

FEDERAL LAW
NO. 311-FZ OF NOVEMBER 27, 2010
ON CUSTOMS REGULATION IN THE RUSSIAN FEDERATION
(with the Amendments and Additions of June 27, July 11, December 6, 2011)

Adopted by the State Duma on November 19, 2010
Approved by the Federation Council on November 24, 2010

Section I
General Provisions

Chapter 1. Customs Regulation and Customs Affairs in the Russian Federation

Article 1. The Objectives and the Subject Matter of Regulation of the Present Federal Law

1. The objectives of the present Federal Law are as follows:

1) ensuring the Russian Federation's implementation of the international agreements making up the contractual legal basis of the Customs Union within the framework of the Eurasian Economic Community (hereinafter referred to as the "Customs Union"), decisions of bodies of the Customs Union in the area of customs regulation and customs affairs;

2) ensuring the economic security of the Russian Federation in the course of foreign trade in goods;

3) improving state governance in the area of customs affairs;

4) ensuring the observance of the rights and lawful interests of the persons pursuing activities relating to the import of goods into the Russian Federation and the export thereof from the Russian Federation, of the persons pursuing activities in the area of customs affairs and also of the other persons realising the rights of possessing, using and disposing of goods imported into the Russian Federation and exported from the Russian Federation;

5) creating conditions conducive to the development of foreign economic activity and foreign trade activity as well as infrastructure in the area of customs affairs.

2. The subject matter of regulation of the present Federal Law is as follows:

1) the regulation of relations that have to do with the import of goods into the Russian Federation and export of goods from the Russian Federation, the transportation thereof over the territory of the Russian Federation under customs control, the movement of goods between the territory of the Russian Federation and the territories of artificial islands, plants and installations which are under the jurisdiction of the Russian Federation according to the legislation of the Russian Federation and the norms of international law, temporary storage, customs declaration, clearance and use according to customs procedures, the realisation of customs control and the levy and payment of customs payments;

2) the definition of the powers of governmental bodies of the Russian Federation concerning the subject matter of the legal regulation of the present Federal Law;

3) the definition of the rights and duties of the persons pursuing activities that have to do with the import of goods into the Russian Federation and the export thereof from the Russian Federation and also the persons pursuing activities in the area of customs affairs;

4) the establishment of the legal and organisational foundation for the activities of the customs bodies of the Russian Federation (hereinafter referred to as "customs bodies");

5) the regulation of the relations of authority between customs bodies and the persons

realising the rights of possessing, using and disposing of goods imported into the Russian Federation and exported out of the Russian Federation.

Article 2. Customs Regulation and Customs Affairs in the Russian Federation

1. Customs regulation in the Russian Federation in accordance with the **customs legislation** of the Customs Union and the legislation of the Russian Federation means the establishment of a procedure and rules for the regulation of customs affairs in the Russian Federation. Customs affairs in the Russian Federation means the entirety of means and methods ensuring the observance of customs-tariff regulation measures and also of bans and restrictions on the import of goods into the Russian Federation and export of goods from the Russian Federation.

2. The following are applicable in the Russian Federation: the customs-tariff regulation measures, bans and restrictions affecting foreign trade in goods (hereinafter referred to as "bans and controls") envisaged by the international agreements making up the contractual legal foundation of the Customs Union and the actions of bodies of the Customs Union adopted in accordance with them.

3. In the cases and the procedure envisaged by the international agreements making up the contractual legal foundation of the Customs Union and act of bodies of the Customs Union the Russian Federation shall implement specific customs-regulation measures and unilaterally impose bans and restrictions in accordance with the legislation of the Russian Federation.

4. When bans and restrictions are unilaterally imposed by the Russian Federation and also when customs-tariff measures are implemented in the Russian Federation which differ from the measures applicable in one or several states being members of the Customs Union the means and methods which are intended for ensuring the observance thereof and established by international agreements of the Russian Federation and the present Federal Law shall be used. Acts of the President of the Russian Federation or of the Government of the Russian Federation may designate federal executive governmental bodies carrying out the functions of control and supervision over the observance of established measures.

5. The actions that have to be performed by persons to observe the bans and restrictions unilaterally established by the Russian Federation may be defined by the normative legal acts of the Russian Federation whereby such bans and restrictions are established.

Article 3. Directing Customs Affairs in the Russian Federation

1. The general direction of customs affairs in the Russian Federation is the prerogative of the Government of the Russian Federation. The immediate realisation of objectives in the area of customs affairs shall be ensured by the **federal executive governmental body** empowered in customs affairs.

2. In accordance with the **customs legislation** of the Customs Union and/or the legislation of the Russian Federation the federal executive governmental body empowered in customs affairs shall carry out the functions of state policy elaboration and normative legal regulation in customs affairs, ensure the uniform application of the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs by all customs bodies on the territory of the Russian Federation.

3. In accordance with the legislation of the Russian Federation the federal executive governmental body empowered in financial affairs shall carry out the functions of state policy elaboration and normative legal regulation in the area of customs payments and assessment of the customs value of goods.

Article 4. The Legal Regulation of Relationships in Customs Affairs

1. Legal relationships that have to do with the movement of goods across the customs

border of the Customs Union shall be regulated in accordance with the **legislation** of the Russian Federation.

2. The officially published international agreements making up the contractual legal foundation of the Customs Union and decisions of the Customs Union shall have direct effect in the Russian Federation, unless they contain provisions on the enactment of intra-state acts for the purpose of their application. In the cases envisaged by the customs legislation of the customs Union the Government of the Russian Federation is entitled to define the procedure for the application of acts of the customs legislation of the Russian Federation in the Russian Federation in accordance with the present Federal Law.

3. Relationships in customs affairs in the Russian Federation shall be regulated by the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs. The legislation of the Russian Federation on customs affairs is made up of the present Federal Law and other federal laws adopted in accordance herewith. The procedure for the actual crossing of the State Border of the Russian Federation by goods and means of transport shall be regulated by the **legislation** of the Russian Federation on the State Border of the Russian Federation, and in as much as it concerns the part not regulated by the legislation of the Russian Federation on the State Border of the Russian Federation, by the legislation of the Russian Federation on customs affairs.

4. Except as otherwise established by the customs legislation of the Customs Union the relationships of levy and payment of the customs payments deemed taxes are subject to the legislation of the Russian Federation on customs affairs in as much as it concerns the part not regulated by the **legislation** of the Russian Federation on taxes and fees.

5. The procedure for bringing currency of the Russian Federation, domestic securities, currency valuables and travellers' cheques into the Russian Federation and taking them from the Russian Federation shall be regulated in accordance with the **customs legislation** of the Customs Union, an international agreement of the member states of the Customs Union, the **currency legislation** of the Russian Federation and the present Federal Law.

6. Legal relationships in customs affairs in the Russian Federation may also be regulated by decrees of the President of the Russian Federation.

7. On the basis of and pursuant to federal laws in the area of customs affairs in the Russian Federation and decrees of the President of the Russian Federation the Government of the Russian Federation shall issue decisions and orders in the area of customs affairs in the Russian Federation.

8. Federal executive governmental bodies shall adopt normative legal acts on the subject matter regulated by the present Federal Law only in the cases directly envisaged by federal laws, acts of the President of the Russian Federation and of the Government of the Russian Federation.

9. Normative legal acts of federal executive governmental bodies which are issued by them on the subject matter regulated by the present Federal Law and affect the rights and lawful interests of persons in the area of entrepreneurial and another economic activity are subject to appeal in the arbitration court in accordance with the **legislation** of the Russian Federation on arbitration court proceedings.

10. If the customs legislation of the Customs Union has established rules other than those envisaged by the present Federal Law the customs legislation of the Customs Union shall be applicable.

Article 5. The Basic Terms Used in the Present Federal Law

1. The basic terms used in the present Federal Law have the following meaning:

1) **"the import of goods into the Russian Federation"** meaning the movement of goods across the State Border of the Russian Federation and/or the boundaries of territories of

the artificial islands, plants and installations which are under the jurisdiction of the Russian Federation according to the legislation of the Russian Federation and norms of international law which has resulted in goods coming from other member states of the Customs Union or from territories not included in the single customs territory of the Customs Union to the territory of the Russian Federation and/or to the territories of the artificial islands, plants and installations which are under the jurisdiction of the Russian Federation in accordance with the legislation of the Russian Federation and norms of international law and all further actions with said goods until they are cleared by customs bodies if such clearance is envisaged by the **customs legislation** of the Customs Union and/or the present Federal Law;

2) **"domestic taxes"** meaning value added tax and the excise tax levied when goods circulate on the territory of the Russian Federation;

3) **"the export of goods from the Russian Federation"** meaning goods actually being moved by any means from the territory of the Russian Federation and from the territories of the artificial islands, plants and installations which are under the jurisdiction of the Russian Federation in accordance with the legislation of the Russian Federation and norms of international law to other member states of the Customs Union or to territories not included into the single customs territory of the Customs Union and also persons committing actions aimed at such actual movement of goods until the goods actually cross of the State Border of the Russian Federation or the boundaries of the artificial islands, plants and installations which are under the jurisdiction of the Russian Federation in accordance with the legislation of the Russian Federation and norms of international law;

4) **"the export of goods from the Russian Federation to a destination outside the customs territory of the Customs Union"** meaning the export of goods from the Russian Federation if the destination country of the goods according to the intentions of the persons moving the goods is the territory of a state not being a member of the Customs Union;

5) **"Russian person"** meaning a legal entity which is located in the Russian Federation, has been formed in accordance with the **legislation** of the Russian Federation and/or a natural person who has registered as an individual entrepreneur and is permanently residing in the Russian Federation, except as otherwise ensues from the present Federal Law;

6) **"an account of the Federal Treasury"** meaning an account of the Federal Treasury intended for keeping a record of revenues and of the distribution thereof among the budgets of the budget system of the Russian Federation in accordance with the **budgetary legislation** of the Russian Federation;

7) **"goods"** meaning any assets brought into the Russian Federation or taken out of the Russian Federation.

2. Terms in the area of customs regulation and customs affairs are used in the present Federal Law as having the meaning defined by the **customs legislation** of the Customs Union and the international agreements making up the contractual legal foundation of the Customs Union.

3. All other terms are used in the present Federal Law as having the meanings defined by the **legislation** of the Russian Federation on taxes and fees, the **civil legislation** of the Russian Federation, the **legislation** of the Russian Federation on administrative offences and other legislation of the Russian Federation.

Article 6. The Applicability of Acts of the Legislation of the Russian Federation on Customs Affairs and of Other Legal Acts of the Russian Federation on Customs Affairs over Time

1. The acts of the legislation of the Russian Federation on customs affairs and also the decrees of the President of the Russian Federation, the decisions and orders of the Government of the Russian Federation and the normative legal acts of federal executive

governmental bodies adopted in accordance with the present Federal Law (hereinafter referred to as "other legal acts of the Russian Federation on customs affairs") shall be applicable to the relationships that come into being after they have taken effect, and they shall have no retroactive effect, except for the cases expressly established by **Part 2** of the present article.

2. The provisions of acts of the legislation of the Russian Federation on customs affairs and also of other legal acts of the Russian Federation in the area of customs affairs which improve the position of persons have retroactive effect, if they expressly envisage it. In the other cases, acts of the legislation of the Russian Federation on customs affairs and also the other legal acts of the Russian Federation in the area of customs affairs may have retroactive effect, if there is an expressly stated provision for this in the **customs legislation** of the Customs Union or federal laws.

3. Acts of the legislation of the Russian Federation on customs affairs shall enter into force upon the expiry of at least 30 days after their official publication, except as otherwise established by the customs legislation of the Customs Union. Other legal acts of the Russian Federation in the area of customs affairs shall enter into force upon the expiry of at least 30 days after their official publication, except for the following cases:

1) if a special procedure is established by acts of the customs legislation of the Customs Union or the present Federal Law for the entry into force of said legal acts of the Russian Federation in the area of customs affairs;

2) if said legal acts of the Russian Federation in the area of customs affairs establish a more privileged procedure as compared to the one currently in effect, in as much as it concerns requirements for provision of documents and information, term for the taking of decisions by customs and other state bodies or other administrative (procedural) controls.

Article 7. The Applicability of Acts of Legislation of the Russian Federation on Customs Affairs and Also of Other Legal Acts of the Russian Federation in the Area of Customs Affairs in Terms of Area

1. Acts of the legislation of the Russian Federation on customs affairs and also other legal acts of the Russian Federation in the area of customs affairs shall be effective on the entire territory of the Russian Federation, and also on the territories located in the exclusive economic zone of the Russian Federation and on the continental shelf of the Russian Federation, and of the artificial islands, plants and installations which are under the jurisdiction of the Russian Federation.

2. The international agreements making up the contractual legal foundation of the Customs Union may make provision for the applicability of acts of the legislation of the Russian Federation on customs affairs and of other legal acts of the Russian Federation on the territory of a member state of the Customs Union in the case of export of goods whose country of origin is the Russian Federation or of products processed from such goods from the territory of that member state of the Customs Union to a destination outside the single customs territory of the Customs Union (hereinafter referred to for the purposes of the present Federal Law as "the customs territory of the Customs Union").

3. An international agreement of the Russian Federation may make a provision for the application of acts of the legislation of the Russian Federation on customs affairs and also other legal acts of the Russian Federation in the area of customs affairs on the territory of a foreign state or the application of normative legal acts of a foreign state on the territory of the Russian Federation when customs bodies of the Russian Federation carry out joint customs control with customs bodies of that foreign state.

Article 8. The Requirements Applicable to Acts of the Legislation of the Russian Federation on Customs Affairs and Other Legal Acts of the Russian Federation in the Area of Customs Affairs

1. The provisions of acts of the legislation of the Russian Federation on customs affairs and also of other legal acts of the Russian Federation in the area of customs affairs shall be formed so as to make each person know what rights and duties the person has and also what actions, when and in what sequence are to be performed when goods and means of transport of international carriage are brought into the Russian Federation and taken out of the Russian Federation.

2. A normative legal act of the Russian Federation in the area of customs affairs shall be deemed non-compliant with the present Federal Law if such act:

1) has been issued by a body not entitled according to the present Federal Law to issue acts of such kind or has been issued in breach of the procedure established for the issuance of such acts;

2) abrogates or limits the rights of persons that have been established by the **customs legislation** of the Customs Union and the present Federal Law;

3) modifies the following established by the customs legislation of the Customs Union and the present Federal Law: the grounds, conditions, sequence or procedure for actions of participants in the relationships regulated by the legislation of the Russian Federation on customs affairs and of the other persons whose duties are established by the present Federal Law;

4) modifies the contents of the notions defined by the present **Federal Law** or uses these notions as having meanings different from those used in the present Federal Law.

3. In a judicial procedure a normative legal act of the Russian Federation in the area of customs affairs may be recognised as non-compliant with the present Federal Law.

4. The provisions of normative and other legal acts of federal executive governmental bodies on the subject matter of regulation of the present Federal Law shall neither contravene the provisions of acts of the customs legislation of the Customs Union, federal laws and acts of the President of the Russian Federation or the Government of the Russian Federation in the area of customs affairs nor establish requirements, conditions and restrictions other than those envisaged by acts of the customs legislation of the Customs Union, federal laws and acts of the President of the Russian Federation or the Government of the Russian Federation in the area of customs affairs.

5. No person may be held accountable for breach of acts of the customs legislation of the Customs Union, the legislation of the Russian Federation on customs affairs and/or other legal acts of the Russian Federation in the area of customs affairs if such breach is caused by the vagueness of the legal norms contained in such acts.

Chapter 2. Customs Bodies

§1. The System of Customs Bodies

Article 9. Customs Bodies and Their Position in the System of State Bodies of the Russian Federation. Officials of Customs Bodies

1. Customs bodies constitute a single federal centralised system.

2. The governmental bodies of the subjects of the Russian Federation, local self-government bodies and public associations shall not intervene in the activities of customs bodies as they carry out their functions.

3. The officials of customs bodies shall be citizens of the Russian Federation who occupy

the positions of members of personnel and federal state civil employees of customs bodies of the Russian Federation in the procedure established by the legislation of the Russian Federation.

Article 10. The System of Customs Bodies

1. Customs bodies are as follows:

- 1) the **federal executive governmental body** empowered in the area of customs affairs;
- 2) regional customs directorates;
- 3) customs houses;
- 4) customs check-points.

2. The formation, re-organisation and liquidation of regional customs directorates, customs houses and customs check-points shall take place in the procedure defined by the Government of the Russian Federation.

3. The scope of powers of the specific customs bodies mentioned in **Items 2-4 of Part 1** of the present article to carry out specific functions, specific customs transactions and also the area of activity of these customs bodies shall be defined by the **federal executive governmental body** empowered in the area of customs affairs.

4. The federal executive governmental body empowered in the area of customs affairs is entitled to form specialised customs bodies and also its structural units (departments, directorates) whose scope of powers is limited by specific powers to carry out the certain functions vested in customs bodies or to realise customs transactions in respect of certain types of goods.

5. Regional customs directorates, customs houses and customs check-points shall operate on the basis of general or individual regulations endorsed by the federal executive governmental body empowered in the area of customs affairs. Customs check-points may not have the status of a legal entity.

6. The federal executive governmental body empowered in the area of customs affairs shall have representative offices in foreign states set up in the procedure established by the legislation of the Russian Federation.

Article 11. The Principles of Operation of Customs Bodies

The activities of customs bodies shall be based on the following principles:

- 1) legality;
- 2) the equality of persons before the law, respect and observance of their rights and freedoms;
- 3) the uniformity of the system of customs bodies and centralised administration;
- 4) the professional qualifications and competence of officials of the customs bodies;
- 5) the clarity, predictability and transparency of actions of officials of the customs bodies, the intelligibility of the demands made by the customs bodies in the course of customs control and customs transactions, the accessibility of information about the rules for the pursuance of foreign economic activities, the **customs legislation** of the Customs Union and the **legislation** of the Russian Federation on customs affairs;
- 6) the uniformity of enforcement practices in the course of customs control and customs transactions;
- 7) the inadmissibility of the imposition of excessive and ill-grounded costs on participants in foreign economic activities, persons pursuing activities in the area of customs affairs, carriers and other persons in the course of realisation of powers in the area of customs affairs;
- 8) the improvement of customs control, the use of up-to-date information technologies, the introduction of progressive customs administration methods, for instance on the basis of generally accepted international standards in the area of customs affairs and customs

management experiences in the foreign states being trade partners of the Russian Federation.

Article 12. The Functions (Duties) of Customs Bodies

1. Customs bodies shall carry out the following basic functions (duties):

1) carrying out customs control, improving customs transaction and customs control methods, fostering conditions conducive to turnover acceleration when goods are imported into the Russian Federation and goods are exported from the Russian Federation;

2) promoting the development of the foreign trade of the Russian Federation, of the foreign economic relations of the subjects of the Russian Federation and the acceleration of turnover;

3) keeping customs statistical records of foreign trade as well as special customs statistic records;

4) collecting customs duties, taxes, anti-dumping, special and countervailing duties and customs fees, monitoring the correctness of the calculation and timely payment of said duties, taxes and fees and taking measures for enforced collection thereof;

5) ensuring the observance on the territory of the Russian Federation of the procedure for the movement of goods and means of transport of international carriage across the customs border of the Customs Union;

6) except as otherwise established by the legislation of the Russian Federation, ensuring the observance of the bans and restrictions imposed in respect of goods imported into the Russian Federation and exported from the Russian Federation established in accordance with international agreements of the member states of the Customs Union and the legislation of the Russian Federation;

7) ensuring the protection of the rights to items of intellectual property within the scope of their powers ;

8) detecting, preventing and stopping the crimes and administrative offences falling within the competence of customs bodies according to the **legislation** of the Russian Federation and also other crimes and offences relating thereto, carrying out expedient investigation actions and preliminary investigation in the form of an inquiry in criminal cases relating to said crimes, realising administrative proceedings in cases of administrative offences in the area of customs affairs (concerning breach of customs rules), rendering assistance in combating corruption and international terrorism, counteracting the illegal trafficking of intellectual property, narcotic drugs, psychotropic substances, weapons and ammunition, cultural valuables and other items moved across the customs border of the Customs Union and/or across the State Border of the Russian Federation;

9) assisting in the implementation of measures for protection of state security, public law and order and the morals of the public, the life and health of human beings, animals and plants, environmental protection and the protection of the interests of consumers of goods imported into the Russian Federation;

10) exercising control over the currency transactions that have to do with the movement of goods across of the customs border of the Customs Union within the scope of their powers, and also with the import of goods into the Russian Federation and the export thereof out of the Russian Federation, in accordance with international agreements of the member states of the Customs Union, the **currency legislation** of the Russian Federation and the normative legal acts of currency-regulation bodies adopted in accordance therewith;

11) assisting in the development of the export and transit potential of the Russian Federation, the optimisation of the export structure, protecting by means of customs regulation the interests of domestic commercial producers, persistently improving the customs control system as promoting the best use of customs bodies' resources;

12) ensuring measures for countering the legalisation of incomes received through crime

(money laundering) and the financing of terrorism, in accordance with an international agreement of member states of the Customs Union, in the course of control over the movement of the currencies of member states of the Customs Union, securities and/or currency valuables and traveller's cheques across the customs border of the Customs Union;

13) explaining to persons concerned their rights and duties in the area of customs legal relationships, rendering assistance within the scope of their powers to participants in foreign economic activities in realising their rights in the course of customs transactions in respect of goods and means of transport of international carriage;

14) ensuring the implementation of international obligations of the Russian Federation in as much as customs affairs are concerned, co-operating with customs and other competent bodies of foreign states, and with international organisations dealing with customs issues;

15) providing information and consultations in the area of customs affairs, providing state bodies, organisations and citizens with information on customs issues in the established procedure;

16) carrying out research and development in the area of customs affairs.

2. Federal laws may vest other functions (duties) in customs bodies.

Article 13. The Flag, Pennant and Emblem of Customs Bodies

1. Customs bodies shall have a flag and an emblem. Sea vessels, inland-waterway vessels and mixed-navigation (river-sea) vessels (hereinafter referred to as "water vessels") of customs bodies shall have a pennant. An emblem shall be present on motor vehicles and aircraft of customs bodies. A description and drawings of the flag and the emblem of customs bodies and also of the pennant of water vessels of customs bodies shall be confirmed by the President of the Russian Federation.

2. On signboards, letterhead papers, invoices and other documents, in announcements and advertisements, on goods and on the packaging thereof the use of customs symbols (drawings of the flag and emblem of customs bodies, the pennant of water vessels of customs bodies) and also designations similar to the names of customs bodies is prohibited in the Russian Federation when legal entities and natural persons, including individual entrepreneurs, pursue commercial activities, except for the legal entities specified in **Article 34** of the present Federal Law and the persons that pursue activities in the area of customs affairs and are mentioned in **Chapter 5** of the present Federal Law. Organisations and individual entrepreneurs pursuing trade are prohibited from using the words "customs" and word combinations including that word on signboards, letterhead papers, in announcements and advertisements, on goods and the packages thereof.

Article 14. The Location of Customs Bodies

1. Customs bodies shall be located at check-points at the State Border of the Russian Federation (hereinafter also referred to as a "check-point"). Other locations of customs bodies shall be designated by the federal executive governmental body empowered in the area of customs affairs on the basis of the scope of passenger and goods flows, the degree of development of foreign economic relations of subjects of the Russian Federation, the level of development of transport corridors and transport infrastructure and the needs of participants in foreign economic activities and transport organisations.

2. Customs bodies shall be located on premises under federal ownership. On the initiative of persons pursuing activities in the area of customs affairs, of participants in foreign economic activities which regularly deliver goods for export or import, of transport and forwarding organisations and of federal post organisations customs check-points and structural units of customs houses may be located on the premises belonging to said persons.

§2. The Duties, Rights and Liabilities of Customs Bodies and Officials Thereof

Article 15. The Observance of Provisions of the Customs Legislation of the Customs Union and the Legislation of the Russian Federation by Customs Bodies and Officials Thereof

1. Customs bodies and their officials shall take decisions and commit actions within the scope of their powers and in accordance with the **customs legislation** of the Customs Union and the legislation of the Russian Federation.

2. When customs bodies and their officials take decisions and commit actions (omissions) the observance of provisions of the customs legislation of the Customs Union and the legislation of the Russian Federation shall be secured by the right of appeal, procurator's supervision and also departmental control over the activities of the customs bodies, for instance control by higher customs bodies and higher officials of customs bodies.

Article 16. The Duties of Officials of Customs Bodies

1. While executing their official duties officials of customs bodies shall:

1) honour the rights and lawful interests of citizens, participants in foreign economic activities and persons pursuing activities in the area of customs affairs;
2) maintain the level of qualification required for the execution of their duties;
3) execute other duties in accordance with the legislation of the Russian Federation which are established for a federal state civil employee or a member of personnel of a customs body.

2. An official of a customs body shall execute his/her official duties in accordance with his/her job description. The job description shall be confirmed in accordance with the **legislation** of the Russian Federation on state service in the Russian Federation.

3. An official of a customs body is not entitled to perform an assignment (order or instructions) given thereto if it does not comply with the customs legislation of the Customs Union and/or the legislation of the Russian Federation. Having received such an assignment the official shall file an explanation in writing of the non-compliance of the assignment (order or instructions) with the provisions of the customs legislation of the Customs Union and/or the legislation of the Russian Federation which can be violated if it is implemented and shall obtain from a superior a confirmation in writing of the assignment (order or instructions). If the superior has confirmed in writing the assignment the official of the customs body shall refuse to implement it.

4. If an official has fulfilled an assignment (order or instructions) which does not comply with the customs legislation of the Customs Union and/or the legislation of the Russian Federation the official and the superior who has given the assignment shall be held liable on disciplinary, civil-law, administrative and criminal grounds in accordance with the legislation of the Russian Federation.

Article 17. The Working Hours of Customs Bodies

1. The working hours of a customs body shall be defined by the chief of the customs body in accordance with the legislation of the Russian Federation.

2. The working hours of customs bodies at points of entry of goods into the Russian Federation and of exit of goods out of the Russian Federation shall correspond to the working hours of state control bodies and services in those areas. The working hours of customs bodies in other places where customs operations take place shall be established with due regard to the needs of transport organisations and participants in foreign economic activities. The working hours of customs bodies at the points of entry of goods into the Russian Federation and exit of goods out of the Russian Federation which in terms of location are combined with check-points

of adjacent states shall coincide if possible with the working hours of the customs bodies of these adjacent states.

3. At a substantiated inquiry of a person concerned and if customs bodies are able to do so customs operations may take place outside the working hours of the customs body. If a customs body refuses to carry out customs operations outside its working hours it shall provide reasons for the refusal. The person concerned is entitled to appeal against the customs body's refusal to carry out customs operations outside its working hours.

Article 18. Assessing the Operation of Customs Bodies

1. Below are the basic criteria for assessing the operation of customs bodies:

1) the pace of completion of customs transactions when goods are imported into the Russian Federation and exported from the Russian Federation and also cutting the costs of involved persons when customs transactions take place;

2) the proper timing and completeness of customs payments received;

3) the effectiveness of the combat against crimes and administrative offences.

2. On the basis of the basic criteria provided in **Part 1** of the present article for the assessment of customs bodies' operation the Government of the Russian Federation shall define a system of indicators, a procedure and methodology for the monitoring thereof as well as a procedure for the participation therein of the persons specified in **Part 3 of Article 53** of the present Federal Law.

Article 19. The Rights of Customs Bodies

1. For the purpose of carrying out the functions vested therein customs bodies have the following rights:

1) taking the measures envisaged by acts of the customs legislation of the Customs Union, the legislation of the Russian Federation on customs affairs and also the other legislation of the Russian Federation whose observance the customs bodies are to monitor so as to ensure that these acts are observed by persons;

2) requesting the documents and information that have to be provided according to the provisions of the customs legislation of the Customs Union, the legislation of the Russian Federation on customs affairs and the other legislation of the Russian Federation whose observance the customs bodies are to monitor;

3) checking the personal identity documents of citizens and of the officials taking part in customs transactions;

4) requesting from natural persons and legal entities an acknowledgement of powers to commit certain actions or pursue certain activities in the area of customs affairs;

5) in accordance with the legislation of the Russian Federation, carrying out operational investigation for the purpose of detecting, preventing, stopping and solving the crimes for which responsibility for expedient investigation and inquiry falls within the cognisance of customs bodies according to the criminal procedural legislation of the Russian Federation, detecting and establishing the perpetrators thereof who are preparing, committing and have committed them, and also for the purpose of safeguarding their own security;

6) committing expedient investigative actions and carrying out inquiries within the scope of their powers and in the procedure defined by the criminal procedural legislation of the Russian Federation;

7) holding persons accountable on administrative lines in accordance with the **legislation** of the Russian Federation on administrative offences;

8) using -- in urgent cases -- communication facilities and means of transport belonging to organisations or public associations (except for the communication facilities and means of transport of diplomatic missions, consular and other institutions of foreign states and also of

international organisations) to prevent the crimes for which preliminary criminal investigation is the prerogative of customs bodies according to the criminal procedural legislation, pursuit and apprehension of the perpetrators of such crimes or persons suspected of having committed them. The property damage sustained in such cases by the possessors of the communication facilities or means of transport shall be compensated by the customs bodies if requested by the possessors of the communication facilities or means of transport with federal budget funds in the procedure defined by the Government of the Russian Federation;

9) apprehending and delivering to the official premises of the customs body or to internal affairs bodies of the Russian Federation the persons who are suspected of having committed crimes, have committed or are committing crimes or administrative offences in the area of customs affairs (breach of customs rules) in accordance with the legislation of the Russian Federation;

10) documenting and recording by means of video, audio, motion-picture and photographic facilities the facts and events relating to the import of goods into the Russian Federation and the exportation thereof from the Russian Federation, the carriage and storage of goods placed under customs control and the performance of cargo and other operations involving the goods;

11) receiving from state bodies, organisations and natural persons the information they need to carry out their functions, in accordance with the present Federal Law;

12) filing claims and applications with courts or arbitration courts:

a) for enforced collection of customs duties, taxes, customs fees, interest and penalties;

b) for collection of **goods** for the debts owing as customs duties, taxes and customs fees;

c) for deeming assets as ownerless;

d) in the other cases envisaged by the customs legislation of the Customs Union, the legislation of the Russian Federation on customs affairs and other legislation of the Russian Federation;

13) developing, creating and operating information systems, communication systems and data transmission systems, customs control technical facilities and also data protection facilities, including cryptographic protection facilities, in accordance with the legislation of the Russian Federation;

14) realising the other rights envisaged by the present Federal law and other federal laws.

2. The rights of customs bodies envisaged by **Part 1** of the present article may be used exclusively when the customs bodies carry out functions in the area of customs affairs. If supervisory or control functions are vested in customs bodies in other areas the customs bodies' powers to carry out said functions shall be defined by the federal law whereby the other control or supervisory functions are vested in the customs bodies.

Article 20. Customs Bodies' Rights in the Course of Customs Control Involving the Use of Customs Bodies' Vessels/Aircraft

1. When customs control is exercised by means of water vessels and aircraft these bodies are entitled:

1) if it has been detected that a vehicle is used for the illegal carriage of goods subject to customs control -- to halt such vehicle and carry out a customs examination thereof;

2) to apprehend the persons on board the vehicle who are suspected to have committed the crimes for which responsibility for expedient investigation and inquiry is vested in customs bodies according to the criminal procedural legislation of the Russian Federation, except as otherwise envisaged by international agreements of the Russian Federation;

3) to pursue and apprehend water vessels that have left the territory of the Russian Federation without a permit of customs bodies outside the boundaries of the territorial sea of the

Russian Federation, in the adjacent zone of the Russian Federation before they enter the territorial sea of a foreign state, if the pursuit has been commenced in the inland waters or the territorial sea of the Russian Federation after a visual or audio halt signal has been given from a distance allowing the signal to be seen or heard and the pursuit has been continuous;

4) if the signs of an administrative offence in the area of customs affairs (breach of customs rules) (hereinafter referred to as an "administrative offence in the area of customs affairs") have been discovered -- to apprehend means of transport so that they be taken or seized in accordance with the **legislation** of the Russian Federation on administrative offences;

5) in the cases envisaged by the **Customs Code** of the customs Union -- to escort means of transport, for instance with officials of the customs bodies staying on board the means of transport.

2. The crews of water vessels and aircraft of customs bodies are entitled to:

1) use free-of-charge the water and air space of the Russian Federation, the water area of sea and river ports and also airports and airfields (landing grounds) on the territory of the Russian Federation, irrespective of their ownership and intended purpose;

2) use free-of-charge the right of priority entry into port and exit out of port in the procedure agreed upon with empowered federal executive governmental bodies;

3) receive free-of-charge navigation, hydrometeorological, hydrographical and other information;

4) have free-of-charge flight and vessel navigation support.

Article 21. The Rights of Customs Bodies in Respect of the Motor Vehicles Carrying Goods Placed under Customs Control

1. Customs bodies are entitled to halt motor vehicles, including those which do not perform the international carriage of goods, if said motor vehicles are used to carry goods placed under customs control, to verify the observance of the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs by means of checking the goods and the documents relating thereto. At their own discretion customs bodies may halt said motor vehicles exclusively in the customs control zones set up along the State Border of the Russian Federation. In other places the halting of such motor vehicles shall be effected by the internal affairs bodies empowered in the area of road traffic security, in cooperation with customs bodies. The person driving the vehicle shall show the goods, the documents relating thereto and said vehicle to an empowered official of the customs body for customs control purposes.

2. If motor vehicles are halted in accordance with **Part 1** of the present article outside customs control zones the duration of the customs body's verification of goods and the documents relating thereto and recording of the results of the inspection shall not exceed two hours. A report on the inspection of the goods and documents relating thereto shall be drawn up in the form defined by the Commission of the Customs Union, one copy thereof going to the carrier. The forced placement of said vehicles in a temporary storage warehouse or another place being a permanent customs control zone is only admissible if action in a case of an administrative offence has been brought and a copy of the relevant decision or report has been handed over to the carrier or to the person driving the vehicle. In this case such vehicle may stay in the site of a temporary storage warehouse or another place being a permanent customs control zone for the period of time needed for its being unloaded, except for cases when the vehicle is subject to taking or seizure in accordance with the **legislation** of the Russian Federation on the administrative offence or the **criminal procedural legislation** of the Russian Federation.

Article 22. The Binding Nature of Demands of Customs Bodies and Their Officials

1. Lawful demands by customs bodies and their officials are binding on all persons.
2. The demands by customs bodies and their officials addressed to persons in the course of customs transactions and customs control shall not serve as an obstacle for the import of goods into the Russian Federation, the export of goods out of the Russian Federation, the clearance thereof and also for the pursuance of activities in the area of customs affairs to an extent greater than that needed for ensuring the observance of the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs.
3. Default on performance of lawful demands of customs bodies and of their officials shall cause the liability envisaged by the legislation of the Russian Federation.

