



Customs Union: short overview



Eurasian economic commonwealth

- International economic organization created in October 10th 2000 in Astana
- Member countries: Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan
 - Observers: Armenia, Moldova, Ukraine
- EurAsEC:
 - covers 94 percent of the CIS territory
 - Unites more than 200 million people
 - Joint GGD constitutes 88% of the CIS GDP
- Goals:
 - to create free trade regime for the goods produced in the member-states with the harmonization of customs legislation
 - to create common financial, energy, transport market
 - Harmonization of the market access legislation



Customs Union

- Created in 2009, September 27th
- Member countries: Belarus, Kazakhstan, Russia;
 - potential members: Kyrgyzstan and Tajikistan
- The secretariat is in Moscow
- The basic principles of the Customs Union:
 - Application of the Common Customs Tariff
 - Cancellation of customs duties in mutual beneficial trade
 - Single customs policy towards third states
 - Single tariff and non-tariff regulation
- In 2012, will evolve into Single economic territory providing a free movement of capital, services and human resources
- Official website where all adopted documents must be posted-
www.tsoyus.ru



Customs union: implementation plan

Adoption of constituent documents of the Customs union and a number of significant documents (Customs Code, Common Customs Tariff and others)

Introduction of the common customs-tariff and non-tariff regulation

Testing of the inclusion and allocation of the import customs duties

Entrance into force of the Customs union Customs Code

Transfer of the customs control to the Belarus external borders

Introduction of the inclusion and allocation of the import customs duties/
excises mechanism

Withdrawal of the customs clearance procedure for the goods
produced in RU, BY, KZ

Transfer of the customs control to the Kazakhstan
external borders

27.11.2009

01.01.2010

01.04.2010

01.07.2010

01.07.2011



Customs Union: structure

Strategic decisions,
determination of the
development trends
(decision – consensus)

Interstate Council
Highest authority in the Customs union
Consists of heads of states/governments

**EuroSEC
Court**

Dispute resolution



Voices allocation

Russia – 57%

Kazakhstan - 21,5%

Belarus – 21,5%

Executive authority of the
customs union
(decision – 2/3 of the voices
or consensus)

Customs union commission
Deputy heads of the governments

**Secretariat of the Customs
union Commission**

Provision of support
services (e.g.
documentation)

Implementation of the
decision

National executive authorities



Customs union: legal acts hierarchy

Customs code of the Customs union

International agreements of the member-states

Customs union Commissions acts

National Customs codes of the member-states

Acts of the governments of the member-states

Acts of the national customs authorities



Customs union: customs code (I)

- Has been negotiated among 3 states (RU, BY, KZ) and based on the International Convention on simplification and harmonization of customs procedures;
- Customs code of the Customs Union will be an act of direct application and will not completely replace the national customs legislation;
- Customs code of the Customs Union contains more than 200 references to the national customs legislation;
- Among others, the following significant changes should be mentioned:
 - The processing of customs freight declarations should be in 2 days;
 - Customs duties, taxes pay dates are extended to 4 months;
 - Introduction of the “authorized economic operator” institute, who can enjoy a simplified customs clearance procedures;
 - The amount of compulsory pledge for the customs carriers will be reduced to 200 000 euros;
 - Export of goods will only take place in case of transfer of goods out of the Customs union territory; otherwise such transfer is deemed interstate trade;
 - The post control can be conducted by customs authorities for 3 consecutive years (used to be 1);



Customs union: customs code (II)

- The entering into force of the Customs code of the Customs Union will repeal the Russian Customs Code. In the meantime, the Russian Government is drafting a new Federal Law governing customs regulation
 - The draft Federal Law intended for perfecting customs clearance procedures that the Russian Government was recently assigned by President Medvedev (order dated February 11, 2010) to submit to State Duma by April 1st 2010.
 - Perfecting customs clearance procedures envisages:
 - reduction of clearance lead times and the amount of the required information and documentation;
 - transfer to electronic declaration removing the need for hard copy declarations and paperwork;
 - simplified procedures for exports of non-raw products and imports of high-technology equipment.



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