certain treatment but obviously unsuitable for immediate use for the manufacture of leather articles	pc	10, but not less than €90 per 1,000kg
4104 41 190 0	– – – – other	pc	10, but not less than €90 per 1,000kg
	– – – other:		
	– – – – of bovine (including buffalo) animals		
4104 41 510 0	– – – – – of whole bovine skin leather, of a unit surface area exceeding 2.6m^2 (28 square feet)	pc	10, but not less than €90 per 1,000kg
4104 41 590 0	– – – – – other	pc	10, but not less than €90 per 1,000kg
4104 41 900 0	– – – – other	pc	10, but not less than €90 per 1,000kg
4104 49	– – other:		
	– – – whole bovine skin leather, (including buffalo), of a unit surface area not exceeding 2.6m^2 (28 square feet):		
4104 49 110 0	– – – – East Indian kip, whole, whether or not the heads and legs have been removed, each of a net weight of not more than 4.5kg, not further prepared than vegetable tanned, whether or not having undergone certain treatment but obviously unsuitable for immediate use for the manufacture of leather articles	pc	10, but not less than €90 per 1,000kg
4104 49 190 0	– – – – other	pc	10, but not less than €90 per 1,000kg
	– – – other:		
	– – – – of bovine (including buffalo) animals		
4104 49 510 0	– – – – – of whole bovine skin leather, of a unit surface area exceeding 2.6m^2 (28 square feet)	pc	10, but not less than €90 per 1,000kg
4104 49 590 0	– – – – – other	pc	10, but not less than €90 per 1,000kg

HS	Description	Units	Export duty rate, %
4104 49 900 0	– – – – other	pc	10, but not less than €90 per 1,000kg
4105	Sheep or lamb skin leather, or leather crust, without hair on, whether or not split, but not further prepared:		
4105 10	– in the wet-blue state (including leather not further prepared than chrome-tanned):		
4105 10 100 0	– – not split	-	10, but not less than €70 per 1,000kg
4105 10 900 0	– – split	-	10, but not less than €70 per 1,000kg
4105 30	– dried (crust):		
4105 30 100 0	– – of Indian hair sheep, vegetable tanned, whether or not having undergone certain treatment, but obviously unsuitable for immediate use for the manufacture of leather articles	pc	10, but not less than €70 per 1,000kg
	– – other:		
4105 30 910 0	– – – not split	pc	10, but not less than €70 per 1,000kg
4105 30 990 0	– – – split	pc	10, but not less than €70 per 1,000kg
4401	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms:		
4401 10 000	– fuel wood, in logs, in billets, in twigs, in faggots or in similar forms:		
4401 10 000 9	– other	-	6.5, but not less than €4 per $1m^3$
	– wood in chips or particles		
4401 21 000 0	– coniferous	-	5
4401 22 000 0	– non-coniferous	-	5
4403	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared:		
4403 10 000	– treated with paint, stains, creosote or other preservatives from 1 February 2009:		
4403 10 000 1	– – of oak	m^3	€100 per $1m^3$
4403 10 000 2	– – of beech	m^3	€100 per $1m^3$
4403 10 000 3	– – of ash	m^3	€100 per $1m^3$

HS	Description	Units	Export duty rate, %
4403 10 000 9	– – other		25, but not less than €15 per 1m^3
4403 20	– other, coniferous:		
	– – spruce of the kind *Picea abies Karst* or silver fir (*Abies alba Mill*):		
4403 20 110	– – – logs (from 1 January 2010):		
4403 20 110 1	– – – – of a diameter of no less than 15cm but no more than 24cm, of a length of no less than 1.0m	m^3	25 but not less than €15 per 1m^3
4403 20 110 2	– – – – of a diameter of more than 24cm, of a length of no less than 1.0m	m^3	25 but not less than €15 per 1m^3
4403 20 190	– – – other (from 1 January 2010):		
4403 20 190 1	– – – – wood in the rough, whether or not stripped of bark or sapwood, not roughly squared, of a diameter of less than 15cm	m^3	25 but not less than €15 per 1m^3
4403 20 190 9	– – – – other	m^3	25 but not less than €15 per 1m^3
	– – Pine of the species *Pinus sylvestris L*		
4403 20 310	– – – logs (from 1 January 2010):		
4403 20 310 1	– – – – of a diameter of no less than 15cm but no more than 24cm, of a length no less than 1.0m	m^3	25 but not less than €15 per 1m^3
4403 20 310 2	– – – – of a diameter of more than 24cm, of a length of no less than 1.0m	m^3	25 but not less than €15 per 1m^3
4403 20 390	– – – other (from 1 January 2010):		
4403 20 390 1	– – – – wood in the rough, whether or not stripped of bark or sapwood, not roughly squared, of a diameter of less than 15cm	m^3	25 but not less than €15 per 1m^3
4403 20 390 9	– – – – other	m^3	25 but not less than €15 per 1m^3
	– – other:		
4403 20 910	– – – logs (from 1 January 2010):		

HS	Description	Units	Export duty rate, %
4403 20 910 1	– – – – of other spruce except for Norway spruce (*Picea abies Karst*), or other fir except for silver fir (*Abies alba Mill*), of a diameter of no less than 15cm but no more than 24 cm, of a length no less than 1,0 m	m^3	25 but not less than €15 per $1m^3$
4403 20 910 2	– – – – of other spruce except for Norway spruce (*Picea abies Karst*), or other fir except for silver fir (*Abies alba Mill*), of a diameter of no more than 24cm, of a length of no less than 1.0m	m^3	25 but not less than €15 per $1m^3$
4403 20 910 3	– – – – of other pine except for scots pine (*Pinus sylvestris L*), of a diameter of no less than 15cm but no more than 24cm, of a length of no less than 1.0m	m^3	25 but not less than €15 per $1m^3$
4403 20 910 4	– – – – of other pine except for scots pine (*Pinus sylvestris L*), of a diameter of more than 24cm, of a length of no less than 1.0m	m^3	25 but not less than €15 per $1m^3$
4403 20 910 9	– – – – other	m^3	25 but not less than €15 per $1m^3$
4403 20 990	– – – other (from 1 January 2010):		
4403 20 990 1	– – – – wood in the rough, whether or not stripped of bark or sapwood, not roughly squared, of a diameter of less than 15cm	m^3	25 but not less than €15 per $1m^3$
4403 20 990 9	– – – – other	m^3	25 but not less than €15 per $1m^3$
	– other, of tropical wood specified in subheading note 1 to this Chapter		
4403 91	– – of oak (*Quercus spp*.):		
4403 91 100 0	– – – logs	m^3	€100 per $1m^3$
4403 91 900 0	– – – other	m^3	€100 per $1m^3$
4403 92	– – of beech (*Fagus spp*.) (from 1 February 2009):		
4403 92 100 0	– – – logs	m^3	€100 per $1m^3$
4403 92 900 0	– – – other	m^3	€100 per $1m^3$
4403 99	– – other (from 1 January 2010):		
4403 99 100 0	– – – of poplar	m^3	10, but not less than €5 per $1m^3$
4403 99 300 0	– – – of eucalyptus	m3	10, but not less than €5 per $1m^3$
4403 99 510	– – – – logs (from 1 January 2010):		

HS	Description	Units	Export duty rate, %
4403 99 510 1	– – – – – of a diameter of no less than 15cm but no more than 24cm, of a length no less than 1.0m	m^3	25, but not less than €15 per $1m^3$
4403 99 510 2	– – – – – of a diameter of more than 24cm, of a length of no less than 1.0m	m^3	25, but not less than €15 per $1m^3$
4403 99 590	– – – – other (from 1 January 2010):		
4403 99 590 1	– – – – – wood in the rough, whether or not stripped of bark or sapwood, not roughly squared, of a diameter of less than 15cm	m^3	0
4403 99 590 9	– – – – – other	m^3	25, but not less than €15 per $1m^3$
4403 99 950	– – – other:		
4403 99 950 1	– – – – of ash (from 1 February 2009)	m^3	€100 per $1m^3$
4403 99 950 2	– – – – of aspen (from 1 January 2010)	m^3	10, but not less than €5 per $1m^3$
4403 99 950 9	– – – – other (from 1 February 2009)	m^3	€100 per $1m^3$
4407	Wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6mm:		
4407 91	– – of oak (*Quercus spp*.):		
4407 91 150 0	– – – sanded, end-jointed, whether or not planed or sanded	-	10, but not less than €10 per $1m^3$
	– – – other:		
	– – – – – planed:		
4407 91 310 0	– – – – – – – blocks, strips and friezes for parquet or wood block flooring, not assembled	m^2	10, but not less than €10 per $1m^3$
4407 91 390 0	– – – – – – – other	m^3	10, but not less than €10 per $1m^3$
4407 91 900 0	– – – – other (from 1 February 2009)	m^3	€100 per $1m^3$
4407 92 000 0	– – of beech (*Fagus spp*.) (from 1 February 2009):	m^3	€100 per $1m^3$
4407 93 900 0	– – – – other of maple (from 1 February 2009)	m^3	€100 per $1m^3$
4407 94 900 0	– – – – other of cherry (from 1 February 2009)	m^3	€100 per $1m^3$
4407 95	– – of ash (*Fraxinus spp*.):		

HS	Description	Units	Export duty rate, %
4407 95 100 0	– – – planed; end-jointed, whether or not planed or sanded	-	10, but not less than €12 per $1m^3$
4407 95 500 0	– – – – sanded	-	10, but not less than €12 per $1m^3$
4407 95 900 0	– – – – other (from 1 February 2009)	-	€100 per $1m^3$
ex. 4408 90	Sheets of veneer for plywood and other wood for veneering including those obtained by slicing laminated wood sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6mm of oak, beech, ash (4 tariff lines)		
ex. 4408 90 150 0	– – Planed, sanded; end-jointed, whether or not planed or sanded	-	5, but not less than €6 per $1m^3$
ex. 4408 90 350 0	– – – – small boards for the manufacture of lead pencils	-	5, but not less than €6 per $1m^3$
ex. 4408 90 850 0	– – – – of a thickness not more than 1mm	m^3	5, but not less than €6 per $1m^3$
ex. 4408 90 950 0	– – – – of a thickness exceeding 1mm	m^3	5, but not less than €6 per $1m^3$
7102	Diamonds, whether or not worked, but not mounted or set:		
7102 10 000 0	– unsorted	car	6.5
	– industrial		
7102 21 000 0	– – unworked or simply sawn, cleaved or bruited	car	6.5
7102 29 000 0	– – other	car	6.5
	– non-industrial		
7102 31 000 0	– – unworked or simply sawn, cleaved or bruited	car	6.5
7102 39 000 0	– – other	car	6.5
ex. 7102 39 000 0	diamonds	car	free
7103	Precious stones (other than diamonds) and semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded precious stones (other than diamonds) and semi-precious stones, temporarily strung for convenience of transport:		
7103 10 000 0	– unworked or simply sawn or roughly shaped	-	6.5
	– otherwise worked		

HS	Description	Units	Export duty rate, %
7103 91 000 0	– – rubies, sapphires and emeralds	car	6.5
7103 99 000 0	– – other	car	6.5
7105	Dust and powder of natural or synthetic precious or semi-precious stones:		
7105 90 000 0	– other	g	6.5
7107 00 000 0	Base metals clad with silver, not further worked than semi-manufactured	-	6.5
7109 00 000 0	Base metals or silver, clad with gold, not further worked than semi-manufactured	g	6.5
7110	Platinum, unwrought or in semi-manufactured forms, or in powder form:		
	– platinum:		
7110 11 000 0	– – unwrought or in powder form	g	6.5
7110 19	– – other:		
7110 19 100 0	– – – bars, rods, wire and sections; plates; sheets and strips of a thickness, excluding any backing, exceeding 0.15mm	g	6.5
7110 19 800 0	– – – other	g	6.5
	– palladium:		
7110 21 000 0	– – unwrought or in powder form	g	6.5
7110 29 000 0	– – other	g	6.5
	– rhodium		
7110 31 000 0	– – unwrought or in powder form	g	6.5
7110 39 000 0	– – other	g	6.5
	– iridium, osmium and ruthenium		
7110 41 000 0	– – unwrought or in powder form	g	6.5
7110 49 000 0	– – other	g	6.5
7111 00 000 0	Base metals, silver or gold, clad with platinum, not further worked than semi-manufactured	-	6.5
7112	Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal:		
7112 30 000 0	– ash, containing precious metal or precious metal compounds	-	6.5
	– other:		
7112 91 000 0	– – of gold, including metal clad with gold but excluding sweepings containing other precious metals	-	6.5
7112 92 000 0	– – of gold, including metal clad with gold but excluding sweepings containing other precious metals	-	6.5
7112 99 000 0	– – other	-	6.5
7204	Ferrous waste and scrap; re-melting scrap ingots of iron or steel:		15, but not less than €15 per 1,000kg
7204 10 000 0	– turnings, shavings, chips, milling waste, sawdust, and filings	-	5
7302 10	– rails:		

HS	Description	Units	Export duty rate, %
7302 10 900 0	– – – used	-	15, but not less than €15 per 1,000kg
7401 00 000 0	Copper mattes, cement copper (precipitated copper)	-	10
7402 00 000 0	Unrefined copper; copper anodes for electrolytic refining	-	10
7403	Refined copper and copper alloys, unwrought:		
	– refined copper:		
7403 11 000 0	– – cathodes and sections of cathodes	-	10
7403 12 000 0	– – wire-bars (cast metal blanks intended for wire manufacturing)	-	10
7403 13 000 0	– – billets (blanks of square cross-section intended for re-rolling in solid rolled shapes)	-	10
7403 19 000 0	– – other	-	10
	– copper alloys		
7403 21 000 0	– – copper-zinc base alloys (brass)	-	10
7403 22 000 0	– – copper-zinc base alloys (bronze)	-	10
7403 29 000 0	– – other copper alloys (other than master alloys of heading 7405)	-	10
7404 00	Copper waste and scrap:		
7404 00 100 0	– of refined copper	-	50, but not less than €420 per 1,000kg
	– of copper alloys		
7404 00 910 0	– – – – of copper-zinc base alloys (brass)	-	50, but not less than €420 per 1,000kg
7404 00 990 0	– – other	-	50, but not less than €420 per 1,000kg
7405 00 000 0	Master alloys of copper	-	10
7501	Nickel mattes, nickel oxide sinters and other intermediate products of nickel metallurgy:	-	
7501 10 000 0	– nickel mattes		5
7501 20 000 0	– nickel oxide sinters and other intermediate products of nickel metallurgy		5
7502	Unwrought nickel:	-	
7502 10 000 0	– nickel, not alloyed	-	10
7503 00	Nickel waste and scrap:	-	