Article 23. The Cooperation of Customs Bodies with Other State Bodies

1. Customs bodies shall carry out their functions on their own and in cooperation with other state bodies.
2. In accordance with the present Federal Law and other federal laws customs bodies are entitled to allow other state bodies to commit the specific actions which fall within the customs bodies' cognisance under their supervision. In specific cases responsibility for carrying out certain functions that have been placed in accordance with the present Federal Law within the competence of customs bodies may be vested by the legislation of the Russian Federation in other federal executive governmental bodies.
3. If customs bodies discover the signs of the crimes and/or administrative offences for which case proceedings are to be carried out by other state bodies in accordance with the legislation of the Russian Federation the customs bodies shall immediately send information about it to relevant state bodies.

Article 24. Departmental Control over the Activities of Customs Bodies

1. Except as otherwise envisaged by the present Federal Law and other federal laws, a higher customs body or a higher official of a customs body is entitled at any time in line of departmental control to revoke or modify a decision of a lower customs body or a lower official of a customs body that does not meet the requirements set out in the customs legislation, and also to take any measures envisaged by the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs in respect of wrongful actions (omissions) of lower customs bodies or lower officials of customs bodies in the area of customs affairs.
2. If, after the decision of the lower customs body or the lower official of the customs body in the area of customs affairs has been repealed (modified) in line of departmental control there is a need for taking a new decision in the area of customs affairs such decision shall be taken by the empowered customs body in accordance with the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs within the term established for completion of customs control.

Article 25. The Liabilities of Customs Bodies and of Their Officials

1. For wrongful decisions or actions (omissions) of officials of customs bodies shall be held accountable on disciplinary, administrative, criminal and civil-law lines in accordance with the legislation of the Russian Federation.
2. The harm caused to persons and their property as a result of wrongful decisions or actions (omissions) of officials of customs bodies as they execute their official duties shall be compensated for in accordance with the **legislation** of the Russian Federation.
3. The harm caused to persons by rightful actions of customs bodies and of their officials is not subject to compensation, except as otherwise envisaged by the present Federal Law and

other federal laws.

§3. The Use of Physical Force, Special Means and Weapons by Officials of Customs Bodies and the Use of Service Dogs

Article 26. Conditions for Officials of Customs Bodies to Use Physical Force, Special Means and Weapons and for the Use of Service Dogs

1. Officials of customs bodies are entitled to use physical force, special means and weapons and to use service dogs in the procedure envisaged by the present Federal Law.

2. The use of physical force, special means and weapons shall be preceded by a clearly expressed warning of the intent to use them, and when weapons are used, preventive shots. In this case officials of customs bodies shall:

1) provide sufficient time for compliance with their lawful demands, except for cases when a delay in the use of physical force, special means and weapons creates a direct threat to their life and health, can cause grave consequences, in the event of a sudden or armed assault, an assault involving the use of combat materiel, vessels and vehicles or in other conditions when in the prevailing situation a warning is inappropriate or impossible;

2) ensure the provision of first aid to the persons who have sustained bodily harm and immediately notify of the event the chief of the customs body who shall inform a prosecutor accordingly within 24 hours.

3. Depending on the nature and degree of danger of the wrongful act and also the degree of offered resistance, while using physical force, special means and weapons officials of customs bodies shall bear in mind that the damage caused when the danger is eliminated shall be minimum.

4. If physical force, special means and weapons and service dogs are used in breach of the established procedure officials of customs bodies shall be held accountable in accordance with the legislation of the Russian Federation.

Article 27. The Use of Physical Force by Officials of Customs Bodies

1. Officials of customs bodies are entitled to use physical force, including combat hand-to-hand fighting techniques, only if non-violent methods cannot ensure the execution of the duties vested in the customs bodies.

2. physical force shall be used to:

1) stop an offence;

2) apprehend offenders;

3) overcome resistance to lawful demands of officials of customs bodies;

4) prevent access to premises, area, goods which are under customs control and/or goods in respect of which customs control is being exercised.

Article 28. The Use of Special Means by Officials of Customs Bodies

1. In the following cases officials of customs bodies are entitled to use special means:

1) while countering an assault on officials of customs bodies;

2) while countering an assault on buildings, installations or vehicles belonging to customs bodies or used by them, on goods and vehicles under customs control and also for the purpose of liberating them if they have been captured/hijacked;

3) while apprehending offenders, delivering them to official premises of a customs body or internal affairs body, if these offenders express disobedience or offer resistance or could cause harm to bystanders or themselves;

4) while stopping the physical resistance offered to an official of a customs body;

5) while halting a vehicle whose driver has not complied with the demand of an official of a customs body to halt in a customs control zone.

2. It is hereby prohibited to use special means in respect of women with apparent signs of pregnancy, persons with apparent signs of disability and minors, except for cases when they offer armed resistance, carry out a group or another assault menacing human life and health and the safety of goods and vehicles under customs control.

3. A list of the special means used by customs bodies shall be defined by the Government of the Russian Federation.

Article 29. The Use of Service Dogs by Officials of Customs Bodies

1. In the following cases officials of customs bodies are entitled to use service dogs:

1) while searching for and detecting narcotic drugs, explosives, weapons, ammunition and other goods which are illegally brought into the Russian Federation and taken out of the Russian Federation and have an individual odour, in the course of customs control;

2) while searching for and detecting narcotic drugs, explosives, weapons, ammunition and other things having an individual odour, in the course of inquiry and operational investigation;

3) while carrying out scent-evidence expert examinations;

4) while searching and detecting a human being by his/her individual scent;

5) while guarding customs infrastructure installations.

2. It is hereby prohibited to use service dogs in cases when there is a threat to the life, health, honour and dignity of a human being, when actions not in line with the intended purpose of the service dog are committed, and also in conditions capable of damaging the dog's efficiency, life or health.

3. The procedure for using service dogs in the course of customs control, training and caring for them shall be defined by the Government of the Russian Federation.

Article 30. The Use of Weapons by Officials of Customs Bodies

1. In a state of necessary defence or case of extreme need officials of customs bodies are entitled to use weapons or use any improvised means.

2. In the following cases officials of customs bodies are entitled to use weapons in the line of duty:

1) while countering an assault on officials of customs bodies when their life or health is exposed to a direct danger, unless the assault can be countered by other methods and means;

2) while stopping an attempt at taking the weapons of officials of customs bodies, for instance an attempt by a person who is being apprehended by an official of a customs body to approach by means of reducing the distance set by the official of the customs body or to touch a weapon of said official;

3) while countering a group or armed assault on buildings, installations, aircraft, water vessels or vehicles belonging to customs bodies or used by them, on goods and vehicles which are under customs control, on installations where such goods and vehicles are located and also for the purpose of liberating said facilities, vessels, goods and vehicles if they have been captured by means of arms;

4) while apprehending a person (persons) who offers (offer) armed resistance and also armed person (persons) who refuses (refuse) to obey a lawful demand to surrender weapons;

5) while halting motor vehicles and railway vehicles, water vessels and aircraft by means of damaging them if they pose a real threat to the life and health of officials of customs bodies or do not obey their repeated demands to halt after warning shots;

6) while neutralising animals threatening the life and health of officials of customs bodies;

7) while warning of the intent to use a weapon, giving an alarm signal or call for help.

3. Weapons are hereby prohibited for use:

1) in respect of women having apparent signs of pregnancy, persons having apparent signs of disability and minors when the age is apparent or is known by the member of personnel of a customs body, except for cases when they offer armed resistance, carry out an armed or group assault threatening human life;

2) in a significant congregation of people when bystanders can suffer.

4. An official of a customs body shall immediately report in writing about any case of application of a weapon to the chief of the customs body who shall inform the procurator within 24 hours after the time when the weapon was used.

5. A list of the types of weapons and of the ammunition for them which are used by customs bodies shall be defined by the Government of the Russian Federation.

6. An official of a customs body is entitled to activate a weapon if in his/her opinion in the prevailing situation grounds may occur for its being used as envisaged by **Part 2** of the present article.

§ 4. Supporting the Activities of Customs Bodies

Article 31. Logistical Support to the Activities of Customs Bodies

Logistical support to the activities of customs bodies shall be provided with federal budget funds and from the other sources envisaged by the legislation of the Russian Federation.

Article 32. The Location of Customs Bodies' Facilities

1. Customs bodies' facilities shall be located on land plots that are under federal ownership. The land plots intended for the placement of customs bodies' facilities shall be granted for permanent (perpetual) use in accordance with the **land legislation** of the Russian Federation.

2. If structural units of customs houses and of customs check-point are deployed on the facilities of the organisations specified in **Part 2 of Article 14** of the present Federal Law these organisations shall provide the necessary premises for the deployment of the customs bodies under a contract of gratuitous use, except for the cases established by the Government of the Russian Federation. Said premises shall be equipped and supplied through the use of federal budget funds.

Article 33. Protecting Information on the Activities of Customs Bodies

1. The documents and materials comprising information on the members of personnel of customs bodies, the organisation, tactics, methods and means of operational investigation shall be stored in the archives of customs bodies in accordance with the **legislation** of the Russian Federation.

2. The customs bodies' archival materials of historical and scientific value which have been declassified in accordance with the **legislation** of the Russian Federation shall be handed over in the procedure established by the **legislation** of the Russian Federation to the archives of the federal executive governmental body in charge of archival matters empowered by the Government of the Russian Federation for storage there.

3. In customs bodies the protection of **state, banking and tax secrets** and restricted-access information shall be ensured in accordance with the legislation of the Russian Federation.

Article 34. The Institutions and State Unitary Enterprises of Customs Bodies

1. The federal executive governmental body empowered in the area of customs affairs shall have under its jurisdiction scientific-research institutions, higher professional education and supplementary educational institutions, public health institutions, printed publications, information computer centres as well as other institutions and also state unitary enterprises whose activities are conducive to the fulfilment of the tasks vested in customs bodies.

2. The functions of the institutions and state unitary enterprises specified in **Part 1** of the present article shall be defined in accordance with the provisions of the anti-monopoly and other **legislation** of the Russian Federation.

Article 35. The Assets of Customs Bodies and Customs Bodies' Organisations

The assets of customs bodies and of the institutions and state unitary enterprises mentioned in **Part 1 of Article 34** of the present Federal Law are under federal ownership. Said assets shall be disposed of in accordance with the **legislation** of the Russian Federation.

Chapter 3. Appealing Against Decisions or Actions (Omissions) of Customs Bodies and of the Officials Thereof

Article 36. The Right of Appeal

1. Any person is entitled to appeal against a decision or action (omission) of a customs body or its official, if according to that person the decision or action (omission) infringes on the person's rights, freedoms or lawful interests or has created an obstacle for their realisation or has vested any obligation in the person.

2. A person's waiver of the right to appeal against a decision or action (omission) of a customs body or of its official is invalid.

Article 37. Appellate Procedure

1. The procedure for filing, considering and resolving complaints sent to customs bodies against actions or actions (omissions) of customs bodies or their officials in the area of customs affairs is defined by the present chapter. The procedure defined by the present chapter is not applicable when an appeal is made against decisions of customs bodies or of their officials in respect of cases of administrative offences and also the other decisions or actions (omissions) of customs bodies or of their officials for which a special appellate procedure is envisaged.

2. Appeals against decisions or actions (omissions) of customs bodies or of their officials may be made to customs bodies and/or a court or arbitration court. The filing of a complaint against a decision or action (omission) of a customs body or its official with customs bodies shall not prevent the possibility of simultaneously or subsequently filing a complaint of similar content with a court or arbitration court. A complaint against a decision or action (omission) of a customs body or its official that has been filed with customs bodies and with a court or arbitration court shall be considered by the court or arbitration court.

3. The procedure for filing, considering and resolving complaints sent to courts and arbitration courts is defined by the legislation of the Russian Federation on **civil judicial proceedings** and the legislation of the Russian Federation on **judicial proceedings in arbitration courts**.

Article 38. Procedure for Filing a Complaint against a Decision or Action (Omission) of a Customs Body or of Its Official

1. A complaint against a decision or action (omission) of a customs body or its official shall be filed with a higher customs body. The complaint against the decision or action

(omission) of the customs body or its official may be filed either directly with a higher customs body or through the customs body whose or whose official's decision or action (omission) is appealed against.

2. The customs body in respect of whose or of whose official's decision or action (omission) the complaint has been filed shall send it to a higher customs body together with confirmation materials within five working days after receiving it. If the customs body that has received a complaint against a decision or action (omission) of a customs body or its official is not entitled to consider it shall send it within five working days to the customs body which is to consider it in accordance with the present article, with a notice in writing about this being sent to the person that has filed the complaint.

3. A complaint against a decision or action (omission) of the federal executive governmental body empowered in the area of customs affairs shall be filed with that body.

Article 39. Persons' Powers When Appeal Is Made Against Decisions or Actions (Omissions) of a Customs Body or Its Official. The Participation of Representatives When an Appeal Is Made Against Decisions or Actions (Omissions) of a Customs Body or Its Official

1. Organisations shall take part in appealing decisions or actions (omissions) of a customs body or its official through their bodies acting in accordance with the **civil legislation** of the Russian Federation.

2. For the purpose of protecting the rights and lawful interests of the citizens lacking capacity or having partial capacity when appealing decisions or actions (omissions) of a customs body or its official their legal representatives shall act, i.e. the parents, adoptive parents, guardians or tutors who may entrust another representative chosen by them to commit appellate actions.

3. An empowered representative of the liquidation commission shall act on behalf of an organisation in liquidation when an appeal is made against decisions or actions (omissions) of a customs body or its official.

4. Lawyers and other persons who provide legal assistance may act as representatives of citizens, for instance of individual entrepreneurs, and organisations when an appeal is made against decisions or actions (omissions) of a customs body or its official.

5. The powers of the heads of organisations acting on behalf of the organisations within the scope of powers envisaged by a federal law, another normative legal act or the constitutive documents shall be confirmed by documents certifying their official positions as well as by the constitutive and other documents. The powers of legal representatives shall be confirmed by documents which certify their status and powers. The powers of a solicitor/barrister shall be certified in accordance with a federal law. The powers of other representatives shall be defined in a power of attorney issued and drawn up in accordance with **Part 6** of the present article, or in the cases envisaged by an international agreement of the Russian Federation or a federal law, in another document.

6. A power of attorney on behalf of an organisation shall be signed by its head or another person empowered to do so by its constitutive documents and bear the seal of the organisation. A power of attorney on behalf of a citizen may be attested by a notary or in another procedure established by a federal law. A power of attorney on behalf of an individual entrepreneur shall be signed by him/her and bear his/her seal or it may be attested by a notary or in another procedure established by a federal law.

7. On behalf of the person he/she represents a representative is entitled to commit all the actions envisaged by the present chapter, including the filing and signing of a complaint against a decision or action (omission) of a customs body or its official, except as otherwise envisaged in a power of attorney or another document. When a complaint is filed with a customs body the

power of attorney shall contain the right to appeal decisions and actions (omissions) in the area of customs affairs.

Article 40. Term for Filing a Complaint against a Decision or Action (Omission) of a Customs Body or Its Official

A complaint against a decision or action (omission) of a customs body or its official may be filed within three months:

1) after the day on which a person learned or should have learned about an infringement of his/her/its rights, freedoms or lawful interests, the creation of an obstacle for their realisation or the illegal vesting of any obligation in him/her/it;

2) after the date of expiry of the term for a customs body or its official to take a decision or commit an action established by an act of the customs legislation of the Customs Union, an act of the legislation of the Russian Federation on customs affairs or another legal act of the Russian Federation in the area of customs affairs.

Article 41. Reinstating the Term for Appeal against a Decision or Action (Omission) of a Customs Body or Its Official

1. In the event of laches for good reason in respect of the term for appeal it may be reinstated on an application of the person that has filed a complaint against a decision or action (omission) of a customs body or its official (hereinafter referred to as "applicant") by the customs body empowered to consider that complaint.

2. The reinstatement of the appeal term in laches means that a complaint against the decision or action (omission) of the customs body or its official shall be accepted for consideration.

Article 42. The Form and Content of a Complaint against a Decision or Action (Omission) of a Customs Body or Its Official

1. A complaint against a decision or action (omission) of a customs body or its official shall be filed in writing and it shall be signed by a person deeming his/her rights to have been infringed or a representative thereof in person. If the complaint is filed by a representative the complaint shall be filed together with documents confirming his/her powers. The use of holographic signature analogues for signing the complaint is prohibited.

2. A complaint against a decision or action (omission) of a customs body or its official shall comprise the following:

1) the name of the customs body or the position, surname, first name and patronymic of its official (if known) whose decision or action (omission) are appealed;

2) the surname, first name and patronymic (if any) or the name of the person filing the complaint, his/her residential address or its location;

3) the essence of the decision or action (omission) appealed.

3. The applicant may not provide documents and information confirming the circumstances mentioned in the complaint. If the provision of such documents and information is important for the consideration of said complaint and these documents are not available in the customs body whose or whose official's decision or action (omission) is appealed then the customs body which is considering said complaint is entitled to ask the applicant to provide them. In this case the term for consideration of the complaint against the decision or action (omission) of the customs body or its official shall be suspended until the person provides the documents and information requested by the customs body but in any case by up to three months after the date of dispatch of said request. If the person defaults on the provision of the documents and information requested by the customs body a decision on said complaint shall be taken, with no account being taken of the argument not supported by the missing documents

and information.

Article 43. The Consequences of Filing a Complaint against a Decision or Action of a Customs Body or Its Official

1. The filing of a complaint against a decision or action of a customs body or its official shall not cause suspension of the performance of the decision or action appealed.

2. If there are sufficient grounds to believe that the decision or action appealed does not comply with the customs legislation of the Russian Federation and the legislation of the Russian Federation on customs affairs and also if the non-suspension of performance of the decision can be irreversible or can cause the infliction of substantial harm on the applicant the customs body which is considering the complaint is entitled to fully or partially suspend the implementation of the decision or action appealed until a decision is taken on the merits of the complaint.

Article 44. Grounds for Refusal to Consider a Complaint against a Decision or Action (Omission) of a Customs Body or Its Official on Its Merits

1. In the following cases a customs body shall refuse to consider a complaint against a decision or action (omission) of a customs body or its official on its merits:

1) if the established appellate term has not been observed and the person has not filed an application for reinstatement of the appellate term in laches or an application for reinstatement of the appellate term in laches has been rejected;

2) the requirements established by **Parts 1 and 2 of Article 42** of the present Federal Law have not been met;

3) if the person has already filed a similar complaint with a court and such complaint has been accepted by a court or arbitration court for consideration or a decision has been issued on it;

4) if the subject matter of said complaint is a decision or action (omission) of a body not being a customs body or an official of a body not being a customs body;

5) if the complaint is filed by a person whose powers were not confirmed in the procedure established by **Article 39** of the present Federal Law;

6) if the complaint is filed by a person whose rights, freedoms or lawful interests had not been affected by the decision or action (omission) appealed;

7) if the subject matter of the complaint is an act (document) of a customs body or its official which is not a decision in the area of customs affairs;

8) if there is a decision taken in accordance with **Article 48** of the present Federal Law by the same customs body in respect of the same applicant and on the same subject matter of the complaint;

9) if there is no subject matter of the complaint, i.e. the fact that the decision was taken by the customs body or the action (omission) was committed by it has not been confirmed.

2. A decision on refusal to consider a complaint against a decision or action (omission) of a customs body or its official on its merits shall be taken within five working days after said complaint is received, except as otherwise envisaged by the present Federal Law.

3. In the cases envisaged by **Items 3, 8 and 9 of Part 1** of the present article a decision on refusal to consider a complaint against a decision or action (omission) of a customs body or its official on its merits shall be taken within five working days after the customs body which is considering the complaint receives a ruling of a court or arbitration court on acceptance of a similar complaint for consideration or a court's decision or other documents testifying of the existence of grounds preventing the consideration of the complaint.

4. An appeal against a decision of a customs body on refusal to consider a complaint against a decision or action (omission) of a customs body or its official on merits may be made

to a higher customs body or the court or arbitration court.

Article 45. Revoking a Complaint against a Decision or Action (Omission) of a Customs Body or Its Official

1. A person that has filed a complaint against a decision or action (omission) of a customs body or its official may revoke it at any time before a decision is taken on the complaint.

2. A repeated complaint on the same matter may be filed within the term established by **Article 40** of the present Federal Law.

Article 46. The Customs Body Considering a Complaint against a Decision or Action (Omission) of a Customs Body or Its Official

1. A complaint against a decision or action (omission) of a customs body or its official shall be considered by a higher customs body.

2. On behalf of the higher customs body a decision on the complaint shall be taken by the chief of that customs body or the customs body's official who is empowered by him/her. In this case, a complaint against a decision or action (omission) of the **federal executive governmental body** empowered in the area of customs affairs or its official shall not be considered by the official who has taken the appealed decision or has committed the appealed action (omission) or by a lower official in respect thereto.

Article 47. Term for Consideration of a Complaint against a Decision or Action (Omission) of a Customs Body or Its Official

1. A complaint against a decision or action (omission) of a customs body or its official shall be considered by a customs body within one month after being received by the customs body empowered to consider said complaint.

2. If the customs body considering a complaint against a decision or action (omission) of a customs body or its official deems it necessary to extend the term specified in **Part 1** of the present article for consideration of that complaint that term may be extended by the chief of that customs body or by the customs body's official empowered by him/her by up to one month, with the person who has filed the complaint being notified accordingly in writing and informed of the reasons for the extension.

Article 48. Customs Body's Decision Concerning a Complaint against a Decision or Action (Omission) of a Customs Body or Its Official

1. A customs body's decision concerning a complaint against a decision or action (omission) of a customs body or its official shall be made in writing in the form defined by the federal executive governmental body empowered in the area of customs affairs. The following shall indicated in such decision:

- 1) the name of the customs body that has considered the complaint;
- 2) the reference number of the decision;
- 3) the date of the decision and the place where it is drawn up;
- 4) the position, surname and initials of the customs body's official who has taken the decision on the complaint, the particulars of the document confirming his/her powers to consider the complaint (except for the chief of the customs body);
- 5) the surname and initial of the person or the name of the entity that has filed the complaint;
- 6) the essence of the decision or action (omission) appealed, including information on the customs body (official) whose decision or action (omission) is appealed;
- 7) a brief description of the complaint's merits;

8) the arguments and grounds for taking a decision on the complaint;
9) the decision that has been adopted in respect of the complaint;
10) information on the procedure for appealing against the decision taken on the complaint.

2. The decision concerning the complaint shall be signed by the customs body's official who has taken that decision.

3. According to the results of consideration of the complaint against the decision or action (omission) of the customs body or its official the customs body shall:

1) deem rightful the decision or action (omission) of the customs body or its official appealed and refuse to uphold the complaint;

2) deem wrongful in full or in part the decision or action (omission) of the customs body or its official appealed and take a decision on upholding the complaint in full or in part.

4. If the complaint against the decision or action (omission) of the customs body or its official is upheld in full or in part the customs body shall:

1) repeal in full or in part the appealed decision that has been taken by the customs body or its official;

2) repeal the appealed decision that has been taken by the customs body or its official and obligate that customs body or its official to take a new decision in accordance with the legislation of the Customs Union and the legislation of the Russian Federation on customs affairs or shall at his/her own discretion taken such a decision, if the adoption thereof falls within the scope of powers of the customs body that has considered the complaint;

3) deem wrongful the action (omission) of the customs body or its official and determine measures to be taken for the purpose of eliminating the irregularities committed or at his/her own discretion commit the necessary actions, if the commission thereof falls within the scope of powers of the customs body that has considered the complaint, unless such measures and/or actions have been taken (committed) earlier.

5. The actions taken to implement the customs body's decision to uphold the complaint against the decision or action (omission) of the customs body or its official shall be committed by the customs body whose or whose official's decision or action (omission) has been deemed wrongful, within ten working days after the decision against said complaint was received by that body, unless another term for commission thereof is established in said decision.

6. If the signs of guilt of default on, or of improper execution of, his/her official duties by the customs body's official are discovered the customs body's official who is considering the complaint against the decision or action (omission) of the customs body or its official on behalf of the customs body shall take measures to hold that official accountable under the disciplinary accountability rules in the established procedure.

7. Within the term established by **Article 47** of the present Federal Law a copy of the decision taken on the results of consideration of the complaint against the decision or action (omission) of the customs body or its official shall be sent to the person that has filed said complaint.

8. Appeal against the customs body's decision concerning a complaint against a decision or action (omission) of a customs body or its official may be made to a higher customs body or a court or arbitration court.

Article 49. Simplified Procedure for Appealing Against a Decision or Action (Omission) of a Customs Body's Official

1. A simplified procedure may be used to appeal against a decision or action (omission) of an official of a customs house or of a customs check-point in connection with the import into the Russian Federation and/or export from the Russian Federation of goods worth up to 1.5 million roubles and/or one vehicle (train of vehicles).

2. The simplified procedure for appealing against a decision or action (omission) of an official of a customs house or of a customs check-point is as follows: a person files an oral complaint with a higher official of the customs house or customs check-point respectively, or when an appeal is made against a decision or action (omission) of the chief of a customs check-point, with the chief of the customs house whose area of operations encompasses that customs check-point.

3. There shall be no delay in considering a complaint against a decision or action (omission) of an official in a customs body in the simplified procedure, and a decision concerning it shall be taken immediately within three hours after the filing thereof.

4. When an appeal is taking place in the simplified procedure, if the person that has filed a complaint against a decision or action (omission) of an official of a customs body so wishes an official of the customs body which is considering said complaint shall draw up a report on consideration of the complaint in the simplified procedure, the report comprising information on the official of the customs body who is considering the complaint, on the person that has filed the complaint, the content of the complaint in brief, the arguments and grounds for taking a decision and the decision that has been taken. In the event of refusal to consider the complaint against the decision or action (omission) of the customs body's official in the simplified procedure this report shall comprise the reasons for such refusal. The form of the report is defined by the federal executive governmental body empowered in the area of customs affairs. The report on consideration of the complaint against the decision or action (omission) of the customs body's official in the simplified procedure shall be signed by the customs body's official who considers the complaint and by the person that has filed the complaint. A copy of the report on consideration of the complaint against the decision or action (omission) of the customs body's official in the simplified procedure shall be delivered to the person that has filed the complaint.

5. The consideration of a complaint against a decision or action (omission) of an official of a customs body in the simplified procedure and the taking of a decision thereon shall not be deemed an obstacle for filing a complaint against the decision or action (omission) of the customs body or its official in the general procedure.

6. An appeal against a report on consideration of a complaint against a decision or action (omission) of an official of a customs body in the simplified procedure may be made in the general procedure to a higher customs body or a court or arbitration court.

Chapter 4. Providing Information and Consultations

Article 50. Receiving Information about the Reasons for a Decision Taken or Action (Omission) Committed

1. The person in respect of which a customs body or its official has taken a decision or has committed an action and also the person in respect of which no decision has been taken or an action that had to be completed had not been completed within the established term is entitled to file an inquiry with that customs body asking for the reasons and grounds for the decision taken or the action committed or the reasons for the failure to take the decision or commit the action, if it affects the rights and lawful interests of said persons directly and individually.

2. The inquiry shall be filed within six months after the date of the decision or of the commission of the action (omission) or the expiry of the term for taking or committing them or after the date when the person learned about the decision taken or the action (omission) committed.

3. A person concerned may file an inquiry asking for the necessary information either

orally or in writing. An oral inquiry shall be considered by the customs body on the day on which the inquiry is received. If the inquiry is filed in writing a reply shall be given in writing within ten days after said inquiry is received.

Article 51. Provision of Information about Acts of the Customs Legislation of the Customs Union, the Legislation of the Russian Federation on Customs Affairs and Other Legal Acts of the Russian Federation in the Area of Customs Affairs

1. The federal executive governmental body empowered in the area of customs affairs and other customs bodies shall provide unfettered free-of-charge access, for instance by means of information technologies, to information on effective acts of the customs legislation of the Customs Union, of the legislation of the Russian Federation on customs affairs and on other legal acts of the Russian Federation in the area of customs affairs.

2. Customs bodies shall provide access to information about the acts of the legislation of the Russian Federation on customs affairs and the other legal acts of the Russian Federation in the area of customs affairs which are being prepared and also about the amendments to acts of the customs legislation of the Customs Union, of the legislation of the Russian Federation on customs affairs and other legal acts of the Russian Federation in the area of customs affairs which have not yet entered into force, except for cases when a preliminary notice of forthcoming acts will impede customs control or make it less efficient.

3. The federal executive governmental body empowered in the area of customs affairs shall ensure the publication of the following in its official publications: legal acts issued by it, and also acts of the customs legislation of the Customs Union, of the legislation of the Russian Federation on customs affairs and other legal acts of the Russian Federation in the area of customs affairs.

Article 52. Provision of Consultations on Customs Matters and Other Issues Falling within the Competence of Customs Bodies

1. Customs bodies shall provide persons concerned with consultations on the customs matters falling within the scope of these bodies' competence. The chief (acting chief) of a customs body shall designate officials of the customs body empowered to provide consultations.

2. Consultations shall be provided by customs bodies free-of-charge in oral and written form. At an inquiry in writing of a person concerned a customs body shall provide information in writing as soon as possible but in any case within one month after said inquiry is received.

3. The information provided in the course of a consultation to persons concerned shall not be deemed ground for customs bodies to take a decision or commit actions (omissions) in the course of customs transactions involving goods and/or vehicles.

4. If the information requested has not been provided when due or has been provided in an unreliable form which has led to losses sustained by the person that asked for the consultation compensation for the losses shall be provided in accordance with the legislation of the Russian Federation.

5. Customs bodies are not liable for the losses caused as a result of distortion of the texts of the acts mentioned in **Part 3 of Article 51** of the present Federal Law published without their knowing about it, or equally for the losses caused as a result of poor-quality consultations provided by persons not empowered to provide them.

6. The procedure for organising the provision of information and consultations by customs bodies shall be defined by the **federal executive governmental body** empowered in the area of customs affairs.

Article 53. The Participation of the Not-for-Profit Organisations Uniting Persons Pursuing Activities Related to the Import of Goods into the Russian Federation and the Export Thereof out of the Russian Federation and Also Persons Pursuing Activities in the Area of Customs Affairs in the Formation and Implementation of State Policies in the Area of Customs Affairs

1. For the purpose of aligning the publicly-significant interests of the persons pursuing activities relating to the import of goods into the Russian Federation and the export thereof out of the Russian Federation and also of the persons pursuing activities in the area of customs affairs the federal executive governmental body empowered in the area of customs affairs shall invite the not-for-profit organisations uniting such persons to take part in the formation and implementation of state policies in the area of customs affairs.

2. The participation of the not-for-profit organisations uniting the persons pursuing activities related to the import of goods into the Russian Federation and the export thereof out of the Russian Federation and/or the persons pursuing activities in the area of customs affairs in the formation and implementation of state policies in the area of customs affairs may take place in the following forms:

1) participation in the elaboration of draft normative legal acts of the Russian Federation in the area of customs affairs and acts of customs legislation of the Customs Union;

2) participation in an analysis of financial, economic, social and other indicators of development of foreign economic activities, for instance in the various branches of economy, on the territories of subjects of the Russian Federation;

3) participation in assessment of the effectiveness of application of customs administration measures;

4) preparation of proposals for improvement of customs affairs for governmental bodies of the Russian Federation;

5) other forms of such participation envisaged by the present Federal Law, other federal laws and the other normative legal acts of the Russian Federation adopted in accordance therewith.

3. While elaborating the draft normative legal acts of the federal executive governmental body empowered in the area customs affairs establishing a procedure and technology for the accomplishment of customs transactions relating to the import of goods into the Russian Federation and the export of goods out of the Russian Federation as well as the declaration and clearance thereof, defining conditions for the operation of authorised economic operators and the other persons pursuing activities in the area of customs affairs consultations shall be held with the not-for-profit all-Russia organisations which are designated by the Government of the Russian Federation and unite persons pursuing activities related to the import of goods into the Russian Federation and the export thereof out of the Russian Federation as well as persons pursuing activities in the area of customs affairs. The procedure for holding said consultations shall be established by the federal executive governmental body empowered in the area of customs affairs, by agreement with these organisations.

Chapter 5. Activities in the Area of Customs Affairs

§ 1. General Provisions

Article 54. Including Legal Entities in Registers of Persons Pursuing Activities in the Area of Customs Affairs

1. Legal entities shall be included in registers of persons pursuing activities in the area of customs affairs on the conditions established by **Articles 13, 19, 24, 29** and **34** of the Customs

Code of the Customs Union respectively and **Articles 61, 67, 70, 76** and **82** of the present Federal Law respectively.

2. For the purpose of being included in one of the registers of persons pursuing activities in the area of customs affairs a legal entity shall file an application in writing with a customs body comprising the information envisaged by the present Federal Law and submit documents confirming such information according to the lists established by **Articles 62, 68, 72, 77** and **83** of the present Federal Law respectively.

3. For the purposes of inclusion in a **register** of possessors of temporary storage warehouses, a register of possessors of customs warehouses and a register of duty-free stores a legal entity shall file a separate application in respect of each stand-alone premises and/or stand-alone open site intended for being used as a temporary storage warehouse, customs warehouse or sales area of a duty-free store respectively.

4. The documents envisaged by **Parts 2** and **3** of the present article may be filed by the applicant as originals or copies attested by the person that has filed them, the empowered bodies that have issued them or a notary. If copies of documents attested by the person that has filed them are filed the customs body, if necessary, shall verify the compliance of the copies of these documents against the originals, and then the original documents shall be returned to the person that provided them. Upon the completion of consideration of an application for inclusion in the register the customs body shall return the original documents shown to the applicant, if the applicant so requests. Documents confirming that security has been provided to the customs body for the payment of customs duties and taxes shall be provided as originals.

5. Documents confirming that security has been provided to the customs body for the payment of customs duties and taxes may be filed by the applicant within 30 days after the customs body sends a notice of taking a preliminary decision on the observance of the other conditions for the legal entity's inclusion in the relevant register.

6. The customs body shall consider an application for inclusion in the register within 30 days after it is received, except for the cases specified in **Parts 7** and **10** of the present article, and it shall take a decision on inclusion of, or refusal to include, the legal entity in the relevant register of persons pursuing activities in the area of customs affairs.

7. Unless together with the application for inclusion in the register the applicant has filed documents confirming that relevant security has been provided to the customs body for the payment of customs duties and taxes, given the observance of the other conditions for inclusion of the legal entity in the relevant register as established by the **customs legislation** of the Customs Union and the present Federal Law, the customs body shall take a preliminary decision on the observance of these conditions and notify the applicant accordingly within the term specified in **Part 6** of the present article. In that case the customs body shall take a decision on inclusion of the legal entity in the relevant register within ten days after the applicant provides the customs body with documents confirming that relevant security has been provided for the payment of customs duties and taxes.

