

The Deloitte logo, consisting of the word "Deloitte" in a bold, dark blue sans-serif font, followed by a small green dot.

Customs alert

Keep up to date

Tax & Legal
March-May 2016



1. General

In this Customs Alert, we provide a brief summary of new documents adopted during sessions of the Eurasian Economic Commission (the “EEC”) within the framework of the Eurasian Economic Union (the “EEU”) between Belarus, Kazakhstan, Russia, Armenia and Kyrgyzstan, and published on the official EEU website <http://eaeunion.org/> and EEU legal portal <http://docs.eaeunion.org/ru-ru/>. Also, we offer you a summary of new Kazakhstan regulatory legal acts dealing with international trade.

2. Eurasian Economic Union

Import customs duty exemptions on specific goods

EEC Board Resolution № 9 dated 12 February 2016 words subpoint 7.1.14 of CUC Resolution № 130 dated 27 November 2009 as follows:

“7.1.14. Civil passenger aircraft in EEU CN FEA subpositions 8802 40 003 5 and 8802 40 003 6, imported into the EEU with the concessions referred to in subpoint 7.1.13 of CUC Resolution No. 130 dated 27 November 2009, and imported for operations in the EEU after repair or technical maintenance outside the EEU.”

The Resolution entered into force on 28 March 2016.

Procedure for deferring calculation of the customs value of exchange goods

EEC Council Resolution № 32 dated 12 April 2016 has approved a procedure to defer the calculation of the customs value of exchange goods declared under the domestic release procedure.

The resolution specifies the cases when customs value can be deferred; provides rules for using the import transaction value method (method 1) after deferring customs value; a procedure for declaring and monitoring the preliminary and exact customs value of goods; and the specifics for calculating and paying customs duties and taxes.

The deadline for calculating and declaring the exact customs value of goods should be entered in the column “additional data” of GD-1, but should be no more than 2 months from the day a declaration is registered.

The full text can be found on the EEC official website and the EEU legal website.

The Resolution entered into force on 15 May 2016.

End of a ban on the export of certain goods from Kazakhstan to the EEU

Kazakhstan has been notified by EEC Council Resolution № 42 dated 10 May 2016 of the requirement to execute point 3 of article 28 of the EEU Treaty and bring Government Resolution № 908 dated 27 August 2004 into line with it, to ensure that EEU member countries have a common understanding of Kazakhstan’s commitment to ensure the free movement of regenerated paper, cardboard, scrap and waste paper (EEU CN FEA 4707) originating from Kazakhstan within the EEU.

The Resolution enters into force on 11 June 2016.

Free trade zone with Vietnam

EEC Council Resolution № 36 dated 19 April 2016 has approved a list of goods subject to import customs duties in accordance with the Free Trade Treaty¹ between EEU member countries, as one party, and Vietnam, as the other, dated 29 May 2015, and values for those goods. Import customs duties on goods originating from Vietnam and imported into the EEU will be 0%, except for specific goods, including goods subject to trigger safeguard measures in accordance with article 2.10 of the Treaty.

The Treaty will enter into force when the parties complete domestic ratification procedures.

The Resolution was published on 22 April 2016.

Non-tariff regulation issues

EEC Council Resolution № 34 dated 19 April 2016 has approved a procedure to suspend or terminate export and (or) import licenses, and license execution certificates.

Changes have also been made to application instructions for export and (or) import licenses and for drawing up licenses².

The full document text can be found on the official EEC website and EEU legal website.

The Resolution enters into force at the end of 30 calendar days after its official publication, which was 22 April 2016.

Protective measures in relation to specific goods

EEC Council Resolution № 28 dated 29 March 2016 has introduced anti-dumping duties on goods imported into the EEU:

- wire originating from Ukraine and classified as EEU CU FEA 7213 10 000 0, 7213 91 100 0, 7213 91 410 0, 7213 91 490 0, 7213 91 700 0, 7213 91 900 0, 7213 99 100 0, 7213 99 900 0, 7214 20 000 0, 7214 99 100 0, 7214 99 390 0, 7214 99 790 0, 7227 20 000 0, 7227 90 100 0, 7227 90 950 0, 7228 20 910 0, 7228 20 990 0, 7228 30 690 0, 7228 30 890 0 and 7228 60 800 0, for five years

Name of goods	Manufacturer	Anti-dumping duties (% of customs value)
Hot-rolled steel wire	<ul style="list-style-type: none">Yenakiev Metallurgical PlantMakiev branch of the Yenakiev Metallurgical Plant	10.11%
	<ul style="list-style-type: none">ArcelorMittal Krivoi Rog	9.32%
	<ul style="list-style-type: none">Others	10.11%

The full document text can be found on the official EEC website and EEU legal website.