HS	Description	Units	Export duty rate, %
7503 00 100 0	– of nickel, not alloyed	-	30, but not less than €720 per 1,000kg
7503 00 900 0	– of nickel alloys	-	30, but not less than €720 per 1,000kg
7601	Unwrought aluminium:		
7601 20	– aluminium alloys:		
	– – secondary:		
7601 20 910 0	– – – – in ingots or liquid state	-	3
7601 20 990 0	– – – other	-	3
7602 00	Aluminium waste and scrap:		
	– waste:		
7602 00 110 0	– – turnings, shavings, chips, milling waste, sawdust and filings, waste of coloured, coated or bonded sheets and foil, of a thickness (excluding any backing) not exceeding 0.2mm	-	50, but not less than €380 per 1,000kg
7602 00 190 0	– – other (including factory rejects)	-	50, but not less than €380 per 1,000kg
7602 00 900 0	– scrap	-	50, but not less than €380 per 1,000kg
7802 00 000 0	Lead waste and scrap	-	30, but not less than €105 per 1,000kg
7902 00 000 0	Zinc waste and scrap	-	30, but not less than €180 per 1,000kg
8002 00 000 0	Tin waste and scrap	-	6.5
8101	Tungsten (wolfram) and articles thereof, including waste and scrap:		
8101 97 000 0	– – Waste and scrap	-	6.5
8102	Molybdenum and articles thereof, including waste and scrap:		
8102 97 000 0	– – Waste and scrap	-	6.5
8103	Tantalum and articles thereof, including waste and scrap:		
8103 30 000 0	– Waste and scrap	-	6.5

HS	Description	Units	Export duty rate, %
8104 20 000 0	– waste and scrap	-	20, but not less than €138 per 1,000kg
8105	Cobalt mattes and other intermediate products of cobalt metallurgy; cobalt and articles thereof, including waste and scrap:		
8105 30 000 0	– Waste and scrap	-	30, but not less than €1200 per 1,000kg
8107	Cadmium and articles thereof, including waste and scrap:		
8107 30 000 0	– Waste and scrap	-	6.5
8108	Titanium and articles thereof, including waste and scrap:		
8108 20 000	– unwrought titanium; powders:		
	– – titanium sponge:		
8108 20 000 1	– – – with a maintenance of titanium no less than 99.56 mas.%, in pieces, in factions from 12+2mm to 70+12mm	-	6.5
8108 20 000 3	– – – Other	-	6.5
8108 20 000 5	– – Powders	-	6.5
8108 20 000 6	– – Ingots	-	6.5
8108 20 000 7	– – Slabs	-	6.5
8108 20 000 9	– – Other	-	6.5
8108 30 000 0	– Waste and scrap	-	30, but not less than €225 per 1,000kg
8109 30 000 0	– Waste and scrap	-	6.5
8110 20 000 0	– Waste and scrap	-	6.5
8111 00 190 0	– – waste and scrap	-	6.5
8112 13 000 0	– – Waste and scrap	-	6.5
8112 22 000 0	– – Waste and scrap	-	6.5
8112 52 000 0	– – Waste and scrap	-	6.5
8112 92 200 1	– – – – – Germanium	-	6.5
8112 92 200 9	– – – – – Other	-	6.5
8607	Parts of railway or tramway locomotives or rolling-stock:		
8607 19 010 1	– – – – – of cast iron or cast steel, used	-	15, but not less than €15 per 1,000kg

HS	Description	Units	Export duty rate, %
8607 19 110 1	– – – – – of closed-die forged steel, used	-	15, but not less than €15 per 1,000kg
8607 19 180 1	– – – – – other, used	-	15, but not less than €15 per 1,000kg

Table 33 - Trade in Goods: List of Exceptions

Country	Import Exception by HS Code	Export exception
1. Ukraine	- 1701 99 100 white sugar	Russian export tariffs
2. Azerbaijan	- 2207 alcohol - 2208 90 910 alcohol - 2208 90 990 alcohol - 2402 cigars, cigarettes (expires 1 January 2012)	Russian export tariffs
3. Armenia	- 2207 alcohol - 2208 90 910 alcohol - 2208 90 990 alcohol (expires 1 January 2012)	Russian export tariffs
4. Moldova	- 2207 alcohol - 2208 90 910 alcohol - 2208 90 990 alcohol (expires 1 January 2012)	Russian export tariffs
5. Uzbekistan	- 1701 99 100 white sugar - 2207 alcohol - 2208 60 vodka - 2208 90 910 alcohol - 2208 90 990 alcohol - 2402 cigars, cigarettes	Russian export tariffs
6. Kyrgyz Republic	No exceptions	Oil and oil products only
7. Tajikistan	No exceptions	Oil and oil products only
8. Turkmenistan	No exceptions	Russia export tariff only
9. Belarus	No exceptions	Oil and oil products only
10. Kazakhstan	No exceptions	No exceptions
11. Georgia	- 1701 99 100 white sugar - 2207 alcohol - 2208 90 910 alcohol - 2208 90 990 alcohol - 2402 cigars, cigarettes	Russian export tariffs

Table 34 - TRIPS Enforcement Measures – Identification of Russian Laws

TRIPS Enforcement Measures	Identification of Russian Law
Article 41(1)	Part IV of CC, Article 1250-1253 (general).
Article 41(2)	Civil Procedural Code, Article 3-6,11-13, 98, 107-112, 123, 154. Arbitration Procedural Code, Article 2-10, 13, 101-118. Criminal Procedural Code, Article 6-8, 15, 128-132.
Article 41(3)	Civil Procedural Code, Article 10, 12, 55-60, 67, 174, 190, 195, 197-199, 214. Arbitration Procedural Code, Article 9, 10, 64-68, 71, 81, 162, 164, 169-170, 176, 177. Criminal Procedural Code, Article 6, 17, 240, 244, 247-249, 296, 297, 303, 305-310, 312.
Article 41(3)	Civil Procedural Code, Article 195-198. Arbitration Procedural Code, Article 168-170. Criminal Procedural Code, Article 297, 299, 303-308.
Article 41(4)	Part 1 of the CC, Article 11. Part IV of the CC, Article 1248; Civil Procedural Code, Article 35, 209. Arbitration Procedural Code, Article41, 42, 180, 181. Criminal Procedural Code, Article 19, 405, Chapters 43-45, 48, 49.
Article 42	Part 1 of the CC, Article 11. Part IV of the CC, Article 1248, 1250-1254.
Article 42	Civil Procedural Code, Article 113-116. Arbitration Procedural Code, Article121, 122-124.
Article 42	Civil Procedural Code, Article 10. Arbitration Procedural Code, Article 11. Federal Law "On Commercial Secret", Article 6, 13.
Article 43(1)	Civil Procedural Code, Article 55-58, 64-66. Arbitration Procedural Code, Article 64-66, 72.
Article 44(1)	Part 1 of the CC, Article 12.2. Part IV of the CC, Article 1250-1253, 1302,1312,1515,1537. Civil Procedural Code, Article 140. Arbitration Procedural Code, Article 90, 91, 99.
Article 45(1)	Part I of the CC Article 12, 15. Part IV of the CC, Article 1252, 1301, 1311, 1515, 1537.
Article 45(2)	Part I of the CC Article 12, 15. Civil Procedural Code, Article 88, 94, 98-100. Arbitration Procedural Code, Article 101, 106, 110.
Article 46	Part IV of the CC, Article 1252, 1515. Civil Procedural Code, Article140. Arbitration Procedural Code, Article 90, 91, 94, 98, 99. Code of administrative offences Article 3.7, 7.12, 14.10, 32.4.
Article 46	Part IV of the CC, Article 1252, 1515. Civil Procedural Code, Article140. Arbitration Procedural Code, Article 90, 91, 94, 98, 99. Code of administrative offences Article 3.7, 7.12, 14.10, 32.4.
Article 48(1)	Civil Procedural Code, Article 98-100. Arbitration Procedural Code, Article 98, 99, 110-112.
Article 48(2)	Part II of the CC, Article 1064.3, 1069, 1070.
Article 50(1)	Civil Procedural Code, Article64-66, 139-140. Arbitration Procedural Code, Article 72, 90-91, 99.
Article 50(2)	Civil Procedural Code, Article141. Arbitration Procedural Code, Article 93, 96, 99.
Article 50(3)	Civil Procedural Code, Article143, 146. Arbitration Procedural Code, Article 92, 94, 99.
Article 50(4)	Civil Procedural Code, Article142. Arbitration Procedural Code, Article 93.

TRIPS Enforcement Measures	Identification of Russian Law
Article 50(4)	Civil Procedural Code, Article143-145. Arbitration Procedural Code, Article 93, 95, 97, 98, 99.
Border Measures	
Article 51	CU Customs Code Article 328, Law on Customs Regulation, Article 305.
Article 52	The Agreement on common customs registry of objects of intellectual property of States - Members of the Customs union, Federal Law on Customs regulation, Article 306
Article 52	The Agreement on common customs registry of objects of intellectual property of States - Members of the Customs union, Federal Law on Customs regulation, Article 306
Article 53 (2)	The Agreement on common customs registry of objects of intellectual property of States - Members of the Customs union, Federal Law on Customs regulation, Article 306
Article 54	CU Customs code Article 331, Federal Law on Customs Regulation Article 308
Article 55	CU Customs code Article 331, 332, Federal Law on Customs Regulation, Article 308
Article 56	The Agreement on common customs registry of objects of intellectual property of States - Members of the Customs union, CU Customs code Article 331, Federal Law on Customs regulation Article 305, 306
Article 57	CU Customs Code, Article 333.
Article 57	CU Customs Code, Article 328, 333 Federal Law on Customs Regulation, Article 305.
Article 58	CU Customs Code, Article 328, Federal Law on Customs Regulation, Article 305
Article 59	Part IV of the CC, Article 1252, 1515. Civil Procedural Code, Article140. Arbitration Procedural Code, Article 110. Code of Administrative Offences, Article 3.7, 7.12, 14.10, 32.4.
Article 59	Part IV of the CC, Article 1515.2. CU Customs Code, Articles 328-333, The Agreement on common customs registry of objects of intellectual property of States - Members of the Customs union, Federal Law on Customs Regulation, Articles 305 – 310
Article 61	Criminal Code, Article 146, 180.
Article 61	Criminal Code, Article 104.1. Criminal Procedural Code, Article 81.

Table 35 - Authorities of Federal Executive Bodies in the Field of Protection of Intellectual Property Rights

The Ministry of Education and Science of the Russian Federation

Is the federal executive body, responsible for the development of the State policy and elaboration of the legislation on education, science, scientific and technological and innovation activities, as well as on intellectual property.

The Federal Service for Intellectual Property, Patents and Trademarks (Rospatent)

Is the federal executive body which exercise supervision and control in the sphere of legal protection and use of objects of industrial property (inventions, industrial models, useful models, trademarks, service marks, appellations of origin of goods, computer programmes, databases and layout designs of integrated circuits), and other results of intellectual activity.

The Ministry of Culture of the Russian Federation

Is the federal executive body responsible for the development of the State policy and elaboration of the legislation on culture, art, cinematography, and mass media.

The Federal Service for Supervision of the of the legislation in the sphere of Protection of Cultural Heritage

The Federal Service for Supervision of the legislation in the sphere of Protection of Cultural Heritage is a federal executive agency for the protection of cultural heritage, copyright and associated rights, surveillance and monitoring thereof, legal normative regulation of cultural heritage protection, and surveillance and monitoring of the sphere of copyright and associated rights.

The Federal Agency for Culture and Cinematography

Is authorised to render services in culture, art and cinematography, including issuance of special rental authorizations for demonstration of films in the territory of the Russian Federation and keeping the State Register of movies and video films as well as the State Register of films intended for their public demonstration and distribution within the territory of the Russian Federation.

The Federal Agency for Press and Mass Media

Is authorised to render State services in the sphere of mass media, computer networks for public use in the sphere of electronic mass media, press, publishing, printing and polygraphy.

The Ministry of Economic Development of the Russian Federation

Organizes and coordinates the activities carried out by federal executive bodies related to the WTO matters, *inter alia*, the activities related to bringing the Russian legislation on protection of intellectual property rights and its enforcement in compliance with the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

The Federal Customs Service

Enforces a system of measures on preventing illegal cross border shipment of goods containing objects of intellectual property through the customs border of the Russian Federation. The Service also keeps Customs Register of the objects of intellectual property.

The Ministry of Industry and Trade of the Russian Federation

Develops and implements the State policy on the development of technologies regarding, *inter alia*, creation and involvement in the industrial circulation of objects of intellectual property.

The Ministry of Health and Social Development of the Russian Federation

Is the federal executive body authorised to develop the State policy and elaborate the legislation on health and social development, *inter alia*, on the protection of consumers' rights.

The Federal Service for Supervision in the Sphere of Protection of Consumers' Rights and Human Welfare

Implements functions on control and supervision in the sphere of providing sanitary-epidemiological human well-being and protection of consumers' rights, *inter alia*, on the consumption market. This Service performs State control over quality and safety of goods and ensures protection of the consumption market from counterfeited products by way of prevention, detection, and discontinuing violations therein. It provides licensing of activities within its competence, including State Registration of products and objects, which are potentially hazardous to human health.

The Federal Service for Supervision in the Sphere of Public Health and Social Development

Implements functions on control and supervision in the sphere of public health and social development including pharmaceutical activity supervision and control over clinical and pre-clinical researches and medicine expertise.

The Ministry of Internal Affairs of the Russian Federation

Is the federal executive body responsible in the sphere of turnover of objects of intellectual property for the prevention and discontinuing of infringements as well as improving the legislation on the protection of intellectual property rights. In this regard there are special units within Department of Economic Security of the Ministry and its regional divisions dealing exclusively with infringements of intellectual property rights. Their main tasks are:

- to work out and to implement measures on the protection of all kinds of property, including intellectual property, from infringement; and

- to organize and to conduct preventative measures and operation search actions on detection, discontinuing and uncovering infringements on all kinds of property, including intellectual property.