8. For the purpose of verifying the compliance of the premises and areas declared as a temporary storage warehouse or a duty-free store with the terms and conditions established in accordance with the present Federal Law the customs body shall carry out a customs inspection of the premises and/or areas.

9. If the documents filed by the legal entity do not meet the requirements set out by the legislation of the Russian Federation concerning the procedure for drawing them up and issuing them, contain ambiguous or illegible information or if the documents filed contain corrections the customs body considering the application for inclusion in the register is entitled to request third persons and also state bodies to provide documents confirming the information that has been provided by the legal entity. Within ten days after receiving the inquiry said persons and state bodies shall provide the documents so requested.

10. In the case envisaged by **Part 9** of the present article the term for consideration of the application for inclusion in the register shall be extended by the time needed for the customs body to send an inquiry and for the persons to present the documents so requested. In this case, the total term for consideration of the application for inclusion in the register shall not exceed 40 days after the date of receipt of such application.

11. The inclusion of a legal entity in the relevant register of persons pursuing activities in the area of customs affairs shall be made formal by a decision in writing of a customs body and it shall be confirmed by the issuance of a certificate of inclusion in such register, or in the event of inclusion in the register of customs carriers, by the issuance of a document confirming customs-carrier status, to the head of the legal entity or another empowered representative of the legal entity against signature or otherwise with a confirmation of the fact of, and the date of, receipt thereof, within three working days after the date of the decision. Said certificate shall be signed by the chief or a deputy chief of the customs body and bear an imprint of the seal.

12. A customs body shall take a decision on refusing to include someone in a relevant register of persons pursuing activities in the area of customs affairs, within a term not exceeding that specified in **Part 6** of the present article in cases when the conditions for inclusion in the relevant register envisaged by the **Customs Code** of the Customs Union and the present Federal Law have not been observed and/or when the documents envisaged by **Parts 2 and 3** of the present article have not been filed. If no documents have been filed within the term established by **Part 5** of the present article to confirm that security has been provided for the payment of customs duties or taxes the customs body shall within ten days take a decision on refusal of inclusion in the relevant register. The decision on refusal of inclusion in the relevant register of persons pursuing activities in the area of customs affairs shall be brought to the notice of the head or another representative of the legal entity in writing within three days after the date of such decision.

13. The procedure for customs bodies to commit the actions whereby legal entities are included in registers of persons pursuing activities in the area of customs affairs and are removed from such registers, such registers are amended, and the activities of said persons are suspended and resumed, and also the forms of certificates of inclusion in the register of customs representatives, the register of possessors of temporary storage warehouses, the register of possessors of customs warehouses, the register of possessors of duty-free trade, the register of authorised economic operators and the procedure for completing them shall be defined by the federal executive governmental body empowered in the area of customs affairs. The form of a document confirming customs-carrier status in accordance with **Item 4 of Article 18** of the Customs Code of the Customs Union shall be established by a decision of the Commission of the Customs Union.

14. The consideration of applications for inclusion in registers of persons pursuing activities in the area of customs affairs and the inclusion of persons in said registers shall be carried out free of charge.

Article 55. Amending the Information Available in an Application for Inclusion in One of the Registers of Persons Pursuing Activities in the Area of Customs Affairs

1. If a change has occurred in the details which are envisaged by **Parts 2 and 3 of Article 54** of the present Federal Law and are present in an application for inclusion in a register of persons pursuing activities in the area of customs affairs or in the documents attached thereto the legal entity that has been included in one of the registers of persons pursuing activities in the area of customs affairs (its successor in the event of transformation of a legal entity) shall inform the customs body in writing about the change within five working days after the onset of the events that have caused the change in the relevant details or after the day on which the person learned about the onset thereof, and shall file documents comprising the

change or confirming the change in detail.

2. Within 15 working days after the day following the date of receipt of the information mentioned in **Part 1** of the present article the customs body shall check the compliance of the newly provided details with the conditions established for the inclusion of a legal entity in the relevant register of persons pursuing activities in the area of customs affairs, take a decision on amending said register and if the amendment affects the details that have to be indicated in a certificate of inclusion of persons in the relevant register (in a document confirming customs-carrier status) shall issue a new certificate of inclusion in the relevant register (document confirming customs-carrier status).

3. The documents filed in accordance with the present article shall be put in the package of documents filed by the legal entity when it was included in the relevant register of persons pursuing activities in the area of customs affairs.

Article 56. Suspending and Resuming a Legal Entity's Activities as a Person Pursuing Activities in the Area of Customs Affairs

1. In the following cases legal entities' activities as customs representatives, of temporary storage warehouses, possessors of customs warehouses and possessors of duty-free stores included in registers of persons pursuing activities in the area of customs affairs shall be suspended:

- 1) the legal entity has filed an application for suspension of its activities;
- 2) the legal entity has filed an application if a bankruptcy proceeding was commenced in respect thereof;
- 3) a court or an empowered body has taken a decision on suspending the activities of the legal entity;
- 4) the licensing document for the pursuance of a certain type of activity has been suspended, if the legal entity included in the relevant register is pursuing only such type of activity.

2. A legal entity included in one of the registers of persons pursuing activities in the area of customs affairs shall inform a customs body in writing about the events mentioned in **Items 3 and 4 of Part 1** of the present article, within three days after the onset of the relevant event.

3. Legal entities' activities as customs representatives, possessors of temporary storage warehouses, possessors of customs warehouses and possessors of duty-free stores included in the relevant register of persons pursuing activities in the area of customs affairs shall be deemed suspended starting from the day following the date of onset of the events mentioned in **Items 3 and 4 of Part 1** of the present article. In the case envisaged by **Item 1 or Item 2 of Part 1** of the present article the activities of legal entities in the area of customs affairs shall be suspended starting from the day following the date on which a customs body received the legal entity's application mentioned in Item 1 or Item 2 of Part 1 of the present article.

4. Starting from the day of suspension of the legal entity's activities as a person pursuing activities in the area of customs affairs it is prohibited to carry out customs transactions, place goods in the temporary storage warehouse, customs warehouse or sell goods in the duty-free store. If the term of suspension of the legal entity's activities as the owner of a temporary storage warehouse exceeds one month the goods stored in the temporary storage warehouse shall be placed at the owner's expense in another temporary storage warehouse within two months after the day following the date of suspension of such activity.

5. Legal entities' activities as customs representatives, possessors of temporary storage warehouses, possessors of customs warehouses and possessors of duty-free stores included in the relevant register of persons pursuing activities in the area of customs affairs shall be resumed from the day following the date on which the legal entity files documents confirming that the circumstances which are mentioned in **Part 1** of the present article and serve as

grounds for suspending such activities have been eliminated.

Article 57. Removing a Legal Entity from Registers of Persons Pursuing Activities in the Area of Customs Affairs

1. On the grounds set out in **Articles 14, 20, 25, 30 and 35** of the Customs Code of the Customs Union respectively a legal entity shall be removed from the relevant register of persons pursuing activities in the area of customs affairs. The re-organisation in the form of transformation of a legal entity that has been included in the relevant register of persons pursuing activities in the area of customs affairs shall not be deemed ground for the legal entity's removal from that register.

2. A decision on removal of a legal entity from the relevant register of persons pursuing activities in the area of customs affairs shall be made formal in writing as a decision of the customs body that has taken the decision on inclusion of the legal entity in such register and it shall be brought by the customs body to the notice of the legal entity in respect of which the decision is taken, in writing with a substantiated explanation of such decision not later than on the day following the date of the decision. Said decision shall be delivered to the head of the legal entity or an empowered representative of the legal entity against a signature or otherwise with a confirmation of the fact of, and the date of, receipt of that decision. If said persons decline receiving said decision it shall be sent by post as the registered letter.

3. In the following cases a decision on removal of a legal entity from the relevant register of persons pursuing activities in the area of customs affairs shall enter into force:

1) failure to observe the conditions established by the **Customs Code** of the Customs Union for the inclusion of a legal entity in the relevant register of persons pursuing activities in the area of customs affairs (except for the case mentioned in **Item 2** of the present part), upon the expiry of 15 days after the date of such decision;

2) failure to observe the condition for inclusion of a legal entity in the register of customs carriers established by **Subitem 2 of Article 19** of the Customs Code of the Customs Union, upon the expiry of one day after the date of such decision;

3) failure by a customs carrier, owner of a temporary storage warehouse, owner of a customs warehouse or owner of a duty-free store to observe the duties described in **Subitem 2 of Article 20, Subitem 2 of Article 25, Subitem 2 of Article 30 and Subitem 2 of Article 35** of the Customs Code of the Customs Union respectively, upon the expiry of 15 days after the date of such decision;

4) the filing of an application by a legal entity for its being removed from the register, as of the day following the date on which a customs body receives said application in writing;

4. The removal of a legal entity from the relevant register of persons pursuing activities in the area of customs affairs, in connection with its liquidation or with the termination of its activities as a result of re-organisation (except for the transformation of the legal entity) shall take place as of the date of onset of said events. Having received information about the event that has taken place, the customs body keeping the relevant register shall make an entry on the removal of the legal entity from such register.

5. In the cases envisaged by **Items 1-3 of Part 3** of the present article a subsequent application for inclusion in the relevant register of persons pursuing activities in the area of customs affairs may be filed after the elimination of the reasons serving as grounds for the legal entity's removal from the relevant register.

6. The owner of a temporary storage warehouse, the owner of a customs warehouse and a customs carrier shall notify the persons that have placed goods in the temporary storage warehouse or the customs warehouse or have delivered **goods** which are under customs control for being carried, and also the customs body that has issued a certificate of inclusion of the legal entity in the relevant register of persons pursuing activities in the area of customs

affairs (a document confirming customs-carrier status) about the intention to terminate its activities one month before the date of filing the application for removal from the relevant register. Within said term it is prohibited to place goods in the temporary storage warehouse or customs warehouse or accept goods which are under customs control for being carried.

7. A customs representative shall notify the persons that have entrusted him/her/it to carry out customs transactions of having filed an application for its removal from the relevant register of persons pursuing activities in the area of customs affairs 15 days before the date of filing such application. Within said term the customs representative is prohibited from concluding contracts with declarants or other persons concerned.

8. If persons pursuing activities in the area of customs affairs are removed from the relevant register on other grounds a customs representative, customs carrier, owner of a temporary storage warehouse and owner of a customs warehouse shall notify accordingly the persons to which they provide services, immediately in any case within five days after the customs body's decision on their removal from the relevant register.

9. The removal of a legal entity from the relevant register of persons pursuing activities in the area of customs affairs shall not relieve that person (its successor) from the duty to complete the customs operations of carrying or storing goods which are under customs control or committing other actions which have to be committed by virtue of an obligation that occurred before the legal entity was removed from the relevant register, in accordance with the procedure established by the **Customs Code** of the Customs Union and the present Federal Law.

10. Upon the expiry of the term mentioned in **Part 8** of the present article it is prohibited to place goods in the temporary storage warehouse and customs warehouse.

11. When a customs body's decision on removal of the owner of a temporary storage warehouse or the owner of a customs warehouse from the relevant register of persons pursuing activities in the area of customs affairs enters into force the goods stored in the temporary storage warehouse or the customs warehouse shall be placed at the expense of the owner of the temporary storage warehouse or of the customs warehouse in another temporary storage warehouse or customs warehouse respectively within two months after the day following the date of entry into force of said decision.

12. Foreign goods placed under the customs **procedure of duty-free trade** shall be placed under another customs procedure within 15 days after the day following the date of entry into force of the decision on removal of the owner of a duty-free store from the register of possessors of duty-free stores, except for cases when goods are transferred to another duty-free store to be sold there. In said case the movement of the goods to another duty-free store located in the operational area of one customs body shall take place under the supervision of that customs body or if the goods are moved to a duty-free store located in the operational area of another customs body, in accordance with the customs **procedure of customs transit**.

13. Starting from the day following the date of entry into force of a decision on removal of the owner of a duty-free store from the register of possessors of duty-free stores the goods placed under the customs regime of duty free trade shall be considered for customs purposes as bonded goods. The sale of such goods and also the placement of other goods in the duty free store is prohibited.

14. If a legal entity has been removed from the relevant register of persons pursuing activities in the area of customs affairs the refund (termination of effect) of the security for payment of customs duties and taxes that has been provided by that entity when it was included in the register shall take place in accordance with **Chapter 16** of the present Federal Law.

Article 58. Procedure for Keeping Registers of Persons Pursuing Activities in the Area of Customs Affairs

1. The **federal executive governmental body** empowered in the area of customs affairs

shall keep registers of persons pursuing activities in the area of customs affairs.

2. The registers of persons pursuing activities in the area of customs affairs shall be kept in electronic form in the **forms** defined by the federal executive governmental body empowered in the area of customs affairs, and shall be placed on its official website.

3. The registers of persons pursuing activities in the area of customs affairs shall be formed on the basis of the decisions taken by customs bodies concerning the inclusion of legal entities in relevant registers of persons pursuing activities in the area of customs affairs, the removal of legal entities from such registers, the amendment of these registers, the suspension and resumption of the activities of legal entities as a customs representative, the owner of a temporary storage warehouse, the owner of a customs warehouse or the owner of a duty-free store. Amendments to the electronic forms of registers of persons pursuing activities in the area of customs affairs shall be made within three working days after the empowered customs body takes the relevant decision.

4. The federal executive governmental body empowered in the area of customs affairs shall make sure the registers of persons pursuing activities in the area of customs affairs are published on a regular basis, at least once a month, in its official publications.

Article 59. Record-Keeping and Reporting by the Persons Pursuing Activities in the Area of Customs Affairs

1. A record of goods and economic transactions in such goods shall be kept by a customs carrier, the owner of a temporary storage warehouse, the possessors of a customs warehouse and the owner of a duty-free store in accordance with the provisions of the **legislation** of the Russian Federation on bookkeeping and the **legislation** of the Russian Federation on taxes and fees.

2. The forms of, and the procedure for the filing of, reports/statements by persons pursuing activities in the area of customs affairs shall be established in accordance with **Article 177** of the present Federal Law.

§ 2. The Customs Representative

Article 60. The Customs Representative

1. The following may be a customs representative: a Russian legal entity that has been included in a register of customs representatives.

2. The customs representative is entitled to limit the field of its activities to the accomplishment of customs transactions in respect of certain types of goods in accordance with the Uniform **Commodity Classification** for Foreign Economic Activities of the Customs Union (hereinafter referred to as "the Commodity Classification for Foreign Economic Activities") or in respect of the goods imported into the Russian Federation and/or exported out of the Russian Federation by specific means of transport, the accomplishment of specific customs transactions and also an operational area within the framework of operations of one customs body (several customs bodies).

3. In accordance with **Item 3 of Article 12** of the Customs Code of the Customs Union the relations of the customs representative with declarants and other persons concerned shall be based on a contract. When declaration services are provided a contract shall be concluded directly between a declarant and the customs representative.

4. The customs representative's refusal to conclude a contract if it can provide a service or perform work is not admissible, except for cases when the implementation of such contract is going to go beyond the field of activity limited by the customs representative in accordance with **Part 2** of the present article and also when the customs representative has sufficient grounds to

believe that the actions or omissions of the declarant or another person concerned are wrongful and they cause criminal or administrative infringements in the area of customs affairs. The customs representative is not entitled to prefer one person to another in as much as the conclusion of a contract is concerned, except for the granting of privileges in respect of the price and other terms of a contract for specific categories of persons represented.

5. The customs representative may pay customs duties and taxes, if the content of the customs procedure defined for the declaration of goods envisages the payment thereof and according to the contract concluded between a declarant and the customs representative customs duties and taxes are to be paid by the customs representative.

6. While goods are being declared and/or cleared the customs representative bears joint liability with the declarant or with the other persons it represents for the payment of customs payments in the full amount of the sum of customs payments payable, irrespective of the terms of the contract concluded by the customs representative with the declarant and the other persons it represents.

Article 61. Conditions for Inclusion of a Legal Entity in the Register of Customs Representatives

1. Conditions for inclusion of a legal entity in the register of customs representatives are established by **Article 13** of the Customs Code of the Customs Union.

2. In accordance with **Subitem 2 of Article 13** of the Customs Code of the Customs Union the insured amount within which the insurer undertakes upon the onset of each insured accident to provide compensation for harm to the persons whose property interests have suffered such harm (in accordance with a contract of insurance of the risk of its civil liability which can come into being as a result of infliction of harm on the property of the persons represented or of breach of contracts with these persons) shall not be less than 20 million roubles.

3. Below are additional conditions for inclusion of the legal entity in the register of customs representatives:

1) the availability on the staff of a detached structural unit of the legal entity through which the applicant is going to pursue its activities as a customs representative of one or more employees, each having a document confirming he/she meets the qualification requirements established in accordance with **Articles 63** and **64** of the present Federal Law (hereinafter referred to as "customs transaction specialist");

2) the legal entity is not a state enterprise;

3) the legal entity has not been on several occasions (twice or more) held accountable for administrative offences in the area of customs affairs envisaged by **Articles 16.1, 16.2, 16.3, 16.15** and **16.22** and **Part 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation within the period of time when the legal entity is deemed subject to an administrative penalty in cases of administrative offences in the area of customs affairs envisaged by said articles, provided the sum of imposed administrative fines reached 250,000 roubles and more in their entirety;

4) there are no arrears on customs payments in the amount of 500,000 roubles or more.

4. A certificate of inclusion in the register of customs representatives shall comprise the following:

1) the name of the customs representative, its organisational legal form and location and taxpayer identification number;

2) information on the existence of detached structural units which meet the requirements set out in **Item 1 of Part 3** of the present article, and the names and location thereof;

3) information on the customs representative's field of activity being limited by customs transactions to specific types of goods in accordance with the **Commodity Classification** for

Foreign Economic Activities or to goods imported into the Russian Federation and/or exported out of the Russian Federation by specific means of transport, and also to specific customs transactions or area of activity within the operational area of one customs body (several customs bodies);

- 4) the name of the customs body that has issued the certificate;
- 5) the date of issue of the certificate and the reference number thereof.

Article 62. The Application for Inclusion in the Register of Customs Representatives

1. A certificate of inclusion in the register of customs representatives shall comprise the following:

1) the applicant's application to a customs body for being included in the register of customs representatives;

2) information on the applicant's name, organisational legal form and location (postal address and other contract particulars), opened bank accounts and also a list of the applicant's detached structural units through which the applicant is going to pursue its activities as a customs representative as of the date of filing of the application, complete with their location;

3) information on the intent to limit its activities to customs transactions in respect of specific types of goods in accordance with the **Commodity Classification** for Foreign Economic Activities or to goods imported into the Russian Federation and/or exported out of the Russian Federation by specific means of transport, to specific customs transactions and also to an area of activity within the operational area of one customs body (several customs bodies) or the intent to pursue its activities without such limitations;

4) information on the customs transactions specialists available on the staff of the legal entity (its detached structural units) as of the date of filing of the application;

5) information on security that has been provided for the payment of customs duties and taxes in accordance with **Subitem 3 of Article 13** of the Customs Code of the Customs Union;

6) information on contract(s) of insurance of the risk of civil liability of the applicant.

2. The following documents confirming the information declared shall be attached to the application for inclusion in the register of customs representatives:

1) the applicant's constitutive documents;

2) a document confirming that an entry about the applicant has been made in the Comprehensive State Register of Legal Entities;

3) information on the fact that the applicant has registered with a tax body;

4) the certificates of qualification of the customs transaction specialists;

5) orders on the hiring of the customs transaction specialists or the labour contracts concluded with them;

6) documents confirming that security has been provided for the payment of customs duties and taxes in the amount established by the Customs Code of the Customs Union;

7) acknowledgements from banks about the applicant's accounts opened in these banks;

8) a contract of insurance of the risk of civil liability of the applicant.

Article 63. The Customs Transaction Specialist

1. The following may be a customs transaction specialist: a citizen of the Russian Federation having a higher professional education background, who has passed a qualification examination and has confirmed the compliance of his/her knowledge with the qualification examination curriculum. A qualification certificate of a customs transaction specialist is the document confirming that a natural person meets said qualification requirements.

2. A customs transaction specialist shall pursue his/her activities as an employee of a customs representative.

Article 64. Assessing Qualifications

1. The assessment of seekers of a qualification certificate of a customs transaction specialist (hereinafter referred to as "assessment") aimed at finding out if they meet qualification requirements shall be in the form of a qualification examination. The persons who have passed the qualification examination shall be issued with a certificate of qualification of a customs transaction specialist in the form endorsed by the federal executive governmental body empowered in the area of customs affairs. The effective term of the certificate of qualification of customs transactions specialist is not limited.

2. The procedure for customs bodies to carry out the assessment, a list of the documents filed together with an assessment application, the curriculum for a qualification examination, the procedure for taking such examination and the procedure for issuance of qualification certificates shall be defined by the federal executive governmental body empowered in the area of customs affairs. Accordingly, clearance for taking a qualification examination shall be granted to all persons who meet the requirements set out in **Article 63** of the present Federal Law, irrespective of their special preparation for taking the examination.

3. Every two years starting from the year following the year in which he/she receives a qualification certificate of customs transactions specialist, a customs transactions specialist shall undergo training according to educational qualification upgrade curricula in educational institutions holding state accreditation in accordance with the federal state requirements applicable to the minimum content of an educational qualification upgrade curriculum for customs transaction specialists established by the federal executive governmental body carrying out the functions of state policy elaboration and normative legal regulation in the area of education by agreement with the federal executive governmental body empowered in the area of customs affairs.

Article 65. Grounds and Procedure for Revoking a Certificate of Qualification of a Customs Transaction Specialist

1. In the following cases a certificate of qualification of a customs transaction specialist shall be revoked:

- 1) it has been established that the certificate of qualification of customs transaction specialist was received through the use of fake documents;
- 2) a court's judgement has become final envisaging a penalty in the form of deprivation of the right to pursue activities as a customs transaction specialist during a certain period of time;
- 3) the customs transaction specialist is in breach of the requirements established by **Item 2 of Article 16** of the Customs Code of the Customs Union;
- 4) the customs transaction specialist has been on several occasions (twice or more) held accountable for administrative offences in the area of customs affairs envisaged by **Articles 16.1, 16.2, 16.3, 16.15** and **16.22** of the Code of Administrative Offences of the Russian Federation within the period of time when he/she is deemed subject to an administrative penalty in cases of the administrative offences envisaged by said articles;
- 5) the customs transaction specialist is in breach of the provision on undergoing training according to qualification upgrade curricula established by **Part 3 of Article 64** of the present Federal Law.

2. A decision on revocation of a certificate of qualification of customs transaction specialist shall be taken by the federal executive governmental body empowered in the area of customs affairs and/or the customs bodies empowered by it. Said bodies shall issue a substantiated decision on revocation of the certificate of qualification of customs transaction specialist. A copy of said decision shall be sent to the person in respect of whom the decision is issued, within three days after the date of the decision.

3. A person whose certificate of qualification of a customs transaction specialist has been

revoked is entitled to appeal the decision on revocation of said qualification certificate in accordance with **Chapter 3** of the present Federal Law.

4. A person whose certificate of qualification as a customs transaction specialist has been revoked is not entitled to file again an application seeking said certificate of qualification:

1) within one year after the date of the decision on revocation of the certificate of qualification, if that certificate is revoked on the grounds set out in **Items 1 and 3 of Part 1** of the present article;

2) within the term envisaged by a court's judgement that has become final, if the qualification certificate is revoked on the ground envisaged by **Item 2 of Part 1** of the present article;

3) within the term when the person is deemed subjected to an administrative penalty in cases of the administrative offences in the area of customs affairs envisaged by **Articles 16.1, 16.2, 16.3, 16.15 and 16.22** of the Code of Administrative Offences of the Russian Federation, if the qualification certificate is revoked on the ground envisaged by **Item 4 of Part 1** of the present article.

§ 3. The Customs Carrier

Article 66. The Customs Carrier

1. Customs bodies shall include Russian legal entities in a register of customs carriers.

2. The relations of a customs carrier with the consignors of goods or with forwarders shall be based on a contract. The customs carrier's refusal to conclude a contract if the customs carrier can carry goods is inadmissible, except for cases when there are sufficient grounds to believe that actions or omissions of the consignor of the goods or a forwarder are wrongful and can cause criminal or administrative infringements in the area of customs affairs. The customs carrier is not entitled to prefer one person to another in as much as it concerns the conclusion of a contract, except for the granting of privileges in respect of the price and other terms of a contract for specific categories of persons represented.

3. The customs carrier shall execute the duties envisaged by **Article 21** of the Customs Code of the Customs Union.

4. In accordance with **Subitem 2 of Article 20** of the Customs Code of the Customs Union the ground for removal of a customs carrier from the register of customs carriers is the carrier's failure to observe its duties envisaged by **Subitems 1-3 of Article 21** of the Customs Code of the Customs Union. The following shall be deemed confirmation of the customs carrier's failure to observe such duties: the carrier's being held accountable for the administrative offences in the area of customs affairs envisaged by **Article 16.1** and/or **Part 1 of Article 16.9** of the Code of Administrative Offences of the Russian Federation within the period of time when the person is deemed subject to an administrative penalty in cases of the administrative offences in the area of customs affairs envisaged by said articles, provided the sum of the administrative fines imposed, has reached 250,000 roubles or more, except for the case mentioned in **Part 5** of the present article.

5. If within the year preceding the last administrative offence the number of instances of carriage according to the **procedure of customs transit** had exceeded 4,000 performed by road or 300 performed by air or 5,000 performed by rail or 100 performed by water, the sum of the administrative fines imposed in their entirety shall make up 800,000 roubles and more.

Article 67. Conditions for Inclusion of a Legal Entity in the Register of Customs Carriers

1. Conditions for inclusion of a legal entity in the register of customs carriers are established by **Article 19** of the Customs Code of the Customs Union.

2. In accordance with **Subitem 7 of Article 19** of the Customs Code of the Customs Union the condition for a legal entity's inclusion in the register of customs carriers is the fact that within one year before the date of application to the customs body the legal entity has not been held accountable for the administrative offences in the area of customs affairs envisaged by **Articles 16.1, 16.2, 16.3, 16.9, 16.11 and 16.15** and **Parts 2 and 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation.

Article 68. The Application for Inclusion in the Register of Customs Carriers

1. An application for inclusion in the register of customs carriers shall comprise the following:

- 1) an application to a customs body for being included in the register of customs carriers;
- 2) information on the applicant's name, organisational legal form and location (postal address and other contact particulars) and opened bank accounts;
- 3) information on the period of time over which the applicant has been carrying cargoes;
- 4) information on the means of transport for international carriage the applicant possesses and uses (total number, information on said means of transport cleared for the carriage of goods under customs lead seals and seals) which the applicant is going to use to operate as a customs carrier, for instance on the vehicles fit for the carriage of goods under customs lead seals and seals;
- 5) information on security that has been provided for the payment of customs duties and taxes in accordance with **Subitem 2 of Article 19** of the Customs Code of the Customs Union.

2. The application for inclusion in the register of customs carriers shall be filed together with permits to pursue cargo carriage, if such type of activity according to the **legislation** of the Russian Federation is pursued under relevant permits (licences) and also the following documents confirming the information declared:

- 1) the applicant's constitutive documents;
- 2) a document confirming that an entry about the applicant has been made in the Comprehensive State Register of Legal Entities;
- 3) a certificate of registration of the applicant with a tax body;
- 4) documents confirming the applicant's right to possess and use the means of transport for international carriage it is going to use while carrying out activities as a customs carrier;
- 5) certificates of clearance of the means of transport for international carriage for carrying goods under customs lead seals and seals, if any;
- 6) documents confirming that security has been provided in the amount established by the **Customs Code** of the Customs Union for the payment of customs duties and taxes;
- 7) confirmations from banks concerning the applicant's accounts opened in them;
- 8) contracts of cargo carriage confirming that the applicant has been carrying cargo for at least two years as of the day on which the application is filed with the customs body.

§ 4. The Possessor of a Temporary Storage Warehouse

Article 69. The Possessor of a Temporary Storage Warehouse

1. The following may be the possessor of a temporary storage warehouse: a Russian legal entity that has been included in the register of possessors of temporary storage warehouses;

2. Temporary storage warehouses may be public or non-public. Temporary storage warehouses are deemed public if access thereto is open for any persons. Temporary storage warehouses are deemed non-public if they are intended for the storage of goods of the possessor of this warehouse or for the storage of specific goods, for instance those in which

transactions are restricted and/or which require specific storage conditions. The possessor of a temporary storage warehouse is entitled to limit the field of his activities by means of defining the type of the temporary storage warehouse.

3. The relationships of the possessor of a temporary storage warehouse with the persons placing goods in storage shall be based on a contract. A refusal of the possessor of the temporary storage warehouse to conclude a contract if he can store the goods is not admissible, except for cases when the performance of such contract is going to go beyond the field of activity limited by the possessor of the temporary storage warehouse in accordance with **Part 2** of the present article or if there are sufficient grounds to believe that actions or omissions of the person placing goods in storage are wrongful and cause criminal or administrative infringements in the area of customs affairs. The possessor of the temporary storage warehouse is not entitled to prefer one person to another in as much as it concerns the conclusion of a contract, except for the granting of privileges concerning the price and other terms of a contract of specific categories of persons.

4. The possessor of the temporary storage warehouse shall execute the duties envisaged by **Article 26** of the Customs Code of the Customs Union.

5. In accordance with **Subitem 2 of Article 25** of the Customs Code of the Customs Union the possessor of a temporary storage warehouse shall be removed from the register of possessors of temporary storage warehouses for a failure to execute the duties envisaged by **Subitems 1-5, 7 and 8 of Article 26** of the Customs Code of the Customs Union. The confirmation of a failure to execute such duties shall be as follows: the possessor of the temporary storage warehouse being held accountable for the administrative offence in the area of customs affairs envisaged by **Part 1 of Article 16.9** of the Code of Administrative Offences of the Russian Federation and/or the possessor of the temporary storage warehouse having been on several occasions (twice or more) held accountable for the administrative offences in the area of customs affairs envisaged by **Articles 16.13, 16.14 and 16.15 and Parts 2 and 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation within the period of time when the person is deemed subjected on an administrative penalty in cases of the administrative offences envisaged by said articles, provided the sum of the administrative fines imposed for said articles in their entirety is 500,000 roubles or more.

Article 70. Conditions for Inclusion of a Legal Entity in the Register of Possessors of Temporary Storage Warehouses

1. The conditions for inclusion of a legal entity in the register of possessors of temporary storage warehouses are established by **Article 24** of the Customs Code of the Customs Union.

2. In accordance with **Subitem 1 of Item 1 of Article 24** of the Customs Code of the Customs Union the condition for inclusion of a legal entity in the register of possessors of temporary storage warehouses is as follows: the availability of premises and/or open sites under ownership, economic jurisdiction, operative management or lease which are intended for being used as a temporary storage warehouse and which meet the requirements established by **Article 71** of the present Federal Law.

3. In accordance with **Subitem 2 of Item 1 of Article 24** of the Customs Code of the Customs Union the insured amount within which the insurer undertakes upon the onset of each insured accident to provide compensation for harm to the persons whose property interests have sustained it (in accordance with a contract of insurance of the risk of their civil liability which can occur as a result of harm caused to the goods of other persons which are in storage or breach of other terms of contracts of storage with other persons) shall be calculated on the basis of the useful area if an open site is used as the temporary storage warehouse and/or useful volume if premises are used as the temporary storage warehouse and it shall be calculated at the rate of 3,500 roubles per complete or incomplete square metre of useful area

and/or 1,000 roubles per each complete or incomplete cubic metre of useful volume, but in any case it shall not be less than 2 million roubles.

4. The requirements established by **Part 3** of the present article are not applicable to the possessors of public temporary storage warehouses intended for the storage of goods of the possessor of the warehouse.

5. In accordance with **Subitem 4 of Item 1 of Article 24** of the Customs Code of the Customs Union the condition for inclusion of a legal entity in the register of possessors of temporary storage warehouses is as follows: the possessor not having been held accountable for the offences in the area of customs affairs envisaged by **Part 1 of Article 16.9, Articles 16.13, 16.14 and 16.15** and **Parts 2 and 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation repeatedly (twice or more) within one year before the date of filing of the application with the customs body.

6. An additional condition for inclusion of a legal entity in the register of possessors of temporary storage warehouses is the provision of security for the payment of customs duties and taxes in accordance with **Article 74** of the present Federal Law.

7. A certificate of inclusion in the register of possessors of temporary storage warehouses shall comprise the following:

- 1) the name of the possessor of a temporary storage warehouse, reference to its organisational legal form and location as well as the taxpayer identification number;
- 2) the type of the temporary storage warehouse;
- 3) information on the location of the premises and/or open site of the temporary storage warehouse;
- 4) information on the useful volume of the premises and/or useful area of the open site;
- 5) the name of the customs body that has issued the certificate;
- 6) the date of issue of the certificate and the reference number thereof.

Article 71. The Requirements Applicable to the Facilities, Equipment and Location of a Temporary Storage Warehouse

1. The premises and/or open sites intended for being used as a temporary storage warehouse shall be arranged and equipped so as to ensure the preservation of goods, prevent access thereto by unauthorised persons (who are not the warehouse's employees, do not have powers in respect of goods or are not representatives of the persons having such powers) and also to provide an opportunity for customs control to be exercised in respect of these goods.

2. The premises and/or open sites intended for being used as the temporary storage warehouse shall have an adjacent guarded area featuring a hard paving (asphalt, concrete or similar), be equipped for the parking of vehicles carrying goods, for instance vehicles that carry goods on the territory of the Russian Federation, during the period of time required for completion of the customs **procedure of customs transit**. This requirement is not applicable to premises and/or open sites intended for being used as the temporary storage warehouse that is located at a check-point and to which no goods are going to be delivered in accordance with the customs procedure of customs transit. Said area shall be deemed a customs control zone. Vehicles carrying goods which are under customs control may enter said area at any time of the day.

3. No charge shall be made for the entry of a vehicle carrying goods which are under customs control in the area mentioned in **Part 2** of the present article and for its stay in that area for the period of time required for completion of the customs procedure of customs transit.

