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ACCESSION OF THE RUSSIAN FEDERATION

Information on the Treatment Provided Under Preferential Arrangements

Revision

The Permanent Mission of the Russian Federation has submitted the following information concerning the treatment provided under preferential arrangements, with the request that it be circulated to members of the Working Party.

1. Free Trade Agreements with CIS Countries

In accordance with Russia's bilateral agreements on free trade with other CIS countries, the importation of any goods (including agricultural products) originating from CIS countries into the customs territory of the Russian Federation is not subject to duties. Such tariff preferences are granted on the basis of a certificate of origin (described in Answers 186-189 of WT/ACC/RUS/2 and Answer 53 of WT/ACC/RUS/9/Add.1), provided that the exporter is a resident of a CIS country.

The regime of free trade (with exemptions) between the Russian Federation and the five Republics of Azerbaijan, Armenia, Georgia, Moldova and Ukraine is governed by the following bilateral agreements:

- Free Trade Agreement Between the Government of the Russian Federation and the Government of the Republic of Azerbaijan, dated 30 September 1992;
- Free Trade Agreement Between the Government of the Russian Federation and the Government of the Republic of Armenia, dated 30 September 1992;
- Free Trade Agreement Between the Government of the Russian Federation and the Government of the Republic of Georgia, dated 3 February 1994;
- Free Trade Agreement Between the Government of the Russian Federation and the Government of the Republic of Moldova, dated 9 February 1993;
- Free Trade Agreement Between the Government of the Russian Federation and the Government of Ukraine, dated 24 June 1993; and
- Agreement Between the Government of the Russian Federation and the Government of Ukraine on Implementation of the Free Trade Regime, dated 8 February 1995.

The regime of free trade (with exemptions) is also applicable to trade relations between the Russian Federation and the three Republics of Uzbekistan, Turkmenistan and Tadjikistan. However, exemptions provided by Article 1 of the Free Trade Agreements between the Russian Federation and these three countries apply to:

- goods subject to the provisions of the Russian legislation on export tariffs and on licensing and quotas imposed on the exported goods (services) effective as of the date of the customs clearance of such goods exported from the Russian Federation (Note, these export tariffs have subsequently been abolished);
- goods subject to the provisions of the legislation of the Republics of Uzbekistan, Turkmenistan, or Tadjikistan on export tariffs and on licensing and quotas imposed on the exported goods (services) effective as of the date of the customs clearance of such goods exported from these countries.

This regime of free trade (with exemptions) between the Russian Federation and the three Republics of Uzbekistan, Turkmenistan and Tadjikistan is governed by the following documents:

- Trade Relations Agreement Between the Russian Federation and the Republic of Uzbekistan, dated 13 November 1993;
- Protocol of Exemptions from Free Trade Regime to the Trade Relations Agreement Between the Russian Federation and the Republic of Uzbekistan, dated 13 November 1993;
- Trade Relations Agreement Between the Government of the Russian Federation and the Government of Turkmenistan, dated 11 November 1992; and,
- Agreement on Trade and Economic Cooperation Between the Government of the Russian Federation and the Government of the Republic of Tadjikistan (Free Trade Agreement), dated 10 October 1992;

During the importation into the customs territory of the Russian Federation of goods originating from other CIS countries, VAT is currently not collected. During the importation into the customs territory of the Russian Federation of those goods which originate from other CIS countries and which are excisable in the Russian Federation, excise tax is collected in regular amounts reduced by the amount of excise tax already exacted in the country of origin of such goods.

2. Customs Union

A number of agreements were signed between the Russian Federation and Belarus, Kazakstan and the Kyrgyz Republic in 1995-1996 to provide for a step-by-step formation of a customs union. Such agreements were entered into by Belarus on 6 January 1995, by Kazakstan on 20 January 1995, and by the Kyrgyz Republic on 29 March 1996.

The formation of this customs union is now in the initial stage. In actual fact, the trade with these countries is currently carried out under the conditions of a free trade regime, without any limitations or restrictions. Such regime is set out in the following agreements:

- Free Trade Agreement Between the Government of the Russian Federation and the Government of the Republic of Belarus, dated 13 November 1992;

- Protocol on Introduction of Free Trade Regime Without Exemptions and Restrictions Between the Government of the Russian Federation and the Government of the Republic of Belarus, dated 6 January 1995;
- Free Trade Agreement Between the Government of the Russian Federation and the Government of the Republic of Kazakhstan, dated 22 October 1992;
- Protocol on Introduction of Free Trade Regime Without Exemptions and Restrictions Between the Government of the Russian Federation and the Government of the Republic of Kazakhstan, dated 20 January 1995*;
- Free Trade Agreement Between the Government of the Russian Federation and the Government of the Kyrgyz Republic, dated 8 October 1992; and,
- Agreement on Entering by the Kyrgyz Republic into the Customs Union Agreements, dated 29 March 1996.

