

Your World First

# Import Substitution and Localizing Production in Russia

Dr. Thomas Heidemann  
Zurich, 23 September 2015



## Russian politics and legislation

New laws: Law on industrial policy (FZ 488) dated July 1, 2015

Law on state procurement (FZ 44)

Law on procurement by state owned enterprises (FZ 223)



Russia's goal is import substitution

- Preferences for Russian products
- Restrictions on foreign products

## Results of import substitution politics

If you have interests in the Russian market, you will be forced to produce locally

 "Made in Russia" is key!

## Made in Russia means

- Partly of fully produced in Russia
- Partly produced in Russia is sufficient if:
  - Last 4 digits of customs code are changed due to processing in Russia or
  - Industrial processing leads to added value above 50%

**Note:** details of criteria differ for every single product!

## Steps to localization

- 1.** Analysis of Russian market for respective product
- 2.** Analysis of localization requirements
- 3.** Calculation of investment and risks assessment
- 4.** Proceed for localization!

## Contact

Dr. Thomas Heidemann  
Rechtsanwalt

CMS Hasche Sigle  
Breite Straße 3  
40213 Düsseldorf  
Germany  
T + 49 211 4934 430  
F + 49 211 4934 580  
E [thomas.heidemann@cms-hs.com](mailto:thomas.heidemann@cms-hs.com)

[www.cms-hs.com](http://www.cms-hs.com)

CMS, Russia  
Presnenskaya nab., 10, Block C,  
19019 Moscow  
Russia  
T + 7 495 786 4049  
F + 7 495 786 4001  
E [thomas.heidemann@cmslegal.ru](mailto:thomas.heidemann@cmslegal.ru)

[www.cmslegal.ru](http://www.cmslegal.ru)



CMS, Russia

CMS Legal Services EEIG (CMS EEIG) is a European Economic Interest Grouping that coordinates an organisation of independent law firms. CMS EEIG provides no client services. Such services are solely provided by CMS EEIG's member firms in their respective jurisdictions. CMS EEIG and each of its member firms are separate and legally distinct entities, and no such entity has any authority to bind any other. CMS EEIG and each member firm are liable only for their own acts or omissions and not those of each other. The brand name "CMS" and the term "firm" are used to refer to some or all of the member firms or their offices.

**CMS locations:**

Aberdeen, Algiers, Amsterdam, Antwerp, Barcelona, Beijing, Belgrade, Berlin, Bratislava, Bristol, Brussels, Bucharest, Budapest, Casablanca, Cologne, Dubai, Duesseldorf, Edinburgh, Frankfurt, Geneva, Glasgow, Hamburg, Istanbul, Kyiv, Leipzig, Lisbon, Ljubljana, London, Luxembourg, Lyon, Madrid, Mexico City, Milan, Moscow, Munich, Muscat, Paris, Podgorica, Prague, Rio de Janeiro, Rome, Sarajevo, Seville, Shanghai, Sofia, Strasbourg, Stuttgart, Tirana, Utrecht, Vienna, Warsaw, Zagreb and Zurich.

**[www.cmslegal.com](http://www.cmslegal.com)**