

Customs regulations in the Eurasian Economic Union

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Agenda

- Overview of Eurasian Economic Union (EEU) Treaty
- Overview of customs regulation in the EEU
- Issues of the customs regulation in EEU
- Development of the new Customs Code of EEU
- Q&A session

Overview of Eurasian Economic Union (EEU) Treaty

EEU Treaty

is in force from 01/01/2015

- defines the basic provisions on regulation of relations in the EEU framework

Unified customs regulations

(Customs Code of EEU, Agreement on EEU, international agreements)

Tariff preferences/ Exemptions from import duties

(for goods from developing and least developed countries)

Common rules for determination of a country of origin of goods

***Usage of a single
commodity
nomenclature and
common customs tariff***

**Non – tariff measures
applied in accordance with
the Protocol to the
Agreement on EEU**

Overview of customs regulation in the EEU

- the Customs Code of EEU is currently in draft (being discussed by the member states) – to be introduced **01/01/2016**
- The current customs regulation is performed based on the Customs Code of the Customs Union (which is in force from 01/07/2010)
- The Customs Code the Customs Union (based on Kyoto Convention) and consists of:
 - Customs Code;
 - International agreements ratified by the Customs Union member states
 - Decisions of the CU/EEU Commission
(<http://www.eurasiancommission.org/en/Pages/default.aspx>)

Overview of customs regulation in the EEU

The key provisions of the Customs Code of Customs Union include:

a concept of ***single customs territory of CU*** (currently, EEU);

- development of the ***unified conditions for transit of goods*** through customs territory of the CU
- ***abolishing of customs registration and customs control*** for the goods of the CU/released for a free consumption in the CU
- ***unified rules for security measures*** in respect of payment of the customs duties
- Introduction of a concept of “***authorised economic operator***” for simplification of customs procedures

Issues of the customs regulation in EEU

- ***Multilayer customs legislation*** creates issues and complexities for entrepreneurs:
 1. The Code CC;
 2. International treaties in the field of customs;
 3. EEU (CC) Commission Decisions;
 4. National laws
 5. Secondary legal acts (orders, resolutions, etc.)
- ***Significant number of references to the national laws and a lot of issues are under a competence of local customs authorities*** (issues related to the customs audits, appointment of authorised economic operator, conditional release of goods, etc).

Issues of the customs regulation in EEU

- ***Issues related to a different interpretation of certain Customs Code provisions*** (e.g., definition of a term Declarant in Russia, Belorussia and Kazakhstan)
- ***Maintenance of the customs residency principle*** (declaration of goods at a place of registration of the entrepreneur)

Development of the new Customs Code of EEU

Main objectives

- Bringing terminology and regulations in line with the EEU Treaty
- Codification of the existing international treaties regulating customs relationship
- Improvement and modernization of customs administration with application of modern information technologies
- Reduction of the level of customs regulation at a national level of EEU member states
- Establishment of the provisions in accordance with international treaties and obligations of the EEU member states under WTO
- Elimination of the gaps in the existing customs legislation

Development of the new Customs Code of EEU

Key discussion points

- Amendments and clarifications ***of the “residence principle”*** (not only based on the company’s place of registration, but also based on goods physical location)
- Amendments to the definition of a term ***“Declarant”*** (foreign person, which is one of the parties of foreign trade activity was specifically mentioned in a definition)
- Possibility to submit ***electronic customs declaration*** without supporting documents, except for documents confirming origin of goods)

Development of the new Customs Code of EEU

Key discussion points

- ***A failure during the customs control after release of goods documents*** leads to:
 - adjustment based on the greatest rates of customs duties and taxes;
 - abolishment of customs privileges
- Absence of documents confirming origin of goods leads to:
 - ***application of customs duties*** (in the case of the application of tariff preferences/exemptions)
 - payment of anti-dumping/ special / countervailing duties ***at maximum rates*** (if any)
 - application of ***prohibitions and restrictions***

Thank you for attention!

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