During 1995-1996 there were concluded a number of agreements among the Russian Federation, the Republic of Belarus, Republic of Kazakhstan and the Kyrgyz Republic which provide for the phased creation by these States of the customs union.

- Agreement On Customs Union Between the Russian Federation and the Republic of Belarus, dated 6 January 1995*;
- Agreement On Customs Union Among the Russian Federation, the Republic of Belarus and Republic of Kazakhstan, dated 20 January 1995*;
- Treaty On Accession of the Kyrgyz Republic to Agreement on Customs Union, dated 29 March 1995;
- Protocol On Finalization by the Kyrgyz Republic of Works on Execution of Primary Arrangements, Provided by the Terms for the Formation of Customs Union, dated 22 November 1995;
- Agreement Between the Government of the Russian Federation and the Government of the Republic of Kazakhstan on the Uniform Procedure for the Regulation of External Economic Activity, dated 20 January 1995*;
- Agreement between the Government of the Russian Federation and the Government of the Republic of Belarus on the Uniform Procedure for the Regulation of External Economic Activity upon the Unification (Combination) of the Monetary Systems of the Republic of Belarus and the Monetary System of the Russian Federation, dated 12 April 1994;
- Agreement between the Government of the Russian Federation and the Government of the Kyrgyz Republic on the Uniform Procedure for the Regulation of External Economic Activity, dated 10 January 1996.

* Available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

3. Partnership and Cooperation Agreement with the European Communities

To be fully transparent, the Russian delegation wishes to inform the members of the Working Party that Article 3 of that section of the Partnership and Cooperation Agreement related to the trade of goods, provides for a possible start in 1998 of talks on the establishment of a free trade zone between Russia and the European Communities.

4. General System of Preferences

As part of the system of preferences (GSP), the Russian Federation grants developing and least developed countries tariff preferences upon importation into the customs territory of the Russian Federation of goods (including agricultural products) originating from these countries. Goods originating from least-developed countries are exempted from duties altogether, while goods originating from developing countries are subject to import duties equal to 75 per cent of the base rate of customs duties for countries enjoying most-favoured-nation treatment. The above tariff preferences are granted on the basis of a certificate of origin described in Answers 186-189 of WT/ACC/RUS/2, Answer 53 of WT/ACC/RUS/9/Add.1 and Answer 101 of WT/ACC/RUS/9. The list of developing and least-developed countries to which Russia grants tariff preferences is contained in Russian Government Resolutions No. 1057 of 13 September 1994 and No. 1301 of 31 December 1995. Both Resolutions are available for consultation in the WTO Secretariat (Accessions Division, Room 1126).

Russian Government Resolutions No. 1057 of 13 September 1994, No. 1301 of 31 December 1995, No. 887 of 26 July 1996, No. 1560 of 27 December 1996 and No. 807 of 3 July 1997, as well as the Federal Law On Additions and Amendments to the Federal Law On Excises dated 10 January 1997, list those products to which the general system of preferences for developing and least-developed countries does not apply. See Appendix.

In compiling a list of goods subject to tariff preferences upon importation to the Russian Federation, the Russian Government has proceeded on the assumption that such preferences apply, as a general rule, to agricultural produce grown in developing and least-developed countries, products of the national industries of such countries and traditional handicrafts, as well as certain articles of clothing, pieces of applied and decorative art, and other goods of similar nature.

The Russian national system of preferences is subject to annual revisions pursuant to Russian Government Resolution No. 1057 of 13 September 1994 and as provided for by the Russian Federal Law On Customs Tariff.

APPENDIX 1

INFORMATION PROVIDED UNDER PREFERENTIAL ARRANGEMENTS

Goods Which Do Not Receive GSP Treatment

Code	Description of item
1	2
2009	Fruit juices (including grape must) and vegetable juices, unfermented, not containing added spirit, whether or not containing added sugar or other sweetening matter: -orange juice:
2202	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured, and other non-alcoholic beverages, other than fruit or vegetable juices of heading No. 2009
2203 00	Beer made from malt:
2204 (excl.2204 30)	Wine of fresh grapes, including fortified wines...
2205	Vermouth and other wine of fresh grapes, flavoured with plants or aromatic substances:
2206 00	Other fermented beverages (for example cider, perry, mead); ...
2207 10 000	-undenatured ethyl alcohol, of actual alcoholic strength by volume of 80% vol.or higher
2207 20 000	-ethyl alcohol and other spirits, denatured, of any strength
2208	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol.; spirits, liqueurs and other spirituous beverages
2710 00	Petroleum oils and oils obtained from
2710 00 290	-----with octane number 95 or more
2710 00 320	-----with octane number 98 or more -----exceeding
2710 00 340	-----with octane number not exceeding 98
2710 00 360	-----with octane number 98 or more
30	Pharmaceutical Product
	Clothes and its textile accessoires made only of imitation or synthetic fibre
6201 13	--of man-made fibres:
6201 93 000	--of man-made fibres
6202 13	--of man-made fibres:
6202 93 000	--of man-made fibres
6203 12 000	--of synthetic fibres
6203 19 300	---of artificial fibres
6203 23	--of synthetic fibres:
6203 29 110	----industrial and occupational
6203 29 180	----other