The Ministry of Justice of the Russian Federation

Is the federal executive body responsible for the introduction of proposals on elaborating and concluding international treaties of the Russian Federation in the sphere of protection of intellectual property.

The Office of Public Prosecutor

Is responsible for enforcement of intellectual property laws through application of the Criminal Code and control and supervision over the enforcement of criminal provisions relating to infringement of intellectual property, including conducting preliminary investigations of criminal cases concerning infringement of copyright and related rights and inventor and patent rights.

The Federal Antimonopoly Service

Provides protection of intellectual property concerning violations of the antimonopoly legislation on the illegal use of objects of intellectual property and like means of individualization of legal entities, goods, performing works and services (generally in connection with the illegal use of trade marks).

Ministry of Telecommunications and Mass Media

Is a federal agency under the executive branch responsible for drafting and implementing national policy and legal regulation in: information technology, including the creation of Government information resources and the promotion of access to such resources; telecommunications, including the allocation of and conversion of the radio frequency spectrum, and postal communications; mass communications and the media, including the electronic media, the development of the Internet, television and radio broadcasting, and related technology; publishing and printing; personal data processing. The Ministry of Communications and Mass Media administers the national postal system, and national and international telecommunications networks.

Federal Agency for Supervision in the sphere Of Telecommunications, Information Technologies and Mass Media

Performs the functions of control and supervision in the sphere of Mass Communication including electronic Mass Media and telecommunications. It issues licenses for producing of audio-visual products, software, data bases and phonograms on any media in accordance with the legislation of the Russian Federation.

Table 36 - Schedule of Development of Priority Technical Regulations of the Customs Union and EurAsEC

1. Schedule of development of priority technical regulations of the Customs Union			
No.	Customs Union Technical Regulation title (TR)	Party – responsible for TR development[1]	Date of submission TR draft by the Party-developer
1.	On safety of low-voltage equipment	Republic of Belarus	March 2011[2]
2.	On safety of the products intended for children and teenagers	Russian Federation	March 2011[2]
3.	On safety of toys	Republic of Belarus	March 2011[2]
4.	On safety of package	Republic of Belarus	March 2011[2]
5.	On safety of rolling-stock	Russian Federation	March 2011[2]
6.	On safety of high-speed railway transport	Russian Federation	March 2011[2]
7.	On safety of railway transport infrastructure	Russian Federation	March 2011[2]
8.	On safety of grain	Republic of Kazakhstan	March 2011[2]
9.	On requirements to gasoline's, diesel and masuts	Republic of Kazakhstan	March 2011[2]
10.	On safety of pyrotechnic products	Russian Federation	March 2011[2]
11.	On safety of perfume and cosmetic products	Republic of Belarus	March 2011[2]
12.	On safety of wheeled vehicles	Russian Federation	March 2011[3]
13.	Electromagnetic compatibility of technical means	Republic of Belarus	March 2011[3]
14.	On safety of machinery and equipment	Russian Federation	March 2011[3]
15.	Auto-roads safety	Russian Federation	March 2011[3]
16.	On safety of the equipment for work in explosive environment	Russian Federation	March 2011[3]
17.	On safety of elevators	Republic of Kazakhstan	March 2011[3]
18.	On safety of food products	Russian Federation	March 2011[3]
19.	Technical regulation for food products to the extent of its marking	Republic of Belarus	March 2011[3]
20.	Technical regulation for juice products	Russian Federation	March 2011[3]
21.	Technical regulation for oil and fat products	Russian Federation	March 2011[3]
22.	Technical regulation for milk and milk products	Russian Federation	March 2011[3]
23.	On safety of meat and meat products	Republic of Kazakhstan	March 2011[3]
24.	On safety of fish and fish products	Republic of Kazakhstan	March 2011[3]
25.	On the requirement to the emission by automotive vehicles of hazardous (pollutant) substances	Russian Federation	March 2011[3]
26.	On safety of appliances working on gas fuel	Russian Federation	March 2011[3]
27.	On safety of personal protective equipment	Russian Federation	March 2011[3]
28.	On safety of equipment working under excessive pressure	Republic of Kazakhstan	March 2011[3]
29.	On requirements to fertilizers	Republic of Belarus	March 2011[3]
30.	On safety of light industry products	Republic of Kazakhstan	March 2011[3]
31.	On safety of dietic food, special food and healthful and dietary meals	Republic of Kazakhstan	March 2011[3]
32.	On safety of medical purposes products	Republic of Belarus	March 2011[3]
33.	On safety of food supplements	Republic of Kazakhstan	March 2011[3]
34.	On safety of feeding stuff and feed additives	Republic of Kazakhstan	March 2011[3]

1.	Schedule of development of priority technical regulations of the Customs Union		
No.	Customs Union Technical Regulation title (TR)	Party – responsible for TR development[1]	Date of submission TR draft by the Party-developer
35.	On safety of paintwork materials	Republic of Kazakhstan	March 2011[3]
36.	On safety of synthetic detergents and household chemicals	Republic of Kazakhstan	March 2011[3]
37.	On safety of explosive substances and products based thereon	Republic of Kazakhstan	March 2011[3]
38.	On requirements to lubrications, oils and special liquids	Russian Federation	March 2011[3]
39.	Technical regulation for tobacco products	Russian Federation	March 2011[3]
40.	On safety of agricultural and tree tractors and trailers thereto	Republic of Belarus	June 2011[3]
41.	On safety of chemical products	Russian Federation	June 2011[3]
42.	On safety of buildings and installations, construction materials and products	Russian Federation	June 2011[3]
43.	On safety of furniture	Russian Federation	June 2011[3]
44.	On safety of alcoholic beverages	Russian Federation	June 2011[3]
45.	On requirements to wheeled vehicles on provision of safe disposition thereof	Russian Federation	June 2011[3]
46.	On safety of small vessels	Russian Federation	June 2011[3]
47.	On requirements to power effectiveness of household and other energy-consuming devices and marking thereof	Russian Federation	June 2011[3]

1) two other Parties are co-developers of the Technical regulations of the Customs Union;
2) the drafts of the Customs Union technical regulations specified shall be submitted to the Secretariat of the Customs Union to be considered by the Commission; and
3) the drafts of the Customs Union technical regulations specified shall be submitted to the Secretariat of the Customs Union for public consideration.

2. Schedule of development of priority technical regulations of the EurAsEC				
No.	Technical regulation title	Party – responsible for TR development	Date of submission draft TR for consideration of the CTR	Date of submission draft TR for consideration of the Integration Committee of the EurAsEC
1.	Low voltage equipment safety	Republic of Belarus	I Quarter 2011	II Quarter 2011
2.	Lifts safety	Republic of Kazakhstan	I Quarter 2011	II Quarter 2011
3.	Requirements for Gasoline, diesel and heating oil	Republic of Kazakhstan	I Quarter 2011	II Quarter 2011
4.	On equipment, working under excessive pressure, safety	Russian Federation	II Quarter 2011	IV Quarter 2011
5.	On of buildings and structures, building materials and products safety	Russian Federation	II Quarter 2011	IV Quarter 2011
6.	On grain safety	Republic of Kazakhstan	I Quarter 2011	II Quarter 2011
7.	On machinery and equipment safety	Russian Federation	I Quarter 2011	III Quarter 2011
8.	On marking of food products	Russian Federation	III Quarter 2011	IV Quarter 2011
9.	Electromagnetic compatibility of technical means	Republic of Belarus	I Quarter 2011	II Quarter 2011
10.	On devices, operating on gaseous fuels, safety	Russian Federation	III Quarter 2011	IV Quarter 2011
11.	On agricultural and forestry tractors, trailers and interchangeable towed machinery, of mounted on tractors safety	Russian Federation	III Quarter 2011	IV Quarter 2011
12.	On wheeled vehicles safety	Russian Federation	III Quarter 2011	IV Quarter 2011
13.	On chemical products safety	Russian Federation	III Quarter 2011	IV Quarter 2011
14.	Toy safety	Republic of Belarus	I Quarter 2011	II Quarter 2011
15.	On equipment for working in explosive environments safety	Russian Federation	I Quarter 2011	II Quarter 2011
16.	Requirements for personal protection equipment	Russian Federation	III Quarter 2011	IV Quarter 2011
17.	Packaging safety	Republic of Belarus	I Quarter 2011	II Quarter 2011
18.	Perfumes & Cosmetics	Republic of Belarus	I Quarter 2011	II Quarter 2011
19.	On medical devices safety	Russian Federation	III Quarter 2011	IV Quarter 2011
20.	On communications safety	Russian Federation	III Quarter 2011	IV Quarter 2011
21.	On rail infrastructure safety	Russian Federation	III Quarter 2011	IV Quarter 2011
22.	On railway rolling stock safety	Russian Federation	III Quarter 2011	IV Quarter 2011
23.	On high-speed rail safety	Russian Federation	III Quarter 2011	IV Quarter 2011
24.	On food safety	Russian Federation	III Quarter 2011	IV Quarter 2011
25.	On products intended for children and adolescents safety	Russian Federation	II Quarter 2011	III Quarter 2011
26.	On woodworking products safety	Russian Federation	III Quarter 2011	IV Quarter 2011
27.	On products of pulp and paper industry safety	Russian Federation	III Quarter 2011	IV Quarter 2011
28.	Tobacco products	Russian Federation	III Quarter 2011	IV Quarter 2011
29.	Juice products from fruits and vegetables	Russian Federation	II Quarter 2011	III Quarter 2011

2.	Schedule of development of priority technical regulations of the EurAsEC			
No.	Technical regulation title	Party – responsible for TR development	Date of submission draft TR for consideration of the CTR	Date of submission draft TR for consideration of the Integration Committee of the EurAsEC
30.	Fat and oil products	Russian Federation	II Quarter 2011	III Quarter 2011
31.	Milk and dairy products	Russian Federation	III Quarter 2011	IV Quarter 2011
32.	On the emission requirements for automotive engineering of harmful substances (pollutants)	Russian Federation	III Quarter 2011	IV Quarter 2011
33.	On pyrotechnic products safety	Russian Federation	III Quarter 2011	IV Quarter 2011
34.	On the requirements for honey and products of bee-farming	Kyrgyz Republic	III Quarter 2011	IV Quarter 2011
35.	On bottled water safety	Kyrgyz Republic	III Quarter 2011	IV Quarter 2011

1) Title of technical regulation of the EurAsEC can be changed during its development;
2) The deadline for submission of draft TR for consideration by the working group can be changed by the decision of the Integration Committee of EurAsEC; and
3) CTR - Commission on technical regulation, sanitary, veterinary and phytosanitary measures to trade under the Integration Committee of EurAsEC.

Note: The development by the technical regulations of EurAsEC will be funded from national budgets of EurAsEC member states and within the amounts provided for the implementation of relevant national programmes.

Table 37 - Powers of the Key Customs Union Bodies and Federal Executive Authorities Involved in Technical Regulation Procedures

Commission of the Customs Union	
Approves the Uniform list of products which are subject to mandatory requirements within the framework of the Customs Union and the procedure for maintenance thereof.	
Approves plans (schedule) of development of technical regulations of the Customs Union	
Establishes the procedure for development, adoption, amendment and cancellation of technical regulations of the Customs Union.	
Adopts technical regulations, introduces amendments and cancels technical regulations of the Customs Union.	
Determines the procedure for introduction into force of the adopted technical regulations of the Customs Union in case when it was not determined in the relevant technical regulation and if necessary transition provisions.	
Approves the list of international and regional standards and in the absence thereof – national (state) standards of the Parties voluntary application whereof ensures observance of requirements of the adopted technical regulations of the Customs Union and procedures of its adoption.	
Approves the list of international and regional standards and in the absence thereof – national (state) standards of the Parties containing rules and methods of research (testing) and measurements including rules on taking samples required for application and implementation of requirements of the adopted technical regulations of the Customs Union and conformity assessment (confirmation) of products. Approves procedures of adoption of this list.	
Adopts modal schemes of conformity assessment (confirmation).	
Adopts Unified forms of documents on conformity assessment (confirmation) (declarations of compliance with technical regulations of the Customs Union, certificate of compliance with technical regulations of the Customs Union).	
Adopts depiction of the uniform sign of circulation of products in the market of states-members of the Customs Union.	
Adopts procedure for application uniform sign of circulation of products in the market of states-members of the Customs Union.	
Adopts regulations on the uniform sign of circulation of products in the market of states – members of the Customs Union and the procedure for application thereof.	
Adopts regulation on the procedure for import to the customs territory of the Customs Union of products subject to mandatory requirements within the Customs Union.	
The Ministry of Industry and Trade of the Russian Federation	**The Federal Agency for Technical Regulation and Metrology[1]**
Carries out development and legal regulation in the areas of technical regulation and metrology.	Exercises: - Control and supervision over compliance with the mandatory requirements of State standards and technical regulations until the Government of the Russian Federation decides to transfer these functions to other federal executive authorities.
Adopts the following regulatory acts: - forms of declarations of conformity of products to the norms of national technical regulations;	Performs the following functions: - collection and processing of information on cases where damage is inflicted as a result of non-compliance with the requirements of technical regulations, provision of information to purchasers, manufacturers, and sellers regarding compliance with the requirements of technical regulations;
	- publication of notifications of the development, end of public discussion, and approval of national standards, lists of national standards which can be applied on a voluntary basis in order to comply with the requirements of technical regulations; official publication of national standards, and all-Russian classifiers of technical, economic, and social information and dissemination thereof;

[1] The Federal Agency for Technical Regulation and Metrology is under the control of the Ministry of Industry and Trade of the Russian Federation.

