How the commitments of Russia regarding the accession to the WTO are fulfilled in the Customs Union

September 2014
WHY WTO COMMITMENTS OF THE CUSTOMS UNION MEMBER-STATES ARE ALSO FULFILLED AT THE SUPRANATIONAL LEVEL
The legal framework of the Customs Union (CU) was initially based on the best international practices and the WTO rules (provisions of WTO Agreement).

The Agreement on the Functioning of the Customs Union within a Multilateral Trade System declares the priority of the WTO rules in the CU legal framework.

This Agreement entered into force upon Russia’s accession to the WTO in August 2012.

In those areas of competence, which have been delegated in the Customs Union to the supranational level, the function of ensuring compliance of the CU member-states with the WTO commitments is entrusted to the Eurasian Economic Commission, a single standing regulatory body in the Customs Union.
Agreement on the Functioning of the Customs Union within a Multilateral Trade System

Article 1.

1.1 With effect from the date of accession of any of the Parties to the WTO, the provisions of the WTO Agreement, as defined in that Party's Protocol of Accession to the WTO, including the commitments made as a condition of accession to the WTO and pertaining to the legal relations, the powers to regulate which in the Customs Union have been delegated by the Parties to the bodies of the Customs Union, as well as to the legal relations governed by international agreements that form the legal and regulatory framework of the Customs Union, shall become a part of the legal system of the Customs Union.

1.3 In case of subsequent accession to the WTO of another Party, its commitments made as a condition of accession to the WTO and pertaining to the legal relations, the powers to regulate which in the Customs Union have been delegated by the Parties to the bodies of the Customs Union, as well as to the legal relations governed by international agreements that form the legal and regulatory framework of the Customs Union, shall also become a part of the legal system of the Customs Union. In this case, the Party that joins the WTO shall notify the other Parties and coordinate its actions with them to the extent of the commitments made as a condition of its accession, whenever such commitments require amendments to the legal system of the Customs Union.
Article 2.

2.1 The Parties shall take steps to align the legal system of the Customs Union and the decisions made by its bodies with the WTO Agreement, as stipulated in the Protocol of Accession of each Party, including the commitments made by every Party as a condition for its accession to the WTO. Until such steps are taken, the provisions of the WTO Agreement, including the commitments made by the Parties as conditions of their accession to the WTO, shall prevail over the corresponding international agreements made within the Customs Union and over any decisions made by its bodies.

In May 2012, the Eurasian Economic Commission adopted the Activity Plan to Align the Legal and Regulatory Framework of the Customs Union with the conditions for functioning in a multilateral trade system (Board Decision No. 54 of 31.05.2012)
FULFILLMENT OF COMMITMENTS IN THE AREA OF TARIFF AND NON-TARIFF REGULATION
### 2012

- On August 23, 2012, a revised Nomenclature of Goods and Common Customs Tariff were enacted.
- In pursuance of Russia’s tariff-related commitments to the WTO, the following amendments were made to the Nomenclature of Goods:
  - 136 articles were removed from the previous version of the Nomenclature of Goods;
  - 364 new articles were added to the Nomenclature of Goods.

### 2013, 2014

- Amendments to the Nomenclature of Goods and the Common Customs Tariff in pursuance of Russia's commitments to the WTO, entered into force on September 1, 2014.
- Duty rates were reduced for almost 5,100 tariff lines in 2013 and 4800 in 2014.
- In pursuance of Russia’s commitments to the WTO, the following amendments were made to the Nomenclature of Goods:
  - 254 articles were removed from the Nomenclature of Goods in 2013 and 18 in 2014;
  - 817 new articles were added to the Nomenclature of Goods in 2013 and 32 in 2014;
  - Amendments were made to the additional notes in certain Chapters of the Nomenclature of Goods.
<table>
<thead>
<tr>
<th>Parameter</th>
<th>Customs Union Common Customs Tariff as of 1 September 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>The lowest ad valorem rate, other than zero</td>
<td>1,7 %</td>
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<tr>
<td>The highest ad valorem rate</td>
<td>100 %</td>
</tr>
<tr>
<td>Average ad valorem component for the most protected groups:</td>
<td></td>
</tr>
<tr>
<td>- Meat and meat by-products</td>
<td>36,9%</td>
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<tr>
<td>- Finished meat and fish products</td>
<td>16,3%</td>
</tr>
<tr>
<td>- Weapons and ammunition</td>
<td>17,8</td>
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<tr>
<td>- Alcoholic and non-alcoholic beverages</td>
<td>16,3</td>
</tr>
<tr>
<td>- Natural pear</td>
<td>15,84%</td>
</tr>
<tr>
<td>Arithmetic mean rate of the Common Customs Tariff in 2012, 2013 and 2014</td>
<td>10 %</td>
</tr>
</tbody>
</table>
Structure of the Common Customs Tariff (CCT) as of 2014

By duty rates:
- 0% duty rate: 15% of CCT
- 5% duty rate: 27% of CCT
- 10% duty rate: 11% of CCT
- 15% duty rate: 40% of CCT
- 20% duty rate: 6% of CCT
- Other duty rates: 33.6% of CCT
- Less than 1% of CCT: 1.2%