Code	Description of item
1	2
6203 33	--of synthetic fibres:
6203 39 110	----industrial and occupational
6203 39 190	----other
6203 43	--of synthetic fibres:
	---trousers and breeches:
6203 49 110	----industrial and occupational
6203 49 190	-----other
	----bib and brace overalls:
6203 49 310	-----industrial and occupational
6203 49 390	-----other
6203 49 500	-----other
6204 13 000	--of synthetic fibres
6204 19 100	---of artificial fibres
6204 23	--of synthetic fibres:
6204 29 110	----industrial and occupational
6204 29 180	----other
6204 33	--of synthetic fibres:
6204 39 110	----industrial and occupational
6204 39 190	----other
6204 43 000	--of synthetic fibres
6204 44 000	--of artificial fibres
6204 53 000	--of synthetic fibres
6204 59 100	---of artificial fibres
6204 63	--of synthetic fibres:
	---trousers and breeches:
6204 69 110	-----industrial and occupational
6204 69 180	-----other
	----bib and brace overalls:
6204 69 310	-----industrial and occupational
6204 69 390	-----other
6204 69 500	-----other
6205 30 000	-of man-made fibres
6206 40 000	-of man-made fibres
6207 19 000	--of other textile materials
	-nightshirts and pyjamas:
6207 22 000	--of man-made fibres
6207 92 000	--of man-made fibres

Code	Description of item
1	2
6208 11 000	--of man-made fibres
6208 22 000	--of man-made fibres
6208 92	--of man-made fibres:
6209 30 000	-of synthetic fibres
6209 90 000	-of other textile materials
6210	Garments made up of fabrics of heading No. 5602, 5603, 5906 or 5907:
6211 11 000	--men's or boys' swimwear made only of synthetic fibres
6211 12 000	--women's or girls' swimwear made only of synthetic fibres
6211 33	--of man-made fibres:
6211 43	--of man-made fibres:
6212	Brassières, girdles, corsets, braces, suspenders, garters and similar articles and parts thereof, whether or not knitted or crocheted
6213 90 000	-of other textile materials
6214 30 000	-of synthetic fibres
6214 40 000	-of artificial fibres
6215 20 000	-of man-made fibres
6216 00 000	Gloves, mittens and mitts
6217	Other made up clothing accessories; parts of garments or clothing accessories, other than those of heading No. 6212
6401	Waterproof footwear with outer soles and uppers of rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, rivetting, nailing, screwing, plugging or similar processes:
6402	Other footwear with outer soles and uppers of rubber or plastics:
	-sports footwear:
6404 11 000	--sports footwear; tennis shoes, basketball shoes, gym shoes, training shoes and the like
6404 19	--other:
6405 20 910	---slippers and other indoor footwear
6405 20 990	---other
6405 90 100	--with outer soles of rubber, plastics, leather or composition leather
6406 10 900	--of other materials
6406 20 100	--of rubber
6406 20 900	--of plastics
	-other:
6406 99	--of other materials:
7113	Articles of jewellery and parts thereof; of precious metal or of metal clad with precious metal:
	-of precious metal whether or not plated or clad with precious metal:

Code	Description of item
1	2
7114	Articles of goldsmiths' or silversmiths' wares and parts thereof; of precious metal or of metal clad with precious metal:
	-of precious metal whether or not plated or clad with precious metal:
7116 10 000	-of natural or cultured pearls
7116 20	-of precious or semi-precious stones (natural, synthetic or reconstructed):
	--made wholly of natural precious or semi-precious stones:
7117	Imitation jewellery:
	-of base metal, whether or not plated with precious
8470 50 000	-cash registers
8471	Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, not elsewhere specified or included
8473 30	-parts and accessories of the machines of heading No. 8471:
8517 11 000	-- telephone sets with cordless handsets
9517 19 900	---other
	-facsimile machines and teleprinters:
8519	Turntables (record-decks), record-players, cassette-players and other sound reproducing apparatus, not incorporating a sound recording device:
8520	Magnetic tape recorders and other sound recording apparatus, whether or not incorporating a sound reproducing device:
8521	Video recording or reproducing apparatus, whether or not incorporating a video tuner
8525 10	-transmission apparatus
8525 20	-transmission apparatus incorporating reception apparatus
8525 40	and other video camaras recorders:
8527	Reception apparatus for radio-telephony, radio-telegraphy or radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock:
	-radio-broadcast receivers capable of operating without an external source of power, including apparatus capable of also receiving radio-telephony or radio-telegraphy:
8528	Reception apparatus for television whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus; video monitors and video projectors:
	-Reception apparatus for television whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus
8542	Electronic integrated circuits and microassemblies:
	-monolithic integrated circuits:
8702 ¹	Motor vehicles for the transport of ten or more persons, including driver:

Code	Description of item
1	2
8703 ²	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading No. 8702), including station wagons and racing cars:
9101	Wrist-watches, pocket-watches and other watches, including stop- watches, with case of precious metal or of metal clad with precious metal
	- wrist-watches, battery or accumulator powered, whether or not incorporating a stop-watch facility:
9102	Wrist-watches, pocket-watches and other watches, including stop- watches, other than those of heading No. 9101:
	-wrist-watches, battery or accumulator powered, whether or not incorporating a stop-watch facility:
9103	Clocks with watch movements, excluding clocks of heading No. 9104:
9104 00	Instrument panel clocks and clocks of similar type for vehicles, aircraft, spacecraft or vessels
9105	Other clocks:
	-alarm clocks:
9106	Time of day recording apparatus and apparatus for measuring, recording or otherwise indicating intervals of time, with clock or watch movement or with synchronous motor (for example, time-registers and time- recorders):
9107 00 000	Time switches with clock or watch movement or with synchronous motor
9108	Watch movements, complete and assembled:
	-battery or accumulator powered:
9109	Clock movements, complete and assembled
	-battery or accumulator powered
9110	Complete, watch or clock movements, unassembled or partly assembled (movement sets); incomplete watch or clock movements, assembled; rough watch or clock movements:
	-of watches:
9111	Watch cases and parts thereof:
9112	Clock cases and cases of similar type for other goods of this Chapter, and parts thereof:
9113	Watch straps, watch bands and watch bracelets, and parts thereof:
9114	Other clock or watch parts:

Notes:

1. The motor cars of the brands Tavria, Oka and Zaporozhets, manually operated, that are being realized to invalids in the procedure determined by the Government of the Russian Federation (Decisions of the Government of the Russian Federation No. 356 of 28 May 1992 on the Measures for the Social Protection of Invalids Needing Special Transport Facilities, No. 156 of 22 February 1993 on Amending and Invalidating Certain Decisions of the Council of Ministers of the RSFSR on the Issues of the Provision of Invalids with Special Transport Facilities, and

No. 244 of 14 March 1995 on the Change of the Brand of a Car Designed to Be Given to Invalids Free of Charge) shall not be imposed with excises.

For the purpose of the customs clearance of the cars of the above-mentioned brands with manual operation being imported into the territory of the Russian Federation by organizations without collecting the excise, the declarant must at the moment of the customs clearance submit a confirmation of the territorial body of the social protection of the population agreed upon with the Ministry of Labour and Social Development of the Russian Federation to the effect that the cars are being delivered for the given territorial body or bodies of social protection. In this case there shall be made a conventional charge of the excises in the goods customs declaration.

The specimens of the seal of the Ministry of Labour and Social Development of the Russian Federation and of the persons authorized to sign such confirmations are attached herewith.

If there have not been submitted within six months to the customs body that carried out the customs clearance of the given goods the warrants issued by the territorial bodies of the protection of the population for the receipt of the cars by the invalids, and also if the cars have been given to invalids that reside in boarding houses for old people and invalids, vocational boarding schools and technical secondary boarding schools of the system of the social protection of the population of the Russian Federation; or if the cars cleared in the custom-houses have in the established procedure been recognized technically unfit to be operated by invalids and cannot be issued to invalids, then the excise amounts for such cars that were conventionally charged in the customs clearance shall be subject to exaction in the established procedure. There shall also be subject to exaction the fines for a delay in the payment of the excises from the day of the customs clearance of such cars.

2. A motor car classified in commodity Item 8702 is a transport facility designed for carrying 10 or more persons, including the driver, and having the following arrangement of seats for the driver and passengers:
 - the first row - seats for the driver and passengers;
 - the second row (situated in parallel to the first row) - seats for passengers;
 - the third and fourth rows (situated in parallel to each other and perpendicularly to the second row) - seats for passengers.