

The customs procedure of processing for domestic consumption

The Customs Code of the Customs Union provides for the procedure of processing for domestic consumption. All the legislation required to apply the procedure within the Customs Union has now been issued and, in particular, the Government of the Russian Federation has issued the List of Goods which may be processed under the procedure.

Customs procedure of processing for domestic consumption

Foreign goods are imported into the customs territory of the Customs Union **without payment of import customs duties**

The foreign goods are processed within the territory of the Customs Union as a result of which processed products appear

The **processed goods** are released into free circulation on payment of the import customs duties at the rates applicable to the processed products

The main conditions for the application of the customs procedure of processing for domestic consumption

The foreign goods are included in the List of Goods approved by the Government of the Russian Federation

It is possible to identify foreign goods in the processed products

Permission for the processing goods for domestic consumption has been obtained

The amount of import customs duties payable for the processed products is less than the duties payable for the foreign goods/raw materials if released into free circulation

Based on our experience of companies applying similar customs procedures, we recommend that attention be paid to the following issues:

Confirming that the foreign goods are included in the List of Goods approved by the Government of the Russian Federation

Confirming that it is possible to identify foreign goods in the processed products

Applying to the customs authorities for the procedure of processing goods for domestic consumption and preparing the required documentation

Coordination of the standards for releasing processed products and the processing time deadlines

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Anastasia has been working in Deloitte since 2006. Anastasia has more than 15 years' experience in rendering services in the sphere of the Russian customs law, as well as foreign economic activity. Before coming to Deloitte, Anastasia worked in the Federal Customs Service of the Russian Federation. Among Anastasia's clients are international and Russian companies carrying out foreign economic activity and customs operations in Russia.

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