4. The arrangement, equipment and location of a temporary storage warehouse are subject to the following requirements:

- 1) the availability of accesses (depending on mode of transport);
- 2) the location of the premises intended for a public temporary storage warehouse only in

surface buildings or installations deemed pieces of immovable property;

3) the availability of a developed area intended for the customs examination of goods and vehicles allowing the performance of customs examination at any time of the day with no damage being inflicted on the goods being examined;

4) the fencing of the adjacent area mentioned in **Part 2** of the present article. If the technological features of operation of the temporary storage warehouse make the fencing of the adjacent area impossible or infeasible then by a decision of the customs house said area may be marked in the procedure established for the marking of customs control zones;

5) the fencing or marking on the terrain of an open site if it is used as a temporary storage warehouse (with due regard to the specific features of the warehouse depending on the mode of transport when goods and vehicles are moved from the customs border of the Russian Federation to the temporary storage warehouse);

6) the area of the temporary storage warehouse shall not include facilities that have nothing to do with the operation of the temporary storage warehouse or with the support of its operation;

7) the availability in the temporary storage warehouse of developed and specifically-fitted premises intended for the storage of goods which can cause harm to other goods or require special storage conditions (if such goods are going to be stored in said warehouse);

8) the availability of check-points and relevant means of control over the movement of goods and vehicles across the boundaries of the area of the temporary storage warehouse;

9) the availability of technical facilities intended for customs control over fissile and radioactive materials, the quantity and type thereof being established by the customs body by agreement with a higher customs body in keeping with technical regulations and national standards effective in the Russian Federation. The type of technical radiation monitoring facilities, the criteria for taking decisions on the need for them and the quantity thereof shall be defined by the federal executive governmental body empowered in the area of customs affairs;

10) the availability of x-ray examination facilities, the need for which and the quantity of which is established by the customs body by agreement with a higher customs body. The type of x-ray examination facilities, the criteria for taking decisions on the need for them and the quantity thereof shall be defined by the federal executive governmental body empowered in the area of customs affairs;

11) the availability of weighing equipment with various weighing limits, allowing one to weigh the goods which are going to be stored in the temporary storage warehouse, for instance on pallets, trays and other accessories normally used for the transportation of goods, which are going to be stored in the temporary storage warehouse;

12) the availability of an automated system intended for keeping record of goods, which is compatible with the software permitted for use by the customs body;

13) the availability of telephone and facsimile communication facilities, office machines and copiers;

14) the availability of facilities for sending the information contained in reports concerning the papers stored in the temporary storage warehouse to the customs body in electronic form and for getting information from the customs body in electronic form concerning the clearance of the goods located in the temporary storage warehouse;

15) the availability of loading/unloading machinery (engine-powered forklifts, electric forklifts and electric trolleys, mechanical trolleys, cranes, hoists and other loading/unloading machinery);

16) the availability of an electronic system intended for positioning and keeping a record of goods (for the temporary storage warehouses featuring an automated cell product storage systems) compatible with the software used by customs bodies and allowing the customs body to monitor the placement and availability of goods in cells as well as the performance of

inspections, measurements, recounts and weighing of goods by employees of the warehouse and the persons having powers in respect of these goods, with the date and time of said operations being identifiable;

17) the public temporary storage warehouse shall be located sufficiently close to transport hubs and major transport lines;

18) the temporary storage warehouse shall be located within a uninterrupted perimeter;

19) the temporary storage warehouse shall not be deployed on movable vehicles or in movable transport equipment of any type.

5. The federal executive governmental body empowered in the area of customs affairs is entitled to establish additional and/or other requirements applicable to the arrangement, equipment and location of a temporary storage warehouse and the area adjacent thereto if the temporary storage warehouse is located at a check-point or in an area close to the State Border of the Russian Federation, for instance on the basis of the specialisation, throughput capacity and equipment of the check-point which are going to be observed when a customs body is to be located in the area of the temporary storage warehouse.

6. By a decision of a customs body the requirement applicable to the arrangement and equipment and location of the non-public warehouses mentioned in **Items 6, 11, 15 and 18 of Part 4** of the present article may not be applicable on the basis of the specific nature of the goods stored if the criteria established by **Part 1** of the present article are met.

Article 72. The Application for Inclusion in the Register of Possessors of Temporary Storage Warehouses

1. An application for inclusion in the register of possessors of temporary storage warehouses shall comprise the following:

1) an application of the applicant to a customs body asking for inclusion in the register of possessors of temporary storage warehouses;

2) information on the name, organisational legal form, location and opened bank accounts of the applicant;

3) information on the type of the temporary storage warehouse (for a non-public temporary storage warehouse);

4) information on the premises and/or open sites which are possessed by the applicant and are intended for being used as the temporary storage warehouse, on the location, arrangement and equipment thereof, and on material and technical facilities;

5) information on a contract (contracts) of insurance of the risk of civil liability of the applicant;

6) information on the provision of security for the payment of customs duties and taxes;

7) information on the useful volume of the premises and/or the useful area of the open site intended for being used as the temporary storage warehouse.

2. The following documents confirming the information declared shall be attached to the application for inclusion in the register of possessors of temporary storage warehouses:

1) the applicant's constitutive documents;

2) documents confirming that an entry about the applicant has been made in the Comprehensive State Register of Legal Entities;

3) a certificate of registration of the applicant with a tax body;

4) documents confirming the right of possessing the premises and/or open sites intended for use as the temporary storage warehouse;

5) the layouts and drawings of the premises and/or open sites intended for use as the temporary storage warehouse;

6) acknowledgements from banks concerning the applicant's accounts opened in them;

7) a contract of insurance of the risk of civil liability of the applicant;

8) documents confirming that security has been provided for the payments of customs duties and taxes;

9) the calculation documentation on the basis of which the useful volume of the premises and/or open site has been assessed;

10) permit documents confirming the applicant's right to store goods of specific categories, if such documents are required by the legislation of the Russian Federation (if the applicant is going to store goods which require such permit documents);

11) other documents filed by the applicant to confirm the information declared, at the applicant's discretion.

Article 73. Assessing the Useful Volume and/or the Useful Area of a Temporary Storage Warehouse

1. The useful volume and/or useful area of a temporary storage warehouse is the total volume of the premises and/or the total area of the open site the applicant is going to use for the purpose of storing goods which are under customs control, with account being taken of sanitary and epidemiological control provisions, fire supervision and the other types of state control (supervision) established by the legislation of the Russian Federation. For instance, the following shall not be included in the useful volume and/or useful area of the temporary storage warehouse:

1) the places intended for customs examination, for instance through the use of x-ray examination equipment (other examination equipment) and the places equipped for weighing goods;

2) the places intended for the storage of the goods defined by **Article 145** of the Customs Code of the Customs Union;

3) technological aisles (passageways) and the premises (areas) occupied by technological warehouse equipment.

2. The useful volume and/or useful area of the temporary storage warehouse shall be assessed by the applicant on its own with the preparation of relevant calculation documents submitted to the customs body for the purposes of inclusion in the register of possessors of temporary storage warehouses.

Article 74. The Amount of Security for the Payment of Customs Duties and Taxes

When one is pursuing activities as the possessor of a temporary storage warehouse the amount of security for the payment of customs duties and taxes shall not be below:

1) 2.5 million roubles and additionally 300 roubles per complete or incomplete cubic metre of useful volume of the premises if premises are used as the temporary storage warehouse and/or 1,000 roubles per complete or incomplete square metre of useful area if an open site is used as the temporary storage warehouse -- for the possessors of public temporary storage warehouses;

2) 2.5 million roubles for the possessors of non-public temporary storage warehouses.

§ 5. The Possessor of a Customs Warehouse

Article 75. The Possessor of a Customs Warehouse

1. The following may be the possessor of a customs warehouse: a Russian legal entity that has been included in the register of possessors of customs warehouses.

2. In accordance with **Item 2 of Article 233** of the Customs Code of the Customs Union customs warehouses may be public or non-public. The possessor of a customs warehouse is entitled to limit the field of its activities by means of designating the type of the customs

warehouse.

3. The relationships of the possessor of a customs warehouse with the persons placing goods in storage shall be based on a contract. A refusal of the possessor of the customs warehouse to conclude a contract if the possessor can store goods is inadmissible, except for cases when the performance of such contract is going to go beyond the field of activity limited by the possessor of the customs warehouse in accordance with **Part 2** of the present article or if there are sufficient grounds to believe that actions or omissions of the person placing goods in storage are wrongful and cause criminal or administrative infringements in the area of customs affairs.

4. The possessor of the customs warehouse is not entitled to prefer one person to another in as much as the conclusion of a contract is concerned, except for the provision of privileges in respect of the price and other terms of a contract for specific categories of persons represented.

5. The possessor of the customs warehouse shall execute the duties envisaged by **Article 31** of the Customs Code of the Customs Union.

6. In accordance with **Subitem 2 of Article 30** of the Customs Code of the Customs Union the possessor of the customs warehouse shall be removed from the register of possessors of customs warehouses for a failure to execute the duties envisaged by **Subitems 1-6, 8 and 9 of Article 31** of the Customs Code of the Customs Union. The following shall be deemed a confirmation on the failure to execute such duties: the fact that the possessor of the customs warehouse has been repeatedly (twice or more) held accountable for the administrative offences in the area of customs affairs envisaged by **Articles 16.13, 16.14 and 16.15** and **Parts 2 and 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation within the period of time when the person is deemed subject to an administrative penalty in cases of the administrative offences envisaged by said articles, provided the sum of administrative fines imposed according to said articles in their entirety has reached 250,000 roubles or more.

Article 76. Conditions for Inclusion of a Legal Entity in the Register of Possessors of Customs Warehouses

1. Conditions for inclusion of a legal entity in the register of possessors of customs warehouses are established by **Article 29** of the Customs Code of the Customs Union.

2. In accordance with **Subitem 1 of Item 1 of Article 29** of the Customs Code of the Customs Union the condition for inclusion of a legal entity in the register of possessors of customs warehouses is as follows: the availability of premises and/or open sites under ownership, economic jurisdiction, operative management or lease which are intended for being used as a customs warehouse and which meet the requirements established by **Article 80** of the present Federal Law.

3. In accordance with **Subitem 2 of Item 1 of Article 29** of the Customs Code of the Customs Union the insured amount within which the insurer undertakes upon the onset of each insured accident to provide compensation for harm to the persons whose property interests have sustained it (in accordance with a contract of insurance of the risk of their civil liability which can occur as a result of harm caused to the goods of other persons which are in storage or breach of other terms of contracts of storage with other persons) shall be calculated at the rate of 3,500 roubles per complete or incomplete square metre of useful area if an open site is used as customs warehouse or 1,000 roubles per each complete or incomplete cubic metre of useful volume if premises are used as a customs warehouse, but in any case it shall not be less than 2 million roubles. The requirement established by the present part are not applicable to the possessors of non-public customs warehouses intended for storing the goods of the possessor of that warehouse.

4. In accordance with **Subitem 4 of Item 1 of Article 29** of the Customs Code of the Customs Union the condition for inclusion of a legal entity in the register of possessors of customs warehouses is as follows: it not having been repeatedly (twice or more) held accountable within one year after the application to the customs body for the administrative offences in the area of customs affairs envisaged by **Part 1 of Article 16.9, Articles 16.13, 16.14 and 16.15** and **Parts 2 and 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation.

5. An additional condition for inclusion of the legal entity in the register of possessors of customs warehouses is the provision of security for the payment of customs duties and taxes in accordance with **Article 79** of the present Federal Law.

6. A certificate of inclusion in the register of possessors of customs warehouses shall comprise the following:

- 1) the name of the possessor of a customs warehouse, reference to its organisational legal form and location as well as the taxpayer identification number;
- 2) the type of the customs warehouse;
- 3) the location of the premises and/or open site of the customs warehouse;
- 4) information on the useful volume of the premises and/or the useful area of the open site;
- 5) the name of the customs body that issued the certificate;
- 6) the date of issue of the certificate and the reference number thereof.

Article 77. The Application for Inclusion in the Register of Possessors of Customs Warehouses

1. An application for inclusion in the register of possessors of customs warehouses shall comprise the following:

- 1) an application of the applicant to a customs body asking for inclusion in the register of customs warehouses;
- 2) information on the applicant's name, organisational legal form, location and opened bank accounts;
- 3) information on the type of the customs warehouse (for a non-public warehouse also a feasibility study on the need for, and the feasibility of choosing, a warehouse of that type);
- 4) information on the premises and/or open sites which are possessed by the applicant and are intended for use as the customs warehouse, on their location, arrangement, equipment and on material and technical facilities;
- 5) information on the provision of security for the payment of customs duties and taxes;
- 6) information on the contract(s) of insurance of the risk of civil liability of the applicant envisaged by **Subitem 2 of Item 1 of Article 29** of the Customs Code of the customs Union when a public customs warehouse is being opened.

2. The following documents confirming the information declared shall be attached to the application for inclusion in the register of possessors of customs warehouses:

- 1) the applicant's constitutive documents;
- 2) a document confirming that an entry about the applicant has been made in the Comprehensive State Register of Legal Entities;
- 3) a certificate of registration of the applicant with a tax body;
- 4) documents confirming the right of possessing the premises and/or open sites intended for use as the customs warehouse;
- 5) layouts and drawings of the premises and/or open sites intended for use as the customs warehouse;
- 6) documents confirming that security has been provided for the payment of customs duties and taxes;

- 7) acknowledgements from banks about the accounts opened in them;
- 8) the calculation documentation on the basis of which the useful volume of the premises and/or the useful area of the open site has been assessed;
- 9) a contract of insurance of the risk of civil liability of the applicant.

Article 78. Assessing the Useful Volume and the Useful Area of a Customs Warehouse

1. The useful volume and/or useful area of a customs warehouse is the total volume of the premises and/or the total area of the open site the applicant is going to use for the purpose of storing goods which have been placed under the customs **procedure of customs warehouse**, with account being taken of sanitary and epidemiological control provisions, fire supervision and the other types of state control (supervision) established by the legislation of the Russian Federation. For instance, the following shall not be included in the useful volume and/or useful area of the customs warehouse:

1) the places intended for customs examination, for instance through the use of x-ray examination equipment (other examination equipment) and the places equipped for weighing goods;

2) technological aisles (passageways) and the premises (areas) occupied by technological warehouse equipment.

2. The useful volume and/or useful area of the customs warehouse shall be assessed by the possessor of the customs warehouse on its own with involving the preparation of relevant calculation documents submitted to the customs body for the purposes of inclusion in the register of possessors of customs warehouses.

Article 79. The Amount of Security for the Payment of Customs Duties and Taxes

When one is pursuing activities as the possessor of a customs warehouse the amount of security for the payment of customs duties and taxes shall not be below:

1) 2.5 million roubles and an additional 300 roubles per complete or incomplete cubic metre of useful volume of the premises if premises are used as the customs warehouse -- for the possessors of public customs warehouses -- and/or 1,000 roubles per complete or incomplete square metre of useful area of an open site if used as the customs warehouse;

2) 2.5 million roubles for the possessors of non-public customs warehouses.

Article 80. The Requirements Applicable to the Arrangement, Equipment and Location of a Customs Warehouse

1. The premises and/or open sites intended for being used as a customs warehouse shall be arranged and equipped so as to ensure the preservation of goods, prevent access thereto by unauthorised persons (who are not the warehouse's employees, do not have powers in respect of goods or are not representatives of the persons having such powers) and also to provide an opportunity for customs control to be exercised in respect of these goods. The location of the customs warehouse shall be decided with due regard to the interests of organisations pursuing trade and other persons concerned.

2. The following requirements are applicable to the arrangement, equipment and location of a customs warehouse:

1) the premises intended for being used as a public temporary storage warehouse are located only in surface buildings or installations deemed pieces of immovable property (for public customs warehouses). A customs warehouse shall not be located on movable vehicles or movable transport equipment;

2) the availability of access (depending on the mode of transport);

3) the availability of a loading/unloading ground adjacent to the premises of the customs warehouse;

4) the area of the customs warehouse shall have fencing, a check-point (check-points) and an uninterrupted perimeter;

5) the area and premises of the customs warehouse shall have the sign "Customs Warehouse" in the Russian and English languages;

6) the area and premises of the customs warehouse shall not include installations that have nothing to do with the operation of the customs warehouse or support of its operation;

7) in the warehouse premises shall be specifically designated, arranged and furnished as intended for the storage of the goods which require special storage conditions (if such goods are going to be stored in the customs warehouse);

8) the following areas shall be designated in the customs warehouse and marked with any means acceptable for the possessor of the customs warehouse (fencing tape, partitions or technological aisles marked with relevant plaques and inscriptions):

a) areas intended for taking goods from the customs warehouse in respect of which the effect of the customs **procedure of customs warehouse** has been terminated;

b) areas for the goods in respect of which a customs declaration has been filed including the declared customs procedure of customs warehouse after the termination of the customs **procedure of customs transit**;

c) areas for the storage of the goods placed under the customs **procedure of export** in accordance with **Item 2 of Article 234** of the Customs Code of the Customs Union;

9) the availability of weighing equipment with various weighing limits, allowing one to weigh the goods which are going to be stored in the customs warehouse, for instance on pallets, trays and other accessories normally used for transportation purposes;

10) the availability of telephone and facsimile communication facilities and copiers;

11) the availability of an automated system intended for keeping a record of goods, which is compatible with the software permitted for use by the customs body;

12) the availability of an electronic system intended for positioning and keeping a record of goods (for the customs warehouses featuring an automated cell product storage system) compatible with the software used by customs bodies and allowing the customs body to monitor:

a) the placement and availability of goods in cells;

b) the performance of inspections, measurements, recounts and weighing of goods by employees of the warehouse and the persons having powers in respect of these goods, with the date and time of said operations being identifiable;

13) for the purpose of identification of the goods stored in the customs warehouse each warehouse place shall have a tag comprising the following:

a) the registration number of the declaration concerning goods;

b) the weight of the goods;

c) the date of expiry of the term of storage of the goods in the customs warehouse.

3. The location and sizes of the areas mentioned in **Item 8 of Part 2** of the present article may be changed with the provision of information later on in writing to the customs body within three working days and on the condition that the total volume (total area) of the premises (open site) used to store goods placed under the customs **procedure of customs warehouse** does not exceed the volume (area) in respect of which security has been provided for the payment of customs duties and taxes.

§ 6. The Possessor of a Duty-Free Store

Article 81. The Possessor of a Duty-Free Store

1. The following may be the possessor of a duty-free store: a Russian legal entity that

has been included in the register of possessors of duty-free stores.

2. The possessor of a duty-free store shall execute the duties envisaged by **Article 36** of the Customs Code of the Customs Union.

3. In accordance with **Subitem 2 of Article 35** of the customs Code of the Customs Union the possessor of a duty-free store shall be removed from the register of possessors of duty-free stores for a failure to execute the duties envisaged by **Article 36** of the Customs Code of the Customs Union. The confirmation of a failure to execute such duties shall be as follows: the possessor of the duty-free store being held accountable for the administrative offence in the area of customs affairs envisaged by **Part 1 of Article 16.9** of the Code of Administrative Offences of the Russian Federation and/or the possessor of the duty-free store having been on several occasions (twice or more) held accountable for the administrative offences in the area of customs affairs envisaged by **Articles 16.2, 16.3, 16.14, 16.15** and **16.19** and **Parts 2 and 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation for the period of time when the person is deemed subject to an administrative penalty in cases of the administrative offences envisaged by said articles, provided the sum of the administrative fines imposed for said articles in their entirety is 250,000 roubles or more.

Article 82. Conditions for Inclusion of a Legal Entity in the Register of Possessors of Duty-Free Stores

1. The conditions for inclusion of a legal entity in the register of possessors of duty-free stores are established by **Article 34** of the Customs Code of the Customs Union.

2. In accordance with **Subitem 1 of Item 1 of Article 34** of the Customs Code of the Customs Union the condition for inclusion of a legal entity in the register of possessors of duty-free stores is as follows: the availability of premises and/or open sites under ownership, economic jurisdiction, operative management or lease which are fit for being used as a duty-free store and which meet the requirements established by **Article 84** of the present Federal Law.

3. In accordance with **Subitem 4 of Article 34** of the Customs Code of the Customs Union the condition for inclusion of a legal entity in the register of possessors of duty-free stores is not having been held on several occasions (twice or more) within one year before the date of the application to the customs body accountable for the offences in the area of customs affairs envisaged by **Articles 16.2, 16.13, 16.14** and **16.19** and **Part 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation.

4. An additional condition for inclusion of the legal entity in the register of possessors of duty-free stores is the provision of security for the payment of customs duties and taxes in an amount of at least 2.5 million roubles.

5. Before the legal entity's inclusion in the register of possessors of duty-free stores approval for the opening of the duty-free store shall be sought in accordance with the **legislation** of the Russian Federation on the State Border if the Russian Federation.

6. A **certificate** of inclusion in the register of possessors of duty-free stores shall comprise the following:

- 1) the name of the possessor of the duty-free store, reference to its organisational legal form and location as well as the taxpayer identification number;
- 2) the location of the sales area of the duty-free store;
- 3) the location of the warehouse of the duty-free store;
- 4) information on the area of the warehouse of the duty-free store;
- 5) the name of the customs body that has issued the certificate;
- 6) the date of issue of the certificate and its reference number.

Article 83. The Application for Inclusion in the Register of Possessors of Duty-Free Stores

1. An application for inclusion in the register of possessors of duty-free stores shall comprise the following;

1) an application of the applicant to the customs body asking for inclusion in the register of possessors of duty-free stores;

2) information on the applicant's name, organisational legal form, location and opened bank accounts;

3) information on the premises possessed by the applicant and intended for use as a duty-free store, on the location, arrangement, equipment thereof and on material and technical facilities;

4) information on the provision of security for the payment of customs duties and taxes;

5) information on registration or permit documents for retailing;

6) information on the approval secured for the opening of the duty-free store in accordance with the procedure for establishing a security regime at check-points.

2. The following documents confirming the information declared shall be attached to the application for inclusion in the register of possessors of duty-free stores:

1) the applicant's constitutive documents;

2) a document confirming that an entry about the applicant has been made in the Comprehensive State Register of Legal Entities;

3) information on registration of the applicant with a tax body;

4) documents confirming the applicant's right to possess the premises intended for use as the duty-free store;

5) layouts and drawings of the premises intended for use as the duty-free store;

6) documents confirming that security has been provided for the payment of customs duties and taxes;

7) acknowledgements from banks concerning the applicant's accounts opened therein;

8) registration or permit documents for retailing.

Article 84. The Requirements Applicable to the Arrangement, Equipment and Location of Duty-Free Store

1. The premises of a duty-free store may be composed of sales areas, back rooms and warehouses. Said premises shall be equipped so as to ensure the sales of goods exclusively in the trading areas of the duty-free store, the preservation of goods and an opportunity for customs control in respect of them.

2. The back rooms and warehouse of the duty-free store shall be arranged and equipped so as to prevent unauthorised persons' access to the goods available on these premises (persons who are not employees of the duty-free store, do not have powers in respect of the goods or are not representatives of the persons having powers) and also to provide an opportunity for the application of customs identification means to said premises.

3. The arrangement, equipment and location of the duty-free store are subject to the following requirements:

1) the area of the duty-free store shall not include installations which have nothing to do with the operation thereof and support of the operation thereof;

2) only enclosed premises may serve as a warehouse of the duty-free store. It is hereby prohibited to use open sites as a warehouse of the duty-free store. The warehouse of the duty-free store shall not have corridors intended for the passage of persons, tambours, lobbies, administrative-utility and technical premises and also areas intended for the storage of packing and banding materials, technological equipment, implements, containers, cleaning machines and packaging waste. The warehouse of the duty-free store shall have weighing equipment with

various weighing limits, allowing one to weigh goods offered for sale in the duty-free store;

3) the premises of the duty-free store shall be located so as to prevent the possibility of goods being received or withdrawn bypassing customs control;

4) the sales areas of the duty-free store shall be located so as to make it impossible for goods which have been purchased in the duty-free store to be left on the territory of the Customs Union, for instance by means of their being handed over to natural persons remaining on that territory;

5) the sales areas of duty-free stores shall be located outside the boundaries of an area designated for the customs control of the goods taken by natural persons as they cross the customs border of the Customs Union;

6) the sales areas of duty-free stores shall be located so as to prevent access to these areas for natural persons entering the customs territory of the Customs Union;

7) the warehouse of the duty-free store may be located outside the places where goods are moved across the customs border of the Customs Union but within the operational area of the customs body in which the duty-free store is operating.

4. It is hereby prohibited to use the sales areas, back rooms and warehouse of the duty-free store for the storage and sale of goods which have not been declared for the **customs procedure of duty-free trade**.

5. The requirements established by the present article do not extend to the duty-free stores mentioned in **Part 1 of Article 294** of the present Federal Law.

Chapter 6. The Authorised Economic Operator

Article 85. The Authorised Economic Operator

The following may be an authorised economic operator in accordance with **Article 38** of the Customs Code of the Customs Union: a legal entity registered under the **legislation** of the Russian Federation which **imports goods into the Russian Federation** for their use in a manufacturing and another entrepreneurial activity and exports goods out of the Russian Federation and has been included in the register of authorised economic operators.

Article 86. The Special Simplifications Granted to an Authorised Economic Operator

1. In accordance with **Item 1 of Article 41** of the Customs Code of the Customs Union the following special procedures may be granted to an authorised economic operator:

1) the temporary storage of goods on the premises, open sites and other areas of the authorised economic operator without its being included in the register of possessors of temporary storage warehouses;

2) the clearance of goods before the filing of a customs declaration in accordance with **Article 197** of the Customs Code of the Customs Union;

3) the implementation of customs transactions relating to the clearance of goods which are located on premises, open sites and in other areas of the authorised economic operator, including the termination of the customs **procedure of customs transit** in respect of goods going to the address of the authorised economic operator as they are imported into the Russian Federation, in accordance with **Part 3 of Article 87** of the present Federal Law;

4) the other special simplifications envisaged by the customs legislation of the Customs Union, for instance preliminary customs declaration of goods involving inter alia the filing of an incomplete and/or periodical customs declaration, the filing of an incomplete customs declaration and periodical customs declaration in accordance with **Articles 193** and **194** of the Customs Code of the Customs Union and with **Articles 211-215** of the present Federal Law.

2. In accordance with the customs legislation of the Customs Union the Government of

the Russian Federation is entitled to define a list of the goods that are not subject to the special simplifications granted to an authorised economic operator.

3. When the special simplifications granted to an authorised economic operator are being implemented one shall not impose the limitations on the places of declaration of specific goods established in accordance with **Part 2 of Article 205** of the present Federal Law.

4. As a detail of the customs transit of foreign goods from the customs body at the point of entry to an internal customs body in accordance with **Paragraph 4 of Item 3 of Article 215** of the Customs Code of the Customs Union is the possibility of delivery of the foreign goods carried to the address of an authorised economic operator to the authorised economic operator's premises, open sites and other areas having customs control zone status and located in the operational area of the customs body of destination without said goods being delivered to the place where the customs body of destination is located. The boundaries of said customs control zone are defined in the agreement envisaged by **part 8** of the present article and they shall be specifically marked. The authorised economic operator shall maintain a procedure whereby access to the customs control zone is by permit.

5. The details of termination of the customs procedure of customs transit in the case envisaged by **Part 4** of the present article in respect of foreign goods carried to the address of an authorised economic operator which pursues manufacturing activities, the clearance of goods before the filing of a customs declaration or with the use of preliminary customs declaration of goods are established by **Article 87** of the present Federal Law.

6. The details of termination of the customs procedure of customs transit of foreign goods established by **Part 4** of the present article are not applicable in the event of customs transit of foreign goods that takes place under international agreements which have expressly established that the place of delivery of goods is a customs body.

7. In accordance with **Item 2 of Article 41** of the Customs Code of the Customs Union the special simplifications envisaged by **Part 1** of the present article shall be applied only in cases when the authorised economic operator is entitled to act as a declarant of the goods in respect of which such special simplifications are going to be used, for instance in the course of the customs declaration of goods by a customs representative acting on behalf of and on orders of the authorised economic operator.

8. In accordance with **Item 4 of Article 94** of the Customs Code of the Customs Union the customs bodies carrying out customs transactions shall interact with an authorised economic operator when special simplifications are being implemented. The procedure for said interaction, including rules for the exchange of information between the authorised economic operator and the customs bodies, the composition and formats of data, the procedure for handing over the customs lead seals removed by the authorised economic operator in accordance with **Article 87** of the present Federal Law are established in an agreement concluded between the relevant customs body and the authorised economic operator if a decision is taken on granting authorised economic operator status thereto. The model form of said agreement shall be drawn up by the federal executive governmental body empowered in the area of customs affairs by agreement with the federal executive governmental body in charge of the functions of state policy elaboration and normative legal regulation in the area of foreign economic activities. In accordance with **Item 4 of Article 244**, **Item 4 of Article 257** and **Item 4 of Article 269** of the Customs Code of the customs Union said agreement may be used as a document envisaging the conditions for the authorised economic operator to use the customs **procedures of processing on the customs territory**, of **processing outside the customs territory** and of **processing for internal consumption**. If the maximum term for the application of the relevant customs procedure of processing has expired the customs body shall conclude a new agreement with the authorised economic operator. The use of said agreement as a document envisaging the conditions for the application of the relevant customs procedure

of processing shall not relieve the authorised economic operator from the duty to observe the other details relating to the application and termination of the relevant customs procedure of processing.

9. In accordance with **Subitem 6 of Item 1 of Article 6, Items 1 and 2 of Article 94, Subitem 4 of Item 2 of Article 128** of the Customs Code of the Customs Union for the purposes of accelerating the completion of customs transactions when goods are brought into the Russian Federation when an authorised economic operator applies a preliminary customs declaration of goods, for instance by means of filing an incomplete periodical customs declaration, customs bodies may notify the authorised economic operator before the goods enter the territory of the Russian Federation that such goods are going to undergo customs examination, except for cases when such preliminary notification is going to obstruct customs control or reduce the effectiveness thereof. In that case customs examination may be carried out by the customs bodies without issuing a preliminary notice to the authorised economic operator.

10. The Government of the Russian Federation is entitled to define the procedure for the preliminary notification of an authorised economic operator of inspection of goods taken out of the Russian Federation before they are loaded on a means of transport so that the goods be taken out of the Russian Federation.

11. If in accordance with a risk management system a customs body decides that customs control will be performed in respect of the goods declared in a customs declaration filed by an authorised economic operator or a customs representative on the orders thereof such customs control shall be carried out on premises, open sites and in other areas of the authorised economic operator where such goods have been placed, on a priority basis.

Article 87. The Details of Completion of the Customs Procedure of Customs Transit in Respect of Foreign Goods Carried to the Address of an Authorised Economic Operator Pursuing Manufacturing, the Clearance of Goods before the Filing of a Customs Declaration or by Means of Preliminary Customs Declaration of Goods

1. For the purpose of completing the **procedure of customs transit** on the territory of an authorised economic operator which is pursuing manufacturing the latter shall do the following at least three hours before the vehicle comes to the point where the authorised economic operator is located, or if goods arrive outside the established working hours of the customs body, at least three hours before the end of working hours of that customs body: send to the customs body of destination the documents mentioned in **Item 1 of Article 197** of the Customs Code of the Customs Union as required for the clearance of goods before the filing of a customs declaration, as electronic documents or a customs declaration comprising additional information and the documents attached thereto in accordance with **Article 193** of the Customs Code of the Customs Union.

2. If within the term established in an agreement between the customs body and the authorised economic operator -- which may exceed five hours after the documents and information are received from the authorised economic operator in accordance with **Part 1** of the present article -- the customs body of destination does not notify of a ban on removal of means of identification in connection with the intent to carry out an inspection of the goods, a customs examination of the vehicle and/or verify the integrity of means of identification then the customs body's permit to remove the means of identification shall be deemed obtained and the authorised economic operator shall accept the goods from the carrier upon their arrival at the point of delivery and it is entitled to remove the means of identification and unload the goods. The fact that the goods have been accepted by the authorised economic operator from the carrier shall be acknowledged by relevant annotations in carriage and/or forwarding documents. These annotations having been entered, the authorised economic operator shall immediately

send a notice to the customs body signed with an electronic digital signature concerning the date and time of acceptance of the goods from the carrier. The handing over of the goods which are under customs control by the carrier to the authorised economic operator in the procedure established by the present part shall be accomplished without seeking a permit from the customs body of destination. Starting from the time when the goods are accepted from the carrier specified in the notice sent to the customs body the **goods** shall be deemed cleared by the customs body. Starting from that time the authorised economic operator has the duty to pay customs duties and taxes as envisaged by **Item 2 of Article 197** of the Customs Code of the Customs Union. The clearance before the filing of a customs declaration of the goods for which the declarant is the authorised economic operator is admissible on the condition that the sum of payable import customs duties and taxes does not exceed the sum of security that has been provided for the payment of customs duties and taxes by the authorised economic operator in accordance with **Article 39** of the Customs Code of the Customs Union.

3. Unless, in case of application of a preliminary customs declaration as of the time of the vehicle's arrival in the place where the authorised economic operator is located the missing pieces of information have been entered in the customs declaration and/or customs duties and taxes have been paid on the goods or the customs body has sent an electronic notice within the term stated in **part 2** of the present article to the authorised economic operator concerning the lack of the necessary information for the clearance of the goods in the documents filed in accordance with **Item 1 of Article 197** of the Customs Code of the Customs Union, such goods after the means of identification have been removed and the goods have been unloaded shall acquire the status of goods in temporary storage and they shall be stored in a customs control zone created on premises, open sites or in other area of the authorised economic operator, with the goods not being placed in a temporary storage warehouse or in another customs control zone until the authorised economic operator complies with said terms for clearance of the goods.

4. If within the term specified in **Part 2** of the present article the customs body informs the authorised economic operator about the intent to carry out an inspection of the goods (including a customs examination), a customs examination of the vehicle and/or verification of the integrity of the means of identification such actions shall be committed by the customs body immediately on a priority basis. Before the customs body commits such actions the means of identification may be removed and the goods unloaded from vehicles only with a permit from the customs body. The customs inspection and the customs examination may be performed in a customs control zone created on premises, open sites or in other areas of the authorised economic operator, with the goods and vehicles not being placed in a temporary storage warehouse or another customs control zone.

5. After the authorised economic operator confirms that the goods have been accepted from the carrier, this being done by means of entering relevant annotations in carriage and/or forwarding documents, the carrier shall immediately report to the customs body of destination for the purpose of completing the customs **procedure of customs transit**, having filed said documents bearing the annotations of the authorised economic operator and also the transit declaration and the other documents he has on hand. The customs procedure of customs transit shall be terminated in accordance with **Items 4 and 5 of Article 225** of the Customs Code of the Customs Union and **Article 237** of the present Federal Law.

Article 88. Conditions for a Legal Entity to Receive Authorised Economic Operator Status

1. Conditions for granting authorised economic operator status to a legal entity are established by **Article 39** of the Customs Code of the Customs Union.

2. In accordance with **Subitem 5 of Article 39** of the Customs Code of the Customs

Union the condition for granting authorised economic operator status is as follows: the person has not on several occasions (twice or more) been held accountable within one year preceding the date of the application to the customs body for the administrative offences in the area of customs affairs envisaged by **Articles 16.1, 16.2, 16.3, 16.7, 16.9, 16.15, 16.17, 16.20 and 16.22** of the Code of Administrative Offences of the Russian Federation, if the sum of administrative fines imposed for said articles in their entirety was 500,000 roubles or more.

