

Customs Alert  
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# 1. General

In this Customs Alert, we provide a brief summary of new documents adopted during sessions of the Eurasian Economic Commission (“EEC”) within the framework of the Customs Union (“CU”) between Belarus, Kazakhstan and Russia, and published on the official EEC website [www.eurasiancommission.org](http://www.eurasiancommission.org). Also, we offer you a summary of new Kazakhstan regulatory legal acts dealing with international trade.

## 2. Customs Union

### Categories of goods subject to special customs procedures EXPO-2017

EEC Board Resolution № 50 dated 16 July 2014 makes additions to the list of goods subject to special customs procedure and the conditions of their placement under this procedure established by Customs Union Commission (“CUC”) Resolution № 329 dated 20 May 2010.

The additions cover goods and foreign goods to be transferred across the CU customs border for use in organising and holding the EXPO-2017 exhibition in Astana. Goods are subject to special customs procedures such as customs duty, tax, non-tariff and technical regulation exemptions in the CU member state in which EXPO-2017 takes place.

One of the conditions for special customs treatment is to have *Astana EXPO-2017 JSC* provide written confirmation to the Kazakhstan customs authorities of the purpose of the goods, referring to events in which the goods will be used; their name, quantity and value; the details of the entity transferring the goods and also details about the declarant.

Special customs procedures can be applied for up to 6 months from the end of the EXPO-2017 exhibition.

**The resolution enters into force on 18 August 2014.**

### Customs value of imported goods

According to the 2008 Treaty to determine the Customs Value of Goods crossing the Customs Border of the Customs Union (the “Treaty”), the Treaty to apply Article VII of the 1994 General Tariff and Trade Treaty, and also materials from the Customs Valuation Technical Committee of the World Customs Organisation, EEC Council Resolution № 112 dated 15 July 2014 has approved Regulations for adding intermediary (agent) and broker fees to amounts paid or due on imported goods.

To determine the customs value of imported goods using their transaction value (method 1) fees paid to intermediaries (agents) and brokers in relation to the purchase of imported goods ( the “fees”) are added to amounts paid or due on them.

Fees are included in the customs value of goods up to the amount paid or due for payment by the purchaser, but not included in the price actually paid or due for payment on imported goods.

To resolve the issue of the requirement to add the above fee to amounts paid or due on imported goods, we need to look at the relationships of the contractual parties with respect to the provision of intermediary services to purchase or sell goods, and consider collectively all factors characterising intermediary (agent) activities to purchase and sell imported goods, irrespective of how the entity in question is referred to in an intermediary agreement or foreign economic agreement (contract).

Furthermore, EEC Council Resolution № 113 dated 15 July 2014 approved guidelines for using documents that conform to generally-established accounting principles to determine customs value.

Under the Treaty, generally established accounting principles correspond to a system of accounting rules applicable in accordance with the established procedure in the relevant country and during the relevant period.

The guidelines also state that in CU member states, accounting rules are set by national legislation.

**The Resolutions were officially published on 16 July 2014 and enter into force at the end of 30 calendar days from the date they were published.**

### **Instruction on the procedures for the registration or refusal to register customs declarations**

EEC Council Resolution № 98 dated 2 July 2014 approved a new version of the instructions for registering or rejecting the registration of declaration on goods (the "Instructions")<sup>1</sup>.

The new Instructions do not require a list of documents provided to the customs authorities to be filed.

Furthermore, having the grounds or refusal in registration, the customs authorities reject declarations (applications or lists) by entering the surname and initials of the customs authorities on the reverse side in two copies of the declaration (application or list), signing and stamping it.

**The Resolution was published officially on 3 July 2014 and enters into force from 1 July 2015.**

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<sup>1</sup> Approved by EEC Resolution № 262 dated 20 May 2010

## Instructions for completing declarations

EEC Council Resolutions № 105 dated 7 July 2014 and № 127 dated 18 July 2014 amend the Instructions for completing declaration on goods (the, “DG”)<sup>2</sup>.

Among others, amendments were made to the procedure for completing DG for imported goods in column 8 *Recipient of Goods*, column 14 *Declarant* and column 44 *Additional Information/Documents Provided*.

Amendments were also made to the procedure for completing export DG.

In addition, the amendments state that in Kazakhstan when exporting goods, officials should stamp on the second copy of a DG, indicating the destination and supply date of the goods, except for goods to be sent by pipeline or electricity lines.

**The Resolution № 105 enters into force on 7 August 2014. Resolution № 127 enters into force on 1 July 2015.**

## Electronic copy of a vehicles customs declaration

EEC Council Resolution № 107 dated 15 July 2014 approves the structure and format of electronic copy of the vehicles customs declarations on vehicles.

**The Resolution enters into force from 1 September 2015.**

## Classification of goods according to the common Foreign Economic Activity Commodity Nomenclature

The table below shows resolutions adopted to classify goods according to the CU Foreign Economic Activity Commodity Nomenclature.