By duty types:
- Specific: 9863; 85%
- Advalorem: 1447; 12%
- Combined: 330; 3%
<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Methods of Determination of the Customs Value of Goods According to</td>
<td>of Application of Methods of Determination of the Customs Value of</td>
<td>the Commissions and Brokerage to be Added to the Price Actually Paid</td>
</tr>
<tr>
<td>the Transaction Value of Identical Goods (method 2) and According to</td>
<td>Goods According to the Transaction Value of Imported Goods (method 1) and</td>
<td>or Payable for the Imported Goods</td>
</tr>
<tr>
<td>EEC Board Decision No. 214 of 13.11.2012 On the Application of</td>
<td></td>
<td>the Use of Generally Accepted Accounting Principles in Application of</td>
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<tr>
<td>Deductive Value Method (method 4) for Determination of the Customs</td>
<td></td>
<td>Methods of Determination of the Customs Value of Goods</td>
</tr>
<tr>
<td>Value of the Goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computed Value Method (method 5) for Determination of the Customs</td>
<td>of Application of Methods on Determination of the Customs Value of</td>
<td></td>
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<tr>
<td>EEC Board Decision No. 283 of 20.12.2012 On the Application of</td>
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<tr>
<td>Methods of Determination of the Customs Value of Goods According to</td>
<td></td>
<td></td>
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<tr>
<td>the Transaction Value of Imported Goods</td>
<td></td>
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</tbody>
</table>
FULFILLMENT OF COMMITMENTS IN THE AREA OF TECHNICAL REGULATION AND SANITARY AND PHYTOSANITARY MEASURES
Fulfillment of commitments in the area of technical regulation

- All technical regulations developed by the Eurasian Economic Commission (currently 34) and enacted (31) comply with the WTO regulations

- To ensure transparency in the development of technical regulations of the Customs Union:
  - New Provision on the Development, Adoption, Modification and Cancellation of a Customs Union Technical Regulation was adopted (EEC Council Decision No. 48 of 20.06.2012);
  - Information about accredited laboratories included in the Common Register of Certification Bodies and Test Laboratories (Centers) in the Customs Union is published on the official website of the Commission.

- In pursuance of the provisions of the WTO Agreement on Technical Barriers to Trade, the necessary amendments have been made to the Common List of Products Subject to Mandatory Compliance Assessment in the Customs Union (EEC Board Decision No. 226 of 13.11.2012).
| Compliance with the international standards and recommendations | • Amendments were made to the Common Veterinary Requirements and the Common Forms of Veterinary Certificates  
• Amendments were made to EEC Decision № 835 of 18.11.2011 on equivalence of SPS measures and risk assessment (*EEC Decision №17 of 11.02.2014*) |
| Compliance with the WTO SPS Agreement | • Guidelines on inspection - under development  
* (to be included in the Regulation on Common System of Joint Inspections of Objects and Sampling Goods Subject to Veterinary Control)*  
• The document passed public consultations and is expected to be considered by the Commission |
| Transparency requirements | • Public consultations of draft decisions are organized on the EEC official website * (according to the EEC Board Decisions No. 31 of 05.03.2013 and No. 161 of 13.08.2013)* |
| Russia’s WTO commitments | • Amendments were made to the Common Veterinary Requirements regarding cancellation of registry requirement for some products (*HS codes 0401, 0301*)  
• One accompanying document for processed products of animal origin is provided for in the CU technical regulation on meat and milk products * (adopted by the EEC decisions No.67 and No.68 of 09.10.2013)* |
FULFILLMENT OF COMMITMENTS IN TRADE REMEDIES
The Board of the EEC adopted the Regulation for the Use and Protection of Confidential and Restricted Information in the Investigating Authority (Decision No. 1 of 7 March 2012).

The EEC Department for Internal Market Defence (DIMD) reviewed the safeguard measure on caramel imported into the CU. Pursuant to the review, the Board of the EEC adopted Decision No.100 of 24 April 2013 which provided for the liberalization of the measure.

The EEC DIMD reviewed the safeguard measure on pipes and tubes of stainless steel imported into the CU. Pursuant to the review, the Board of the EEC adopted Decision No. 268 of 26 November 2013 amending the safeguard measure.

Antidumping investigation (partial review) on cold-rolled flat steel products with polymer coating was initiated.

The EEC DIMD drafted notifications in connection with ongoing antidumping investigations and semi-annual reports of anti-dumping actions for 2012, the first and the second half of 2013 and first half of 2014, in accordance with Article 16.4 of the Agreement on Implementation of Article VI GATT 1994 (see G/ADP/N/230/RUS, G/ADP/N/237/RUS, G/ADP/N/252/RUS, G/ADP/N/259/RUS).

The EEC DIMD, in the course of ongoing safeguard investigations, drafted notifications in accordance with the requirements of Article 12 of the WTO Agreement on Safeguards.

Written replies were given to questions of the Australia and the United States, which were raised in the WTO Committee on Safeguards and the WTO Committee on Anti-Dumping Practices (see G/ADP/Q1/RUS/3, G/ADP/Q1/RUS/4, G/ADP/Q1/RUS/6).
Official website of the Eurasian Economic Commission

www.eurasiancommission.org