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Customs Alert

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Tax and Legal
February-March 2015



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 and Armenia, 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

Protective measures in relation to citric acid

EEC Council Resolution №15 dated 10 March 2015 introduced anti-dumping duties on citric acid imported into the EEU, originating from China and classified under 2918 14 000 0 CN FEA EEU code.

CN FEA EEU code	Manufacturer	Anti-dumping duty rate ¹
2918 14 000 0	Weifang Ensign Industry Co., Ltd. (#1567, Changsheng Street, Changle, Weifang, Shandong Province, China)	4.20%
	TTCA Co., Ltd. (West, Wenhe Bridge North, Anqiu, Shandong, China and/or No.27 Xin An Nan Road, Anqiu, Shandong, China)	6.82%
	Yixing-Union Biochemical Co., Ltd. (Economic development zone, Yixing, Jiangsu, China)	16.97%
	Others	16.97%

The anti-dumping duties will be in force for 5 years.

The Resolution enters into force at the end of 30 calendar days from the date of its official publication, which was 11 March 2015

Ban or restriction on the import or export of goods to trade with third countries

EEC Council Resolution №24 dated 31 March 2015 made amendments to the Common List of Goods whose import or export by Customs Union member states within the framework of the EEU is banned or restricted for the purpose of trading with third countries².

For example, “stainless steel pipes with an outer diameter of up to 426 mm inclusive” have been removed from section 2.29 of the list.

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

The Resolution enters into force at the end of 30 calendar days from the date of its official publication, which was 1 April 2015

¹ Anti-dumping duty rate as a percentage of the customs value

² Approved by EEC Council Resolution №134 dated 16 August 2012

Amendments to the EEU Common Customs Tariff

The table below shows a number of recent EEC Resolutions regarding the EEU Common Customs Tariff:

EEC Council Resolution No., publication date	CN FEA CU code	Brief description of goods	Import customs duties ³
16 ⁴ 10 March 2015	8411 21 000 1	Civil aviation turboprop engines, up to 1,100 kW	0%
17 ⁵ 10 March 2015	3823 70 000 0	Industrial fatty alcohols	0% ⁶
18 ⁷ 17 March 2015	9021 90 900 1	Coronary stents	5% ⁸
	9021 90 900 9		5%

More detailed information on these changes can be found on the EEC official website and EEU legal portal.

³ Customs duty rate as a percentage of the customs value, or in Euros or US\$

⁴ Resolution enters into force at the end of 30 calendar days from the date of its official publication, which was 11 March 2015

⁵ Resolution enters into force at the end of 30 calendar days from the date of its official publication, which was 11 March 2015

⁶ Customs duty rate of 0% is applicable from 11 March 2015 until 31 December 2017, inclusive. Note 39C to the CTT EEU

⁷ Resolution removes position 9021 90 900 0. Resolution enters into force at the end of 30 calendar days from the date of its official publication, which was 11 March 2015

⁸ Customs duty rate of 0% is applicable from 29 April 2015 until 19 April 2017, inclusive. Note 40C to the CTT EEU

3. Republic of Kazakhstan

Certain issues related to the import of goods for industrial processing

Government Resolution №116 dated 10 March 2015 amended Government Resolution №782 dated 8 July 2011. The new wording states:

- 1) a list of goods for industrial processing imported into Kazakhstan from other Customs Union member states
- 2) a list of finished products obtained from the industrial processing of goods imported into Kazakhstan from other Customs Union member states
- 3) a list of Kazakhstan taxpayers importing goods intended for industrial processing into Kazakhstan other Customs Union member states

The full text of this document can be obtained from official Kazakhstan sources.

The Resolution entered into force from the date it was signed and was officially published on 19 March 2015

Notification of the cancellation of arrears in relation to customs payments, taxes and fines

Minister of Finance Order № 67 dated 4 February 2015 has amended the form for notifying of the cancellation of arrears in relation to customs payments, taxes and fines⁹.

The full text of this document can be obtained from official Kazakhstan sources.

The Order entered into force on 11 April 2015

Risk management system

Minister of Finance Order RK №123 dated 25 February 2015 approved a risk management system for the application of tax law¹⁰ to change payment deadlines for VAT and excise duties on imported goods.

The system applies only when declaring imported goods for release into domestic consumption.

To determine whether taxpayers are entitled to change payment deadlines for VAT and excise duties on imported goods, they should meet all of the following conditions simultaneously:

1. the total net book value of all assets should be at least 325,000 MCI¹¹ as set by the national budget law for the relevant financial year, in which a list of major taxpayers subject to monitoring is approved
2. employ at least 250 people
3. an importer should be included in the list of major taxpayers¹²

⁹ Order of the Acting Minister of Finance of the RK № 357 dated 17 July 2010

¹⁰ Article 51-3 of the Tax Code of the RK dated 10 December 2008

¹¹ MCI rate for 2015 is KZT 1,982

The full text of this document can be obtained from official Kazakhstan sources.

The Order entered into force on 16 March 2015 and extends to relations arising from 1 January 2015

List of imported goods on which VAT is paid using the offset method

To implement Article 250 of the Tax Code of the RK dated 12 June 2001 and Article 49-1 of the Law of the RK dated 10 December 2008 “On introduction of the Tax Code of the RK” Minister of the National Economy Order № 93 dated 13 February 2015 approved:

- 1) a list of imported goods on which VAT is paid using the offset method
- 2) Rules for drafting the above list

The full text of this document can be obtained from Kazakhstan official.

The order enters into force 10 calendar days after its first official publication, which was 8 April 2015

¹² P. 3 of Art. 623 of the Tax Code of the RK dated 10 December 2008

4. Dear Clients,

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!

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