- the procedure for establishing expert commissions for technical regulation;	- establishment of technical committees for standardization and coordination of activities thereof;
	- adoption of a national standards development programme;
	- approval of national standards;
	- registration of national standards, standardization rules, norms and recommendations in this area and ensuring accessibility thereof to all interested persons;
	- accreditation (in the entrusted area of competence);
- the procedure for performance of functions by the national standards body;	- functions of the national standards body.
	Maintains: - the federal data bank of technical regulations and standards;
	- the single information system for technical regulation;
- forms of certificates of conformity of products to the norms of national technical regulations;	- the list of products subject to mandatory conformity confirmation;
- the rules of registration of declarations of conformity of products to the norms of technical regulations;	- the registry of registered conformity declarations;
- the procedure for the transfer of information on the issued certificates to the national part of Unified Register of issued certificates;	- the single registry of issued certificates;
	- develops and maintains national part of the Unified Register of certificates of conformity and the registered declaration of conformity of the Customs Union issued by a single form;
	- develops and maintains national part of the Unified Register of certification bodies and testing laboratories (centers) of the Customs Union;
- the procedure for keeping the single registry of the registered voluntary certification systems.	- the State registry of organizations accredited to perform assessment of conformity of products, production processes, and services to the established quality and safety requirements.
The Ministry of Economic Development of the Russian Federation	
Carries out development and legal regulation in the area of accreditation. Designs the national policy and performs legal regulation in the areas of socio-economic development, development of entrepreneurial activity, foreign economic activity (exclude foreign trade).	
The Ministry of Health and Social Development of the Russian Federation	**The Federal Health and Social Development Supervision Service[2]**
Designs the national policy and performs legal regulation in the area of healthcare.	Performs the functions of control and supervision in the area of healthcare and social development.
	Exercises control over: - Manufacture, preparation, circulation, and use of medicines from the view of their quality, efficacy, safety Registers: - Medicines and articles intended for medical use.

[2] The Federal Health and Social Development Supervision Service is under the Ministry of Health and Social Development of the Russian Federation.

The Ministry for Telecommunications and Mass Communications of the Russian Federation	The Federal Communications Agency[3]
Designs the national policy and performs legal regulation in the area of information technologies and telecommunications.	Organizes the certification system in the area of communications which includes certification bodies and test laboratories (centres).
	Performs registration of conformity declarations of telecommunication facilities and keeps the registry of conformity certificates of the certification system in the area of communications.
The Federal Customs Service[4]	
Performs customs clearance and customs control of goods transported over the customs border of the Russian Federation; provides for implementation of bans and restrictions on trade in goods, established by the Russian legislation.	

[3] The Federal Communications Agency is under the Ministry for Telecommunications and Mass Communications of the Russian Federation.
[4] The Federal Customs Service is under the control of the Government of the Russian Federation.

Table 38 - Timeline for the Submission of Notifications

Notification Requirement	Type of Measure	Deadline
Agreement on Implementation of Article VII of the GATT 1994 - Decision on checklist of issues	Responses to the checklist of issues	90 days after accession
Agreement on Subsidies and Countervailing Measures (ASCM) - Article 25.1 annual; - GATT 1994, Article XVI:1 annual	Any subsidy as defined in ASCM Article 1:1 which is specific within the meaning of ASCM Article 2 as well as any other subsidy which causes increased exports or decreased imports within the meaning of the GATT 1994, Article XVI:1 (Format: G/SC)	180 days after accession
Agreement on Trade-Related Investment Measures - Article 5.1	Trade-related investment measures (TRIMs) which are inconsistent with the provisions of Article III or Article XI of the GATT 1994 and not justified under exceptions to the GATT (Format: G/TRI)	90 days after accession
Agreement on Import Licensing import licensing Procedures - Article 7.3	Replies to questionnaire on procedures	90 days after accession
Agreement on Rules of Origin - Article 5:1; - Annex II, paragraph 4	Existing non-preferential rules of origin: judicial decisions and administrative rulings of general application relating to non-preferential rules of origin	90 days after accession

Table 39 - Quantities allowed for Importation under the TRQ Regime for Beef, Pork and Poultry for the Years 2004-2011 (Tonnes)

	2004	2005	2006	2007	2008	2009	2010			2011		
							Russian Federation	Rep. of Belarus	Rep. of Kazakhstan	Russian Federation	Rep. of Belarus	Rep. of Kazakhstan
Fresh and chilled beef (HS 0201)	27,500	27,500	27,800	28,300	28,900	29,500	30,000	2,500	20			
Frozen beef (HS 0202)	420,000	430,000	435,000	440,000	445,000	450,000	530,000	2,500	10,000	530,000	2,500	10,000
Pork (HS 0203)	450,000	467,400	476,100	484,800	493,500	531,900	472,100	60,000	7,400	472,000		
Pork trimmings (HS 0203 29 550 2; 0203 29 900 2)	-	-	-	26,500	28,000		27,900			27,900	60,000	7,400
Meat and edible offal of poultry of heading 0105, fresh, chilled or frozen (HS 0207)*	1,050,000	1,090,000	1,130,800	1,171,200	1,211,600	952,000	780,000	9,700	110,000	-	15,000	110,000
Frozen boneless meat of poultry (HS 0207 14 100 1), frozen halves and quarters of poultry with bone in (HS 0207 14 200 1), frozen legs of poultry and cuts thereof with bone in (HS 0207 14 600 1) and frozen boneless turkey meat (HS 0207 27 100 1)	-	-	-	-	-	-	-	-	-	350,000	-	-

* In 2004-2005- safeguard quota

Table 40 - Utilization of TRQs (Thousands of Tonnes)

HS Code	Import within the TRQ								Utilization, %							
	2003	2004	2005	2006	2007	2008	2009	2010	2003	2004	2005	2006	2007	2008	2009	2010
0201	3.3	15.4	18.8	18.7	18.3	14.7	7.3	15.3	28.70	55.96	68.4	67.2	64.6	50.87	24.75	51.0
0202	229.5	381.8	422.9	293.6	314.6	302.1	323.5	510.4	72.86	90.90	98.3	67.5	71.5	67.89	71.89	96.3
0203	321.1	427.5	465.8	431.3	500.0	509.4	495.4	495.3	95.14	95.00	99.7	90.6	97.8	97.68	93.14	99.06
0207	545.0	964.2	1,054.4	1,000.0	1,078.7	1,035.8	854.2	578.8	73.26	91.83	96.7	88.5	92.1	85.49	89.73	74.21

Table 41- List of Goods Subject to Veterinary Control

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
0101	Live horses, donkeys, mules and hinnies	Veterinary certificate or veterinary passport for sport horses	Yes	No
0102	Live cattle	Veterinary certificate	Yes	No
0103	Live swine	Veterinary certificate	Yes	No
0104	Live sheep and goats	Veterinary certificate	Yes	No
0105	Live poultry, i.e. chicken (Gallus domesticus), ducks, geese, turkey and guinea fowl	Veterinary certificate	Yes	No
0106	Other live animals[(1)]	Veterinary certificate, except for two or less dogs or cats for personal needs For two or less dogs or cats for personal needs – veterinary certificate or veterinary passport	Yes, except for two or less dogs or cats for personal needs	No
0201	Fresh and refrigerated cattle meat	Veterinary certificate	Yes	Yes
0202	Frozen cattle meat	Veterinary certificate	Yes	Yes
0203	Fresh, refrigerated or frozen swine	Veterinary certificate	Yes	Yes
0204	Fresh, refrigerated or frozen lamb or goat's meat	Veterinary certificate	Yes	Yes
0205 00	Fresh, refrigerated or frozen meat of horses, donkeys, mules or hinnies	Veterinary certificate	Yes	Yes
0206	Fresh, refrigerated or frozen food by-products of cattle, swine, sheep, goats, horses, donkeys, mules and hinnies	Veterinary certificate	Yes	Yes
0207	Fresh, refrigerated or frozen meat and by-products of poultry, stated in product item 0105	Veterinary certificate	Yes	Yes
0208	Other fresh, refrigerated or frozen meat and food by-products	Veterinary certificate	Yes	Yes
0209 00	Fresh, refrigerated or frozen, salted*, in brine*, dried* or smoked swan fat, separated from the lean meat, and poultry fat, not melted or otherwise extracted	Veterinary certificate	Yes	Yes
0210	Meat and food by-products salted*, in brine*, dried* or smoked*; flour from meat or meat by-products*	Veterinary certificate	Yes	Yes

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
0301	Live fish	Veterinary certificate	Yes	Yes
0302	Live or refrigerated fish, except filleted fish and other fish of product item 0304	Veterinary certificate	Yes	Yes
0303	Frozen meat, except filleted fish and fish of product item	Veterinary certificate	Yes	Yes
0304	Fresh, refrigerated or frozen filleted fish and other fish (including mincemeat)	Veterinary certificate	Yes	Yes
0305	Dried, salted or in brine fish; hot smoke or cold smoke fish; fish flour of fine grinding and meal and granules, ready for consumption *	Veterinary certificate	Yes	Yes
0306	Shellfish in shell or without shell, live, fresh, chilled, frozen, dried*, salted* or in brine*; crustaceans in shell, steamed* or boiled*, chilled or non-refrigerated, frozen , dried*, salted* or in brine*; Flours of fine grinding and meals and pellets of crustaceans, ready for consumption *	Veterinary certificate	Yes	Yes
0307	Mussels in shell or without shell, live, fresh, chilled, frozen, dried*, salted* or in brine*; other aquatic invertebrates, different from crustaceans and mollusks, live, fresh, chilled, frozen, dried*, salted* or in brine*; Flours of fine grinding, meals and pellets of other aquatic invertebrates, ready for consumption*	Veterinary certificate	Yes	Yes
0401	Raw milk and raw cream, not concentrated and without sugar-added or other sweetening substances	Veterinary certificate	Yes	Yes
0402	Milk and cream, concentrated and with added sugar or other sweetening substances*	Veterinary certificate	Yes	Measure to be applied in respect of goods destined from third States to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation, inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
0403	Buttermilk, curdled milk and cream, yogurt, kefir and other fermented or acidified milk and cream, concentrated or unconcentrated, with or without added sugar or other sweeteners in flavored or without them, with or without the additional fruits, nuts or cocoa *	Veterinary certificate	Yes	Measure to be applied in respect of goods destined from third States to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation, inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
0404	Whey, concentrated or unconcentrated, with or without added sugar or other sweetening matter; products made of natural components of milk, with or without added sugar or other sweetening substances, elsewhere not specified or included *	Veterinary certificate	Yes	Measure to be applied in respect of goods destined from third States to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation, inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
0405	Butter and other fats and oils, made from milk; dairy pastas *	Veterinary certificate	Yes	Measure to be applied in respect of goods destined from third States to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation, inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
0406	Cheese and cottage cheese *	Veterinary certificate	Yes	Measure to be applied in respect of goods destined from third States to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation, inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
0407 00	Birds' eggs in shell, fresh, canned* or boiled*	Veterinary certificate	Yes	Measure to be applied in respect of goods destined from third States to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation, inclusion to the Register is required only for processed egg products.
0408	Birds' eggs without shell and egg yolks, fresh, dried, steamed* or boiled in hot water*, molded*, frozen or preserved otherwise*, with or without added sugar or other sweetening substances	Veterinary certificate	Yes	Yes
0409 00 000 0	Natural honey	Veterinary certificate	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	No
0410 00 000 0	Food products of animal origin, not elsewhere specified or included	Veterinary certificate	Yes	No
0502	Bristles pork or Cabaña; badger or other hair, used in production of brushes; their waste	Veterinary certificate	Yes	No

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
0504 00 000 0	Guts, bladders and stomachs of animals (except fish), whole or in pieces, fresh, chilled, frozen, salted, in brine, dried or smoked	Veterinary certificate	Yes	Measure to be applied in respect of goods destined from third States to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation, inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
0505	Skins and other parts of birds with feathers or down, feathers and parts of feathers (cut or uncut edges) and down, cleaned, disinfected or treated for storage, but not further prepared; powder and waste of feathers or their parts	Veterinary certificate	Yes	No,
0506	Bones and horn-core, raw, low-fat, dominated by primary treatment (without shaping), treated with acid or degelatinised; powder and waste of these products	Veterinary certificate	Yes	No
0507	Ivory, tortoise-shell, whalebone or other marine mammals, horns, antlers, hooves, nails, claws and beaks, unworked or subjected to primary processing without shaping; powder and waste of these products	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
0510 00 000 0	Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
0511	Products of animal origin, not elsewhere specified or included; dead animals of 01 or 03 group, unfit for human consumption	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
0511 99 809 2	Horse hair and its waste, including in the form of paintings on the substrate or with or without it	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
from 0511, from 9601, from 9705 00 000 0	Hunting trophies, stuffed animals, including pasting through taxidermist processing or canned	Veterinary certificate only for unprocessed hunting trophies	No for trophies, which passed the full taxidermic processing.	Inclusion to the Register is not required, but the name of the taxidermic manufactory (shop) where the first processing was made or hunting farm should be indicated in the import permit and in the veterinary certificate when these are required
1001 10 000 0 (only feed grain)**	Hard wheat	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1001 90 990 0 (only feed grain)**	Soft wheat	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1002 00 000 0 (only feed grain)**	Rye	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1003 00 900 0 (only feed grain)**	Barley	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1004 00 000 0 (only feed grain)**	Oats	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1005 90 000 0 (only feed grain)**	Other corn	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
1201 00 900 0 (only feed grain)**	Soybeans	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
from 1208**	Flour of fine grinding and meals of seeds or fruits of oilseeds (except mustard seeds), used for animal feed	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
from 1211**	Plants and their parts (including seeds and fruits), used in insecticidal or similar purposes, or in veterinary medicine, fresh or dried, whole or chopped, crushed or ground	Veterinary certificate, only when declaring for use in veterinary, including for animal feed	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
from 1212 99 700 0	Others (bee-bread, ambrosia)	Veterinary certificate	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1213 00 000 0**	Straw and chaff of grain, raw, chopped or uncomminuted, beaten or not milled, pressed or in the form of granules	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1214**	Swede, beet leaf (Swiss chard), root feeding, hay, alfalfa, clover, sainfoin, forage kale, lupines, vetches and similar forage products, granular or granulated	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
from 1301 90 900 0	Others (Propolis)	Veterinary certificate	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
1501 00	Swine fat (including lard) and poultry fat, except fat of product item 0209 or 1503	Veterinary certificate – only for controlled goods of animal origin intended for food and feed without disinfection process	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
1502 00	Fat of cattle, sheep or goats, except fat of product item 1503	Veterinary certificate– only for controlled goods of animal origin intended for food and feed without disinfection process	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1503 00	Lard stearin, lard oil, oleostearin, oleo- oil and tallow oil, not emulsified or mixed or otherwise prepared	Veterinary certificate– only for controlled goods of animal origin intended for food and feed without disinfection process	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1504	Fats, oils and their fractions, from fish or marine mammals, whether or not refined, but not chemically modified	Veterinary certificate– only for controlled goods of animal origin intended for food and feed without disinfection process	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1505 00	Wool grease and fatty substances derived therefrom (including lanolin)	Veterinary certificate– only for controlled goods of animal origin intended for food and feed without disinfection process	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1506 00 000 0	Other animal fats and oils and their fractions, whether or not refined, but without altering chemical composition	Veterinary certificate– only for controlled goods of animal origin intended for food and feed without disinfection process	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
1516 10	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinized, whether or not refined but not further prepared	Veterinary certificate– only for controlled goods of animal origin intended for food and feed without disinfection process	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the Veterinary certificate
1516 20**	Fats and vegetable oils and their fractions	Veterinary certificate– only when declaring for use in animal feed purposes	Yes	No
1518 00	Animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulfonated, oxidized by air blown, polymerized by heat in vacuum or in inert gas or chemically modified in another way other than products of product item 1516; unfit for human consumption of mix or preparations of animal or vegetable fats and oils or fractions of different fats and oils of this group, not elsewhere specified or included	Veterinary certificate (when declaring for use in veterinary, including animal feed) in respect of goods destined to the territory of Belarus and Kazakhstan Veterinary certificate (declaring for veterinary purposes, including for feed production), except for vegetable fats, except for products containing less than 50% of products of animal origin other than meat in respect of goods destined to the territory of the Russian Federation	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan Measure is applied in respect of goods destined to the territory of the Russian Federation, except for vegetable fats	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate, except for vegetable fats.
1521 90	Beeswax and other insect waxes and spermaceti, whether or not colored, refined or unrefined	Veterinary certificate	Yes	No
1601 00	Sausages and similar products of meat, meat by-products or blood; ready food products, made on their basis*	Veterinary certificate	Yes	Yes
1602	Prepared or preserved meat products, meat by-products or blood of other	Veterinary certificate	Yes	Yes

