



Customs Alert

The introduction of a process to mark footwear products with means of identification

Important customs law changes that may impact your business.

Dear friends,

We would like to remind you that an Agreement to mark Goods with Means of Identification in the Eurasian Economic Union ("EEU"), signed by EEU-country heads of governments in Almaty on 2 February 2018 (the "Agreement") came into force on 29 March.

The purpose of the Agreement is to:

- Create an EEU-unified process to place machine-readable marks on goods;
- Introduce a marking system through the digitisation of the flow of goods and create a goods' tracking system;

- Monitor the turnover of legal goods in the EEU, and reduce "grey" turnover; create conditions whereby customers receive a guarantee that goods purchased are legal;
- Apply means of identification on goods and introduce information both about goods and means of identification, in the relevant database;
- Ensure trade turnover in the EEU is transparent by obtaining information about goods, including within EEU cross-border trade.

Eurasian Economic Commission Council Resolution No. 72 from 8 August 2019 On the Introduction of a Process to place Means of Identification on Footwear

A key aspect of the resolution is the possibility of introducing marking in the EEU according to common rules and regulations, and as such approves:

- The footwear subject to identification marking;
- Means of identification, their characteristics, the procedure for their creation, and also the composition and structure of information provided in means of identification based on data (if available) contained in the integrated register of means of identification;
- The procedure for marking goods; format requirements; the composition and structure of information on marked goods transferred between the member-state authorities, on the one hand, and between EEU authorities and the Eurasian Economic Commission, on the other, as well as the timing of the transfer of this information;
- The minimum information on marked goods contained in the database, access to which is provided to consumers and other interested parties, including through information services as part of national components and the integration component of the information database;
- That EEU member-state may determine the introduction date and the procedure for marking footwear in their particular country in accordance with this resolution and should notify the Eurasian Economic Commission of that date. At the same time, a ban on the turnover of unmarked footwear cannot be introduced before 1 March 2020.

Footwear products to incorporate means of identification according to Resolution 72:

1. Waterproof footwear with soles and uppers made of rubber or plastic, the top of which is not attached to the sole and is not connected to it by thread, hairpin, nail, screw, rivet or any other similar method (**6401 CNFEA**) Commodity Nomenclature of Foreign Economic Activity (hereafter, «CNFEA»);
2. Other footwear with soles and uppers made of rubber or plastic (**6402 CNFEA**);
3. Footwear with rubber, plastic, natural or composite leather soles and genuine leather uppers (**6403 CNFEA**);
4. Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials (**6404 CNFEA**);
5. Other footwear (**6405 CNFEA**).

Ministry of Industry and Infrastructure Development Order No. 586 dated 30 July 2019 On Certain Issues around the Pilot Project to mark Footwear:

- established a pilot project to mark and track footwear from 30 July 2019 until 31 March 2020;

- Approved methodological recommendations for the pilot project to mark and track footwear Corresponding to **EEU CNFEA 6401-6405** in Kazakhstan ("Methodical Recommendations").

Methodical Recommendations:

The recommendations establish the sequence of actions during the pilot project to mark and track footwear in circulation in Kazakhstan through means of identification, and identify project participants, as well as information for electronic registration.

Project participants include:

- Footwear manufacturers or importers;
- Entities involved in the wholesale trade of footwear;
- Entities involved in retail trade, including the commission trade of footwear;
- Entities engaged in cargo transportation services, courier and/or postal activities.

Footwear is marked:

- 1) During their production before shipment;
- 2) When importing goods into Kazakhstan from EEU non-member countries. In this case importers are entitled to mark goods:
 - In third countries before their import into the EEU Prior to releasing the goods for domestic consumption or re-import;
 - After releasing goods for internal consumption or re-import and after customs clearance, subject to the receipt of marking codes in information system of marking and traceability of goods (hereafter-IS MTG, system) and their mandatory indication in a customs declaration;
- 3) Before its import into Kazakhstan from EEU member states;
- 4) During the re-marking of goods in circulation;
- 5) When returning goods into circulation after their withdrawal from circulation.

Creation of means of identification

Identification tools designed to mark product contain a marking code that includes a unique identifier and a verification code.

The transformation of a marking code into a means of identification is carried out by entities involved in the turnover of footwear independently.

Footwear is marked either on the footwear itself or on its consumer packaging, on a tag, or on a label.

Ministry Industry and Infrastructure Development Order No. 562 from 26 July 2019 On the Approval of Organisational Measures (Road Map) for the

Pilot Project to mark and track Footwear in Kazakhstan

The order outlines an action plan (road map) for the pilot project to mark and track footwear in Kazakhstan.

If you would like to express your opinion on this issue or in any other way participate in the discussion, please reach out to our specialists whose contact information may be found below.

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