EEC Resolution №, date	Brief overview of goods	CU FEA CN
116 18 July 2014	Manual hydraulic fork lift trucks	8716
117 18 July 2014	“Chiller” refrigerated vehicle	8418 69 000 8
118 18 July 2014	Hydro-massage shower and bath	9019 10 900 1
119 18 July 2014	Vitamin and mineral set	2106 90 920 0
120 18 July 2014	Stands, racks and exhibition stands	9403
121 18 July 2014	Scissors on the frame	8302 41 500 0
122 18 July 2014	Brackets made from non-precious metals	8302 50 000 0

**The above Resolutions enter into force on 17 August 2014.**

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<sup>2</sup> Approved by EEC Resolution № 257 dated 20 May 2010

## Changes to the CU Common Customs Tariffs

Changes have been made to the common CU FEA CN and CU Common Customs Tariffs in relation to certain goods due to Russia's WTO obligations.

EEC Board Resolutions № 47 dated 23 June 2014 and № 52 dated 16 July 2014 have made amendments and additions to the CU FEA CN and CU Common Customs Tariffs.

They establish new import duties on goods from commodity groups 03, 04, 06, 07, 08, 10, 11, 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 32, 33, 34, 36, 38, 39, 40, 42, 44, 48, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 68, 69, 70, 71, 73, 76, 83, 84, 85, 86, 87, 88, 90, 94 and 96 of the CU FEA CN.

The Notes to the CU Common Customs Tariffs have been supplemented with a note 31C as follows:

“31C An import customs duty rate of 3% of customs value, but no less than 0.09 Euros per kg will be in force from 1 September 2014 until 31 August 2015, inclusive”.

Further, the commodity positions 3917 33 000 0, 3917 40 000 0 and 8407 10 000 0 have been removed.

**The Resolution № 47 was published on 8 July 2014 and enters into force on 7 August 2014. Resolution № 52 was published 30 July 2014 and enters into force from 1 September 2014.**

EEC Council Resolution № 103 dated 7 July 2014 has amended CU Common Customs Tariffs in relation to certain types of tyres and restored tyres (CU FEA CN code 4012 11 000 0) and certain types of footwear (CU FEA CN code 6401, 6402).

**The Resolution was published 7 July 2014 and enters into force 6 August 2014.**

The table below shows the EEC Resolutions in terms of other changes to CU Common Customs Tariffs:

EEC Board Resolution №, publication date	CU FEA CN code	Brief overview of goods	Import customs duty rate <sup>3</sup>
48 <sup>4</sup> 17 July 2014	2917 36 000 0	Terephthalic acid and salines	5% <sup>5</sup>
51 <sup>6</sup> 18 July 2014	2710 12 411 0, 2710 12 412 0, 2710 12 413 0, 2710 12 419 0, 2710 19 421 0, 2710 19 422 0, 2710 19 423 0, 2710 19 424 0, 2710 19 425 0, 2710 19 426 0, 2710 19 429 0	Certain types of petroleum products	5%
EEC Council Resolution №, publication date	CU FEA CN code	Brief overview of goods	Import customs duty rate <sup>7</sup>
110 <sup>8</sup> 16 July 2014	8411 99 001 9	Certain gas turbine parts	8% <sup>9</sup>

You can find the entire text of the above resolutions on the official EEC website.

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<sup>3</sup> Import customs duty rate (as a percentage of customs value or in Euros or US\$)

<sup>4</sup> Resolution enters into force from 2 September 2014

<sup>5</sup> Import customs duties of 0% of customs value is in force from 2 September 2014 until 31 December 2015, inclusive. Note 10C to the CU Common Customs Tariffs

<sup>6</sup> Resolution abolishes commodity positions 2710 12 410 0 and 2710 19 420 0. The Resolution enter into force from 17 August 2014

<sup>7</sup> Import customs duty rate (as a percentage of customs value or in Euros or US\$)

<sup>8</sup> Resolution enters into force from 2 September 2014

<sup>9</sup> Import customs duties of 0% of customs value is in force from 2 September 2014 until 1 September 2016 inclusive. Note 30C to the CU Common Customs Tariffs

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# 3. Republic of Kazakhstan

## Treaty on the procedure for handling narcotics, psychotropic substances and their precursors

Law № 217-V ЗРК dated 30 June 2014 ratified Treaties on the Procedure for handling Narcotics, Psychotropic Substances and their Precursors in the Customs Union.

**The Law was officially published 3 July 2014.**

## Cooperation in oil and petroleum product supplies between Russia and Kazakhstan

Law № 215-V ЗРК dated 30 June 2014 ratified a Protocol on the introduction of amendments to the Treaty between the Kazakhstan and Russian Governments on trade and economic cooperation in oil and petroleum product supplies to Kazakhstan dated 9 December 2010 (the "Treaty").

The main objective of the Protocol is to complete Kazakhstan's execution of its 2012 - 2013 obligations with respect to counter supplies to Russia.

In addition to various amendments, the Protocol extends the validity of the Treaty until 1 January 2015 and covers legal relations arising from 1 January 2014.

**The Law was officially published 3 July 2014.**



## 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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