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
1603	Extracts and juices from meat, fish or crustaceans, mollusks or other aquatic invertebrates	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the establishments should be indicated in the import permit and in the Veterinary certificate
1604	Prepared or preserved fish; caviar and its substitutes, made from fish eggs	Veterinary certificate	Yes	Yes
1605	Prepared or preserved crustaceans, mollusks and other aquatic invertebrates*	Veterinary certificate	Yes	Yes
1902 20	Pasta stuffed, whether or not cooked or otherwise prepared, containing fish, crustaceans, mollusks or other aquatic invertebrates, sausages, meat, meat offal, blood or blood products of group 04, or any combination of these products***	Veterinary certificate, except for products containing less than 50% of products of animal origin	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan, except for goods containing less than 50 % of animal origin components	Inclusion to the Register is not required, but names and/or numbers of the establishments should be indicated in the Veterinary certificate
1904 20	Cereals (except maize) in the form of grain or flaked grains or processed in any other way (except for a thin flour and meal), pre-boiled or cooked in any other way, containing fish, crustaceans, mollusks or other aquatic invertebrates, sausages, meat, meat offal, blood or blood products of group 04, or any combination of these products***	Veterinary certificate, except for products containing less than 50% of products of animal origin	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan, except for goods containing less than 50 % of animal origin components	Inclusion to the Register is not required, but names and/or numbers of the establishments should be indicated in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
from 20	Processed vegetables, fruits, nuts or other parts of plants and their mixtures, containing sausage, meat, meat by-products, blood, fish or crustaceans, mollusks or other aquatic invertebrates or products from group 04, or any combination of these products***	Veterinary certificate, except for products containing less than 50% of products of animal origin	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan, except for goods containing less than 50 % of animal origin components	Inclusion to the Register is not required, but names and/or numbers of the establishments should be indicated in the Veterinary certificate
from 2102 20**	Inactive yeast; other dead single-celled microorganisms that are used for animal feed	Veterinary certificate	Yes	No
from 2104	Soups and broths and billets for its preparation (except vegetables); homogenized composite food products, that contain sausage, meat, meat by-products, blood, fish, crustaceans, mollusks or other invertebrates or products of group 04, or any combination of these products***	Veterinary certificate except for products containing less than 50% of products of animal origin	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan, except for goods containing less than 50 % of animal origin components	Inclusion to the Register is not required, but names and/or numbers of the establishments should be indicated in the Veterinary certificate
from 2105	Ice cream, except ice cream, made on the basis of fruits and berries, fruit and edible ice***	Veterinary certificate in respect of goods destined to the territory of Belarus and Kazakhstan Veterinary certificate, except for products containing less than 50% of products of animal origin, in respect of goods destined to the territory of the Russian Federation	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation inclusion to the Register is not required, but names and/or numbers of the establishments should be indicated in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
from 2106	Processed cheese and other food products, containing sausage, meat, meat offal, blood, fish, crustaceans, mollusks or other invertebrates or the products of group 04, or any combination of these products***	Veterinary certificate in respect of goods destined to the territory of Belarus and Kazakhstan Veterinary certificate, except for products containing less than 50% of products of animal origin, in respect of goods destined to the territory of the Russian Federation	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan	Yes, in case producers of sausages, meat, meat offals, blood, fish, crustaceans, mollusks or other invertebrates or the products of group 04, or any combination of these products are not included into the Register of third countries
2301	Flours, meals and pellets of meat or meat offal, fish or crustaceans, mollusks or other aquatic invertebrates, unfit for human consumption; greaves	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
from 2302**	Bran, sharps and other remains from sifting, milling or other methods of processing cereals or legumes, granulated or not granulated, used for animal feed	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
from 2303**	Remains of starch manufacture and similar residues, beet pulp, bagasse, or sugar cane bagasse and other waste from sugar production, grains and other waste from brewing or distilling, granulated or not granulated, used for animal feed	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
from 2304 00 000**	Oilcake and other solid residues, obtained by extracting soybean oil, unbeaten or ground, granulated or not granulated, used for animal feed	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
from 2306**	Oilcake and other solid residues, obtained by extraction of vegetable fats or oils, except waste of commodity items 2304 or 2305, unbeaten or ground, granulated or not granulated, used for animal feed	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
2308 00**	Products of vegetable origin and vegetable waste, vegetable residues and byproducts, granulated or not granulated, used for feeding animals, not elsewhere specified or included	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
2309	Products used for animal feed	Veterinary certificate in respect of goods destined to the territory of Belarus and Kazakhstan Veterinary certificate only if the products contain animal products, in respect of goods destined to the territory of the Russian Federation	Yes (except feed for cats and dogs heat treated and in retail packaging)	Inclusion to the Register is not required, but names and/or numbers of the establishments should be indicated in the import permit and in the Veterinary certificate
from group 29**	Organic chemical compounds (for the use in veterinary medicine)	No	Yes	No
from group 30	Pharmaceutical products (for the use in veterinary medicine)	No	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan, as well as not registered pharmaceutical products, destined to the territory of the Russian Federation	Inclusion to the Register is not required, but for non registered pharmaceutical products names and/or numbers of the final establishments should be indicated in the import permit and in the quality certificate for additives of chemical or microbiological synthesis

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
3101 00 000 0	Fertilizers of animal or vegetable origin, mixed or unmixed, chemically treated or untreated; fertilizer obtained by mixing or chemical treatment of products of vegetable or animal origin	Veterinary certificate in respect of goods destined to the territory of Belarus and Kazakhstan Veterinary certificate only if the products contain animal products, in respect of goods destined to the territory of the Russian Federation	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate, if the products contain animal products
from 3501	Casein, caseinates and other casein derivatives	Veterinary certificate	Yes	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
3502	Albumin (protein) (including concentrates of two or more whey proteins, containing more than 80 wt.% of whey proteins in terms of dry substance), albuminates and other derivatives of albumin	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
3503 00	Gelatin (including rectangular (including square) sheets with a surface treatment or without treatment, or colored) and gelatin derivatives; isinglass; glues of animal origin, except for casein of heading 3501	Veterinary certificate	Yes	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan. In respect of goods destined to the territory of the Russian Federation inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
3504 00 000 0	Peptone and their derivatives; other protein substances and their derivatives, in not elsewhere specified or included; powder from the skin or pelt, chrome or not chrome	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
from 3507**	Enzymes, enzyme preparations, not elsewhere specified or included (for the use in veterinary medicine)	No	Yes	No
from 3808	Insecticides, rodenticides, means of disinfectants and similar to them, put up in forms or packing for retail sale, or presented as finished products or articles (for use in veterinary medicine)	No	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan, as well as goods are not registered in CU destined to the territory of the Russian Federation	No
from 3821 00 000 0**	Environments for cultivation of microorganisms for the use in veterinary	No	No	No

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
from 3822 00 000 0	Diagnostic or laboratory reagents on a substrate, prepared diagnostic or laboratory reagents on a substrate, or without it, except for goods of heading 3002 or 3006 (for the use in veterinary medicine), certified reference materials (for the use in veterinary medicine)	No	Measure is applied in respect of goods destined to the territory of Belarus and Kazakhstan. In respect of the goods destined to the territory of the Russian Federation the measure is applied until the adoption of the technical regulation	No
4101	Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
4102	Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment- dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1c to this Chapter	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
4103	Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment- dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1b or 1c to this Chapter	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
4206 00 000 0	Products from guts (except silkworm gut), Sinuga, bladders or tendons	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final final establishments should be indicated in the import permit and in the Veterinary certificate

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
4301	Raw fur (including heads, tails, paws and other pieces or cuttings, suitable for manufacture of fur), except raw hides and skins of heading 4101, 4102 or 4103	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
5101	Wool, not carded or combed	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
5102	Animal hair, fine or coarse, not carded or combed	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
5103	Waste of wool or of fine or coarse animal hair, including yarn waste but excluding garnetted stock	Veterinary certificate	Yes	Inclusion to the Register is not required, but names and/or numbers of the final establishments should be indicated in the import permit and in the Veterinary certificate
from 9508 10 000 0	Animals in the zoos and mobile circuses and mobile menagerie	Veterinary certificate	Yes	Inclusion to the Register is not required, but the numbers of farms, quarantine bases, names of zoo, dolphinariums and etc. and/or names of the establishments should be mentioned in the import permit and in the Veterinary certificate
from 9705 00 000 0	Collections and collectors' items in zoology, anatomy and paleontology of animals (except exhibits in museum storage)	Veterinary certificate	Yes	No

CN	Description of goods	Accompanying Documents	Import permit (yes/no)	Register of establishments of third States (yes/no)
from 3923, from 3926, from 4415, from 4416 00 000 0, from 4421, from 7020 00, from 7309 00, from 7310, from 7326, from 7616, from 8436 21 000 0, from 8436 29 000 0, from 8436 80 910 0, from 8436 80 990 0, from 8606 91 800 0, from 8609 00, from 8716 39 800	Machinery and equipment for transportation, farming, temporary overexposure animals of all kinds, as well as equipment for transportation of raw materials (products) of animal origin, that were used	No (document of the competent authority exporting country in case of difficult epizootic situation)	Yes, in cases of unsafe epizootic situations additional conditions will be included into the import permit	No

Notes:

(1) Camels are also included in this group.

* As part of epizootic wellbeing

** In respect of goods destined to the territory of the Russian Federation veterinary control is not exercised and none of the measures set-out in columns "Accompanying Documents", "Import permit", "Register of establishments of third States" is applied.

*** Ready-made food products that contain no raw meat components or containing less than 50 per cent of another processed product of animal origin, that are securely packaged or sealed in clean containers, and that are shelf stable at ambient temperature or have clearly undergone in their manufacture a complete cooking or heat treatment process throughout their substances so that any raw product is denatured, are not subject to veterinary control when destined to the territory of the Russian Federation.

Table 42 - List of Investment Agreements Concluded under Auto Investment Program No. 2 with regard to "Industrial Assembly" of Motor Vehicles

	Investment Project	Signed (date)
1.	Volkswagen Group RUS (1 investment agreement)	31 May 2011
2.	Ford Motor Company; Ford Sollers Elabuga; Sollers-KAMA (3 investment agreements)*	30 May 2011
3.	AvtoVAZ; Avtoframos; Nissan manufacturing RUS; United Auto Group; KAMAZ; Mercedes-Benz Trucks Vostok (6 investment agreements)*	31 May 2011
4.	GM-AvtoVAZ; General Motors Auto (2 investment agreements)*	31 May 2011

* Each of the listed investors signed an individual investment agreement with the Ministry of Economic Development of the Russian Federation but act as a consortium implementing the same investment project.