3. In accordance with **Subitem 6 of Article 39** of the Customs Code of the Customs Union the condition requiring the availability of a system keeping a record of goods that allows one to compare the data provided to customs bodies when customs transactions take place with information on the realisation of economic transactions shall be deemed observed if the applicant meets the following requirements:

1) keeps bookkeeping and record-keeping for taxation purposes as well as for customs purposes in accordance with **Article 96** of the present Federal Law;

2) provides access for customs bodies within their competence to customs transactions databases and databanks of the applicant's automated information systems with due regard to the provisions of the **legislation** of the Russian Federation on data protection;

3) the applicant's system intended for keeping a record of the logistic transactions that have to do with the carriage and storage of goods allows one to keep a separate record of such transactions involving foreign goods and goods of the Customs Union;

4) uses an automated information system incorporating data protection measures allowing one to prevent unauthorised access to information, the capability of immediate recovery of data modified or deleted due to unauthorised access thereto and the continuous monitoring of the actual data protection level.

4. In accordance with **Subitem 7 of Article 39** of the Customs Code of the Customs Union the additional conditions for the grant of authorised economic operator status to a legal entity are as follows:

1) the non-application of a **simplified taxation system**;

2) foreign economic activities having been pursued for at least one year before the date of application to the customs body;

3) the lack of a conviction for crimes in the area of economic activities -- for the head of the legal entity and its employees whose official duties include the organisation of realisation of customs transactions and/or the realisation thereof and also the head and the employees who carry out customs transactions or the customs representative that is going to use special simplifications on behalf of and on orders of the legal entity if authorised economic operator status is granted thereto;

4) the availability under ownership, economic jurisdiction, operative management or lease of premises, open sites and other areas which are intended for the temporary storage of foreign goods by the authorised economic operator and meet the requirements established by **Article 89** of the present Federal Law, if the authorised economic operator applies the customs transaction of temporary storage in accordance with **Item 1 of Part 1 of Article 86** of the present Federal Law.

Article 89. The Requirements Applicable to the Arrangement and Equipment of Premises, Open Sites and Other Areas of an Authorised Economic Operator

1. An authorised economic operator may carry out the temporary storage of goods on premises, open sites and in other areas of the authorised economic operator.

2. The premises and open sites of the authorised economic operator have customs control zone status. The boundaries of said customs control zone shall be defined by the customs body and the authorised economic operator in the agreement envisaged by **Part 8 of Article 86** of the present Federal Law, and they shall have special markings. Goods which are

under customs control shall be taken out of said zone with a permit for the customs body.

3. The premises, open sites and other areas intended for the temporary storage of foreign goods by the authorised economic operator shall be arranged and equipped so as to ensure the preservation of the goods, prevent unauthorised access thereto for unauthorised persons (who are not employees of the authorised economic operator) and also provide an opportunity for customs control in respect of these goods.

4. It is admissible to keep goods which are under customs control and other goods which are in storage in one room, provided they are positioned separately as ensured by any means acceptable for the authorised economic operator allowing one to visually discern the goods which are under customs control from the other goods (fencing tape, partitions or technological aisles marked with relevant plaques and inscriptions).

5. It is admissible to store dry and fluid bulk goods which are under customs control together with goods of the same kind and quality which are in storage.

6. No requirements governing the arrangement and equipment of premises, open sites and other areas of an authorised economic operator which is pursuing manufacturing shall be established by customs bodies.

Article 90. The Application for Inclusion in the Register of Authorised Economic Operators

1. For the purpose of being included in the register of authorised economic operators a legal entity shall file an application in writing comprising the following details with the empowered customs body:

1) an application of the applicant to the customs body asking for inclusion in the register of authorised economic operators;

2) information on the applicant's name, organisational legal form, location and opened bank accounts and also a list of, and the location of, its detached structural units the applicant is going to use in order to pursue its activities as an authorised economic operator -- as of the date of filing of the application;

3) information on the founders and/or stakeholders of the applicant and on their stakes in the charter (contributed) capital of the applicant;

4) information on the applicant's registration with a tax body as a taxpayer and on the taxpayer identification number;

5) information on the application of a special tax regime;

6) information on the members of the board of directors (supervisory board) and the members of the collective executive body of the applicant;

7) information on the sphere of the applicant's economic activities;

8) a description of the applicant's organisational structure, including the functions and competence of each structural unit;

9) information on the applicant's head, chief accountant, the heads of structural units together with a description of the procedure for executing duties when said officials are temporarily absent;

10) information on the total number of staff and the standard number of employees in each of the structural units;

11) information on the employees whose official duties include the organisation of customs transactions and/or the realisation thereof, including an appraisal of their knowledge and skills in the use of information technologies in the course of customs transactions and also general commercial transactions as well as bookkeeping and taxation accounting transactions;

12) information on the measures taken to protect the data contained in the applicant's automated information system;

13) information on the applicant's foreign economic activities:

a) the year since which the applicant has been pursuing foreign economic activities and the time pattern of movement of goods over one year (the average number of deliveries of goods in one month);

b) the number of the foreign-trade and other contracts concluded by the applicant in the course of all foreign economic deals in the last year and the sum total of all the contracts as well as the intended purpose of importation of goods (for own needs, for trading or another commercial activity, for instance relating to the sale or processing of goods, exhibition and fair events and other types of activity);

14) information on the customs bodies in which customs transactions involving the applicant's goods have taken place most frequently during the year preceding the filing of the application and also on the customs body (bodies) in whose operational area the applicant is going to pursue its activities as an authorised economic operator, with the names of customs check-points and the customs houses to which these customs check-points report;

15) information on the modes of transport used to carry the goods imported into the Russian Federation and/or exported out of the Russian Federation;

16) information on foreign contracting parties, including names, location, main types of activity and information about their being affiliates of the applicant;

17) information on the special and other simplified customs processing procedures that have been earlier applied by the applicant and also on the special simplifications that have been used and/or are being used in accordance with the present Federal Law;

18) information on received permit documents required for the observance of established restrictions on foreign economic activities and on the procedure for obtaining them (on one's own or through the services of a mediator);

19) information on the nomenclature and intended purpose of the goods in respect of which the applicant is going to use special simplification procedures;

20) the special simplification procedures requested;

21) information on the customs procedures under which the applicant is going to place goods;

22) information on the premises and/or open sites which are possessed by the applicant and are going to be used for the temporary storage of the applicant's goods and/or for the performance of customs transactions in respect of goods (about their location, arrangement, for instance including the availability of accesses, fencing and check-points) if the special simplification procedure envisages the temporary storage of goods on premises, open sites and other areas of the authorised economic operator;

23) information on the commercial and other documents which may be submitted by the applicant to the customs body for goods clearance purposes (for the purpose of identifying goods and monitoring the correctness of calculation of the amounts of customs duties and taxes payable at the clearance of the goods or the assessment of the amount of security for the payment of customs duties and taxes) if the applicant is seeking a special simplification procedure in which the clearance (conditional clearance) of foreign goods may take place before the filing of the customs declaration;

24) information on the customs representative which is going to use special simplification procedures on behalf and on orders of the legal entity if authorised economic operator status is granted to that legal entity, and on its heads and employees who carry out customs transactions;

25) information on the security for the payment of customs duties and taxes that has been provided in accordance with **Subitem 1 of Article 39** of the Customs Code of the Customs Union;

26) the applicant's consent or lack of the applicant's consent to the official publication of information on granting authorised economic operator status thereto envisaged by **Part 4 of**

Article 95 of the present Federal Law;

27) information on the persons empowered to represent the applicant's interests when the application is being considered.

2. The information mentioned in **Part 1** of the present article may be provided as separate annexes to the application for inclusion in the register of authorised economic operators.

3. The following documents confirming the information declared shall be attached to the application for inclusion in the register of authorised economic operators:

- 1) the applicant's constitutive documents;
- 2) a document confirming that an entry about the applicant has been made in the Comprehensive State Register of Legal Entities;
- 3) the certificate of the applicant's registration with a tax body;
- 4) the documents confirming that security has been provided for the payment of customs duties and taxes in the amount established by the **Customs Code** of the Customs Union;
- 5) acknowledgements from banks concerning the applicant's accounts opened in them;
- 6) a copy of an auditor's report on the reliability of the applicant's accounting statements for the year preceding the filing of the application, signed by the head and chief accountant and attested with the seal, if the applicant is subject to compulsory audit according to the **legislation** of the Russian Federation or the audit has been conducted on the applicant's initiative;
- 7) copies of the customs documents confirming that foreign economic activities have been pursued for at least one year;
- 8) if the activities of the authorised economic operator imply the temporary storage of goods on premises, open sites and in other areas:
 - a) the certificate of state registration of the rights to the premises and/or open sites if they are under ownership or economic jurisdiction of the applicant;
 - b) a contract of lease (sublease) of the premises which has been registered in the established procedure;
 - c) a contract of lease (sublease) of the land plot where the open site is located, the contract having been registered in the established procedure;
 - d) a layout (drawing) of the warehouse premises with reference to the would-be location of goods which are under customs control;
 - e) a layout (drawing) of the open site with an indication of the size and location of the ground in an industrial area;
- 9) documents confirming compliance with the criteria defined by the decision of the Commission of the Customs Union according to **Paragraph 2 of Subitem 1 of Article 39** of the Customs Code of the Customs Union for the persons manufacturing the goods and/or exporting the goods exempt from export customs duties, if the applicant claims the application of said criteria thereto.

4. The applicant is entitled to attach any other documents to the application for inclusion in the register of authorised economic operators, for instance statements of independent experts which in the applicant's opinion can be used when the issue of the applicant's inclusion in said register is being considered.

5. The filing of the documents envisaged by **Part 3** of the present article and the return of the original documents by the customs body after they have been considered shall take place in the procedure envisaged by **Part 5 of Article 54** of the present Federal Law.

6. The documents confirming that security has been provided to the customs body for the payment of customs duties and taxes may be filed by the applicant after a notice is received from the customs body comprising a confirmation of the observance of other conditions for inclusion of the legal entity in the register of authorised economic operators within 30 days after the customs body's preliminary decision on the observance of other conditions for inclusion was

sent.

7. If the application for inclusion in the register of authorised economic operators does not contain the information envisaged by **Part 1** of the present article or said application has been filed without documents confirming the information in the application according to the list set out in **Part 3** of the present article the customs body shall notify the applicant accordingly within five working days after receiving such application.

8. Only in the following cases shall the customs body refuse to accept the application for inclusion in the register of authorised economic operators:

1) the applicant has not provided the customs body with missing information and/or documents within 30 days after receiving a notice from the customs body in the case envisaged in **Part 7** of the present article;

2) the head of the legal entity or its employees whose official duties include the organisation of customs transactions and/or the implementation thereof and also the head and the employees who carry out customs transactions or the customs representative which is going to apply special simplification procedures on behalf of and on orders of the legal entity if authorised economic operator status is granted to that legal entity have a conviction for crimes in the area of economic activities;

3) bankruptcy proceedings have been commenced in respect of the applicant as of the date of filing of the application or after that date;

4) the application is filed before the expiry of three years after a decision on removal of this legal entity from the register of authorised economic operators became final, in accordance with **Part 10 of Article 94** of the present Federal Law.

9. If there are no grounds for refusal to accept the application for inclusion in the register of authorised economic operators for being considered as envisaged by **Part 8** of the present article the customs body shall notify the applicant of the date on which said application is accepted for consideration.

Article 91. Considering the Application for Inclusion in the Register of Authorised Economic Operators

1. The empowered customs body shall consider the application for inclusion in the register of authorised economic operators and take a decision on inclusion or on refusal to include the legal entity in said register within 90 days after it is accepted for consideration. If together with said application the applicant did not file documents confirming that the relevant security had been provided to the customs body for the payment of customs duties and taxes, given the observance of the other conditions for granting authorised economic operator status to a legal entity, the empowered customs body shall notify the applicant accordingly within said term. Within 30 days after receiving said notice the applicant shall submit to the empowered customs body documents confirming that security has been provided for the payment of customs duties and taxes. In this case, the empowered customs body shall take a decision on inclusion of the legal entity in the register of authorised economic operators within three days after the day on which the applicant provided the empowered customs body with documents confirming that security has been provided for the payment of customs duties and taxes.

2. For the purpose of verifying the observance of the conditions for granting authorised economic operator status to a legal entity the empowered customs body shall carry out a field customs inspection in respect of the applicant in accordance with **Subitem 3 of Item 4 of Article 132** of the Customs Code of the Customs Union.

3. If the legal entity is not actually located at the place specified in the application for inclusion in the register of authorised economic operators and also if according to the results of verification of the documents and information provided or of a customs inspection of premises and/or areas the customs body has established that one or several conditions for granting

authorised economic operator status have not been observed but the applicant can rectify this then the customs body shall notify the applicant about the facts discovered before taking a decision on refusal to include in the register of authorised economic operators. Within 30 days of receiving such notice the applicant is entitled to confirm to the customs body that the relevant conditions have been complied with.

4. The lapsing of the term for consideration of the application established in **Part 1** of the present article shall be suspended for the period of time from the day on which the applicant received the notices from the empowered customs body until the day on which the applicant confirmed that the demands had been performed and/or the conditions established by the empowered customs body had been complied with or the expiry of the term specified in **Part 3** of the present article.

5. The customs body that is considering the application for inclusion in the register of authorised economic operators is entitled to ask third persons and also state bodies to provide documents confirming the information that has been provided by the applicant. Within ten days after receiving the request said persons shall provide the documents and information so requested.

6. If within the term for consideration of the application for inclusion in the register of authorised economic operators it is confirmed that the conditions for granting authorised economic operator status to a legal entity are observed the customs house (houses) in whose operational area the applicant is going to pursue activities as an authorised economic operator and the applicant shall agree upon a procedure for the interaction of the customs bodies which carry out customs transactions with the authorised economic operator in the course of implementation of special simplification procedures as well as rules for the exchange of information between the authorised economic operator and the customs bodies by means of signing the agreement envisaged by **Part 8 of Article 86** of the present Federal Law.

7. The decision on inclusion of the legal entity in the register of authorised economic operators shall be made formal by means of the certificate envisaged by **Article 92** of the present Federal Law being issued to the head or another empowered representative of the legal entity against a signature or otherwise confirming the date and fact of its being received, within 14 working days after the date of the decision.

8. The customs body shall take a decision on refusal to include in the register of authorised economic operators only if the applicant has failed to observe the conditions for granting authorised economic operator status to a legal entity envisaged by **Article 39** of the Customs Code of the Customs Union and **Article 88** of the present Federal Law. The decision on refusal to include in the register of authorised economic operators shall be brought to the notice of the head or of another empowered representative of the legal entity against a signature or otherwise confirming the receipt thereof and the date on which it is received, within 14 working days after the date of the decision.

9. The consideration of the application for inclusion in the register of authorised economic operators and inclusion in said register are free of charge.

Article 92. The Certificate of Inclusion in the Register of Authorised Economic Operators

1. A certificate of inclusion in the register of authorised economic operators shall comprise the following:

- 1) the name, organisational legal form and location of the authorised economic operator and of its detached structural units;
- 2) information on the rate of, and the means of providing security for the payment of, customs duties and taxes;
- 3) the special simplification procedures the authorised economic operator is entitled to;
- 4) the places where customs transactions will take place when the special simplification

procedures are implemented;

5) the customs bodies in which customs transactions involving goods may be accomplished through the use of the special simplifications.

2. The certificate of inclusion in the register of authorised economic operators shall enter into force upon the expiry of ten days after it is issued, with its effective term being unlimited.

Article 93. Amending the Information Available in an Application for Inclusion in the Register of Authorised Economic Operators

1. If the information available in an application for inclusion in the register of authorised economic operators or in the documents attached thereto is amended the legal entity included in the register of authorised economic operators (its successor if the legal entity has been transformed) shall inform the empowered customs body in writing within five working days after the onset of the relevant events or after the day on which the entity learned about the onset thereof.

2. Within five working days the customs body shall verify the newly provided information complies with the conditions for granting authorised economic operator status to a legal entity and if the amendment concerns the details which are to be included in the certificate it shall decide if a new certificate is to be issued in accordance with the procedure established by **Article 91** of the present Federal Law.

3. The documents filed shall be put in the package of documents filed by the legal entity for the purposes of being included in the register of authorised economic operators.

Article 94. Suspending and Revoking a Certificate of Inclusion in the Register of Authorised Economic Operators and Removing from the Register of Authorised Economic Operators

1. While an authorised economic operator is pursuing its activities customs bodies shall monitor its observance of the conditions for granting such status.

2. In the following cases an empowered customs body is entitled to carry out repeated verification of the observance of the conditions for granting authorised economic operator status:

1) if a significant change has occurred in the customs legislation of the Customs Union and/or the legislation of the Russian Federation on customs affairs which is confirmed by a relevant decision of the federal executive governmental body empowered in the area of customs affairs;

2) according to the results of customs control data arise which testify that the authorised economic operator probably fails to observe one or several conditions for granting authorised economic operator status.

3. If a certificate of inclusion in the register of authorised economic operators is issued to a legal entity that has been formed less than three years before the date of filing of the application for inclusion in the register of authorised economic operators the empowered customs body shall verify the observance of the conditions for granting authorised economic operator status before the expiry of the first year since the date of the certificate.

4. A certificate of inclusion in the register of authorised economic operators may be suspended by the empowered customs body:

1) in the cases envisaged by **Items 1 and 2 of Part 1 of Article 56** of the present Federal Law;

2) if it is discovered that the authorised economic operator has failed to meet one or several conditions for granting that status;

3) if reports have not been filed in the forms, in the procedure and within the term established in accordance with **Article 96** of the present Federal Law;

4) if an action has been brought in a case of an administrative offence in the area of customs affairs envisaged by **Articles 16.1, 16.2, 16.3, 16.7, 16.9, 16.15, 16.17, 16.20 or 16.22** of the Code of Administrative Offences of the Russian Federation;

5) if action has been brought in respect of the head and/or employees of the authorised economic operator in a criminal case in which preliminary investigation falls within the competence of customs bodies according to the criminal procedural legislation of the Russian Federation.

5. In the cases envisaged by **Items 2 and 3 of Part 4** of the present article the empowered customs body and/or the customs body in whose operational area an authorised economic operator is pursuing its activities shall do the following before a decision on suspension of the certificate of inclusion in the register of authorised economic operators: notify the authorised economic operator of the irregularities that have been discovered. Unless within 30 days after receiving such notice the authorised economic operator has confirmed to the customs body that has discovered the irregularities that the relevant conditions are met and/or has provided a relevant report, the empowered customs body shall suspend the certificate for 30 days.

6. In the cases envisaged by **Items 4 and 5 of Part 4** of the present article the empowered customs body shall suspend a certificate of inclusion in the register of authorised economic operators starting from the day on which the authorised economic operator receives the relevant notice to the following date respectively:

- 1) on which the judgement in the case of administrative offence becomes final;
- 2) on which the judgement in the case of an administrative offence is executed to the date on which said judgement becomes final;
- 3) on which the decision on termination of the case of administrative offence or the criminal case becomes final;
- 4) on which the court's decision or judgement becomes final.

7. In the case envisaged by **Item 4 of Part 4** of the present article the empowered customs body is entitled to abstain from suspending a certificate of inclusion in a register of authorised economic operators if judgements in cases of administrative offences in the area of customs affairs that have been committed by the legal entity within one year have been complied with by such legal entity within the term envisaged by the **Code** of Administrative Offences of the Russian Federation and the sum total of administrative fines does not exceed three per cent of the total amount of import customs duties and taxes paid for said period of time.

8. In the following cases a certificate of inclusion in the register of authorised economic operators shall be revoked:

- 1) the legal entity has filed an application for being removed from the register of authorised economic operators;
- 2) the legal entity is liquidated in accordance with the **legislation** of the Russian Federation;
- 3) the legal entity is reorganised, other than transformed;
- 4) the legal entity has not confirmed the observance of the conditions for granting authorised economic operator status and/or not filed reports within the term envisaged by **Part 5** of the present article or the legal entity has not confirmed such observance after the suspension of the certificate;
- 5) the authorised economic operator has been on several occasions (twice or more) held accountable for the administrative offences in the area of customs affairs envisaged by **Articles 16.1, 16.2, 16.3, 16.7, 16.9, 16.15, 16.17, 16.20 and 16.22** of the Code of Administrative Offences of the Russian Federation within the period of time when the person is deemed subjected to an administrative penalty in cases of the administrative offences envisaged by said

articles, provided the sum of the administrative fines imposed in their entirety is 500,000 roubles or more;

6) a court's judgement has become final according to which the head and/or employees of the authorised economic operator are to be held criminally accountable for a crime for which preliminary investigation falls within the competence of customs bodies according to the criminal procedural legislation of the Russian Federation;

7) the agreement envisaged by **Part 8 of Article 86** of the present Federal Law is rescinded.

9. A decision on removal of a legal entity from the register of authorised economic operators becomes final as of the date of onset of facts and events or of the date when the relevant decisions envisaged by **Part 8** of the present article become final.

10. If a legal entity is removed from the register of authorised economic operators on the grounds envisaged by **Items 5 and 6 of Part 8** of the present article a repeated application for inclusion in the register of authorised economic operators may be filed upon the expiry of three years after the date on which the decision on removal of the legal entity from the register of authorised economic operators became final.

11. If a legal entity is removed from the register of authorised economic operators the refund (termination of effect) of the security for the payment of customs duties and taxes that has been provided by that entity when it was included in said register shall take place in accordance with **Chapter 16** of the present Federal Law.

Article 95. Procedure for Keeping the Register of Authorised Economic Operators

1. The **federal executive governmental body** empowered in the area of customs affairs shall keep the register of authorised economic operators.

2. The register of authorised economic operators shall be kept in the form defined by the federal executive governmental body empowered in the area of customs affairs.

3. The register of authorised economic operators shall be formed on the basis of the decisions on inclusion of legal entities in said register, amendment of the information available in the register, suspension and resumption of a certificate on inclusion in the register of authorised economic operators and also on removal of legal entities from the register taken by the empowered customs body.

4. The federal executive governmental body empowered in the area of customs affairs shall make sure the register of authorised economic operators is published on a regular basis, at least once every three months, in its official publications, with the inclusion therein of only those legal entities that have granted their preliminary consent thereto at inclusion in said register.

Article 96. The Record-Keeping System of, and the Filing of Reports by, an Authorised Economic Operator

1. An authorised economic operator shall keep a separate record of imported and exported goods for the purpose of ensuring the formation of complete and reliable information about goods and appropriate control over the availability and movement of goods in accordance with the provisions of the legislation of the Russian Federation on bookkeeping and record-keeping for taxation purposes.

2. Every quarter, before the tenth day of the month following the accounting month, the authorised economic operator shall submit accruing and cumulative reports to the customs body concerning the goods in respect of which customs transactions have taken place through the use of the special simplification procedures envisaged by **Item 1 of Article 41** of the Customs Code of the Customs Union.

3. The empowered customs body shall take a decision on the filing of reports by the

authorised economic operator every year before the first day of the month following the accounting period if the authorised economic operator has not been held accountable for administrative offences in the area of customs affairs over the year preceding the date of such decision.

4. The reports filed with the customs body concerning the record of the goods placed in temporary storage in accordance with **Subitem 1 of Item 1 of Article 41** of the Customs Code of the Customs Union shall comprise information on the date of placement of the goods in storage, the title and reference number of the carriage document, a description of the goods together with the code according to the **Commodity Classification** for Foreign Economic Activities, gross weight, net weight, invoice value for each product description, the reference number and date of the document confirming the invoice value of goods and the reference number of the foreign trade contract.

5. Reports on the record of the goods that have been subjected to special simplification procedures in accordance with **Subitems 2 and 3 of Item 1 of Article 41** of the Customs Code of the Customs Union shall comprise information on the date of placement of goods in storage, the special simplification procedures applied, information on the person on whose behalf customs transactions are carried out, the reference number of the customs declaration, the number of the forwarding documents, a description of the goods, the code according to the **Commodity Classification** for Foreign Economic Activities, gross weight, net weight, the invoice value of the goods and the sum of the customs duties and taxes paid.

6. The reports may be filed with the customs body in electronic form if an electronic digital signature is available or in an electronic form without an electronic digital signature with the compulsory provision of information on a paper medium.

7. For failure to provide and/or for the late provision when due of the reports envisaged by **Part 1** of the present article to the customs body and equally for the provision of reports containing untrue information the authorised economic operator shall be held accountable in accordance with the legislation of the Russian Federation.

8. The forms of the reports filed by the authorised economic operator in the procedure established by the present article shall be established by the federal executive governmental body empowered in the area of customs affairs.

Chapter 7. Information Systems and Information Technologies

Article 97. The Information Systems, Information Technologies and the Means Supporting Them Which Are Used by Customs Bodies

1. Information systems and information technologies shall be used by customs bodies for the purpose of ensuring the fulfilment of the tasks vested therein, for instance exchanging information with federal executive governmental bodies, providing state information provision services to the public and participants in foreign economic activities in electronic form.

2. Information systems, information technologies and the means of supporting them shall be created on an order of the customs bodies in accordance with the legislation of the Russian Federation.

3. The procedure for the use of information systems in customs affairs shall be established by the federal executive governmental body empowered in the area of customs affairs, in accordance with the **legislation** of the Customs Union and the legislation of the Russian Federation.

Article 98. The Requirements Applicable to Technical Facilities Intended for Data Processing

The technical facilities intended for processing the information contained in the information systems used for customs purposes, for instance software and hardware, shall meet the requirements set out in the legislation of the Russian Federation.

Article 99. The Information Resources of Customs Bodies

1. The information resources of customs bodies are made up of the following: the documented information (intelligence) the customs bodies have on hand in accordance with international agreements, the **customs legislation** of the Customs Union, the present Federal Law and other federal laws, for instance:

1) provided by persons/entities in the course of customs transactions in accordance with the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs;

2) provided by federal executive governmental bodies in accordance with inter-departmental agreements on information exchange;

3) sent by departments/agencies of foreign states at a request of the federal executive governmental body empowered in the area of customs affairs and/or in accordance with international agreements on information exchange.

2. The documents which are to be provided according to the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs, including the customs declaration, may be filed as electronic documents, given the observance of the requirements applicable to the documenting of information established by the legislation of the Russian Federation.

Article 100. The Retrieval of the Information Making up the Information Resources of Customs Bodies by Persons/Entities

1. The persons/entities pursuing activities relating to the movement of goods and vehicles across a customs border, or activities in the area of customs affairs are entitled to have access to the documented information about themselves customs bodies have on hand and to have that information updated for the purpose of ensuring its completeness and reliability. Customs bodies shall provide persons/entities with the information they have on a free-of-charge basis.

2. Information shall be provided by customs bodies at an application in writing filed by a person concerned by means of giving a reply in writing within the term established by the legislation of the Russian Federation for the consideration of written applications of citizens filed with state bodies. While considering the application and sending a reply the customs body shall make sure the restricted-access information available about the person is being provided to the person which it concerns.

3. For the purpose of obtaining the necessary information a person concerned is entitled to apply to any customs body.

Article 101. The Protection of Information by Customs Bodies

1. The creation of software, hardware and other means of information protection shall take place at an order of the customs bodies in accordance with the **legislation** of the Russian Federation. The procedure for the use of software, hardware and other means of information protection shall be established by the federal executive governmental body empowered in the area of customs affairs in accordance with the **customs legislation** of the Customs Union and the legislation of the Russian Federation.

2. Control over the observance of the provisions governing the use of means of

information protection shall be exercised by the federal executive governmental body empowered in the area of customs affairs and other federal executive governmental bodies in accordance with the legislation of the Russian Federation.

Chapter 8. Customs Statistics

Article 102. The Foreign Trade Customs Statistics of the Russian Federation

1. For the purposes of analysing the state of foreign trade of the Russian Federation, monitoring the revenues to the federal budget as customs payments, currency control, analysing the pace and trends of development of the foreign trade of the Russian Federation, its balance of trade and balance of payments and economy as a whole customs bodies shall gather and process the information on the movement of goods across the customs border of the Customs Union which is provided in a customs declaration for goods in accordance with **Article 180** of the Customs Code of the Customs Union.

2. The foreign trade customs statistics of the Russian Federation shall be kept according to the **Customs Code** of the Customs Union, the Uniform Methodology for Keeping Foreign Trade Customs Statistics and the Mutual Trade Statistics of the Customs Union and the legislation of the Russian Federation.

3. Customs bodies shall provide Russian foreign trade customs statistical data to the President of the Russian Federation, the Federal Assembly of the Russian Federation and the Government of the Russian Federation compulsorily and free of charge. Other federal governmental bodies, governmental bodies of the subjects of the Russian Federation, local self-government bodies, courts, procurator offices, the Bank of Russia, state non-budget funds, trade union associations and employers associations and also international organisations shall be provided by customs bodies with Russian foreign trade customs statistical data which do not contain **state, commercial, banking** and other law-protected secrets or other restricted-access information, free of charge and in the procedure established by the legislation of the Russian Federation and international agreements of the Russian Federation.

4. The federal executive governmental body empowered in the area of customs affairs shall publish Russian foreign trade customs statistical data in the procedure and on the dates defined by the Government of the Russian Federation.

5. Other persons concerned shall be provided by customs bodies with Russian foreign trade customs statistical data which have not been officially published and do not contain **state, commercial, banking** and other **law-protected** secrets or other restricted-access information for payment in the procedure defined by the Government of the Russian Federation.

Article 103. Special Customs Statistics

1. For the purposes of ensuring the fulfilment of the tasks vested in customs bodies such bodies shall keep special customs statistical records in the procedure defined by the federal executive governmental body empowered in the area of customs affairs.

2. For the purposes of ensuring the fulfilment of the tasks vested in the Government of the Russian Federation and other state bodies customs bodies shall gather, process and send the data whose description and due dates of provision are defined by the Government of the Russian Federation.

Article 104. Statistics of Mutual Trade with the Member States of the Customs Union

In accordance with the legislation of the Russian Federation and international agreements of the Russian Federation statistics of the mutual trade of the Russian Federation with the member states of the Customs Union shall be kept by empowered federal executive

governmental bodies in the procedure defined by the Government of the Russian Federation.

Chapter 9. The Classification of Goods according to the Commodity Classification for Foreign Economic Activity of the Customs Union

Article 105. The Commodity Classification for Foreign Economic Activities

For the purpose of implementing customs-tariff and non-tariff measures for regulation of foreign-trade and other types of foreign economic activities and keeping customs statistical records in the Russian Federation one shall use the **Commodity Classification** for Foreign Economic Activities endorsed by the Commission of the Customs Union.

Article 106. The Classification of Goods

1. Goods are subject to classification when declared in cases when in accordance with the **customs legislation** of the Customs Union and the present Federal Law, a commodity code according to the **Commodity Classification** for Foreign Economic Activities must be entered in the customs declaration or the other documents submitted to customs bodies.

2. In a customs declaration concerning goods the declarant or a customs representative on the declarant's orders shall enter the code of the goods according to the **Commodity Classification** for Foreign Economic Activities.

3. If a wrong classification is discovered the customs body shall classify the goods on its own and taken decisions on the classification thereof.

4. A decision on the classification of a product shall comprise the following basic information:

1) the name of the customs body that has taken the decision on classification of the product;

2) the name of the declarant;

3) the registration number of the decision on classification of the goods and the date of the decision;

4) a description of the product;

5) the information on the product required to classify it;

6) a classification code according to the **Commodity Classification** for Foreign Economic Activities;

7) the signature of the customs body's official who has taken the decision on classification of the product.

5. The decision on classification of the product may contain the following additional information:

1) a substantiation for the decision on classification of the product;

2) the reference number of the declaration for the product and the number of the product in respect which the decision on the classification thereof is taken;

3) information on the existence of an annex or additional sheets and other information required for customs purposes;

4) information according to which a decision of a lower customs body on classification of the product has been overturned (if a decision is taken by a higher customs body and there is a need to overturn the decision of the lower customs body due to the lack of legal grounds for the taking thereof or because that decision is changed for other reasons).

6. If a customs body takes a decision on classification of goods before they are cleared such decision shall be brought to the notice of the declarant. If the decision on classification of the goods taken by the customs body affects the amount of payable customs duties and taxes the goods shall not be cleared until the payment of the customs duties and taxes additionally

accrued under the decision of the customs body on classification of the goods. If customs duties and taxes are not paid in full within the term defined by **Article 196** of the Customs Code of the Customs Union for the clearance of goods then the customs body shall refuse to clear the goods in accordance with **Item 1 of Article 201** of the Customs Code of the Customs Union.

7. If the decision on classification of the goods taken by the customs body affects the applicability of bans and restrictions on the goods then the goods shall not be cleared until the submission of documents confirming that the restrictions established have been observed, except for cases when according to **Article 219** of the present Federal Law such documents may be filed after the clearance of goods.

8. If the customs body's decision on classification of the goods does not lead to an increase in the amount of payable customs payments and does not affect the applicability of bans and restrictions on goods such decision shall not be deemed ground for refusal to clear the goods. In this case, the declarant (customs representative) shall adjust the declared information within five working days after the date of clearance of the goods.

9. If before the clearance of the goods it is discovered that there is evidence of the classification of the goods being wrong or of the lack of appropriate confirmation for the declared information the customs body shall carry out additional verification. For the purpose of additional verification the customs body shall order a customs expert examination or request additional documents and information. To receive additional documents and information the customs body shall immediately notify the declarant in writing of the need for providing information on the characteristics of the goods which affect the classification thereof and reference to the specific documents whereby such information may be confirmed. The declarant is entitled to provide the other documents it/he/she has on hand if they contain information about the goods.

10. Unless additional verification can be completed within the term defined by **Article 196** of the Customs Code of the Customs Union for the clearance of goods then the goods shall be cleared by the customs body on the condition that security has been provided for the payment of the customs duties and taxes which may additionally accrue according to the results of additional verification. The declarant shall be informed by the customs body in writing about the amount of security needed for the payment of the customs duties and taxes. In said case the goods shall be cleared by the customs body not later than one day following the date on which security for the payment of the customs duties and taxes is provided.

11. During the period of additional verification the goods shall not be cleared if the change of the commodity code stated in the customs declaration affects the applicability of bans and controls, except for cases when the declarant has filed document confirming that established restrictions have been observed or when according to **Article 219** of the present Federal Law such documents may be submitted after the clearance of the goods. The term for completion of the customs expert examination in the course of additional verification, unless the goods are cleared before the results thereof are produced, shall not exceed the longest permitted term for the clearance of goods established by **Item 4 of Article 196** of the Customs Code of the Customs Union.