The Resolution entered into force on 30 April 2016.

¹ Ratified by Law No. 461-V dated 24 February 2016

² Approved by EEC Resolution № 199 dated 6 November 2014

Changes to the EEU Common Customs Tariff (“CCT”), and the list of reduced import customs duty rates for Kazakhstan in accordance with WTO obligations

EEC Council Resolutions № 25 dated 22 March 2016 and № 27 dated 29 March 2016 have established import customs duties for specific goods. Resolution № 25 entered into force on 22 April 2016 and Resolution № 27 entered into force on 30 April 2016.

EEC Council Resolution № 26 dated 29 March 2016, in accordance with Russia’s WTO obligations, has amended specific EEU resolutions.

The following positions have been removed from the list of goods³ for which Kazakhstan, due to its WTO obligations, has been applying import customs duties that are lower than EEU CCT rates:

- A. EEU CN FEA - 0303 54 100 0, 0303 54 900 0, 2008 11 100 0, 2008 11 910 0, 2008 11 960 0, 2008 11 980 0, 5702 32 900 0, 5702 39 000 0, 5702 50 900 0, 5702 92 100 0, 5702 92 900 0, 5702 99 000 0, 5704 10 000 0 and 5705 00 300 0;
- B. positions according to Appendix № 2 to EEC Council Resolution № 26 dated 29 March 2016.

The procedure for Resolution № 26 to enter into force and the full document text can be found on the official EEC website and EEU legal portal.

The table below shows the latest EEC resolutions regarding changes to EEU CCT:

EEC Board Resolution №, publication date	EEU CN FEA	Brief description of goods	Import customs duty rate ⁴
19 28 April 2016 ⁵	3906 90 900 2	Specific types of acrylic polymers	6.5% ⁶
	3906 90 900 3		6.5% ⁶
	3906 90 900 8		6.5%
EEC Council Resolution №, publication date	EEU CN FEA	Brief description of goods	Import customs duty rate ⁷
20 3 March 2016 ⁸	4408 39 850 9	Certain types of timber	0% ⁹
21 3 March 2016 ¹⁰	8411 99 001 9	Parts for gas turbines with capacity of over 5,000 kW, but less than 50,000 kW	0% ¹¹
29 6 April 2016	4703 29 000 1	Certain types of wood pulp	0% ¹²

The full document text can be found on the official EEC website and EEU legal website.

³ Approved by EEC Board Resolution № 59 dated 14 October 2015

⁴ Import customs duty rate is a percentage of customs value, in Euros or US\$

⁵ The resolution removes position 3906 90 900 9 and was published at the end of 30 calendar days from its official publication date

⁶ Import customs duties of 0% apply from the date this resolution enters into force until 31 December 2017, inclusive. Note 64C of the EEU CCT

⁷ Import customs duty rate is a percentage of customs value, in Euros or US\$

⁸ The resolution enters into force from 1 June 2016

⁹ Import customs duties of 0% apply from 1 June 2016 until 31 May 2019, inclusive. Note 13C of the EEU CCT

¹⁰ The resolution entered into force on 2 April 2016

¹¹ Import customs duties of 0% apply from 2 April 2016 until 31 December 2021. Note 21C of the EEU CCT

¹² Import customs duties of 0% applies from 6 May 2016 until 31 May 2019, inclusive. Note 14C of the EEU CCT. The resolution entered into force on 6 May 2016

3. Republic of Kazakhstan

Natural fur product labelling

Law № 466-V dated 29 February 2016 has ratified an agreement to implement a pilot project in 2015-2016 for control (identification) labels on “items of clothing, clothing accessories and other items made from natural fur.”