Table 43 - List of Memoranda of Understanding on Intention to Conclude an Investment Agreement under Auto Investment Program No. 2 with regard to "Industrial Assembly" of Parts and Components of Motor Vehicles

	Investment Project	Signed (date)
1.	CIE-Avtokom	26 February 2011
2.	Roots Avtokom	28 February 2011
3.	Avtokom	26 February 2011
4.	Voko-Rus	26 February 2011
5.	Group ROSSHINA	26 February 2011
6.	Kamaz-New Technologies	26 February 2011
7.	Kamaz Synergy	26 February 2011
8.	Eko Kamaz	26 February 2011
9.	Chistopol Avtotehnologii	26 February 2011
10.	ZF KAMA (14 memoranda)	26 - 28 February 2011
11.	Cummins Kama	28 February 2011
12.	Knorr-Bremse Kama system for the KTS	26 February 2011
13.	Federal-Mogul Naberezhnye Chelny	26 February 2011
14.	Federal-Mogul Pauertreyn Vostok (4 memoranda)	26 February 2011
15.	Mercedes-Benz Trucks Vostok	28 February 2011
16.	Volvo Vostok (22 memorandums)	25 - 26 February 2011
17.	TRM	26 February 2011
18.	Automobile plant Ural (4 memoranda)	25 - 26 February 2011
19.	Scientific-Production Enterprise Sotex (4 memoranda)	25-26 February 2011
20.	Tee Ai Automotive (2 memoranda)	26 February 2011
21.	Group Antolini Saint-Petersburg	25 February 2011
22.	Johnson Controls International (5 memoranda)	25 - 28 February 2011
23.	Trading Company DensoRus (2 memoranda)	25 February 2011
24.	Eberspeher Exhaust Systems Rus	28 February 2011
25.	Tramiko	25 February 2011
26.	NTZ MSP	25 February 2011
27.	Eberspeher AvtoVAZagregat exhaust systems	25 February 2011
28.	Belspring	28 February 2011
29.	Dura Automotive Systems	26 February 2011
30.	Avtodorsistems	26 February 2011
31.	Rus Transmishn	26 February 2011
32.	ZF Russuia	25 February 2011
33.	Automotive Lighting (9 memoranda)	25 - 28 February 2011
34.	Visteon Rus (3 memoranda)	25 February 2011
35.	FUSO KAMAZ Trucks Rus	25 February 2011
36.	Plant Avtopribor	25 February 2011
37.	Webasto Rus	28 February 2011
38.	Tenneko Automotive Volga	25 February 2011
39.	Lick Auto	26 February 2011
40.	Business Consulting Volga	28 February 2011
41.	LIR (3 memoranda)	26 February 2011
42.	Preventive Auto Eng (7 memoranda)	28 February 2011
43.	Foresija ADP (2 memoranda)	25 February 2011
44.	Fores Metal Ikzost Systems	25 February 2011
45.	Continental Automotive Rus (25 memoranda)	25 February 2011
46.	Delphi Samara (3 memoranda)	25 February 2011
47.	Tolyatti Complect Avto	26 February 2011
48.	Bosal (2 memoranda)	25 - 26 February 2011
49.	Stavrovo Automotive Systems	25 February 2011

	Investment Project	Signed (date)
50.	SK-Promavto	25 February 2011
51.	LEONI Vayering Systems (RUS)	25 February 2011
52.	Schmitz Kargobull Russland	25 February 2011
53.	AGCO KTZ	28 February 2011
54.	Company of corporate governance Consortium Tractor plants (2 memoranda)	25 - 26 February 2011
55.	NPP ITELMA	25 February 2011
56.	Avtodetal-service	28 February 2011
57.	Electrom	25 February 2011
58.	NPO Turbotehnika	25 February 2011
59.	AvtoVAZagregat	25 February 2011
60.	Electromechanical Plant Pegas	25 February 2011
61.	Industrial Volga Company	25 February 2011
62.	Branoros	25 February 2011
63.	COM	25 February 2011
64.	Kosim	25 February 2011
65.	Lada-Pharm	26 February 2011
66.	Shin Yang Rus	26 February 2011
67.	PressFormSistems	26 February 2011
68.	Sanghvi Hi-Tech Eng	26 February 2011
69.	Donhi Rus	26 February 2011
70.	Devon Rus	25 February 2011
71.	Sechzhong Rus	25 February 2011
72.	PHR	25 February 2011
73.	Modin Rus	26 February 2011
74.	Demfi	28 February 2011
75.	PES/SCC	26 February 2011
76.	RyazanAvtoagregat	26 February 2011
77.	Vesta	25 February 2011
78.	Petrovsky Plant Auto Parts of AMO ZIL	25 February 2011
79.	Roslavl Auto Aggregate Plant	26 February 2011
80.	Penza factory Avtozapchast	26 February 2011
81.	ZIL	26 February 2011
82.	Service-turbo	25 February 2011
83.	Magna Technoplast	25 February 2011
84.	NPO Belmag	25 February 2011
85.	Transmission System	25 February 2011
86.	Magna Togliatti	25 February 2011
87.	Steering Systems	25 February 2011
88.	Plant Avtosvet	26 February 2011
89.	Plant named after AN Tarasova	25 February 2011
90.	Belebeevsky Plant autokomplect	25 February 2011
91.	Fores Automotive Development	26 February 2011
92.	AHB Group	26 February 2011
93.	Toyota Motor Manufacturing Russia (10 memoranda)	25 - 26 February 2011
94.	Smolensk Pauerstiring Plant	25 February 2011
95.	NPP Avtel (5 memoranda)	26 February 2011
96.	Yura Corporation Rus	26 February 2011
97.	Dimitrovgrad Automobile Units Plant	28 February 2011
98.	ELKO Group	28 February 2011
99.	Broz Russland	28 February 2011
100.	MANN + Hummel	28 February 2011
101.	Sibeko (2 memoranda)	28 February 2011

	Investment Project	Signed (date)
102.	Kirhoff Avtorus	28 February 2011
103.	Voith Turbo Kazan	28 February 2011
104.	Continental Tayrs Russ	28 February 2011
105.	Autoliv	28 February 2011
106.	Kuzbassavto	28 February 2011
107.	TRW Automotive (4 memoranda)	28 February 2011
108.	Automotive Komponents International Rus (2 memoranda)	28 February 2011
109.	Mefro Wiles Russia	28 February 2011
110.	Avtoframos (36 memoranda)	28 February 2011
111.	AEK	28 February 2011
112.	Optima	28 February 2011
113.	MALE Technologies RUS Ltd.	28 February 2011
114.	Takata-Petri Rus	28 February 2011
115.	Visteon Avtopribor Electronics (4 memoranda)	28 February 2011
116.	PlasticS	28 February 2011
117.	TPV Rus	28 February 2011
118.	Plastic	28 February 2011
119.	RESURSKONTRAKT	28 February 2011
120.	SIMOS-ZKS	28 February 2011
121.	Plant of the climate systems	28 February 2011
122.	Scientific and Production Company SIGMA	28 February 2011
123.	Robert Bosch (4 memoranda)	28 February 2011
124.	Production Company Autocomponent (2 memoranda)	28 February 2011
125.	Autocomponent: Starters, generators, electromechanical actuators (4 memoranda)	28 February 2011
126.	Autocomponent: Lighting Equipment	28 February 2011
127.	Autocomponent: Systems of control and diagnostics, electronic sensors, measuring devices (8 memoranda)	28 February 2011
128.	Autocomponent: Details of piston group (2 memoranda)	28 February 2011
129.	Autocomponent: Compressors	28 February 2011
130.	Autocomponent: Welded assemblies body parts frame	28 February 2011
131.	Autocomponent: The exhaust galls converters	28 February 2011
132.	Autocomponent: Panel interior doors and seats (4 memoranda)	28 February 2011
133.	Autocomponent: Steering mechanisms	28 February 2011
134.	Autocomponent: Stamped body parts	28 February 2011
135.	Autocomponent: Gearbox and transmission units	28 February 2011
136.	Autocomponent: Brake modules (2 memoranda)	28 February 2011
137.	Autocomponent: ABS systems, stability and exchange rate stability	28 February 2011
138.	Autocomponent: Climate system	28 February 2011
139.	Autocomponent: Clutch, drive shaft and joints	28 February 2011
140.	Autocomponent: Suspension (3 memoranda)	28 February 2011
141.	Benteler Automotive	28 February 2011
142.	BASF	28 February 2011
143.	NBH RUS	28 February 2011
144.	Toyota Boshoku	28 February 2011
145.	Mobis module CIS	28 February 2011
146.	Duvon Rus	28 February 2011
147.	Valeo Service (7 memoranda)	28 February 2011
148.	Valeo Climate Control Tomilino	28 February 2011
149.	Mietek-Elabuga	28 February 2011
150.	Stola-Elabuga	28 February 2011
151.	Kapler Consult (8 memoranda)	28 February 2011
152.	Dimitrovgrad radiator plant (2 memoranda)	28 February 2011

	Investment Project	Signed (date)
153.	Maxus Rus (5 memoranda)	28 February 2011
154.	Schaeffler Russland	28 February 2011
155.	Robert Bosch Saratov	28 February 2011
156.	TIS	28 February 2011
157.	Ulyanovsk enterprise Avtokontakt	28 February 2011
158.	Kovrov enterprise Motomegal	28 February 2011
159.	Samaraavtozhgut	28 February 2011
160.	Dimitrovgrad ZhgutKomplekt	28 February 2011
161.	Optibelt Pauer Transmishn	28 February 2011
162.	KrasTEM	28 February 2011
163.	Bataisk production association Electosvet	28 February 2011
164.	Megalist-Taganrog	28 February 2011
165.	Belebeevsky enterprise Avtodetal (3 memoranda)	28 February 2011
166.	Electron	28 February 2011
167.	Arzamas Production Association Avtoprovod	28 February 2011
168.	NPO Avtopromagregat	28 February 2011
169.	Metalloprodukcija	28 February 2011
170.	Skopinsky Auto Aggregate Plant	28 February 2011
171.	Deykoform	28 February 2011
172.	Toyota Tsuse Mashineri (5 memoranda)	28 February 2011
173.	Sollers	28 February 2011
174.	POLAD	28 February 2011
175.	Gestamp-Severstal-Kaluga	28 February 2011
176.	Gestamp-Severstal-Vsevolozhsk	28 February 2011
177.	Roslslavsky Auto Aggregate Plant of AMO ZIL	26 February 2011
178.	SAVEKO	28 February 2011

Table 44 - List of Agreements Concluded under Auto Investment Program No. 1 with Regard to "Industrial Assembly" of Motor Vehicles and Parts and Components Thereof

List of investment agreements	Investment Project	Signed or Entered into force (date)
1	"United Auto Group"	11 August 2005
2	"Sollers-Naberezhnye Chelny"	28 November 2005
3	"Avtoframos"	28 April 2006
4	"GM-AvtoVAZ"	2 May 2006
5	"Volkswagen Group Rus"	29 May 2006
6	"General Motors Cars»	29 May 2006
7	"Nissan Manufacturing RUS"	13 June 2006
8	"Toyota Motor Manufacturing Russia"	12 June 2006
9	"Ford Motor Company"	31 July 2006
10	"Sollers-ELABUGA"	25 December 2006
11	"AvtoVAZ"	29 November 2006
12	"Automobile plant " GAZ "	9 March 2007
13	"Suzuki Auto MFG Rus"	8 June 2007
14	"PSMA RUS"	9 June 2007
15	"United Transport Technologies"	12 July 2007
16	"Ulyanovsk Automobile Plant"	30 August 2007
17	"Hyundai Motor CIS"	14 September 2007
18	Maxus Rus"	14 September 2007
19	"EM-MC RUS"	25 December 2007
20	"Sollers-Isuzu"	30 November 2007
21	"Ford Sollers Elabuga"	16 November 2007
22	"Sollers-KAMA"	16 November 2007
23	"Group Himeks"	29 November 2007
24	"SAVEKO"	30 January 2008
25	"MAGNA Nizhny Novgorod 2"	31 May 2008
26	"TOYOTA MOTOR"	30 March 2009
27	"Sollers Dalniy Vostok"	24 December 2009
28	"Sollers-Bussan"	17 February 2011
29	"KAMAZ"	28 February 2011
30	"Mercedes-Benz Trucks Vostok"	28 February 2011
31	"Mazda Motor Manufacturing Rus"	22 June 2011
	Parts and component of motor vehicles	
32	"ZF KAMA"	29 March 2007
33	«Toyota Boshoku»	9 April 2007
34	"Autodiesel"	5 June 2007
35	"Automotive Lighting"	9 November 2007
36	"Avtosvet"	31 January 2008
37	"LIK AUTO"	29 December 2007
38	"Benteler Automotive»	30 January 2008
39	"Voith Turbo Kazan"	30 January 2008
40	"Cummins Kama"	30 January 2008
41	"Automotive Komponents International RUS" (2 agreements)	21 February 2008
42	"Johnson Controls International"	29 February 2008
43	"Eberspeher Exhaust Systems RUS"	29 February 2008
44	"Mobis module CIS"	31 March 2008
45	"Yura Corp RUS "	31 March 2008
46	"MAGNA International"	29 February 2008

List of investment agreements	Investment Project	Signed or Entered into force (date)
47	"Skopinsky Auto Aggregate Plant"	28 February 2008
48	"Tee Ai Automotive»	28 February 2008
49	"Knorr-Bremse Kama"	28 February 2008
50	"Federal-Mogul Naberezhnye Chelny"	28 February 2008
~~51~~	"~~Magna St. Petersburg"~~ (the agreement was terminated)	29 February 2008
52	"LIR"	4 July 2008
53	"Zavolzhsky Engine Plant"	14 August 2008
54	"Company of Corporate Governance" Consortium "Tractor Plants"	11 September 2008
55	"Duvon Rus"	20 November 2008
56	"Sanghvuh Hi-tech Rus"	28 November 2008
57	"Sechzhong Rus"	28 November 2008
58	"Devon Rus"	28 November 2008
59	"NVH Rus"	28 November 2008
60	"Stavrovo Automotive Systems"	2 April 2009
61	"KOSIM"	14 September 2009
62	"The joint venture Vittsenmann Russiya"	19 October 2009
63	"Deyvon SOLLERS"	21 October 2009
64	"BOSAL"	26 December 2009
65	"MAGNA Technoplast"	19 March 2010
66	"Visteon Rus"	7 April 2010
67	"Steering System"	2 June 2010
68	"PES/SKK"	11 June 2010
69	"Foresiya ADP"	16 July 2010
70	"AvtoVAZagregat"	12 October 2010
71	"Shin Yang Rus"	30 November 2010
72	"Donhi Rus"	22 December 2010
73	"Plant" Avtopribor "	25 December 2010
74	"NizhegorodskieMotors" (2 agreements)	3 February 2011