12. If the customs body takes a decision on classification of the goods after the goods have been cleared such decision shall be sent to the declarant within five working days after being taken. The outstanding amounts of customs duties and taxes shall be collected in accordance with the present Federal Law.

13. The declarant is entitled to appeal against the customs body's decision on classification of the goods in accordance with **Chapter 3** of the present Federal Law.

Article 107. Procedure for Taking a Decision on Classification of a Product Which Has Not Been Assembled or Which Has Been Disassembled, for Instance as an Incomplete or Unaccomplished Set, and Is Imported or Exported within an Established Period of Time

1. A product which has not been assembled or has been disassembled, for instance as an incomplete or unaccomplished set, and is going to be imported or exported by separate shipment lots within a period of time exceeding the term defined by **Article 170** of the Customs Code of the Customs Union may be declared with one classification code, being stated according to the **Commodity Classification** for Foreign Economic Activities, provided there is a customs body's decision on classification of the product.

2. A decision on classification of a product which has not been assembled or has been disassembled, for instance as an incomplete or unaccomplished set, and is going to be imported or exported by separate shipment lots within a certain period of time (hereinafter referred to in the present article as "decision on classification of the product") shall be taken by the federal executive governmental body empowered in the area of customs affairs on a written application filed by a person authorised to act as the declarant of the product.

3. An application for a decision on classification of a product shall comprise the following:

- 1) information on the applicant;
- 2) information on the product (a description and a list of the components of the product);
- 3) the term for delivery of the product;
- 4) the customs procedure under which the product is going to be put;
- 5) the description of the customs body to which the product is going to be declared.

4. The following documents shall be attached to the application mentioned in **Part 3** of the present article:

1) documents confirming that a foreign economic transaction has been concluded in respect of the product;

2) the constitutive documents of the applicant or the amendments which have been made to such documents and have undergone state registration in the established procedure if the components of the product are imported as a contribution in the charter (contributed) capital of an organisation;

3) an application of a resident of a special economic zone if the product is put under the customs procedure of free economic zone;

4) a list of the components of the product (as a table) on a paper medium and an electronic medium:

a) descriptions of the components, for instance of the parts which make up a separate component of the product;

b) the classification code of a component of the product according to the **Commodity Classification** for Foreign Economic Activities;

c) the quantity or weight of the components, for instance the parts making up a separate component of the product, in the measurement units applied in the **Commodity Classification** for Foreign Economic Activities;

5) a technical description with reference to the intended purpose, performed functions, principle of operation, and inter alia the interaction of the specific components of the product;

6) a description of the separate components of the product with reference to the intended purpose, performed functions, principle of operation and material from which they are manufactured;

7) an assembly (installation) drawing (diagram).

5. If the documents and information provided by the applicant are insufficient for taking a decision on classification of the product the federal executive governmental body empowered in the area of customs affairs shall notify the applicant of the need for providing additional

information within 30 calendar days after the filing of the application for a decision on classification of the product. The additional information shall be provided within 60 calendar days after the notification of the applicant in writing.

6. If the information is not provided when due or the applicant has refused to provide the documents and information required for classification of the product the application for a decision on classification of the product shall be dismissed. Also the application for a decision on classification of the product shall be dismissed if the application and the documents attached thereto contain contradictory information or if the components of the product which has not been assembled or has been disassembled, for instance as an incomplete or unaccomplished set, according to classification rules do not constitute a product classified by a code of a complete or complete-set product.

7. A decision on classification of the product shall be taken within 90 calendar days after the date of registration of the application for a decision on classification of the product. If there is a need for additional information to be provided according to **Part 5** of the present article the lapsing of the term specified in the present part shall be suspended and it shall be resumed from the day on which the federal executive governmental body empowered in the area of customs affairs receives the last document containing the information requested.

8. The decision on classification of the product shall comprise the following:

1) the name of the customs body that has taken the decision on classification of the product;

2) the registration number of the decision on classification of the product and the date of the decision;

3) information on the applicant (the name of the organisation and the postal address to which the decision on classification of the product is to be sent);

4) a description of the product;

5) ten-digit code of the product according to the **Commodity Classification** for Foreign Economic Activities;

6) a list of the components of the product:

a) descriptions of the components, for instance the parts making up a separate component of the product;

b) the classification code of a component of the product according to the **Commodity Classification** for Foreign Economic Activities;

c) the quantity or weight of the components, for instance of the parts making up a separate component of the product, in the measurement units applied in the **Commodity Classification** for Foreign Economic Activities;

7) the particulars of the documents which confirm that a foreign economic transaction has been concluded and in accordance with which the components of the product are imported or exported or the other documents required for customs purposes;

8) the name of the customs body to which the product is going to be declared;

9) the type of the customs procedure under which the product is going to be put;

10) the signature of the customs body's official.

9. The decision on classification of the product shall take effect as of the day on which it is taken.

10. In the following cases the decision on classification of the product shall be amended:

1) the Commission of the Customs Union of the federal executive governmental body empowered in the are of customs affairs has taken a decision or explanation on classification of specific kinds of goods which is binding on customs bodies;

2) errors or printing errors have been discovered which were committed when the decision on classification of the product was taken or when documents were prepared by the applicant;

3) the terms of the foreign economic transaction have been amended in a way affecting the product or its specific components;

4) the **Commodity Classification** for Foreign Economic Activities has been amended.

11. The decision on amending the decision on classification of the product shall enter into force within the term specified in the decision on amending the decision on classification of the product.

12. In the following cases the decision on classification of the product shall be terminated:

1) the customs body establishes that the applicant had filed fake documents or declared untrue information before the decision on classification of the product was taken;

2) the final customs declaration is not filed within the term envisaged by **Part 8 of Article 215** of the present Federal Law;

3) the applicant refused in writing to deliver the product, for instance after the importation or exportation of specific components of the product.

13. No decision on termination of the decision on classification of the product shall be taken if according to classification rules the conditionally cleared components of the product classify under the classification code of the completed or complete-set product specified in the decision on classification of the product.

14. A decision on termination of the decision on classification of the product shall enter in force as of the date of the decision on classification of the product.

15. The declaration of a product that has not been assembled or has been disassembled, for instance as an incomplete or unfinished set, and is going to be imported or exported in separate shipment lots with reference to one classification code according to the Commodity Classification for Foreign Economic Activities shall take place in accordance with **Article 215** of the present Federal Law.

Article 108. The Preliminary Decision, Explanations and Other Decisions on Classification of Goods

1. At an inquiry of a person concerned the federal executive governmental body empowered in the area of customs affairs and the other customs bodies designated by the federal executive governmental body empowered in the area of customs affairs shall take preliminary decisions on classification of goods according to the **Commodity Classification** for Foreign Economic Activities in accordance with **Articles 53-56** of the Customs Code of the Customs Union. The **procedure** for taking such a decision shall be defined by the federal executive governmental body empowered in the area of customs affairs.

2. The federal executive governmental body empowered in the area of customs affairs shall take decisions and explanations on classification of specific types of goods.

3. The federal executive governmental body empowered in the area of customs affairs shall provide free-of-charge unfettered access for any persons concerned on the territory of the Russian Federation to information about the preliminary decisions and explanations adopted by customs bodies in accordance with **Article 52** of the Customs Code of the Customs Union.

Chapter 10. The Country of Origin of Goods

Article 109. Identifying and Declaring the Country of Origin of Goods

1. The identification of the country of origin of goods which originate in states not being members of the Customs Union as they are imported into the Russian Federation shall be carried out in accordance with the **Agreements** on Uniform Rules for Identification of the Country of Origin of Goods and **Chapter 7** of the Customs Code of the Customs Union.

2. If it is necessary to identify the country of origin of goods which originate in member states of the Customs Union one shall apply the rules for identification of the country of origin of goods established in accordance with **international agreements** of the Russian Federation, concluded within the free trade zone of the Commonwealth of Independent States, except as otherwise established by international agreements of the member states of the Customs Union.

3. The country of origin of goods shall be determined by the declarant, and in the cases established by the present Federal Law, by the customs body. The country of origin of goods shall be declared by the declarant to the customs body in the course of customs declaration of the goods. The origin of goods from the country of origin of the goods which is declared by the declarant shall be confirmed by documents in accordance with the **customs legislation** of the Customs Union.

Article 110. Monitoring the Correctness of Identification of the Country of Origin of Goods

1. Customs bodies shall monitor the correctness of identification of the country of origin of goods for the purpose of ensuring the observance of customs-tariff and non-tariff regulation measures in cases when the application of such measures depends on the country of origin of goods, before and after the clearance of the goods.

2. According to the results of the monitoring of the correctness of identification of the country of origin of goods the customs body shall take a decision on the country of origin of the goods and/or on granting tariff preferential treatment in the form and in the procedure defined by the federal executive governmental body empowered in the area of customs affairs.

3. If in the course of monitoring the correctness of identification of the country of origin of the goods the customs body discovers non-observance of the conditions for the granting of tariff preferential treatment established by the **customs legislation** of the Customs Union the customs body shall take a decision in the established procedure on refusal to grant tariff preferential treatment.

4. If before the clearance of the goods one discovers evidence of probable unreliability or the lack of appropriate confirmation of the declared information on the country of origin of the goods which affects the amount of payable customs duties and taxes and/or the application non-tariff regulation measures the customs body shall carry out an additional verification. Within the framework of the additional verification the customs body may request additional documents and information. The realisation of the additional verification shall not be deemed grounds for refusal to clear the goods. The clearance of the goods shall take place on the condition that customs duties and taxes have been paid or security for the payment thereof has been provided in accordance with **Article 63** of the Customs Code of the Customs Union.

5. When the customs body takes the decisions mentioned in **Parts 2** and/or **3** of the present article after the clearance of the goods such decisions shall be sent to the declarant within five working days after they are taken. The collection of the outstanding amounts of customs duties and taxes shall take place in accordance with the present Federal Law.

Article 111. The Preliminary Decision on the Country of Origin of Goods

1. At an inquiry of an applicant the federal executive governmental body empowered in the area of customs affairs and the other customs bodies designated by the federal executive governmental body empowered in the area of customs affairs shall take a preliminary decision on the origin of a product in a specific country. The applicant may be a **Russian person** acting as the possessor of the product, buyer of the product or a declarant. The applicant may be a foreign person acting as a declarant.

2. The person interested in the taking of a preliminary decision shall send an inquiry to the relevant customs body asking for a preliminary decision. Such inquiry shall contain all the

information about the product needed for taking a preliminary decision: a full commercial description, trade name, basic technical and commercial characteristics (intended purpose, grade, brand, model, article, material from which the product is manufactured, the functions performed by the product, a description of individual and transport packing).

3. The inquiry shall be filed together with test reports, reports on the results of expert examinations of chambers of commerce and industry or other expert enterprises of the country of manufacturer of the product, statements of specialists of expert organisations containing the results of examination of the product, documents confirming the conclusion of a foreign economic transaction, a calculation of the value of the product manufactured, a detailed description of the technological process whereby the product is manufactured, certificates of origin of the product and other documents testifying to the fact that the product is fully manufactured or sufficiently processed on the territory of the country of origin of the product. Samples and specimens of the product may be attached to the inquiry.

4. If the information provided by the applicant is insufficient for taking a preliminary decision the customs body shall notify the applicant of the need for providing additional information within 30 calendar days after the registration of the inquiry for a preliminary decision. The additional information shall be provided within 60 calendar days after the date of registration of the notice in writing to the application by the customs body. Unless the information is provided when due, the customs body shall refuse to consider the request for a preliminary decision.

5. A preliminary decision shall be taken within 90 calendar days after the date of registration of the request by the customs body.

6. If additional information is required in accordance with **Part 4** of the present article the lapsing of the term specified in **Part 5** of the present article shall be suspended from the date of registration of the notice in writing to the applicant and it shall be resumed from the day on which the customs body received the last document of the information requested.

7. The form of, and the procedure for taking, the preliminary decision on the country of origin of the product are defined by the federal executive governmental body empowered in the area of customs affairs.

8. The preliminary decision shall be valid for three years after it is issued, unless it is amended, revoked or terminated. The preliminary decision is binding on all customs bodies of the Russian Federation.

9. A customs body may take a decision on terminating, amending or revoking a preliminary decision that has been taken by it or by a lower customs body. A decision on terminating the preliminary decision shall be taken if the customs body has established that for the purpose of obtaining the preliminary decision the applicant submitted fake documents and/or provided untrue and/or incomplete information.

10. The decision on terminating the preliminary decision shall enter into force as of the date of that preliminary decision.

11. The preliminary decision shall be amended if a customs body or the applicant has discovered errors committed when the preliminary decision was being taken.

12. The customs body's decision on amending the preliminary decision shall enter into force within the term specified in the decision on amending the preliminary decision.

13. The preliminary decision shall be revoked if international agreements of the Russian Federation or normative legal acts of the Russian Federation establish other requirements and conditions for identifying the country of origin of goods.

14. The decision on revoking the preliminary decision shall be taken by the customs body within 30 calendar days after the promulgation of the international agreements of the Russian Federation or the normative legal acts of the Russian Federation mentioned in **Part 13** of the present article and it shall enter into force simultaneously with them.

15. The decision on termination, amendment or revocation of the preliminary decision shall be sent to the applicant not later than on the day following the date of the decision on termination, amendment or revocation of the preliminary decision.

Chapter 11. The Customs Value of Goods

Article 112. Assessing, Declaring, Monitoring and Adjusting the Customs Value of Goods

1. The customs value of goods moved across the customs border of the Customs Union when they are brought into the Russian Federation shall be assessed in accordance with the **international agreement** of the member states of the Customs Union that regulates customs value assessment for goods moved across the customs border of the Customs Union with due regard to the details of application thereof in the cases established by the **Customs Code** of the Customs Union.

2. The Government of the Russian Federation shall establish a **procedure** for assessing the customs value of goods exported out of the Russian Federation.

3. The declaration, monitoring and adjustment of the customs value of goods moved across the customs border of the Customs Union when they are brought into the Russian Federation shall be carried out in accordance with **Chapter 8** of the Customs Code of the Customs Union.

4. By agreement with the federal executive governmental body empowered in the area of finance the federal executive governmental body empowered in the area of customs affairs shall establish a procedure for monitoring the customs value of goods exported out of the Russian Federation.

5. The federal executive governmental body empowered in the area of customs affairs shall establish:

1) a procedure for, and the forms of, declaration of the customs value of goods exported out of the Russian Federation;

2) the forms of, and rules for completion of, declaration of the customs value of goods imported into the Russian Federation when the customs value of goods is assessed in the cases established by the **customs legislation** of the Customs Union;

3) the sum total of customs value of an imported lot of goods at which the customs value of goods is declared in a declaration concerning the goods without a declaration of customs value being completed;

4) cases when monitoring of the customs value of goods is carried out by specialised customs-value units of customs bodies;

5) the procedure for revoking decisions of customs bodies on adjustment of the customs value of goods.

6. In accordance with **Article 68** of the Customs Code of the Customs Union a decision on adjustment of the declared customs value of goods shall be taken by a customs body when it is monitoring customs value either before or after the goods are cleared if a customs body or the declarant discovers that untrue information about the customs value of goods has been declared, for instance the choice of a customs value assessment method and/or the valuation of the customs value of the goods is wrong. In the following cases a decision on adjustment of the declared customs value of goods shall be taken by the customs body when it is monitoring customs value before the clearance of the goods and without additional verification:

1) a discrepancy -- affecting the customs value of the goods -- is found between the information declared in the declaration filed for the goods (qualitative and commercial characteristics, quantity, origin, value and other information) and the actual information

established by the customs body in the course of customs control;

2) a discrepancy is discovered between the declared customs value and components thereof and the documents filed to confirm them;

3) technical errors (printing errors, calculation errors, incorrect currency exchange rate and other errors) are discovered which have affected customs value.

Article 113. Provision of Consultations Concerning the Customs Value of Goods

In accordance with **Article 52** of the present Federal Law customs bodies shall provide persons concerned with consultations on issues relating to the customs value of goods. While providing said consultations a customs body is not entitled to check documents and take preliminary decisions on customs value.

Section II Customs Payments

Chapter 12. General Provisions on Making Customs Payments

Article 114. The Payers of Customs Duties and Taxes

The following shall be payers of customs duties and taxes: a declarant or the other persons having the duty to pay customs duties and taxes in accordance with the **Customs Code** of the Customs Union, international agreements of the member states of the Customs Union and the present Federal Law.

Article 115. Term for Payment of Customs Duties and Taxes

1. The term for payment of customs duties and taxes shall be established in accordance with the **Customs Code** of the Customs Union.

2. Customs duties and taxes on the goods for which the details of customs declaration are provided in **Subitems 2 and 4 of Article 194** of the Customs Code of the Customs Union shall be paid before the customs declaration is filed or simultaneously with the filing of the customs declaration.

Article 116. Procedure for, and the Forms of, Payment of Customs Duties and Taxes

1. Import customs duties, except for import customs duties on goods for personal use, shall be paid into the account designated by an international agreement of the member states of the Customs Union. Import customs duties shall not be accepted to set off other payments.

2. If the payer so wishes import customs duties may be paid before the customs declaration is submitted. The amounts of import customs duties paid before the filing of the customs declaration shall be disposed of as applicable to the procedure set out in **Article 121** of the present Federal Law, with account being taken of the provisions of an international agreement of the member states of the Customs Union.

3. The special, anti-dumping and countervailing duties established by the Commission of the Customs Union shall be paid into the account designated by an international agreement of the member states of the Customs Union.

4. The preliminary special, preliminary anti-dumping and preliminary countervailing duties established by the Commission of the Customs Union shall be paid into the **account of the Federal Treasury**. If according to the results of an investigation preceding the imposition of special safeguards, anti-dumping and countervailing measures it is established that no grounds exist for the introduction of special safeguards, anti-dumping and countervailing duties the amounts of preliminary special, preliminary anti-dumping and preliminary countervailing duties which have been paid shall be refunded to the payer in the procedure established by **Article**

148 of the present Federal Law. If according to the results of said investigation it is decided that special safeguards, anti-dumping and countervailing measures be used the amounts of preliminary special, preliminary anti-dumping and preliminary countervailing duties shall be credited into the account designated by an international agreement of the member states of the Customs Union.

5. The special, anti-dumping and countervailing measures unilaterally used in the Russian Federation and also the preliminary special, preliminary anti-dumping and preliminary countervailing duties unilaterally applied in the Russian Federation shall be paid into the account of the Federal Treasury. If according to the results of an investigation preceding the imposition of special safeguards, anti-dumping and countervailing measures it is established that no grounds exist for the introduction of special, anti-dumping and countervailing duties the amounts of preliminary special, preliminary anti-dumping and preliminary countervailing duties shall be refunded to the payer in the procedure established by **Article 148** of the present Federal Law.

6. Export customs duties shall be paid into the account of the Federal Treasury.

7. Taxes and also customs duties and taxes on goods for personal use shall be paid into the account of the Federal Treasury. Natural persons may pay customs duties and taxes on goods for personal use to the cashier of a customs body.

8. Customs duties and taxes may be paid in a centralised procedure as customs duty or tax sums paid into the accounts specified in **Parts 1, 3-7** of the present article for goods going to be brought into the Russian Federation or taken out of the Russian Federation for a specific period of time, no matter which customs body is going to receive a customs declaration concerning such goods.

9. The payment of customs duties and taxes in a centralised procedure may be effected by the payers of customs duties and taxes that have concluded an agreement on the application of a centralised procedure for the payment of customs duties and taxes with the federal executive governmental body empowered in the area of customs affairs or customs bodies designated by the federal executive governmental body empowered in the area of customs affairs. Said agreement shall not contain clauses whereby persons/entities are relieved from the duty to observe the requirements and conditions established by the **customs legislation** of the Customs Union and/or the **legislation** of the Russian Federation on customs affairs, in as much as it concerns the completeness and proper timing of payment of customs charges and also from the duty to observe customs procedures. The federal executive governmental body empowered in the area of customs affairs may endorse a model form of an agreement on application of a centralised procedure for the payment of customs duties and taxes.

10. An agreement on the application of a centralised procedure for the payment of customs duties and taxes between the federal executive governmental body empowered in the area of customs affairs and a payer of customs duties and taxes shall be concluded if:

1) the sum of the customs duties and taxes paid within the year preceding the conclusion of said agreement exceeds 100 billion roubles;

2) there are no arrears on customs duties and taxes;

3) foreign economic activities have been pursued for more than three years;

4) the customs transactions relating to the placement of goods under a customs procedure are carried out at two and more customs bodies located in the operational areas of two and more regional customs directorates or in the customs bodies designated by the federal executive governmental body empowered in the area of customs affairs;

5) within one year preceding the conclusion of said agreement there have been no repeated (two or more) administrative offences in the area of customs affairs envisaged by **Articles 16.7** and **16.22** of the Code of Administrative Offences of the Russian Federation;

6) goods are imported and/or exported at least once a month.

11. An agreement on the application of a centralised procedure for the payment of customs duties and taxes shall be concluded between a customs body designated by the federal executive governmental body empowered in the area of customs affairs and a payer of customs duties and taxes in the following cases:

- 1) if the sum of customs duties and taxes paid in the year preceding the conclusion of said agreement is between 50 billion and 100 billion roubles;
- 2) there are no arrears on customs duties or taxes;
- 3) foreign economic activities have been carried out for over three years;
- 4) the customs transactions relating to the placement of goods under a customs procedure are carried out in two and more customs bodies located in the operational area of a regional customs directorate;
- 5) within one year preceding the conclusion of said agreement there have been no repeated (two times or more) administrative offences in the area of customs affairs envisaged by **Articles 16.7** and **16.22** of the Code of Administrative Offences of the Russian Federation;
- 6) goods are imported and/or exported at least once a month.

12. An agreement on the application of a centralised procedure for the payment of customs duties and taxes shall be concluded for the current calendar year. By agreement of the parties said agreement may be concluded for a shorter term.

13. When the goods liable to customs duties or taxes payable in a centralised procedure for the payment of customs duties and taxes are being declared no payment documents shall be submitted to the customs body to confirm that customs duties and taxes have been paid.

14. Settlement of customs payments, advance payments, delinquency charges, interest, fines according to the present Federal Law may be carried out with the application of the devices intended for the fulfillment of operations with the use of electronic instruments of payment without the possibility of the reception (delivery) of cash money resources (hereinafter - electronic terminals), as well as by way of payment terminals or cash dispensers.

15. During the settlement of customs payments, advance payments, delinquency charges, interest, fines with the use of electronic terminals, payment terminals and cash dispensers the information exchange between the participants of settlements shall be carried out by the legal entities responsible for the entry into the **account of the Federal treasury** and (or) into the account defined by the international agreement of member states of the Customs union of the money resources paid with the use of electronic terminals, payment terminals and cash dispensers, as well as providing the proper performance of obligations taken up according to the legislation of the Russian Federation by issuing bank guarantees and (or) entering of money resources (money) into the account of the Federal treasury. Requirements to the aforementioned legal entities, the procedure of the organisation of interaction between them, payers of the customs duties, taxes and the federal body of executive power authorised in the field of customs procedures shall be determined by the Government of the Russian Federation.

16. The procedure and technologies of the carrying out of operations on the settlement of customs payments, advance payments, delinquency charges, interest, fines with the use of electronic terminals, payment terminals and cash dispensers shall be defined by the federal body of executive power authorised in the field of customs procedures.

Article 117. Executing the Duty to Pay Customs Duties and Taxes

1. The duty of a payer to pay customs duties and taxes shall be deemed discharged if the sum of money mentioned in the present article makes up at least the sum of payable customs duties and taxes:

1) as of the time when funds are written off the payer's bank account, for instance when customs duties or taxes are paid through electronic terminals or automatic teller machines;

2) as of the time when money in cash is delivered to the cashier of the customs body or as of the time when money in cash is paid through electronic terminals or automatic teller machines;

3) as of the time of when excessively paid or excessively collected customs duty or tax sums set off the payment of customs duties or taxes, or if such set-off takes place on the initiative of a payer, as of the time when a customs body received a set-off application;

4) as of the time when advance payments or cash collaterals set off the payment of customs duties or taxes, or if such set-off is taking place on the initiative of a payer, as of the time when a customs body receives set-off instructions;

5) as of the time of set-off of the amounts of money paid by a bank, another credit organisation or insurance organisation in accordance with a banker's guarantee and also by a surety under a surety contract sets off the payment of customs duties or taxes;

6) as of the time when amounts of money are credited to the accounts specified in **Article 116** of the present Federal Law if customs charges are collected as:

a) the goods on which customs duties or taxes have not been paid;

b) the pledge of property of the payer of customs duties or taxes.

2. For the purposes of releasing the goods in connection with the payment of customs duties, taxes in a non-cash procedure the confirmation of the discharge of the duty by the payer of the payment of the customs duties, taxes shall be the entry of the amount of the customs duties, taxes to the accounts mentioned in **Article 116** of the present Federal Law and in case of the payment of the customs duties, taxes with the use of electronic terminals, payment terminals or cash dispensers according to **part 15 of Article 116** of the present Federal Law such a confirmation shall be the document generated by the electronic terminal, the payment terminal or a cash dispenser, i.a. in electronic form, confirming the performance of the transfer of money resources into the accounts mentioned in Article 116 of the present Federal Law. From the moment of the formation of the aforementioned document the transfer of the money resources that is carried out with a view to the payment of customs duties, taxes shall become irrevocable.

3. Customs duties and taxes shall be deemed paid by natural persons in respect of goods for persons use in the procedure established by an international agreement of the member states of the Customs Union.

4. At a request of a payer of customs duties and taxes and also of the persons mentioned in **Part 1 of Article 119, Part 5 of Article 168** of the present Federal Law customs bodies shall issue a written acknowledgement of payment of customs duties and taxes for a period not exceeding the three calendar years preceding the request. The form of the acknowledgement of payment of customs duties and taxes shall be confirmed by the federal executive governmental body empowered in the area of customs affairs. Customs bodies are not entitled to demand that a payer of customs duties and taxes and also the persons specified in Part 1 of Article 119, Part 5 of Article 168 of the present Federal Law produce an acknowledgement of the fact that amounts of money have reached the account of the Federal Treasury or the account designated by an international agreement of the member states of the Customs Union. At a written application of a payer of customs duties and taxes and also of the persons specified in Part 1 of Article 119, Part 5 of Article 168 of the present Federal Law a customs body shall itself provide information on the fact that an amount of money has reached the account of the Federal Treasury or the account designated by an international agreement of the member states of the Customs Union.

5. A bank shall not charge for servicing the transactions whereby amounts of customs

duties, penalties and interest are remitted from an account of a payer of customs duties and taxes in the bank to the accounts specified in **Article 116** of the present Federal Law.

Article 118. Using the Exchange Rate of a Foreign Currency

In cases when foreign currency conversion is required for the purposes of calculating customs duties and taxes, for instance when assessing the customs value of goods, one shall use the exchange rate of the foreign currency to the Russian Federation currency which is established by the Central Bank of the Russian Federation and is effective as of the date of registration of the customs declaration, except as otherwise established by the **customs legislation** of the Customs Union and/or the legislation of the Russian Federation on customs affairs.

Article 119. Procedure for Payment of Customs Duties and Taxes on Goods Placed in the Russian Federation under the Customs Procedure of Clearance for Internal Consumption That Have Been Conditionally Cleared

1. In cases when there is a need for payment of customs duties or taxes (**Subitems 1 and 3 of Item 1, Item 5 of Article 200** of the Customs Code of the Customs Union) for goods that have been conditionally cleared on the territory of the Russian Federation in accordance with the customs **procedure of clearance for internal consumption** to acquire Customs Union goods status such payment may be effected by the declarant (successor thereof) or other person legally possessing these goods.

2. The amounts of customs duties and taxes mentioned in **Part 1** of the present article shall be paid at an application of the persons mentioned in Part 1 of the present article submitted to the customs body that has conditionally cleared the goods, with reference to the number of the customs declaration used to grant conditional clearance to the goods, and the particulars of the payment document whereby customs duties and taxes were paid.

3. In respect of the goods specified in **Subitem 1 of Item 1 of Article 200** of the Customs Code of the Customs Union customs duties and taxes shall be paid in the amounts which were calculated in the customs declaration used to grant conditional clearance to the goods and have not been paid due to preferential treatment relating to customs duties and taxes.

4. In respect of the goods specified in **Subitem 3 of Item 1 of Article 200** of the Customs Code of the Customs Union customs duties shall be paid in the amount of the difference between the sums of import customs duties calculated at the rates of import customs duties established by the **Uniform Customs Tariff** and the sums of import customs duties paid at the clearance of the goods.

5. The customs duties and taxes mentioned in **Part 1** of the present article are payable to the accounts defined by **Parts 1, 3-7 of Article 116** of the present Federal Law.

6. No penalty shall be accrued or paid on the amounts of customs duties and taxes payable in accordance with **Part 1** of the present article.

Article 120. The Payment of Interest

1. Interest shall be paid in the following cases:

1) for the granting of a deferment or instalment payment scheme for the payment of customs duties and taxes;

2) in the cases envisaged by **Item 5 of Article 250, Item 3 of Article 251, Item 2 of Article 263, Item 2 of Article 276, Item 3 of Article 284** and **Item 2 of Article 291** of the Customs Code of the Customs Union;

3) in the case envisaged by **Article 288** of the present Federal Law.

2. Interest shall be paid at the following rates:

1) for the grant of a deferment or instalment payment scheme for the payment of customs duties and taxes interest shall be accrued on the sum of the customs duties and taxes for which due dates have been changed, on the basis of the **refinancing rate** of the Central Bank of the Russian Federation effective during the period of time from the day following the day of clearance of the goods through the day on which the duty to pay customs duties and taxes is discharged;

2) in the cases envisaged by **Item 5 of Article 250, Item 3 of Article 251, Item 2 of Article 263, Item 2 of Article 276, Item 3 of Article 284** and **Item 2 of Article 291** of the Customs Code of the Customs Union and **Article 288** of the present Federal Law interest shall be accrued on the sum of payable customs duties and taxes on the basis of the **refinancing rate** of the Central Bank of the Russian Federation effective in the established period of time, except as otherwise envisaged by **Item 3** of the present part;

3) in cases when temporarily exported natural gas is placed under the customs **procedure of export** the interest envisaged by **Item 2 of Article 291** of the Customs Code of the Customs Union shall be accrued on the sum of payable customs duties at the rate of zero per cent.

3. Interest shall be paid not later than on the day following the date of discharge of the duty to pay customs duties and taxes.

4. The payment, collection and refund of interest shall take place in the procedure envisaged by the **Customs Code** of the Customs Union and the present Federal Law as applicable to the payment, collection and refund respectively of customs duties and taxes.

5. The payment of interest in the cases envisaged by **Part 6 of Article 147** and **Part 19 of Article 155** of the present Federal Law shall take place in accordance with said articles.

Chapter 13. Advance Payments

Article 121. Making Advance Payments

1. "Advance payments" mean the amounts of money that are delivered to set off the payment of future export customs duties, taxes, customs fees and are not identified by the payer by the specific type and sum of export customs duty, tax or customs fee on specific goods.

2. Advance payments shall be made into the accounts of the Federal Treasury in the currency of the Russian Federation.

3. The amounts of money paid as advance payments are deemed property of the person that have made the advance payments and they shall not be deemed customs payment or cash collateral until said person instructs the customs body to do so or until the customs body collects the advance payments. The following shall be deemed instructions of the person that has delivered the advance payments: the submission of a customs declaration by the person or on behalf of, an advance payment refund application or the commission of other actions testifying to the person's/entity's intent to use his/her/its amounts of money as customs payments or as security for the payment of customs duties and taxes.

4. On the basis of instructions of the person that has delivered the advance payments concerning the use thereof, except for an advance payment refund application, the customs body which administers said funds shall identify the advance payments as customs payments or as a cash collateral by the type and amount thereof.

5. At an application in writing filed by the person that has provided the advance payments the customs body within 30 days after receiving such application, shall provide a written report to said person on the spending of the amounts of money provided as advance payments but for a period of time not exceeding the three years preceding said application. The report on the

spending of the amounts of money provided as advance payments whose form is endorsed by the federal executive governmental body empowered in the area of customs affairs shall contain information for the period of time specified in the person's application, by the type of customs and other payments:

1) on the amounts of advance payments received in the period stated in the application, for instance if according to the payer's application advance payment status has been acquired by the amounts of money provided by the payer earlier as a cash collateral or customs payments which have been excessively paid or collected;

2) on the amounts of advance payments spent towards the payment of customs and other charges or the provision of a cash collateral, with reference to the particulars of the documents serving as the basis for incontestable collection of customs duties or taxes as setting off the unspent balance of advance payments;

3) on the amounts of advance payments refunded to the person, with reference to the particulars of the refund applications and refund decisions.

6. If the person that has delivered the advance payments disagrees with the results of the customs body's report a joint reconciliation of the spending of the funds of that person. The result of the reconciliation shall be made formal as a certificate drawn up in the form endorsed by the federal executive governmental body empowered in the area of customs affairs. The certificate shall be prepared in duplicate, signed by the customs body and the person that has made the advance payments. After the certificate is signed one copy thereof shall be delivered to said person.

Article 122. Refunding Advance Payments

1. The refund of advance payments shall take place according to the rules envisaged for the refund of excessively paid customs duties and taxes, if a refund application is filed by the person that has made the advance payments (the person's successor) within three years after the date of the last instruction on the use of the advance payments. Unless said person has given instructions on the use of the advance payments, said term for filing an application for refund thereof shall be counted from the day on which funds were received into the account of the Federal Treasury. The form of an advance payment refund application shall be endorsed by the federal executive governmental body empowered in the area of customs affairs.

2. Upon the expiry of said term the amounts of advance payments which have not been claimed shall be recorded on the books as other non-tax revenues of the federal budget and they shall not be refundable.

3. The following documents shall be attached to an advance payment refund application:

1) the payment document confirming that the advance payments have been remitted;

2) the documents specified in **Parts 4-7** of the present article, no matter the person's status;

3) the other documents which may be filed by the person that has filed the advance payment refund application to confirm there is a good reason for the refund.

4. Legal entities formed in accordance with the **legislation** of the Russian Federation shall submit the following:

1) a copy of the certificate of registration with a tax body, attested by a notary or a customs body, with the original document being shown;

2) a copy of the certificate of state registration attested by a notary or a customs body, with the original document being shown;

3) a document confirming the powers of the person who has signed the advance payment refund application, attested by a notary or a customs body, with the original document being shown;

4) a specimen of the signature of the person whose has signed the advance payment

refund application, attested by a notary or a customs body, with the original personal identity document of the person who has signed the application being shown;

5) a copy of a document confirming succession, if the advance payment refund application is filed by a successor of the person that has made the advance payments, attested by a notary or a customs body, with the original document being shown.

