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Customs Alert

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Tax & Legal
November – December 2014

1. General

In this Customs Alert, we provide a brief summary of new documents adopted during sessions of the Board and Council of the Eurasian Economic Commission (the “EEC”) within the framework of Single Economic Space (the “SES”) between Belarus, Kazakhstan, Russia and Armenia, and published on the official website of the Eurasian Economic Union (“EEU”) <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. Single Economic Space and Eurasian Economic Union

Draft Agreement on the Customs Code of the Eurasian Economic Union

EEC Council Resolution № 233 dated 18 December 2014 has approved a Draft Agreement on EEU Customs Code, which can be found on the official EEU website and legal portal.

EEU member-states have been obliged to hold an internal discussion on the Agreement and to notify the EEU of any results until 1 March 2015.

The Resolution entered into force on 18 January 2015.

Armenia's accession to the Eurasian Economic Union

On 2 January an Agreement on Armenia's accession to EEU entered into force. Armenia became a full EEU member together with Belarus, Kazakhstan and Russia.

Armenia is now fully involved in the process of ensuring the Eurasian project aimed at free movement of goods, services, capital and employees, and also at creation of one of the key economic centres for development of a multi-polar world.

One of the key positives should be an increase in the exchange of goods due to the removal of physical and administrative barriers, the increased mobility of human resources through a common employment market, sustained economic development due to reduced economic isolation, the advancement of infrastructure projects, and participation in generating a global agenda through EEU mechanisms.

Import customs duties to be applied by Armenia during a transition period

Due to Armenia's accession to EEU, EEC Board Resolution № 113 dated 10 December 2014 approved a list of goods and respective import customs duty rates different from EEU rates applied by Armenia during the transition period

The transition period for import duty rates for Armenia is defined until the end of 2021.

The list can be found on the EEC official website and EEU legal portal.

The Resolution entered into force on 2 January 2015.

Draft Agreement on Kyrgyzstan's accession to the Eurasian Economic Union

EEC Board Resolution № 117 dated 10 December 2014 resolved to modify Draft Agreement on Kyrgyzstan's accession to EEU with further domestic procedures required to ensure the Agreement is signed at the next meeting of the Supreme Eurasian Economic Council at the level of Heads of States.

The Resolution entered into force on 3 January 2015.

Classifiers used to complete customs declarations

EEC Council Resolution № 237 dated 18 December 2014 has amended a number of Customs Union Commission resolutions. The amendments relate to classifiers used to complete customs declarations approved by Customs Union Commission № 378 dated 20 September 2010.

The changes were made to the following classifiers:

- Goods movement classifier (Appendix 2)
- Customs declaration classifier (Appendix 6)
- Customs exemptions classifier (Appendix 7)
- Classifier of the types of documents and data used in customs declaration (Appendix 8)
- Classifier of taxes, fees and other payments levied by the customs authorities (Appendix 9)
- Currency classifier (Appendix 23)

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

The Resolution entered into force on 18 January 2015.

Import/export licencing arrangements for certain goods and applications for licenses

EEC Council Resolution № 199 dated 6 November 2014 has approved new wording of:

- Instruction on preparation of an application for import/export licenses for certain goods and on preparation of such licenses
- Instructions for execution of import/export permits for specific goods

Licenses issued prior to 1 January 2015 should remain in force for the period indicated thereof.

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

The Resolution entered into force on 1 January 2015.

Categories of goods for which special customs procedures may be established

EEC Board Resolution № 128 dated 23 December 2014 has amended the categories of goods for which special customs procedures may be established.

The amendments were made in relation to unregistered medicines, human blood and its components, organs and (or) flesh.

A requirement for the special customs procedure is a conclusion (permit) or import license for the above issued by a Customs Union regulatory body.

The Resolution enters into force on 25 March 2015.

Protective measures in relation to combine harvesters and their modules imported into Armenia

EEC Council Resolution № 230 dated 9 December 2014 establishes import quotas for combine harvesters and their modules¹ imported into Armenia of 11 items for 2015 and 11 for 2016.

The Resolution entered into force on 11 January 2015.

¹ Protective measures established by EEC Council Resolution № 143 dated 25 June 2013

Changes to the Common Customs Tariffs of the Eurasian Economic Union

EEC Board Resolutions № 126 and 127 dated 25 December 2014, and EEC Council Resolutions № 214 and 215 dated 2 December 2014 have amended CN FEA EEU and CTT EEU with respect to certain types of goods used in civil aviation and civil aircraft, certain parts for weapons and rifles.

The table below shows a number of EEC Resolutions amending CTT EEU:

EEC Board and Council Resolutions №, publication date	CN FEA EEU Code	Brief overview of goods	Import customs duty rate
217 ² 3 December 2014	9305 20 000 1, 9305 20 000 9	Parts for weapons or rifles (commodity item 9303)	18%
221 ³ 3 December 2014	2510 20 000 0	Phosphorous products	0% ⁴

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

Classification of goods according to CN FEA

The table below shows the resolutions adopted to classify goods according to the CN FEA EEU.

EEC Council Resolution №, date	Brief overview of goods	CN FEA EEU code
197 6 November 2014	Feed additives for animals	3808

² The Resolution excludes commodity position 9305 20 000 0 and entered into force on 2 January 2015

³ The Resolution entered into force on 2 January 2015

⁴ A 0% rate of the customs value is in force from 5 January 2015 until 4 January 2016, inclusive. Note 5C to the CTT EEU

3. Republic of Kazakhstan

Ratification of Agreement on Armenia's accession to the Eurasian Economic Union

Law of RK № 265-V dated 24 December 2014 has ratified the agreement on Armenia's accession to EEU.

The Law was officially published on 26 December 2014.

Transfer of veterinary and sanitary control and plant quarantine at Eurasian Economic Union vehicle border crossings to the customs authorities

Head of the state has signed the Law of RK № 249-V dated 10 November 2014 "On certain amendments and additions to certain legal acts of Kazakhstan on transferring the responsibility for veterinary and sanitary controls and plant quarantine at EEU vehicle crossing border from the Ministry of Agriculture to customs authorities.

The Law was signed with the aim of elimination of administrative barriers, reducing the number of regulatory bodies in EEU vehicle crossing border and expediting the passage of goods through the border crossing points.

The Law also defines the customs authorities' objectives to prevent harmful animal diseases entering Kazakhstan and clarifies the procedure for the authorised bodies to interact with respect to plant quarantine and in veterinary controls.

The Law enters into force upon expiration of 90 calendar days from the day of its official publication and was officially published on 13 November 2014.

4. International Trade

We would like to present the results of the regular monitoring of foreign trade barriers in relation to goods imported from EEU countries.

As of December 2014, 128 restrictive measures were in place in relation to SES member-states. The majority of the barriers are anti-dumping, special or compensation measures (78). Discriminatory excise duties, import bans, quota restrictions and other restrictive measures are also used.

Restrictive measures in relation to goods of SES member-states are applied by EU countries, Ukraine, India, the USA, Indonesia, China, Uzbekistan, Mexico, Moldova, Thailand, Nigeria, Azerbaijan, Argentina, Armenia, Brazil, Kyrgyzstan, Turkmenistan, Turkey, Vietnam, Iran, Laos, Australia, Columbia, South Korea, the Philippines, Malaysia and Morocco.

Countries of the far abroad apply 21 measures in EU countries, 17 in India and 10 in the USA. Among CIS countries, Ukraine imposes the most restrictive measures (20) and Uzbekistan (7).

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

5. 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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