ANNEX 3

Technical Barriers to Trade

I. Agreements of Eurasian Economic Community, Customs Union and Acts of these Organizations

- EurAsEC Agreement on the Basics of Harmonization of Technical Regulations of the Member States of EurAsEC of 24 March 2005;
- EurAsEC Agreement On Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures of 25 January 2008;
- Agreement on uniform principles and rules of technical regulation in the Republic of Belarus, Republic of Kazakhstan and the Russian Federation of 18 November 2010;
- CU Agreement on the Circulation of Goods subject to Mandatory Conformity Assessment on the Customs Territory of Customs Union of 11 December 2009;
- CU Agreement on Mutual Recognition of Accreditation of Certification Bodies (Conformity Assessment (Confirmation)) and Test Laboratories (Centres) performing works on Conformity Assessment (Confirmation) of 11 December 2009;
- EurAsEC Interstate Council Decision No. 521 of 19 November 2010 "On the Schedule of Development of EurAsEC First-Priority Technical Regulations";
- Decision No. 1175 of the Integration Committee of the EurAsEC of 17 August 2010 "On Regulation on Development of Technical Regulations of Eurasian Economic Community";
- CU Commission Decision No. 319 of 18 June 2010 "On Technical Regulation in the Customs Union" (as amended on 7 April 2011 by CU Commission Decision No. 620);
- CU Commission Decision No. 452 of 18 November 2010 "On the Strategies of Development of Unified System of Technical Regulation, Application of Sanitary, Veterinary and Phytosanitary Measures in 2011-2015";
- CU Commission Decision No. 453 of 18 November 2010 "On Drafts in the Sphere of Technical Regulation of the Customs Union" (as amended on 8 December 2010 by CU Commission Decision No. 492 of 28 January 2011 by CU Commission Decision No. 527 and by CU Commission Decision No. 606 of 7 April 2011);
- CU Commission Decision No. 457 of 18 November 2010 "On the Draft of the Agreement on Harmonization of the Legislations of Member States of the Customs Union in Terms of Establishing Responsibility for Violation of the Requirements of the Legislation of the Customs Union in the Field of Technical Regulation, Sanitary, Veterinary and Phytosanitary Measures";
- CU Commission Decision No. 492 of 8 December 2010 "On Schedule of Development of Priority Technical Regulations of the Customs Union";
- CU Commission Decision No. 526 of 28 January 2011 "On Common List of Products, in Respect of which Mandatory Requirements are Established in the Frame of the Customs Union";
- CU Commission Decision No. 527 of 28 January 2011 "On the Regulations of the Commission of the Customs Union in the Sphere of Technical Regulation" (as amended on 7 April 2011 by CU Commission Decision No. 606);
- CU Commission Decision No. 562 of 2 March 2011 "On the Drafting of a Development strategy Concerning the Unified System of Technical Regulations and Application of Sanitary, Veterinary and Phytosanitary Measures of the CU in 2011-2015";
- CU Commission Decision No. 563 of 2 March 2011 "On Unified Formats for Documents on Conformity Assessment Confirmations (Declaration on Conformity to the CU's TRs, Conformity Certificate to CU's TR)";
- CU Commission Decision No. 600 of 7 April 2011 "On the Drafting of Agreement of the Member-States of the CU on Types of the Administrative Violations and the Establishment of the Charges for the Violations in Sphere of the Technical Regulation, Application of the Sanitary, Veterinary, and Phytosanitary Measures";

- CU Commission Decision No. 606 of 7 April 2011 "On Amendments to the Regulations on the Development, Adoption, Amendment and Cancellation of the Technical Regulations of the Customs Union";
- CU Commission Decision No. 620 of 7 April 2011 "On New Version of Common List of Products, Subject To Mandatory Assessment (Confirmation) of Conformity within the Customs Union with the Provision of Common Documents, Adopted by the CU Commission Decision No. 319 of 18 November 2010";
- CU Commission Decision No. 621 of 7 April 2011 "On Regulation on Application of Modal Schemes of Conformity Assessment (Confirmation) in Technical Regulations of the Customs Union";
- CU Commission Decision No. 625 of 7 April 2011 "On Harmonization" (as last amended on June 2011).

II. National Acts of the Russian Federation

- Water Code of the Russian Federation No. 74-FZ of 3 June 2006 (as last amended on 28 December 2010);
- Forest Code of the Russian Federation No. 200-FZ of 4 December 2006 (as last amended on 29 December 2010);
- Federal Law No. 184-FZ of 27 December 2002 "On Technical Regulation" (as last amended on 28 September 2010);
- Federal Law of 8 December 2003 No. 164-FZ (as last amended on 8 December 2010);
- Federal Law No. 126-FZ of 7 July 2003 "On Communications" (as last amended on 23 February 2011);
- Federal Law No. 99-FZ of 30 December 2006 "On Quarantine of Plants" (as last amended on 28 December 2010);
- Federal Law No. 29-FZ of 2 January 2000 "On the Quality and Safety of Food Products" (as last amended on 28 December 2010);
- Federal Law No. 52-FZ of 30 March 1999 "On the Sanitary and Epidemiological Welfare of the Population" (as last amended on 28 December 2010);
- Federal Law No. 170-FZ of 21 November 1995 "On the Use of Atomic Energy" (as last amended on 27 December 2009);
- Law of the Russian Federation No. 4979-1 of 14 May 1993 "On Veterinary Science" (as last amended on 10 December 2010);
- Resolution of the Government of the Russian Federation No. 86-r of 27 January 2011 "On Cancellation of Resolutions of the Government of the Russian Federation";
- Resolution of the Government of the Russian Federation No. 718 of 27 November 2006 "On the Customs Tariffs of the Russian Federation and the Commodity Classification Applicable in the Conduct of Foreign Economic Activity" (as last amended on 8 December 2010);
- Resolution of the Government of the Russian Federation No. 165 of 29 March 2005 (as last amended on 4 May 2010);
- Resolution of the Government of the Russian Federation No. 214 of 13 April 2005 "On the Approval of Regulations on the Organization and Performance of Work of Compulsory Confirmation of Compliance of Communications Facilities" (as last amended on 13 October 2008);
- Resolution of the Government of the Russian Federation No. 609 of 12 October 2005 "On the Approval of the Special Technical Regulations on the Demands Made on the Ejections by the Automobile Technology, Released into Turnover on the Territory of the Russian Federation, of Harmful (Polluting) Substances" (as last amended on 8 December 2010);
- Resolution of the Government of the Russian Federation No. 294 of 17 June 2004 "On the Federal Agency on Technical Regulation and Metrology" (as last amended on 6 April 2011); and

- Resolution of the Government of the Russian Federation No. 766 of 7 July 1999 "On the Approval of the List of Products that are Subject to the Declaring of Conformance and of the Procedure for the Adoption of the Conformance Declaration and it's Registration" (as last amended on 1 December 2009).

ANNEX 4

List of Bilateral and Multilateral Intergovernmental Agreements in the SPS Sphere to which the Russian Federation is Party (last amended on 4 August 2011)

1. Agreement between the Government of the Russian Federation and the Government of the South African Republic for the cooperation in the field of quarantine and protection of plants of Moscow, 5 August 2010;
2. Agreement between the Government of the Russian Federation and the Government of the Turkish Republic for the cooperation in the field of quarantine and protection of plants, Moscow, 13 January 2010;
3. Agreement between the Governments of the Customs Union on sanitary measures, St. Petersburg, 11 December 2009;
4. Agreement between the Governments of the Customs Union on veterinary and sanitary measures, St. Petersburg, 11 December 2009;
5. Agreement between the Governments of the Customs Union on plant quarantine, St. Petersburg, 11 December 2009;
6. Agreement on Implementation of Coordinated Policy in the Field of Technical Regulation, Sanitary and Phytosanitary Measures, Eurasian Economic Community, Moscow, 25 January 2008;
7. Agreement between the Government of the Russian Federation and the Government of the United States of America on agriculture biotechnology, Hanoi, 19 November 2006;
8. Agreement between the Government of the Russian Federation and the Government of the United States of America on importation of beef, Hanoi, 19 November 2006;
9. Agreement between the Government of the Russian Federation and the Government of the United States of America on importation of pork meat, Hanoi, 19 November 2006;
10. Agreement between the Government of the Russian Federation and the Government of the United States of America concerning inspection and certification of slaughter, processing, and cold storage facilities to be in the official list of facilities which are allowed to export poultry and poultry products and pork and pork products to the Russian Federation, Hanoi, 19 November 2006;
11. Agreement on the cooperation procedure on hygienic evaluation of potentially hazard products imported into the member-states of the Community of the Independent States, Cholpon-Ata, 16 April 2004;
12. Agreement between the Government of the Russian Federation and the Government of the Republic of Macedonia for the cooperation in the field of veterinary science, Moscow, 16 October 2003;
13. Agreement for the legal protection of sorts of plants (The Community of the Independent States, Moscow, 16 March 2001;
14. Agreement between the Government of the Russian Federation and the Government of the Hungarian Republic for the cooperation in the field of veterinary science, Budapest, 30 September 1999;
15. Agreement between the Government of the Russian Federation and the Government of the Greek Republic for the cooperation in the field of veterinary science, Athens, 28 July 1999;
16. Agreement between the Government of the Russian Federation and the Government of the Turkish Republic for the cooperation in the field of veterinary science, Moscow, 5 November 1999;
17. Agreement for the cooperation in the field of preservation and use of genetic resources of cultural plants of the states-participants of the Community of the Independent States of 4 June 1999;

18. Protocol on the uniform order of application of technical, medical, pharmaceutical, sanitary, veterinary, phytosanitary and ecological standards, norms, rules and requirements concerning goods imported into the State-participants of the Customs Union agreements", ratified by the Russian Federation on 25 August 1999;
19. Agreement between the Government of the Russian Federation and the Government of the Argentina Republic for the cooperation in the field of quarantine and protection of plants (with lists of pests, diseases of plants and the weeds having quarantine value), Moscow, 26 June 1998;
20. Agreement between the Government of the Russian Federation and the Government of the United States of America for the sale of the agricultural goods, Moscow, 23 December 1998;
21. Agreement between the Government of the Russian Federation and the Government of the New Zealand for the cooperation in the field of veterinary science, Moscow, 15 May 1998;
22. Agreement between the Government of the Russian Federation and the Government of Vietnam for the cooperation in the field of veterinary science, Moscow, 24 November 1997;
23. Agreement between the Government of the Russian Federation and the Government of the Democratic People's Republic of Korea for the cooperation in the field of veterinary science, Moscow, 14 October 1997;
24. Agreement between the Government of the Russian Federation and the Government of the Democratic People's Republic of Korea for the cooperation in the field of quarantine and protection of plants (with lists of pests, diseases of plants and the weeds having quarantine value), Moscow, 14 October 1997;
25. Agreement between the Government of the Russian Federation and the Government of the Republic India for the cooperation in the field of quarantine and protection of plants (with lists of pests, diseases of plants and the weeds having quarantine value), Moscow, 25 March 1997;
26. Agreement between the Government of the Russian Federation and the Government of the Union Republic of Yugoslavia for the cooperation in the field of quarantine and protection of plants (with lists of pests, diseases of plants and the weeds having quarantine value), Belgrade, 31 October 1996;
27. Agreement between the Government of the Russian Federation and the Government of the Union Republic of Yugoslavia for the cooperation in the field of veterinary science, Belgrade, 31 October 1996;
28. Agreement between the Government of the Russian Federation and the Ukraine for the cooperation in the field of quarantine of plants (with lists of pests, diseases of plants and the weeds having quarantine value), Moscow, 27 August 1996;
29. Agreement between the Government of the Russian Federation and the Government of the Turkmenistan for the cooperation in the field of quarantine of plants (with lists of pests, diseases of plants and the weeds having quarantine value), Moscow, 18 May 1995;
30. Agreement between the Government of the Russian Federation and the Government of Mongolia for the cooperation in the field of quarantine and protection of plants (with lists of pests, diseases of plants and the weeds having quarantine value), Moscow, 11 November 1993;
31. Agreement for the cooperation in the field of veterinary science (The Community of the Independent States), Moscow, 12 March 1993; and
32. Agreement for the cooperation in the field of quarantine of plants (with lists of quarantine pests, diseases of plants and the weeds) (The Community of the Independent States), Moscow, 13 November 1992.

ANNEX 5

Documents that have been circulated informally to the Working Party on the Accession of the Russian Federation under the Job Series Symbol since the last Formal Working Party Meeting on 23 March 2006

Document Symbol	Document Title	Date of Circulation
JOB(06)/53/Rev.1	Domestic Support in Agriculture (2001-2003) - Revision	1 November 2006
JOB(06)/251	Questions and Replies Regarding Agriculture	1 November 2006
JOB(06)/257	Trading Rights and Alcohol Imports into the US	29 November 2006
JOB(06)/258	General Rules for Registration of Legal Persons	29 November 2006
JOB(06)/259	Information on the Activity of Customs Brokers (Intermediaries) in the Russian Federation	29 November 2006
JOB(06)/257/Corr.1	Corrigendum – Document Job (06)/257 is null and void.	12 December 2006
JOB(07)/3	Information Note on the Volume of Domestic Support in 2004-2006 and Forecast for 2007-2008	18 January 2007
JOB(07)/18	Policies Affecting Foreign Trade in Agricultural Products	21 February 2007
JOB(07)/19	Information on the State of Play of the Regulation in the SPS Sphere in the Russian Federation	21 February 2007
JOB(07)/20	Technical Regulations in the SPS Sphere	23 February 2007
JOB(07)/21	Brief Review of the Provisions of the Civil Code of the Russian Federation, Part IV	23 February 2007
JOB(07)/74	Consolidated Document on Russian Domestic Support Programmes (Green Box)	5 June 2007
JOB(07)/101	Consolidated Textual Inputs by the Russian Federation for revision	22 June 2007
JOB(07)/111	Import Procedures for Products Subject to Quarantine Control Imported into the Territory of the Russian Federation	27 June 2007
JOB(07)/112	Import Procedures for Products of Animal Origin Imported into the Territory of the Russian Federation	27 June 2007
JOB(07)/119	Questions and Replies Regarding SPS	4 July 2007
JOB(07)/120	Questions and Replies Regarding Agriculture	4 July 2007
JOB(07)/121	Consolidated Document on Russian Domestic Support Programmes (Amber Box)	5 July 2007
JOB(07)/125	Domestic Support in Agriculture	17 July 2007
JOB(07)/127	Checklist on TRIPS Enforcement Measures	17 July 2007
JOB(07)/134	Information on the Amendments Introduced by Federal Law of 1 May 2007 into the Federal Law of 27 December 2002 "On Technical Regulations"	15 August 2007
JOB(07)/134/Corr.1	Information on the Amendments Introduced by Federal Law of 1 May 2007 into the Federal Law of 27 December 2002 "On Technical Regulations" - Corrigendum	9 October 2007
JOB(07)/144	Consolidated Textual Inputs by the Russian Federation for revision	3 October 2007
JOB(07)/171	List of Treaties Concerning Intellectual Property Issues to which the Russian Federation is a Party (as of 4 October 2007)	7 November 2007
JOB (07)/176	Questions and Replies on TRIPS	15 November 2007
JOB(07)/183	Policies Affecting Trade in Services	23 November 2007
JOB/07)/184	Trade-related Intellectual Property Regime (TRIPS)	23 November 2007
JOB(08)/3	Sanitary and Phytosanitary (SPS) Measures – Textual Inputs by the Russian Federation	4 February 2008