5. The following shall be submitted by legal entities, except for the entities specified in **Part 4** of the present article:

1) a copy of a document confirming legal entity status according to the legislation of the country on whose territory the legal entity was formed (with a Russian translation), attested by a notary;

2) a copy of a document confirming the powers of the person who has signed the advance payment refund application (with a Russian translation), attested by a notary;

3) a specimen of the signature of the person who has signed the advance payment refund application, attested by a notary.

6. Natural persons registered as individual entrepreneurs shall submit the following:

1) a copy of the certificate of registration with a tax body, attested by a notary or a customs body, with the original document being shown;

2) a copy of the certificate of state registration, attested by a notary or a customs body, with the original document being shown;

3) a copy of the passport of a citizen of the Russian Federation, attested by a notary or a customs body, with the original document being shown.

7. Natural persons shall submit the following:

1) a copy of the passport of a citizen of the Russian Federation or the other document identifying the person of the citizen in accordance with the legislation of the Russian Federation, attested by a notary or a customs body, with the original document being shown;

2) a copy of a document confirming the right to the advance payment amounts, if the advance payment refund application is filed by a heir of the person that has made the advance payments, attested by a notary or a customs body, with the original document being shown.

8. If the documents mentioned in **Parts 4-7** of the present article have been earlier submitted to a customs body, the person is entitled to abstain from submitting such documents again, informing the customs body that such documents have been filed and no amendments have been made thereto.

9. The advance payment refund application together with the documents included in the list established by the present article shall be submitted to the customs body which administers these amounts of money.

Chapter 14. Customs Fees

Article 123. Types of Customs Fees

1. Customs fees are compulsory payments collected by customs bodies for their commission of actions relating to the clearance of goods, customs escort of goods and storage of goods.

2. Customs fees are as follows:

1) customs fees for the commission of actions relating to the clearance of goods (hereinafter referred to as "customs fees for customs transactions");

2) customs fees for customs escort;

3) customs fees for storage.

Article 124. Payers of Customs Fees

1. The payers of customs fees for customs transactions and customs fees for customs escort are the persons specified in **Article 114** of the present Federal Law.
2. The payers of customs fees for storage are the persons that have put goods in a temporary storage warehouse of a customs body.

Article 125. Procedure for Calculating Customs Fees

1. Customs fees shall be calculated by payers, except for the cases established by **Part 2** of the present article.
2. Customs bodies shall be calculated by customs bodies as claims for payment of customs payments are presented, and also when customs fees are calculated in respect of goods for personal use.
3. The calculation of the payable amounts of customs fees shall be made in the currency of the Russian Federation. If for the purposes of calculating the amounts of customs fees there is a need for converting a foreign currency one shall use the exchange rate of the foreign currency to the Russian Federation currency established by the Central Bank of the Russian Federation and effective as of the date of registration of the customs declaration by the customs body.

Article 126. Applying Customs Fee Rates

1. For the purposes of calculating the amounts of customs fees for customs transactions one shall use the rates effective as of the date of registration of the customs declaration by the customs body.
2. For the purposes of calculating the amounts of customs fees for customs escort one shall use the rates effective as of the date of registration of the transit declaration by the customs body.
3. For the purposes of calculating the amounts of customs fees for storage one shall use the rates effective in the period of storage of the goods in the temporary storage warehouse of the customs body.

Article 127. Term for Payment of Customs Fees

1. Customs fees for customs transactions shall be paid simultaneously with the filing of the customs declaration.
2. Customs fees for customs escort shall be paid before physical customs escort is started.
3. Customs fees for storage shall be paid before the physical release of the goods from the temporary storage warehouse of the customs body.

Article 128. Procedure for, and the Forms of, Payment of Customs Fees

1. Customs fees shall be paid:
 - 1) for customs transactions: at the declaration of goods, for instance when an incomplete customs declaration, periodical customs declaration, temporary customs declaration or complete customs declaration is filed;
 - 2) for customs escort: in the event of escorting vehicles which carry goods in accordance with the customs **procedure of customs transit**;
 - 3) for storage: in the event of storage of goods in a temporary storage warehouse of a customs body.
2. Customs fees shall be paid according to the rules and in the forms established by the present Federal Law in respect of payment of customs duties and taxes with due regard to the provisions of **Part 3** of the present article.

3. Customs fees shall be paid into the account of the Federal Treasury in the currency of the Russian Federation. Natural persons may pay customs fees on goods for personal use to the cashier of the customs body.

Article 129. Collecting and Refunding Customs Fees

1. Customs fees shall be collected and refunded in accordance with the procedure envisaged by the present Federal Law for the collection and refund of customs duties and taxes, except for the cases envisaged by **Parts 2 and 3** of the present article.

2. If after the registration of a customs declaration the information contained therein is adjusted as the result of verification, such information affecting the amount of customs fees for customs transactions of the sum of customs fees for customs transactions declared at the declaration of goods shall not be reviewed and neither additional collection nor refund of amounts of customs fees for customs transactions shall take place.

3. In the cases established by **Items 1 and 2 of Part 1 of Article 148** of the present Federal Law customs fees for customs transactions are not refundable.

Article 130. Customs Fee Rates

Part 1 of Article 130 of this Federal Law shall enter into force from October 1, 2011

1. The rates of customs fees for customs transactions shall be **established** by the Government of the Russian Federation.

Part 2 of Article 130 of this Federal Law shall enter into force from October 1, 2011

2. The amount of customs fees for customs transactions is limited by the approximate price of customs bodies' services and it shall not exceed 100,000 roubles.

Part 3 of Article 130 of this Federal Law shall enter into force from October 1, 2011

3. When goods exempt from export customs duties are exported out of the Russian Federation the rates of customs fees for customs transactions shall not depend on the value of such goods.

Part 4 of Article 130 of this Federal Law shall enter into force from October 1, 2011

4. When goods are declared through the filing of a temporary customs declaration the rates of customs fees for customs transactions shall not depend on the value of such goods. When a complete customs declaration for the same goods is subsequently filed with the customs body customs fees for customs transactions shall be paid at the rates according to **Part 2** of the present article.

5. Customs fees for customs escort shall be paid at the following rates:

- 1) for the customs escort of each vehicle and each railway rolling stock unit to a distance:
 - a) of 50 km and less: 2,000 roubles;
 - b) from 51 through 100 km: 3,000 roubles;
 - c) from 101 through 200 km: 4,000 roubles;
 - d) over 200 km: 1,000 roubles per 100 km of route but at least 6,000 roubles;
- 2) for the customs escort of each water vessel or aircraft: 20,000 roubles irrespective of the distance of travel.

6. Customs fees for storage in a temporary storage warehouse of a customs body shall

6. Customs fees for storage in a temporary storage warehouse of a customs body shall

be paid at the rate of 1 rouble per 100 kg of weight of goods per day, and on premises specifically-equipped (arranged and equipped) for the storage of specific types of goods 2 roubles per 100 kg of weight of goods per day. Incomplete 100 kilograms shall counted as a full 100 kilograms and an incomplete day as a full one.

Article 131. Granting Relief from the Duty to Pay Customs Fees

1. Customs fees for customs transactions shall not be levied on:

1) the goods qualifying according to the legislation of the Russian Federation as gratuitous aid (assistance) when they are imported into the Russian Federation and exported out of the Russian Federation;

2) goods brought into the Russian Federation and taken out of the Russian Federation by diplomatic missions, consular institutions, other official missions of foreign states, by international organisations, the personnel of these missions, institutions and organisations and also in respect of goods intended for the personal use of specific categories of foreign persons enjoying advantages, privileges and/or immunities in accordance with international agreements of the Russian Federation;

3) cultural valuables placed under the customs **procedure of temporary import (admission)** or the customs **procedure of temporary export** by Russian state or municipal museums, archives, libraries, other state repositories of cultural valuables for the purposes of their being exhibited and when said procedures are terminated by the placement of goods under the **procedure of re-export** and **re-import** of goods respectively;

4) goods brought into the Russian Federation and taken out of the Russian Federation for display purposes in case of exhibitions and congresses with foreign participation, aviation and space shows and other similar events by a decision of the Government of the Russian Federation;

5) currency in cash of the member states of the Customs Union imported or exported by the central banks of the member states of the Customs Union, except for commemorative coins;

6) goods (except for goods for personal use) imported into the Russian Federation or exported out of the Russian Federation to the address of one consignee from one consignor under one transport (carriage) documents, with the sum total of customs value thereof not exceeding an amount equivalent to 200 euros at the exchange rate of the Central Bank of the Russian Federation effective as of the time of registration of the customs declaration by the customs body;

7) goods placed under the customs **procedure of customs transit**;

8) TIR carnet forms moved between the Association of International Motor Road Carriers and the International Road Transport Union and also ATA carnet forms or parts thereof intended for being handed out on the customs territory of the Customs Union;

9) excise stamps brought into the Russian Federation and taken out of the Russian Federation;

10) the goods moved by natural persons for personal, family, household and other needs not relating to the pursuance of entrepreneurial activities, eligible for full exemption from customs duties and taxes;

11) goods sent by international post, except for cases when the declaration of such goods is by means of filing a separate customs declaration;

12) good brought into the Russian Federation and taken out of the Russian Federation as stores;

13) goods placed under special customs procedures, for instance when goods are placed under the procedures required for termination of special procedures;

14) waste (remains) produced as a result of destruction of foreign goods under the customs **procedure of destruction**, which are not liable to customs duties and taxes;

15) the goods which have been destroyed, irreparably lost or damaged as a result of an accident or force majeure and placed under the customs **procedure of destruction**;

16) goods which have come to the territory of the Russian Federation and are located at the point of entry or in another customs control zone located in the proximity of the point of entry and have not been placed under any customs procedure, and are being placed under the customs **procedure of re-export** and are leaving the territory of the Russian Federation;

17) goods temporarily brought into the Russian Federation using ATA carnets, given the observance of the conditions for temporary import of goods using ATA carnets, and when they are taken back out of the Russian Federation, and also in respect of goods temporarily taken out of the Russian Federation using ATA carnets, given the observance of the conditions for temporary export of goods using ATA carnets, and when they are brought back into the Russian Federation;

18) the spare parts and equipment brought into the Russian Federation and taken out of the Russian Federation simultaneously with a vehicle in accordance with **Article 349** of the Customs Code of the Customs Union;

19) means of transport of international carriage, including those cleared on the territory of the Russian Federation in accordance with the customs **procedure of temporary import (admission)** or the customs procedure of free customs zone and further used as international carriage means of transport;

20) professional equipment a list of which is established by the Government of the Russian Federation and which is used for the purposes of production and release of mass media, placed under the customs **procedure of temporary export** and also when the customs procedure of temporary export is terminated by the placement of goods under the customs **regime of re-import**;

21) goods intended for film shooting, shows, performances and similar events (theatrical costumes, circus costumes, cinema costumes, stage equipment, scores, musical instruments and other theatrical properties, circus properties and film-shooting properties), placed under the customs **procedure of temporary import (admission)** or the customs **procedure of temporary export** and when they are exported back (re-export) or imported back (re-import), provided these goods are eligible for full conditional exemption from customs duties and taxes;

22) goods intended for sport competitions, exhibition sport events or training sessions, placed under the customs **procedure of temporary import (admission)** or the customs **procedure of temporary export** and when said procedures are terminated by the placement of goods under the customs **procedure of re-export** and **re-import** respectively, provided such goods are eligible for full conditional exemption from customs duties and taxes;

23) goods brought into the territory of Kaliningrad Oblast in accordance with the customs procedure of free customs zone and the products of processing thereof placed under the customs procedures of **clearance for internal consumption** or **re-import**;

24) scientific or commercial specimens brought into the Russian Federation in accordance with the customs **procedure of temporary import (admission)** with full conditional exemption from customs duties and taxes and exported out of the Russian Federation in accordance with the customs **procedure of temporary export**;

25) other goods in the cases defined by the Government of the Russian Federation.

2. Customs fees for storage shall not be levied:

1) when goods are placed by customs bodies in a temporary storage warehouse of a customs body;

2) in other cases defined by the Government of the Russian Federation.

3. The Government of the Russian Federation is entitled to define cases of relief from customs fees for customs escort.

Chapter 15. Changing Due Dates for Payment of Customs Duties and Taxes

Article 132. Changing Due Dates for Payment of Customs Duties

1. The modification of a term for payment of customs duties shall be in the form of a deferment or instalment payment scheme on the grounds, on the terms and in the procedure defined by an international agreement of the member states of the Customs Union.

2. The Government of the Russian Federation is entitled to designate federal executive governmental bodies as empowered to confirm the existence of the grounds for the granting of a deferment or instalment payment scheme for customs duties envisaged by international agreements of the member states of the Customs Union.

3. If the Government of the Russian Federation takes a decision on designating federal executive governmental bodies as empowered to confirm the existence of the grounds for the granting of a deferment or instalment payment scheme for customs duties envisaged by international agreements of the member states of the Customs Union the availability of such confirmations is compulsory when a person files an application for the deferment or instalment payment scheme.

Article 133. General Conditions for Changing Due Dates for Payment of Taxes

1. If there are the grounds established by **Article 134** of the present Federal Law the federal executive governmental body empowered in the area of customs affairs or the other customs bodies designated by it may do the following on a written application of a payer of customs duties and taxes: change due dates for payment of taxes granting a deferment or instalment payment scheme for the payment thereof.

2. A deferment or instalment payment scheme for the payment of taxes may be granted for one or several types of taxes and also for the whole sum payable or for a portion thereof.

3. A deferment or instalment payment scheme for the payment of taxes shall be granted if security has been provided for the payment of taxes in the procedure envisaged by the **Customs Code** of the Customs Union and the present Federal Law. A decision on the grant of a deferment or instalment payment scheme for the payment of taxes or on refusal to grant it shall be taken within 15 days after the day on which an application asking for it is filed. The grant of a deferment or instalment payment scheme may be denied only in the circumstances envisaged by **Article 135** of the present Federal Law.

4. A deferment or instalment payment scheme shall be granted for a term of from one to six months.

5. A decision on the granting of a deferment or instalment payment scheme or on refusal to grant it shall be brought in writing to the notice of the person that has filed the application for the grant thereof. The decision shall contain reference to the term for which the deferment or instalment payment scheme is granted or in the case of refusal to grant the deferment or instalment payment scheme, the reasons for such decision.

Article 134. Grounds for the Grant of a Deferment or Instalment Payment Scheme for the Payment of Taxes

1. A deferment or instalment payment scheme for the payment of taxes shall be granted to a payer of customs duties and taxes if at least one of the below grounds exists:

1) the person has sustained damage as a result of a natural calamity, technological disaster or other force majeure circumstances;

2) a delay has occurred in the provision of financing to that person from the federal budget or payment for a state order that has been completed by that person;

3) goods imported into the territory of the Russian Federation are perishable goods;

4) the person carries out deliveries under an international agreement of the Russian

Federation;

5) goods imported into the territory of the Russian Federation are the goods included in the list of specific types of imported foreign aircraft and components for them eligible for a deferment or instalment payment scheme for the payment of taxes endorsed by the Government of the Russian Federation.

2. The Government of the Russian Federation is entitled to designate federal executive governmental bodies as empowered to confirm the existence of the grounds for the granting of a deferment or instalment payment scheme envisaged by the present Federal Law.

3. If the Government of the Russian Federation adopts decisions on designating federal executive governmental bodies as empowered to confirm the existence of the grounds for the granting of a deferment or instalment payment scheme for the payment of taxes envisaged by the present Federal Law the availability of such confirmation shall be deemed compulsory if a person applies for a deferment or instalment payment scheme.

Article 135. The Circumstances Precluding the Grant of a Deferment or Instalment Payment Scheme

1. A deferment or instalment payment scheme shall not be granted if in respect of the person seeking said deferment or instalment payment scheme:

1) criminal action has been brought in a criminal case in which preliminary investigation falls within the competence of customs bodies according to the **criminal procedural legislation** of the Russian Federation;

2) a bankruptcy proceeding has been commenced.

2. If the circumstances mentioned in **Part 1** of the present article are present no decision shall be issued on the grant of a deferment or instalment payment scheme for the payment of taxes and a decision that has been issued shall be revoked, with the person that has filed the application for the deferment or instalment payment scheme being notified accordingly in writing by the customs body within three working days.

Article 136. Interest for the Grant of a Deferment or Instalment Payment Scheme

Interest shall be paid at the rates and in the procedure established by **Article 120** of the present Federal Law for the grant of a deferment or instalment payment scheme for the payment of customs duties or taxes.

Chapter 16. Security for the Payment of Customs Duties and Taxes

Article 137. General Conditions for the Provision of Security for the Payment of Customs Duties and Taxes

1. The general conditions for the provision of security for the payment of customs duties and taxes are defined by **Chapter 12** of the Customs Code of the Customs Union.

2. Security for the execution of the duty to pay customs duties and taxes shall be provided in the cases established by **Item 1 of Article 85** of the Customs Code of the Customs Union and also in cases when:

1) goods are cleared in the procedure and on the terms established by **Item 2 of Article 69** and **Item 5 of Article 88** of the Customs Code of the Customs Union;

2) goods are cleared in the event of additional verification in accordance with **Part 10 of Article 106** of the present Federal Law;

3) goods are conditionally cleared in accordance with **Subitem 1 of Item 1 of Article 200** of the Customs Code of the Customs Union and **Items 1 and 3 of Part 1 of Article 222** of the present Federal Law, except for the cases established by **Parts 4 and 5** of the present article;

4) goods are placed under the customs **procedures of customs warehouse** without being actually placed in a customs warehouse, of **processing on the customs territory, processing for internal consumption, temporary import (admission), temporary export**, except for the cases established by **Parts 4 and 5** of the present article;

5) in the cases envisaged by the present Federal Law when persons pursue activities in the area of customs affairs;

6) activities are pursued in the capacity of a resident of a port special economic zone if this is established by an international agreement of the member states of the Customs Union regulating legal relationships in terms of establishing and applying the customs procedure of free customs zone;

7) in the other cases envisaged by the present Federal Law, other federal laws and acts of the Government of the Russian Federation.

3. Security for the payment of customs duties and taxes may be provided for the purpose of clearing goods if the amounts of customs duties and taxes paid do not reach and/or partially reach the account of the Federal Treasury and/or the account designated by an international agreement of the member states of the Customs Union.

4. No security shall be provided for the payment of customs duties and taxes in the cases established by international agreements, the **Customs Code** of the Customs Union, acts of the President of the Russian Federation or the Government of the Russian Federation and also in cases when a customs body has a good reason to believe that obligations owing it are not going to be discharged.

5. Save for the cases described in **Part 6** of the present article, irrespective of the provisions set out in **Items 3 and 4 of Part 2** of the present article, no security shall be provided for the payment of customs duties and taxes in respect of:

1) the technological equipment (including components and spare parts for it) which is not liable to value added tax in accordance with the **legislation** of the Russian Federation on taxes and fees;

2) aircraft and sea vessels imported by organisations for the purpose of pursuing economic activities, providing transport services in accordance with the customs **procedure of temporary import (admission)** or imported into the charter (contributed) capital of the enterprises having foreign investments and also placed under the customs **procedure of processing on the customs territory** for the purpose of repair;

3) goods (except for excisable goods) imported as gratuitous aid (assistance) to/of the Russian Federation;

4) commercial and scientific specimens when they are temporarily imported (admitted) and temporarily exported by scientific organisations;

5) natural gas exported by means of pipeline transport for temporary storage in underground storage facilities located outside the territory of the Russian Federation, in accordance with the customs **procedure of temporary export**.

6. Customs bodies are entitled to take a decision on the need for the provision of security for the payment of customs duties and taxes in respect of the goods listed in **Items 1-4 of Part 5** of the present article in cases when:

1) the declarant has been pursuing foreign economic activities for less than one year;

2) the declarant has outstanding claims for the payment of customs charges in the term established by these provisions;

3) if within one year before the application to the customs body the declarant has been held accountable for administrative infringements under **Article 16.20** of the Code of Administrative Offences of the Russian Federation;

4) if the declarant has undischarged judgements in cases of administrative offences in the area of customs affairs;

5) in other cases when the customs body has a good reason to believe that the obligations owing it are not going to be discharged.

7. A decision on the need for provision of security in respect of natural gas exported by pipeline transport for temporary storage to underground storage facilities located outside the territory of the Russian Federation, in accordance with the customs **procedure of temporary export** shall be taken by a customs body in accordance with **Article 314** of the present Federal Law.

8. A decision on the need for provision of security for the payment of customs duties and taxes for the clearance of goods shall be taken within the term for clearance of goods envisaged by **Article 196** of the Customs Code of the Customs Union.

9. Security for the payment of customs duties and taxes shall be provided in the currency of the Russian Federation. The sum of security for the payment of customs duties and taxes shall include the amounts of customs fees for customs transactions as well as interest.

10. In accordance with **Item 4 of Article 88** of the Customs Code of the Customs Union the federal executive governmental body empowered in the area of customs affairs is entitled to establish a **fixed rate** of security for the payment of customs duties and taxes in respect of specific types of goods.

Article 138. General Security for the Payment of Customs Duties and Taxes

1. General security for the payment of customs duties and taxes (hereinafter referred to as "general security") shall be used if on the territory of the Russian Federation one and the same person carries out several customs transactions within a certain period of time.

2. General security may be used by the persons that have provided it and it may be provided to one or several customs bodies.

3. At the discretion of the person mentioned in **Part 2** of the present article general security may be provided as a cash collateral, surety or banker's guarantee.

4. General security shall be provided for a term of at least one year. If the person specified in **Part 2** of the present article so wishes the sum of general security may be increased by:

1) the delivery of additional cash collateral;

2) the re-issuance (replacement) of a banker's guarantee whose effective term shall not be shorter than that of the banker's guarantee that has been earlier accepted by the customs body as general security;

3) the making of relevant amendments to the surety contract.

5. Responsibility for monitoring the use of general security is borne by the customs body that has accepted such general security.

6. In the event of levy of execution on general security the customs body that makes the collection shall inform accordingly the person that has provided general security, within three working days after the date of levy of execution.

7. A customs body that has discovered a breach of performance of an obligation of a person causing the duty to pay customs duties or taxes which requires security in the form of a surety or banker's guarantee is entitled to act as a creditor (beneficiary) with the full scope of creditor's (beneficiary's) rights even though another customs body is mentioned as a creditor (beneficiary) in the surety contract or banker's guarantee.

8. The amount of general security for the payment of customs duties and taxes shall be determined on the basis of the payable sum of customs duties and taxes, with account being taken of the requirements established by **Items 1 and 2 of Article 88** of the Customs Code of the Customs Union. For specific types of goods the Government of the Russian Federation is entitled to define cases and conditions in which the amount of general security provided may be below the sum of customs duties and taxes secured by such general security and also the

procedure for calculating the ratio of the sum of general security provided to the sum of customs duties and taxes secured by such general security.

Article 139. Using General Security in the Course of Customs Transactions

1. At an application of the person that has provided general security the customs body that has accepted such general security shall issue an acknowledgement of provision of general security (hereinafter referred to in the present article as "acknowledgement") in the form endorsed by the federal executive governmental body empowered in the area of customs affairs.

2. The acknowledgement is a document serving as evidence that the customs body has accepted general security and that it may be used in the customs body specified in the acknowledgement as the customs body in which several customs transactions take place within a certain period of time.

3. An acknowledgement shall be issued for each customs body in which several customs transactions take place within a certain period of time, within the sum of general security accepted.

4. The following shall be indicated in the acknowledgement:

- 1) the customs body that has accepted general security;
- 2) the person that has provided general security;
- 3) the sum of general security accepted;
- 4) the effective term of general security accepted during which timely measures may be taken for collecting arrears on the payment of customs charges by means of collecting general security;

- 5) the customs transactions for the realisation of which general security is accepted;

- 6) the customs body in which several customs transactions are carried out within a certain period of time;

- 7) the sum of general security which may be used in the customs body where several customs transactions take place within a certain period of time.

5. The sum total of all acknowledgements simultaneously issued and effective shall not exceed the sum accepted in general security, except for the cases established in accordance with **Part 8 of Article 138** of the present Federal Law.

6. Information about the acceptance of general security and the issuance of an acknowledgement shall be provided by the customs body that has accepted general security to the customs body in which customs transactions are going to take place.

7. A customs body in which several customs transactions take place within a certain period of time shall reserve the sum of security for the payment of customs duties and taxes required when customs transactions are carried out of the sum or a portion of the sum of unreserved general security, provided the effective term of general security is sufficient for the customs body to send a claim for performance of an obligation owing that customs body in timely fashion in the event of default on such obligation.

8. If the obligation secured by general security has been discharged the reserved sum of general security shall be released (unreserved) on the condition that the customs body makes sure the secured obligation is discharged.

9. In the event of default on an obligation secured with general security the customs body to which the outstanding obligation is owed shall collect available general security in accordance with **Chapter 18** of the present Federal Law.

10. If customs bodies have such a technical capability and if the person that has provided general security so wishes the use of general security may be recorded and monitored using information systems without an acknowledgement being issued. In that case, the customs body in which several customs transactions take place within a certain period of time shall use a

customs body information system to reserve the sum of security required when customs transactions are carried out for the payment of customs duties and taxes out of the sum or a portion of the sum of non-reserved general security, provided the effective term of general security is sufficient for the customs body to send a claim for performance of the obligation owing that customs body in timely fashion in the event of default on such obligation. Not more than once a month, on a written application of the person that has provided general security the customs body that has accepted general security shall provide a report to said person on the use of the general security for a period of up to the three years before the date of application. The form of the report on the use of general security shall be endorsed by the federal executive governmental body empowered in the area of customs affairs.

Article 140. The Pledge of Property

1. A pledge of property shall be made formal by means of a contract of pledge of property between a customs body and a payer of customs duties and taxes. When goods are carried in accordance with the customs **procedure of customs transit** the pledge of property may be also provided by another person if that person is entitled to possess, use and/or dispose of the goods in respect of which security is provided for the payment of customs duties and taxes.

2. The legal relationship relating to the conclusion of a contract of pledge of property, the performance of obligations secured with the pledge, the collection of pledged property and the termination of the pledge are subject to the provisions of the **civil legislation** of the Russian Federation and the present Federal Law.

3. The subject of a pledge may be the property which according to the **civil legislation** of the Russian Federation may be pledged, except for the following:

- 1) property located outside the Russian Federation;
- 2) property that has been already pledged to secure another obligation or property having an encumbrance under other earlier obligations for the benefit of third persons;
- 3) perishable goods and animals;
- 4) electric, thermal and other types of energy;
- 5) enterprises;
- 6) property rights;
- 7) securities;
- 8) outer space objects;
- 9) the pledge of goods in trading;
- 10) the industrial products and waste whose unfettered sale is prohibited in accordance with the legislation of the Russian Federation;
- 11) the property collectable according to the legislation of the Russian Federation only by a court decision.

4. During the entire effective term of the contract of pledge of property the subject of the pledge shall stay on the territory of the Russian Federation.

5. For the purpose of assessing the market value of the subject of a pledge one shall have the subject of the pledge appraised in accordance with the **legislation** regulating market activities in the Russian Federation.

6. While choosing the pledge of property as security for the payment of customs duties and taxes the person possessing a pledged piece of property shall send an offer to the customs body to conclude a contract of pledge of the property. Said offer shall be filed together with a draft contract of the pledge of the property as two identical copies signed and attested by the person in the procedure established by the **civil legislation** of the Russian Federation and documents confirming the right of ownership to the subject of pledge and the market value thereof which may be submitted as originals or copies attested by a notary.

7. The draft contract of pledge of the property shall comprise clauses according to which:

1) the subsequent pledge of the property pledged to secure obligations owing customs bodies is prohibited for the entire effective term of the contract of pledge;

2) the person possessing the pledged property (pledgor) is not entitled to dispose of the subject of pledge without the consent of the customs body;

3) the pledgor shall at its expense insure the subject of pledge no matter if the subject of pledge is retained by the pledgor or delivered to the customs body;

4) the pledgor shall appraise the subject of the pledge at his/her/its own expense;

5) the pledgor and the customs body have come to an agreement on collection of the pledged property in an extrajudicial procedure in the event of default on the obligations secured with the pledge of the property;

6) at the consent in writing of the customs body the subject of the pledge may be replaced with another piece of property of equal value, which is to be made formal by means of an additional agreement relating to the contract of pledge of the property;

7) if the subject of the pledge is collected the expenses relating to the sale thereof shall be covered with the proceeds from the sale of the subject of the pledge, or if they are not sufficient, at the expense of the pledgor.

8. A contract of pledge of property may be concluded if the market value of the subject of the pledge exceeds the amount of security required for the payment of customs duties and taxes by over 20 per cent.

9. A contract of pledge of property may be concluded with the subject of the pledge being either retained by the pledgor or the pledged property being delivered to the customs body. A contract of pledge of property shall be concluded with the subject of the pledge being retained by the pledgor if the customs body has no reason to believe that the conditions for the use, disposal of and storage of the subject of the pledge will not be observed.

10. The offer to conclude a contract of pledge of property shall be considered by the customs body within 15 working days after the offer and the documents attached thereto are received by the customs body.

11. If the contract of pledge of property is concluded the customs body shall issue a receipt to the pledgor.

12. In the event of refusal to conclude a contract of pledge of property the customs body shall inform the person that has offered to conclude a contract of pledge of property accordingly, within the term established by **Part 10** of the present article with reference to the reasons for the refusal.

13. In the event of default on the obligations secured with the pledge of property the amounts of customs duties and taxes payable shall be remitted to the account of the Federal Treasury and/or to the account designated by an international agreement of the member states of the Customs Union at the expense of the proceeds from the sale of the pledged property in the procedure established by the legislation of the Russian Federation.

14. All expenses relating to the conclusion of the contract of pledge of property and the collection of the pledged property shall be borne by the pledgor.

Article 141. The Bank Guarantee

1. As security for the payment of customs duties and taxes customs bodies shall accept bank guarantees issued by the banks, other credit organisations or the insurance organisations included in the Register of Banks, Other Credit Organisations and Insurance Organisations Entitled to Issue Bank Guarantees for the Payment of Customs Duties and Taxes kept by the federal executive governmental body empowered in the area of customs affairs (hereinafter referred to in the present chapter as the "Register").

2. The legal relationships relating to the issuance of a bank guarantee, the presentation of claims on a bank guarantee, the guarantor's performance of obligations and termination of a

bank guarantee are subject to the provisions of the legislation of the Russian federation on **banks and banking activity**, the **civil legislation** of the Russian Federation and the present Federal Law.

3. A bank guarantee shall be accepted by a customs body if as of the time when it is received by the customs body that guarantor has been included in the Register, provided the ceiling on the amount of a single bank guarantee and the ceiling on the sum of all simultaneously effective bank guarantees specified in the Register for that guarantor have not been exceeded.

4. The bank guarantee shall be irrevocable. It shall contain the following:

1) the obligations of the payer of customs duties and taxes whose appropriate performance is secured the banker's guarantee;

2) the right of the customs body to deduct in an incontestable procedure from the guarantor the sum payable if the guarantor defaults on the obligations under the bank guarantee;

3) the guarantor's duty to pay forfeit money to the customs body at the rate of 0.1 per cent of the sum payable per calendar day of deferment;

4) a clause according to which the discharge of the guarantor's obligations under the bank guarantee is the fact that funds have actually been received into the account of the Federal Treasury and/or into the accounts designated by an international agreement of the member states of the Customs Union;

5) the effective term of the bank guarantee.

5. The effective term of the provided bank guarantee shall not exceed 36 months, and it shall be sufficient for the customs body to send a claim on the bank guarantee to the guarantor in timely fashion in the event of default on the obligations secured with the bank guarantee.

6. By the time when it is submitted to the customs body the bank guarantee shall have come into force. A bank guarantee may be accepted before it enters into force on the condition that the bank guarantee is provided for the purpose of continuity of security for the payment of customs duties and taxes in respect of an effective obligation and the difference between the day of its filing with the customs body and the date of entry into force of the bank guarantee does not exceed 15 days. Such bank guarantee shall be used as security for the payment of customs duties and taxes after it enters into force.

7. Having chosen the bank guarantee as security for the payment of customs duties and taxes a payer of customs duties and taxes shall submit a bank guarantee to the customs body together with a cover letter. Also a bank guarantee may be presented to the customs body by the bank, another credit organisation or insurance organisation that issued the bank guarantee (guarantor). Together with the bank guarantee documents confirming the powers of the persons who have signed the bank guarantee shall be filed as originals or notarily-attested copies. If said documents have been submitted to the customs body earlier there is no need for them to be filed again.

8. The customs body shall consider the received bank guarantee within three working days after it is received.

9. If the bank guarantee is accepted the customs body shall issue a receipt to the payer of customs duties and taxes.

10. If the bank guarantee is not accepted the customs body shall notify the person that has provided the bank guarantee accordingly within the term established by **Part 8** of the present article and indicate the reasons for the non-acceptance.

11. At a written application of the payer of customs duties and taxes the bank guarantee shall be returned by the customs body if the customs body verifies that the secured obligations have been discharged or terminated or that no such obligation has occurred. Instead of returning the bank guarantee the customs body may send a letter to the guarantor on the

guarantors' being relieved from its obligations due to the customs body's waiver of its rights in respect of the bank guarantee.

12. The written application filed by the payer of customs duties and taxes shall be considered within five working days after it is received by the customs body. In the event of refusal to return the bank guarantee the customs body shall inform the payer of customs duties and taxes accordingly in writing within said term and indicate the reasons for the refusal.

13. If the Central Bank of the Russian Federation revokes the banking transaction licence of the bank, other credit organisation, or if the federal executive governmental body in charge of the functions of control and supervision in the area of insurance (insurance business) revokes the insurance business licence of the insurance organisation that issued a bank guarantee the payer of customs duties and taxes whose obligations are secured by the bank guarantee of said bank, other credit organisation or insurance organisation shall provide the customs body with another security for the payment of customs duties and taxes. Upon the expiry of the term specified in the present part the bank guarantee shall be deemed invalid and it shall be returned to the payer of customs duties and taxes in accordance with the procedure established by **Part 11** of the present article.

14. By agreement with the federal executive governmental body empowered in the area of customs affairs the federal executive governmental body empowered in the area of finance shall establish the following for banks, other credit organisations and insurance organisations: a ceiling on the amount of a single bank guarantee and a ceiling on the sum of all bank guarantees which are simultaneously effective and have been issued by one bank or one other credit organisation or one insurance organisation for acceptance of bank guarantees by customs bodies for the purpose of securing the payment of customs duties and taxes.

15. The same ceiling shall be set for a bank, another credit organisation and the branches thereof on the amount of single bank guarantee and a uniform ceiling shall be set on the sum of all bank guarantees which are simultaneously effective.