The treaty extends to business relations stemming from the turnover of “items of clothing, clothing accessories and other items made from natural fur” that are not subject to control labelling¹³, and to legal entities and individuals registered as individual entrepreneurs handling and (or) using the goods in question in business operations.

Goods in the list that have been imported into the EEU and (or) that were manufactured in EEU member countries should be labelled.

Goods included in the list may be labelled outside of the EEU.

According to the agreement, goods in the list may not be purchased, stored, used, transported or sold without control (identification) labels.

The full agreement text can be found on the official EEC website and EEU legal website.

The Law was published on 2 March 2016.

International specialised exhibition EXPO-2017

Law № 467-V dated 1 March 2016 has ratified an agreement between the Kazakhstan Government and International Exhibitions Office on concessions and preferences for official participants in EXPO-2017 in Astana.

The agreement consists of three chapters and provides the following concessions and preferences:

- an exemption from all taxes and charges for section commissar¹⁴ offices and employees¹⁵;
- an exemption from customs payments for section commissar offices;
- free annual multi-entry visas for all country section staff, including for their family members;
- preferences for section commissar member family members and their employees;
- official participants’ driving licenses issued in UN countries will be recognised in Kazakhstan.

¹³ List of goods subject to labelling approved by EEC Council Resolution № 70 dated 23 November 2015

¹⁴ Section commissar – government-appointed representative of official participants or international organisations participating in the exhibition as an official participant

¹⁵ Employees – commissar office employees for each official participant: section commissar, deputy section commissar, pavilion director and official participants’ other officials directly responsible for managing, operating and organising an official participant’s activities, the section commissar office responsible for human resources and pavilion stand-attendant/conductors who are not Kazakhstan residents

According to the agreement, foreign goods used to organise and hold the exhibition, and imported by a commissar office for official use are declared exempt from customs duties and taxes, and non-tariff and technical regulation, which means they are registered under special customs procedures.

Imported goods are subject to sanitary, veterinary and phytosanitary inspections, and other related measures in accordance with EEU law.

Goods exempt from import duties and taxes and imported exempt from non-tariff and technical regulation may not be used for commercial activities, sold or otherwise disposed of.

The full agreement text can be found on the official EEC website and EEU legal website.

The concessions and preferences provided under this agreement are in force from 1 March 2016 until 31 December 2017, except for the customs concessions and preferences referred to in article 12 of the agreement, which are in force from 1 March 2016 until 9 March 2018.

Certificates of origin forms

Order of Acting Minister for Investment and Development № 6 dated 9 January 2015 has approved the following certificate of origin forms:

1. certificate of origin form "CT-1";
2. certificate of origin form "A" in English;
3. certificate of origin form "Original";
4. certificate of origin form "CT-2";
5. certificate of origin form "CT-KZ".

The full document text can be found in official sources.

The Order enters into force at the end of 10 calendar days from its official publication, which was 17 March 2016.

4. Dear colleagues!

Please contact us should you have any questions regarding the application of Customs Union or Kazakhstan customs law.

The Deloitte customs group provides services specifically designed to assist those performing foreign economic activities understand and apply statutory rules and regulations concerning the import and export of goods. We have a team of experts to work on our engagements who have both theoretical and practical customs knowledge, which, in our opinion, is the key to a quality and professional job.

We are always glad
to be of assistance!

5. Contact details

Almaty:

Vladimir Kononenko

Partner

Tel.: +7(727) 258 13 40

Fax: +7(727) 258 13 41

Email: vkononenko@deloitte.kz

Astana:

Shoplan Dossymkhanova

Manager

Tel.: +7(717) 258 04 80

Fax: +7(717) 258 03 90

Email: sdossymkhanova@deloitte.kz

Atyrau/Aktau:

Anthony Mahon

Partner

Tel.: +7(727) 258 13 40

Fax: +7(727) 258 13 41

Email: anmahon@deloitte.kz

deloitte.kz

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms. Please see <http://www2.deloitte.com/kz/en/legal/deloitte-kazakhstan.html> for a detailed description of the legal structure of Deloitte, Kazakhstan.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte’s more than 225,000 professionals are committed to becoming the standard of excellence.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.