Document Symbol	Document Title	Date of Circulation
JOB(08)/4	Technical Barriers to Trade – Textual Inputs by the Russian Federation	7 February 2008
JOB(07)/184/Rev.1	Trade-related Intellectual Property Regime (TRIPS) - Revision	22 February 2008
JOB(08)/19	Domestic Support Programmes - Green and Amber Boxes - Textual Inputs by the Russian Federation	14 March 2008
JOB(08)/20	Supporting Tables on the Russian Federation Domestic Support in 2001-2003 and 2004-2006 as well as the Explanatory Notes on Domestic Support in the Russian Federation in years 2001-2003 and 2004-2006	19 March 2008
JOB(07)/111/Rev.1	Import Procedures for Products Subject to Quarantine Control Imported into the Territory of the Russian Federation - Revision	11 April 2008
JOB(07)/112/Rev.1	Import Procedures for Products of Animal Origin Imported into the Territory of the Russian Federation - Revision	11 April 2008
JOB(08)/3/Rev.1	Sanitary and Phytosanitary Measures - Revision	18 April 2008
JOB(08)/4/Rev.1	Technical Barriers to Trade - Revision	18 April 2008
JOB(08)/29	Technical Barriers to Trade - Questions and Replies	18 April 2008
JOB(08)/30	Sanitary and Phytosanitary Measures - Questions and Replies	18 April 2008
JOB(08)/31	Technical Barriers to Trade	18 April 2008
JOB(08)/36	Consolidation of Texts Registered since the Circulation of Revision 3 of the Draft Working Party Report	30 April 2008
JOB(08)/36/Add.1	Consolidation of Texts Registered since the Circulation of Revision 3 of the Draft Working Party Report - Addendum - Legislation	30 April 2008
JOB(08)/36/Add.2	Consolidation of Texts Registered since the Circulation of Revision 3 of the Draft Working Party Report - Addendum	30 April 2008
JOB(08)/19/Rev.1	Domestic Support Programmes - Green and Amber Boxes - Revision	13 June 2008
JOB(08)/20/Rev.1	Supporting Tables on the Russian Federation Domestic Support in 2001-2003 and 2004-2006 as well as the Explanatory Notes on Domestic Support in the Russian Federation in years 2001-2003 and 2004-2006 - Revision	13 June 2008
JOB(08)/36/Add.3	Consolidation of Texts Registered since the Circulation of Revision 3 of the Draft Working Party Report - Addendum - Legislation Listed in JOB(08)/36	13 June 2008
JOB(08)/36/Add.4	Consolidation of Texts Registered since the Circulation of Revision 3 of the Draft Working Party Report - Addendum	16 July 2008
JOB(08)/36/Rev.1	Consolidation of Texts Registered since the Circulation of Revision 3 of the Draft Working Party Report - Revision	14 August 2008
JOB(08)/36/Rev.1/Add.1	Consolidation Texts Registered since the Circulation of Revision 3 of the Draft Working Party Report - Addendum	14 August 2008
JOB(09)/14	Consolidation of Inputs from the Russian Federation	6 March 2009
JOB(08)/19/Rev.2	Domestic Support Programmes - Green and Amber Boxes - Revision	17 March 2009
JOB/ACC/1	Informal Note On The Customs Union Between Belarus, Kazakhstan And Russia - Communication from the Delegations of Belarus, Kazakhstan and the Russian Federation	12 April 2010
JOB/ACC/2	Submission by the Russian Federation: Illustrative list of sections/issues where supplementary inputs may be necessary	28 May 2010

Document Symbol	Document Title	Date of Circulation
JOB/ACC/3	First Note by the Secretariat on the Technical State of Play of the Consolidation of the Results of Bilateral Market Access Negotiations on Goods	28 May 2010
JOB/ACC/4	Consolidation of Inputs from the Russian Federation	17 August 2010
JOB/ACC/5	Supporting Tables on the Russian Federation Domestic Support in 2007 and 2008	8 September 2010
JOB/ACC/6	Second Note by the Secretariat on the Technical State of Play of the Consolidation of the Results of Bilateral Market Access Negotiations on Goods	22 September 2010
JOB/ACC/7	Draft Schedule of Specific Commitments on Services	28 September 2010
JOB/ACC/8	Consolidation of Inputs from the Russian Federation	4 October 2010
JOB/ACC/5/Rev.1	Supporting Tables on the Russian Federation Domestic Support in 2007 and 2008 - Revision	25 October 2010
JOB/ACC/9	Third Note by the Secretariat on the Technical State of Play of the Consolidation of the Results of Bilateral Market Access Negotiations on Goods	25 October 2010
JOB/ACC/7/Add.1	Draft Schedule of Specific Commitments on Services - Compilation of Questions, Comments and Requests for Clarification - Addendum	27 October 2010
JOB/ACC/10	Consolidation of Inputs from the Russian Federation	10 November 2010
JOB/ACC/11	Use of *Ad valorem* Equivalents (AVEs) for Establishing the Draft Schedule on Goods - Note by the Secretariat	16 November 2010
JOB/ACC/4/Add.1	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/4 - Addendum	22 November 2010
JOB/ACC/7/Add.2	Draft Schedule of Specific Commitments on Services - Compilation of Questions, Comments and Requests for Clarification - Addendum	22 November 2010
JOB/ACC/8/Add.1	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/8 - Addendum	22 November 2010
JOB/ACC/5/Rev.1/Add.1	Supporting Tables on the Russian Federation Domestic Support in 2007 and 2008 - Compilation of Questions Received from Members on JOB/ACC/5 and JOB/ACC/5/Rev.1 - Addendum	23 November 2010
JOB/ACC/4/Add.2	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/4 - Addendum	26 November 2010
JOB/ACC/8/Add.2	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/8 - Addendum	26 November 2010
JOB/ACC/13	Fourth Note by the Secretariat on the Technical State of Play of the Consolidation of the Results of Bilateral Market Access Negotiations on Goods	8 December 2010
JOB/ACC/5/Rev.2	Supporting Tables on the Russian Federation Domestic Support in 2006, 2007 and 2008 - Revision	13 December 2010
JOB/ACC/14	Reference Information on Prices in Supporting Table DS:5 on Market Price Support	13 December 2010
JOB/ACC/15	Consolidation of Inputs from the Russian Federation	17 December 2010
JOB/ACC/10/Add.1	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/10 - Addendum	21 December 2010
JOB/ACC/15/Corr.1	Consolidation of Inputs from the Russian Federation - Corrigendum	21 December 2010
JOB/ACC/16	Membership of International Intellectual Property Conventions and of Regional or Bilateral Agreements	17 January 2011

Document Symbol	Document Title	Date of Circulation
JOB/ACC/5/Rev.1/Add.2	Supporting Tables on the Russian Federation Domestic Support in 2007 and 2008 - Compilation of Questions and Replies on Documents JOB/ACC/5 and JOB/ACC/5/Rev.1 - Addendum	21 January 2011
JOB/ACC/17	Fifth Note by the Secretariat on the Technical State of Play of the Consolidation of the Results of Bilateral Market Access Negotiations on Goods	26 January 2011
JOB/ACC/15/Add.1	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/15 - Addendum	18 February 2011
JOB/ACC/15/Add.2	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/15 - Addendum	21 February 2011
JOB/ACC/5/Rev.2/Add.1	Supporting Tables on the Russian Federation Domestic Support in 2006, 2007 and 2008 - Compilation of Questions Received from Members - Addendum	23 February 2011
JOB/ACC/15/Add.3	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/15 - Addendum	1 March 2011
JOB/ACC/18	Consolidation of Inputs from the Russian Federation	1 March 2011
JOB/ACC/5/Rev.3	Domestic Support and Export Subsidies in the Agricultural Sector - Revision	3 March 2011
JOB/ACC/5/Rev.2/Add.2	Supporting Tables on the Russian Federation Domestic Support in 2006, 2007 and 2008 - Compilation of Questions and Replies - Addendum	4 March 2011
JOB/ACC/18/Corr.1	Consolidation of Inputs from the Russian Federation - Corrigendum	9 March 2011
JOB/ACC/19	Policies Affecting Foreign Trade in Agricultural Products	14 March 2011
JOB/ACC/20	Sixth Note by the Secretariat on the Technical State of Play of the Consolidation of the Results of Bilateral Market Access Negotiations on Goods	29 March 2011
JOB/ACC/5/Rev.3/Add.1	Domestic Support and Export Subsidies in the Agricultural Sector - Compilation of Questions Received from Members - Addendum	15 April 2011
JOB/ACC/18/Add.1	Consolidation of Inputs from the Russian Federation - Compilation of Questions Received from Members on JOB/ACC/18 - Addendum	15 April 2011
JOB/ACC/19/Add.1	Policies Affecting Foreign Trade in Agricultural Products - Compilation of Questions Received from Members - Addendum	15 April 2011
JOB/ACC/5/Rev.3/Add.2	Domestic Support and Export Subsidies in the Agricultural Sector - Compilation of Questions and Replies - Addendum	20 April 2011
JOB/ACC/19/Add.2	Policies Affecting Foreign Trade in Agricultural Products - Compilation of Questions and Replies - Addendum	20 April 2011
JOB/ACC/23	Submission of Section on "Framework for Making and Enforcing Policies"	6 May 2011
JOB/ACC/7/Rev.1	Revised Draft Schedule of Specific Commitments on Services	25 May 2011
JOB/ACC/24	Seventh Note by the Secretariat on the Technical State of Play of the Consolidation of the Results of Bilateral Market Access Negotiations on Goods	31 May 2011
JOB/ACC/5/Rev.4	Domestic Support and Export Subsidies in the Agricultural Sector - Revision	22 June 2011
JOB/ACC/19/Rev.1	Policies Affecting Foreign Trade in Agricultural Products - Revision	22 June 2011
JOB/ACC/25	Consolidation of Texts from the Russian Federation	1 July 2011
JOB/ACC/25/Rev.1	Consolidation of Texts from the Russian Federation - Revision	15 August 2011

Document Symbol	Document Title	Date of Circulation
JOB/ACC/5/Rev.5	Domestic Support and Export Subsidies in the Agricultural Sector - Revision	16 August 2011
JOB(08)/19/Rev.3	Domestic Support Programmes - Green and Amber Boxes - Revision	18 August 2011
JOB/ACC/26	Draft Schedule of Concessions and Commitments on Goods	19 September 2011
JOB/ACC/26/Add.1	Draft Schedule of Concessions and Commitments on Goods - Addendum 1	10 October 2011
JOB/ACC/26/Corr.1	Draft Schedule of Concessions and Commitments on Goods - Corrigendum	10 October 2011
JOB/ACC/26/Add.2	Draft Schedule of Concessions and Commitments on Goods - Addendum 2	19 October 2011
JOB/ACC/26/Add.3	Note by the Secretariat on the Technical State of Play of the Consolidation of the Results of Bilateral Market Access Negotiations on Goods - Addendum to Draft Schedule of Concessions and Commitments on Goods	20 October 2011

DRAFT DECISION

ACCESSION OF THE RUSSIAN FEDERATION

Decision of [16 December 2011]

The Ministerial Conference,

Having regard to paragraph 2 of Article XII and paragraph 1 of Article IX of the Marrakesh Agreement Establishing the World Trade Organization (the "WTO Agreement"), and the Decision-Making Procedures under Articles IX and XII of the Marrakesh Agreement Establishing the World Trade Organization agreed by the General Council (WT/L/93);

Taking note of the application of the Russian Federation for accession to the Marrakesh Agreement Establishing the World Trade Organization dated 14 June 1993 (L/7243);

Noting the results of the negotiations directed toward the establishment of the terms of accession of the Russian Federation to the WTO Agreement and having prepared a Draft Protocol on the Accession of the Russian Federation;

Decides as follows:

The Russian Federation may accede to the WTO Agreement on the terms and conditions set-out in the Protocol annexed to this Decision.

DRAFT PROTOCOL

ON THE ACCESSION OF THE RUSSIAN FEDERATION

Preamble

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the Ministerial Conference accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO Agreement"), and the Russian Federation,

Taking note of the Report of the Working Party on the Accession of the Russian Federation to the WTO Agreement reproduced in document WT/ACC/RUS/70, dated 17 November 2011 (hereinafter referred to as the "Working Party Report"),

Having regard to the results of the negotiations on the accession of the Russian Federation to the WTO Agreement,

Agree as follows:

PART I - GENERAL

1. Upon entry into force of this Protocol pursuant to paragraph 8, the Russian Federation accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.

2. The WTO Agreement to which the Russian Federation accedes shall be the WTO Agreement, including the Explanatory Notes to that Agreement, as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, which shall include the commitments referred to in paragraph 1450 of the Working Party Report, shall be an integral part of the WTO Agreement.

3. Except as otherwise provided for in paragraph 1450 of the Working Party Report, those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by the Russian Federation as if it had accepted that Agreement on the date of its entry into force.

4. The Russian Federation may maintain a measure inconsistent with paragraph 1 of Article II of the General Agreement on Trade in Services (hereinafter referred to as "GATS") provided that such a measure was recorded in the list of Article II Exemptions annexed to this Protocol and meets the conditions of the Annex to the GATS on Article II Exemptions.

PART II - SCHEDULES

5. The Schedules reproduced in Annex I to this Protocol shall become the Schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the GATS relating to the Russian Federation. The staging of the concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.

6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

PART III - FINAL PROVISIONS

7. This Protocol shall be open for acceptance, by signature or otherwise, by the Russian Federation within a period of 220 days from the approval of the Protocol of Accession of the Russian Federation.

8. This Protocol shall enter into force on the thirtieth day following the day upon which it shall have been accepted by the Russian Federation.

9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance by the Russian Federation thereto pursuant to paragraph 7 to each Member of the WTO and to the Russian Federation.

10. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this [sixteenth] day of [December two thousand and eleven], in a single copy in the English, French and Spanish languages, each text being authentic, except that a Schedule annexed hereto may specify that it its authentic in only one of these languages.

ANNEX I

SCHEDULE CLXV – THE RUSSIAN FEDERATION

Authentic only in the English language.

(Circulated in document WT/ACC/RUS/70/Add.1)

SCHEDULE OF SPECIFIC COMMITMENTS ON SERVICES

LIST OF ARTICLE II EXEMPTIONS

Authentic only in the English language.

(Circulated in document WT/ACC/RUS/70/Add.2)