Article 142. Keeping the Register of the Banks, Other Credit Organisations and Insurance Organisation Entitled to Issue Bank Guarantees for the Payment of Customs Duties and Taxes

1. Banks, other credit organisations and insurance organisations shall be included in the Register of the Banks, Other Credit Organisations and Insurance organisation Entitled to Issue Bank Guarantees for the Payment of Customs Duties and Taxes when the conditions envisaged by the present article are observed. Additionally, the Register may include branches of banks, branches of other credit organisations which issue bank guarantees on behalf of a bank or another credit organisation. No charge shall be made for inclusion in the Register.

2. Below are the conditions for inclusion of a bank or another credit organisation in the Register:

- 1) the availability of a banking transaction licence issued by the Central Bank of the Russian Federation containing a reference to the right to issue bank guarantees;
- 2) banking activity has been pursued for at least five years;
- 3) a registered charter capital of at least 200 million roubles;
- 4) owner's equity (capital) of at least one billion roubles;
- 5) the observance of the compulsory rates envisaged by the **legislation** of the Russian Federation on banks and banking activity as of all accounting dates with the last six months;
- 6) the lack of demand of the Central Bank of the Russian Federation for implementation of financial rehabilitation measures in respect of the credit organisation;
- 7) the lack of arrears on customs charges.

3. Below are the conditions for inclusion of a branch of a bank, a branch of another credit organisation in the Register:

- 1) the bank or the other credit organisation has been included in the Register;
- 2) the branch has been included in the State Register of Credit Organisations;
- 3) the branch has the right to issue bank guarantees which is envisaged in the regulations on the branch.

4. Below are the conditions for inclusion of an insurance organisation in the Register:

- 1) the availability of an effective permanent licence of the federal executive governmental body exercising control and supervision in the area of insurance (insurance business) to pursue insurance business;

- 2) a registered charter capital of at least 500 million roubles;

- 3) activities in the capacity of an insurance organisation have been pursued for at least five years;

- 4) the lack of losses in the last calendar year;

- 5) free assets as of the last accounting date in an amount not below the standard rate;

- 6) net assets upon the expiry of the last accounting period with a value not being below the amount of paid-up charter capital;

- 7) the lack of arrears on customs charges.

5. For the purpose of being included in the Register a bank, other credit organisation or insurance organisation shall file a written application with the federal executive governmental body empowered in the area of customs affairs and submit the following documents:

- 1) a bank or other credit organisation:

- a) the constitutive documents;

- b) a document confirming that an entry about the legal entity has been made in the Comprehensive State Register of Legal Entities;

- c) the certificate of the registration of the credit organisation by the Central Bank of the Russian Federation (if it has been issued);

- d) a banking transaction licence from the Central Bank of the Russian Federation containing the right to issue bank guarantees;

- e) a card -- attested in the established procedure -- with specimens of the signatures of the bank's or the other credit organisation's officials entitled to sign bank guarantees and an imprint of the bank's or the other credit organisation's seal;

- f) a document containing a calculation of the owner's equity (capital) as of each accounting date within the last six months, signed by the head and the chief accountant and attested with the seal;

- g) a trial balance sheet concerning the accounts of the credit organisation as of the last accounting date, signed by the head and the chief accountant and attested with the seal;

- h) the statement of profits and losses as of the last accounting date signed by the head and the chief accountant and attested with the seal;

- i) a statement on compliance with compulsory ratios as of each accounting date within the last six months, signed by the head and the chief accountant and attested with the seal;

- j) an auditor's report on the reliability of accounting statements for the last year;

- 2) an insurance organisation:

- a) the constitutive documents;

- b) a document confirming that an entry about the legal entity has been made in the Comprehensive State Register of Legal Entities;

- c) a permanent licence (with annexes thereto) from the federal executive governmental body in charge of the functions of control and supervision in the area of insurance (insurance business) to pursue insurance business;

- d) a card -- attested in the established procedure -- with specimens of the signatures of the insurance organisation's officials entitled to sign bank guarantees and an imprint of the insurance organisation's seal;

e) the balance sheets for the last two quarters signed by the head and the chief accountant and attested with the seal;

f) the statements of profits and losses for each quarter within the last calendar year, signed by the head and the chief accountant and attested with the seal;

g) calculations of the assets-to-liabilities ratio for each quarter within the last calendar year, signed by the head and the chief accountant and attested with the seal;

h) a document containing information on basic activity indicators for the last two quarters, signed by the head and the chief accountant and attested with the seal;

i) an auditor's report on the reliability of accounting statements for the last year.

6. The following shall be submitted apart from the documents mentioned in **Item 1 of Part 5** of the present article for the purposes of inclusion of a branch of a bank or a branch of another credit organisation in the Register:

1) the regulations on the branch;

2) an information letter of the Central Bank of the Russian Federation on inclusion of the branch in the State Register of Credit Organisations;

3) a card -- attested in the established procedure -- with specimens of the signatures of the branch's officials entitled to sign bank guarantees and an imprint of the branch's seal.

7. The documents envisaged by **Parts 5 and 6** of the present article may be submitted as originals or notarily-attested copies. Upon the completion of consideration of the application the federal executive governmental body empowered in the area of customs affairs shall return the submitted original documents to the applicant, at his/her/its request.

8. The federal executive governmental body empowered in the area of customs affairs shall consider the application for inclusion in the Register and within 30 days after receiving it take a decision on inclusion of the bank, other credit organisation or insurance organisation in the Register or on refusal to grant inclusion in the Register. A decision on refusal to grant inclusion in the Register shall be taken only if the conditions for inclusion in the Register set out in **Parts 2-4** of the present article have not been observed and/or the documents envisaged by **Parts 5 and 6** of the present article have not been submitted. The applicant shall be notified in writing of the decision taken within three working days after the date of the decision. In the event of refusal to grant inclusion in the Register the reasons for the refusal shall be additionally provided.

9. For the purpose of confirming the documents and information provided by the applicant the federal executive governmental body empowered in the area of customs affairs is entitled to request third persons and also state bodies to provide documents containing the necessary information. Within ten days after they receive a request said bodies shall provide the documents requested. The request for documents and information shall cause neither extension or suspension of the term mentioned in **Part 8** of the present article.

10. A bank, other credit organisation or insurance organisation shall be included in the Register for a three-year term from the first day of the month following the month in which the decision on inclusion in the Register is taken.

11. In accordance with an application of a bank, another credit organisation or insurance organisation asking for an amendment to the information contained in the Register the federal executive governmental body empowered in the area of customs affairs shall enter the necessary amendment in the Register on the basis of documents confirming such amendments.

12. The form of, and the procedure for keeping, the Register shall be endorsed by the federal executive governmental body empowered in the area of customs affairs.

13. The federal executive governmental body empowered in the area of customs affairs shall ensure that the Register is published on a periodical basis on its official website and in its official publications.

Article 143. The Duties of the Banks, Other Credit Organisations and Insurance Organisations Included in the Register

The banks, other credit organisations and insurance organisations included in the Register shall:

- 1) observe the ceiling on the amount of a single bank guarantee and the ceiling on the sum of all simultaneously effective bank guarantees issued by one bank, one credit organisation or one insurance organisation for acceptance of such bank guarantees by customs bodies for the purpose of securing the payment of customs duties and taxes;
- 2) submit reports appropriately drawn up and other information when due in accordance with the procedure for keeping the Register;
- 3) observe the conditions of a bank guarantee and the obligations relating thereto.

Article 144. Removing a Bank, Other Credit Organisation or Insurance Organisation from the Register

1. In the following cases a bank, other credit organisation or insurance organisation shall be removed from the Register by a decision of the federal executive governmental body empowered in the area of customs affairs:

- 1) the bank, other credit organisation or insurance organisation is liquidated;
- 2) the Central Bank of the Russian Federation has revoked the banking transaction licence of the bank or other credit organisation or the federal executive governmental body exercising control and supervision in the area of insurance (insurance business) has revoked the insurance business licence of the insurance organisation;
- 3) at least one of the conditions for inclusion in the Register has not been observed;
- 4) default on the duties established by **Article 143** of the present Federal Law;
- 5) the term for inclusion in the Register has expired, unless an application for repeated inclusion in the Register was filed before the expiry of said term;
- 6) at an application in writing filed by the bank, other credit organisation or insurance organisation.

2. Within three working days after the removal of a bank, other credit organisation or insurance organisation from the Register the federal executive governmental body empowered in the area of customs affairs shall inform the bank, other credit organisation or insurance organisation accordingly and indicate the reasons for the removal.

3. The removal of a bank, other credit organisation or insurance organisation from the Register shall cause neither termination of the bank guarantees that have been issued by them and accepted by customs bodies nor relieve them from their liabilities for default on or improper observance of the terms of such bank guarantees.

4. A bank, other credit organisation or insurance organisation that has been removed from the Register in connection with default on performance of obligations under a bank guarantee may be again included in the Register on the condition that arrears on the payment of customs charges, penalties and interest have been paid, one year after the arrears were repaid.

5. A bank, another credit organisation or insurance organisation that has been removed from the Register in connection with failure to observe the ceiling on the amount of a single bank guarantee and/or the ceiling on the sum of all simultaneously effective bank guarantees defined in the Register for the given bank, other credit organisation or insurance organisation may be again included in the Register on the condition that the reasons for removal from the Register have been eliminated.

Article 145. Depositing Funds (Money) as Security for the Payment of Customs Duties and Taxes

1. Funds (money) as security for the payment of customs duties and taxes (cash collateral) shall be delivered to the **account of the Federal Treasury**. Also cash collateral may be provided by natural persons who move goods for personal use across the customs border to the cashier of the customs body.

2. No interest shall accrue on the sum of a cash collateral.

3. In the event of default on the obligation secured with a cash collateral the payable amounts of customs charges, penalties and interest shall be collected by customs bodies out of the amounts of the cash collateral in the procedure established by the present Federal Law.

4. In the event of discharge or termination of the obligation secured with a cash collateral or if no such obligation has occurred the cash collateral shall be subject to refund, use for the payment of customs charges or setting off advance payments in the procedure established by the present Federal Law.

5. The person that has provided a cash collateral shall be issued with a customs receipt confirming that the cash collateral has been delivered to the cashier of a customs body or the account of the Federal Treasury, the form of, and the procedure for the use of, such receipt being defined by the federal executive governmental body empowered in the area of customs affairs by agreement with the federal executive governmental body empowered in the area of finance. The customs receipt shall not be assigned/transferred to another person. If the customs receipt is lost the customs body that issued it shall issue a replacement copy thereof at an application of the person that has provided the cash collateral (the successor thereof).

6. A cash collateral may be used for the payment of the customs charges calculated on the goods for which obligations have been secured by this cash collateral, if a customs receipt is provided and one of the below conditions is observed:

1) if the obligations relating to the goods mentioned in the present part have been discharged or terminated;

2) if the use of the cash collateral for setting off the payment of customs charges causes termination of the obligations secured by it for the goods specified in the present part.

7. The balance of a cash collateral unspent to pay customs charges is subject to refund or set off of advance payments in accordance with **Article 149** of the present Federal Law.

Article 146. Suretyship

1. A suretyship shall be made formal by a surety contract between a customs body and a surety. The legal relationships relating to the conclusion of a surety contract, the performance of the obligations secured with the suretyship, the presentation of a claim to the surety and the termination of the suretyship are subject to the provisions of the **civil legislation** of the Russian Federation and the present Federal Law.

2. If a payer of customs duties and taxes chooses suretyship as security for the payment of customs duties and taxes the person intending to become a surety shall send a proposal to a customs body for conclusion of a surety contract. Together with said proposal it shall submit a draft surety contract as two identical copies, signed and attested by that person in the procedure established by the **civil legislation** of the Russian Federation as well as the consent of the payer of customs duties and taxes to the fact that the person intending to become a surety may act as a surety for the payer.

3. The draft surety contract shall comprise clauses to the following effect:

1) the payer of customs duties and taxes and the surety bear joint liability for the performance of the obligation secured;

2) the effective term of the surety contract does not exceed two years.

4. A suretyship shall be accepted by the customs body if any of the following conditions is

observed:

1) the person intending to become a surety meets the criteria defined by the Government of the Russian Federation;

2) the person intending to become a surety undertakes in a surety contract to provide the following as a document to secure the surety's appropriate performance of its obligations before a customs body: a bank guarantee under which the customs body acts as beneficiary, in an amount at least equal to the surety's undertakings under the surety contract. In that case, the surety contract enters into force as of the date of provision of said bank guarantee.

5. The proposal for conclusion of a surety contract shall be considered by the customs body within 15 working days after such proposal and the documents attached thereto are received by the customs body.

6. If a surety contract is concluded the customs body shall issue a customs receipt to the payer of customs duties and taxes.

7. In the event of refusal to conclude a surety contract the customs body shall inform the person that has proposed to conclude a surety contract accordingly within the term set by **Part 5** of the present article and provide the reasons for the refusal.

8. A surety contract may be concluded with a surety as security for the execution of the duty to pay customs duties and taxes of several persons, in respect of obligations of such persons by the federal executive governmental body empowered in the area of customs affairs.

9. The customs body shall not bear expenses relating to the conclusion of a surety contract.

Chapter 17. Refund (Set-off) of Customs Duties, Taxes and Other Amounts of Money

Article 147. Refund (Set-off) of Excessively Paid or Excessively Collected Amounts of Customs Duties, Taxes and Other Amounts of Money

1. The amounts of customs duties and taxes paid in excess or collected in excess are refundable by a decision of the customs body at an application of the payer (the successor thereof). Said application and the documents attached thereto shall be filed with the customs body to which goods have been declared and if a centralised procedure for the payment of customs duties and taxes is applied, to the customs body with which the agreement on the application thereof has been concluded or to the customs body which made the collection, within three years after the date of payment or collection thereof.

2. The following documents shall be attached to the application for refund of excessively paid or excessively collected amounts of customs duties or taxes:

1) a payment document confirming that the amounts of customs duties or taxes claimed for refund have been paid;

2) documents confirming the accrual of the refundable customs duties or taxes;

3) documents confirming the fact that the customs duties or taxes have been paid or collected in excess;

4) the documents mentioned in **Parts 4-7 of Article 122** of the present Federal Law, depending on the applicant's status and with due regard to the status of the refundable amounts;

5) a document confirming the consent of the person that has paid the customs duties or taxes to the refund thereof to the person having the duty to pay customs duties and taxes, if the customs duty refund application is filed by a person in which the duty to pay them has been vested;

6) the other documents that may be submitted by the person to confirm that there is a good reason for the refund.

3. If the documents specified in **Parts 4-7 of Article 122** of the present Federal Law have been earlier submitted to the customs body the payer is entitled to abstain from filing such documents again, having provided information that such documents have been submitted to the customs body and no amendments have been made thereto.

4. If required information is lacking in the refund application and if the necessary documents are not submitted said application shall be returned to the payer (the successor thereof) without being considered together with a substantiated explanation in writing of the reasons why said application cannot be considered. Said application shall be returned within five working days after being received by the customs body. If said application is returned by the customs body without being considered the payer (the successor thereof) is entitled to again file an application claiming refund of excessively paid or excessively collected customs duties or taxes within the term established by **Part 1** of the present article.

5. If it is discovered that customs duties or taxes have been excessively paid or excessively collected the customs body, within one month after the discovery of that fact, shall inform the payer of the amounts of excessively paid or excessively collected duties or taxes.

6. The refund of excessively paid or excessively collected customs duties or taxes shall take place by a decision of the customs body which administers the given amounts of money. The total term for considering a refund application, taking a decision on a refund and refunding the amount of excessively paid or excessively collected customs duties or taxes shall not exceed one month after the date of filing of the refund application and all the necessary documents. If said term is not honoured interest shall accrue on the amount of excessively paid or excessively collected customs duties or taxes that is not refunded when due, for each day of delay of the refund. In the event of refund of customs duties or taxes excessively collected in accordance with the provisions of **Chapter 18** of the present Federal Law interest on the amount of excessively collected customs duties or taxes shall accrue starting from the day following the date of collection through the date of actual refund. The interest rate shall be equal to the **refinancing rate** of the Central Bank of the Russian Federation effective during the period of delay of the refund.

7. The refund of excessively paid or excessively collected customs duties or taxes shall be effected to the payer's (its successor's) account stated in the refund application.

8. The refund of excessively paid or excessively collected customs duties and taxes shall be effected in the currency of the Russian Federation.

9. In the event of refund of excessively paid or excessively collected customs duties or taxes the following is also subject to refund: the amounts of penalties and interest paid or collected on the amount of refunded customs duties and taxes, except for the refund of customs payments according to **Article 148** of the present Federal Law.

10. If the payer (its successor) so wishes the refund of excessively paid or excessively collected customs duties or taxes may be effected in the form of a set-off of the duties to pay customs duties, taxes, penalties and interest. If the payer (its successor) so wishes the refund of import customs duties excessively paid or excessively collected may be effected in the form of a set-off of the duty to pay import customs duties. The acceptance of excessively paid or excessively collected customs duties for setting off the duty to pay export customs duties or taxes is hereby prohibited.

11. The set-off of excessively paid or excessively collected customs duties or taxes shall take place in accordance with the present article as applicable to the refund procedure with due regard to the provisions of **Part 12** of the present article.

12. Excessively paid or excessively collected customs duties or taxes are not refundable:

1) if the payer has arrears on the payment of customs duties and taxes in the amount of said debt. In that case at an application of the payer (its successor) the excessively paid or excessively collected customs duties or taxes may be accepted to set off the repayment of said

arrears, with account being taken of the provision of **Part 10** of the present article;

2) if the amount of the refundable customs duties and taxes is below 150 roubles, except for cases when customs duties and taxes are paid by natural persons or if they are collected from said persons;

3) if an application claiming refund of the amounts of customs duties or taxes is filed after the established term.

13. If there are arrears on the payment of customs duties, taxes, penalties and interest the customs body is entitled to collect them at the expense of the amounts of excessively paid or excessively collected customs duties and taxes in accordance with **Article 158** of the present Federal Law. The customs body shall inform the payer (its successor) about the set-off that has taken place, within three days after the day following the date of the set-off.

14. In the event of refund of customs duties and taxes no interest shall be paid thereon, except for the case envisaged by **Part 6** of the present article, and the amounts shall not be indexed.

15. The form of a payer's application for refund (set-off) of excessively paid or excessively collected customs duties or taxes and the form of a customs body's decision on refund (set-off) of excessively paid or excessively collected customs duties or taxes shall be confirmed by the federal executive governmental body empowered in the area of customs affairs.

Article 148. Other Cases of Refund of Customs Duties and Taxes

1. Customs duties and taxes are also refundable in the event of:

1) refusal to clear goods in accordance with a declared customs procedure in respect of the amounts of customs duties and taxes paid in connection with the registration of a customs declaration for the placement of the goods under that customs procedure;

2) revocation of a customs declaration;

3) reinstatement of most-preferred-nation treatment or preferential tariff treatment;

4) if according to the Customs Code of the Customs Union and/or the present Federal Law paid amounts of customs duties and taxes are refundable when goods are placed under the customs **procedure of re-export** or when goods are placed under the customs **procedures of destruction** or **waiver for the benefit of the state** or **re-import** of goods;

5) a change, with a permit from the customs body, in the customs procedure declared earlier, if the amounts of customs duties and taxes payable when goods are placed under the newly chosen customs procedure are below the amounts of customs duties and taxes paid in the initial customs procedure, except for the case envisaged by **Item 6 of Article 282** of the Customs Code of the Customs Union;

6) refund (in full or in part) of preliminary special duty, preliminary anti-dumping duty and preliminary countervailing duty in accordance with international agreements of the member states of the Customs Union and/or the legislation of the Russian Federation on special safeguards, anti-dumping and countervailing measures at the import of goods.

2. In the cases mentioned in **Part 1** of the present article the refund of customs duties and taxes shall be effected if an application claiming it is filed within one year after the day following the date of onset of the circumstances causing the refund of paid amounts of customs duties and taxes in accordance with the present article as applicable to the refund of excessively paid or excessively collected customs charges. In this case, the provisions of **Part 9 of Article 147** of the present Federal Law are not applicable.

Article 149. Refund (Set-off) of a Cash Collateral

1. The refund of a cash collateral or the use thereof to set off advance payments shall take place if the obligation secured with the cash collateral has been discharged or terminated,

if the application for refund (set-off) of the cash collateral is filed by the person that has provided the cash collateral (the successor thereof) with the customs body within three years after the day following the date of discharge or termination of the obligation. The refund (set-off) of a cash collateral shall also take place if the obligations secured with the cash collateral have not arisen, and in this case said term for filing an application for refund (set-off) of a cash collateral shall be counted from the day on which the customs body produces a customs receipt. Upon the expiry of said term the unclaimed amounts of the cash collateral shall be recorded as other non-tax revenues of the federal budget and not be refundable.

2. The following documents shall be attached to the application for refund (set-off) of the cash collateral:

- 1) a payment document confirming that the cash collateral has been delivered;
- 2) the customs receipt;
- 3) documents confirming that the obligation secured with the cash collateral has been discharged (terminated);
- 4) the documents mentioned in **Parts 4-7 of Article 122** of the present Federal Law, depending on the status of the applicant and with due regard to the status of the amounts of money refunded or accepted for set-off;
- 5) the other documents which may be filed to confirm the availability of a good reason for the refund (set-off).

3. If the documents mentioned in **Parts 4-7 of Article 122** of the present Federal Law have been earlier submitted to the customs body the payer is entitled to abstain from filing such documents again, having provided information that such documents have been submitted and no amendments have been made therein.

4. The application for refund (set-off) of the cash collateral and the documents attached thereto shall be submitted to the customs body which administers the given cash collateral. If said application does not contain the required information or if a customs receipt and/or the necessary documents have not been provided the application shall be returned to the person that has provided the cash collateral (the successor thereof) without being considered together with a substantiated explanation in writing of the reasons for which the application cannot be considered. The return of said application shall take place within five working days after it was received by the customs body. If the customs body returns said application without it being considered the person that has delivered the cash collateral (the successor thereof) is entitled to again file an application for refund (set-off) of the cash collateral within the term established by **Part 1** of the present article.

5. The refund (set-off) of the cash collateral shall be effected by a decision of the customs body which administers the given cash collateral. The total term for considering the application for refund (set-off) of the cash collateral, taking a decision on refund (set-off) of the cash collateral and refunding (effecting set-off) of the amounts of the cash collateral shall not exceed one month after said application is filed and all the necessary documents are provided.

6. The cash collateral shall be refunded in the currency of the Russian Federation in a cashless procedure into the account of the person that has provided the cash collateral (the successor thereof) specified in the cash collateral refund application. The acceptance of the cash collateral to set off advance payments shall be done in the currency of the Russian Federation.

7. The refund (set-off) of the cash collateral shall not be effected if the person that has provided the cash collateral (the successor thereof) has arrears on the payment of customs charges, penalties or interest in the amount of such debt. The customs body is entitled to collect the cash collateral in accordance with **Article 158** of the present Federal Law.

8. When the amounts of the cash collateral are being refunded (accepted for set-off) no interest shall be paid thereon, the amount shall not be indexed and commission for banking

transactions shall be paid at the expense of the funds remitted.

9. The form of a payer's application for refund (set-off) of a cash collateral and the form of a customs body's decision on refund (set-off) of a cash collateral shall be confirmed by the federal executive governmental body empowered in the area of customs affairs.

Chapter 18. Collecting Customs Charges

Article 150. General Rules for Enforced Collection of Customs Duties and Taxes

1. The enforced collection of customs duties and taxes shall be effected from payers of the customs duties and taxes or at the expense of the value of the goods on which the customs duties and taxes have not been paid.

2. The enforced collection of customs duties and taxes from legal entities and individual entrepreneurs shall be effected at the expense of the funds available on the payer's bank accounts, at the expense of security for the payment of customs charges, at the expense of the unspent balance of advance payments, cash collateral, excessively paid (collected) customs charges and other property of the payer and also in a judicial procedure. The enforced collection of customs duties and taxes from natural persons, save individual entrepreneurs, shall be effected in a judicial procedure, except for the case established by **Part 3 of Article 154** of the present Federal Law.

3. Before the implementation of enforced collection of customs duties or taxes the customs body shall present a claim to the payer of customs duties or taxes for payment of customs charges in accordance with **Article 152** of the present Federal Law, except for the cases envisaged by **Parts 2 and 3 of Article 154** and **Part 2 of Article 157** of the present Federal Law, and also if the payer of customs duties or taxes is a customs body.

4. Given the joint duty to pay customs duties and taxes of the declarant and the customs representative, claims for payment of customs charges shall be presented simultaneously to a declarant and a customs representative with reference to that being made in the claims. A claim for payment of customs charges shall be presented to a person that has declared goods as a customs representative and also when that person has terminated its operation as a customs representative. If it is impossible to present claims for payment of customs charges at the same time to the two persons specified in the present part the customs body shall present a claim for payment of customs charges to one of them. When enforced measures are implemented to collect customs duties and taxes in the case of joint liability for the payment of customs duties and taxes customs bodies shall enjoy the rights of a creditor in joint liability according to the rules established by the **civil legislation** of the Russian Federation.

5. No enforced collection of customs charges shall take place:

1) if no claim for payment of the customs charges has been presented within three years after the expiry for the term for the payment thereof or after the day on which the default on payment of customs duties and taxes was discovered in the course of customs control after the clearance of the goods specified in **Subitem 1 of Item 1 of Article 200** of the Customs Code of the Customs Union or after the date of onset of the circumstance causing a person's duty to pay customs duties and taxes in accordance with the **customs legislation** of the Customs Union and/or the **legislation** of the Russian Federation on customs affairs;

2) if the duty to pay customs duties and taxes has been terminated in accordance with **Subitem 4 of Item 2 of Article 80** of the Customs Code of the Customs Union.

6. If in accordance with the present Federal Law the payer of customs duties and taxes is a customs body the collection of customs duties and taxes shall take place in the procedure established by the Government of the Russian Federation.

7. In accordance with **Paragraph 2 of Item 2 of Article 93** of the Customs Code of the

Customs Union the enforced collection of customs duties and taxes from a customs carrier shall be effected in the procedure defined by the present chapter.

8. In the event of occurrence of the duty to pay customs duties and taxes on the territory of another member state of the Customs Union the customs duties and taxes payable shall be collected on the basis of the documents defined by an international agreement of the member states of the Customs Union with no penalty accruing.

Article 151. Penalties

1. The following are deemed "penalties": the amounts of money established by the present article which a payer of customs duties and taxes has to pay in the event of default on, or incomplete payment of, customs duties or taxes within the term established by the customs **legislation** of the Customs Union and/or the **legislation** of the Russian Federation on customs affairs.

2. Except for the cases envisaged by **Parts 5-8** of the present article penalties shall be accrued for each calendar day of deferment of the payment of customs duties and taxes, starting from the day following the date of expiry of the term for payment of customs duties and taxes through the date of discharge of the duty to pay customs duties and taxes or through the date of a decision on the grant of a deferment or instalment payment scheme for the payment of customs duties and taxes, as a percentage of the sum of outstanding customs duties and taxes at the rate of one three hundredth of the **refinancing rate** of the Central Bank of the Russian Federation effective in the period of arrears on the payment of customs duties and taxes. For the purposes of calculating penalties one shall use the refinancing rate of the Central Bank of the Russian Federation effective in the term of arrears on the payment of customs duties and taxes.

3. In the following cases no penalty shall accrue:

- 1) the payer of customs duties and taxes has not been identified by the customs body;
- 2) customs duties and taxes are collected in accordance with **Part 8 of Article 150** of the present Federal Law;
- 3) the cases envisaged by the legislation of the Russian Federation on insolvency (bankruptcy);
- 4) the customs value of goods is assessed in accordance with **Item 5 of Article 64** of the Customs Code of the Customs Union;
- 5) in the other cases envisaged by the present Federal Law.

4. No reduction in the rate of accrued penalties and also no deferment or instalment payment scheme for the payment of penalties are admissible.

5. When a creditor's claim under a surety contract or a beneficiary's claim under a bank guarantee is presented to the surety or guarantor a penalty shall accrue in accordance with **Part 2** of the present article through the date of presentation of said claim, except as otherwise envisaged by international agreements of the Russian Federation.

6. When a **claim** for payment of customs charges is presented to a payer a penalty shall accrue through the date of presentation of said claim. In the event of default on payment of customs duties and taxes within the term stated in the given claim or of their partial collection in the enforced procedure defined by the present Federal Law a penalty shall accrue in accordance with **Part 2** of the present article.

7. In cases when the amount of penalty accrued in accordance with **Part 2** of the present article is not collected in full at the expense of the payer's other property or in the judicial procedure a claim for payment of customs charges shall be sent to the payer of customs duties and taxes in respect of the outstanding amounts of the penalty, and in the event of default on performance of said claim when due enforced collection measures shall be taken in the procedure envisaged by the present chapter.

8. In the event of default on the obligation secured with a cash collateral penalty shall accrue through the day on which the default on the obligation secured with the cash collateral and paid at the expense thereof is discovered.

9. Penalty shall be paid apart from the amounts of arrears irrespective of the imposition of other sanctions for breach of the **customs legislation** of the Customs Union and/or the **legislation** of the Russian Federation on customs affairs.

10. A penalty shall be paid simultaneously with the payment of outstanding amounts of customs duties and taxes or after such amounts are paid but in any case within one month after the day on which the amounts of customs duties and taxes were paid.

11. The filing of an application for a deferment or instalment payment scheme for the payment of customs duties and taxes shall not cause suspension of the accrual of penalties on the sum of arrears.

12. The payment, collection and refund of penalties shall be effected according to the rules established by the **customs legislation** of the Customs Union and/or the **legislation** of the Russian Federation on customs affairs in respect of the payment, collection and refund of customs duties and taxes.

Article 152. Claiming the Payment of Customs Charges

1. A **claim** for payment of customs charges is a customs body's written notice concerning the amount of customs charges that was not paid when due and also the duty to pay the outstanding amount of customs charges, penalties and/or interest within the term established by such claim.

2. If the duty to pay customs duties and taxes in respect of which the claim was sent in accordance with the present Federal Law for payment of customs charges has been changed after said claim was sent the customs duty shall send an updated claim for payment of customs charges together with reference to the grounds on which the duty was changed. In this case, the initial **claim** for payment of customs charges shall be revoked simultaneously with the dispatch of the updated claim for payment of customs charges.

3. When payers of customs duties and taxes have joint liability the updated claim for payment of customs charges shall be sent to the same persons (to the same person) which has received the revoked claim for payment of customs charges.

4. The claim for payment of customs charges (an updated claim for payment of customs charges) shall comprise information on the sum of payable customs charges, the amount of penalties and/or interest accrued as of the date of presentation of the claim, the term for payment of customs duties and taxes, the term for completion of performance of the claim, and also the measures for enforced collection of customs duties and taxes and for ensuring the collection thereof which shall be applied if the payer defaults on performance of said claim and on the grounds for the presentation of the claim. The **form** of the claim for payment of customs charges and the procedure for the completion thereof shall be confirmed by the federal executive governmental body empowered in the area of customs affairs.

5. The claim for payment of customs duties shall be sent to the payer of customs duties and taxes within ten working days after the date of discovery of the facts of default on the payment of, or incomplete payment of, customs charges, for instance if said facts have been discovered in the course of customs control after the clearance of goods including verification of the reliability of the information declared when customs transactions relating to the clearance of the goods were taking place.

6. The discovery of the fact of default on the payment of, or incomplete payment of, customs charges shall be recorded in a **report** of the customs body on the discovery of the fact of default on the payment of, or incomplete payment of, customs charges within five working days after the date of the decision taken by an empowered official of the customs body on the

results of customs control in a relevant form which detected the irregularities causing the occurrence of the duty to pay customs duties and taxes.

7. In the course of customs control in the form of a customs inspection the discovery of the fact of default on the payment of, or incomplete payment of, customs charges shall be recorded in a report of the customs body within five working days after the customs body that has cleared the goods received copies of the report on the customs inspection and a relevant decision (relevant decisions) in the area of customs affairs.

8. If a decision on customs value adjustment, an amendment to the information contained in the declaration concerning the goods is taken after the clearance of the goods and adjustment of its electronic copy the date of discovery of the fact of default on the payment of, or incomplete payment of, customs charges shall be deemed the day on which a customs value and customs charge adjustment form and an adjustment form for the declaration concerning the goods are completed.

9. The following shall be indicated in the customs body's **report** on the discovery of the fact of default on the payment of, or incomplete payment of, customs charges for which a form and completion procedure are confirmed by the federal executive governmental body empowered in the area of customs affairs:

- 1) the date and reference number of the relevant document of the customs body drawn up according to the results of customs control;
- 2) the reference numbers of the documents allowing one to identify the goods, together with said documents;
- 3) a calculation of payable (additionally payable) customs charges;
- 4) the irregularities causing the occurrence of the duty to pay customs duties and taxes which have been discovered according to the results of customs control in the relevant form.

10. In the event of breach of the requirements and conditions of customs procedures which according to the customs legislation of the Customs Union and/or the legislation of the Russian Federation on customs affairs causes the onset of a due date for the payment of customs duties and taxes a claim for payment of customs charges shall be sent within three months after the date of discovery of said breach. The date of discovery of the fact of default on the payment of, or incomplete payment of, customs charges shall be recorded in the customs body's report on the discovery of the fact of default on the payment of, or incomplete payment of, customs charges in accordance with **Parts 6-8** of the present article.

11. The term for performance of the **claim** for payment of customs charges shall not be shorter than ten working days and longer than 20 calendar days after said claim is received.

12. An updated claim for payment of customs charges shall be sent within ten working days after the confirmation of the fact testifying to the change of the duty to pay customs duties and taxes.

13. The updated claim for payment of customs charges shall be performed within ten working days after being received.

14. The sending of a claim for payment of customs charges (an updated claim for payment of customs charges) after the expiry of the term established by the present article shall not be deemed ground for deeming that claim invalid.

15. If a claim for payment of customs charges (an updated claim for payment of customs charges) is sent after the expiry of the term established by the present article payable penalties and/or interest shall be accrued through the last day of said term.

16. A claim for payment of customs charges (an updated claim for payment of customs charges) may be handed over to the head or another empowered representative of the organisation or to the natural person against a signature or otherwise confirming that the claim has been received and the date of receipt thereof. If said persons decline to receive said claim it shall be set by post as a registered letter. The claim for payment of customs charges (the

updated claim for payment of customs charges) shall be deemed received upon the expiry of six days after the registered letter is sent.

17. In the event of default on performance of the claim for payment of customs charges (the updated claim for payment of customs charges) within the term set by the present article customs bodies shall take measures for enforced collection of customs duties and taxes in accordance with the present chapter.

18. The claim for payment of customs charges (updated claim for payment of customs charges) shall be sent to the payer of customs duties and taxes, irrespective of the payer's being held accountable on criminal or administrative charges.

Article 153. Collecting Customs Charges at the Expense of the Funds Available in Payer's Bank Accounts (Incontestable Collection)

1. In the event of default on performance of a claim for payment of customs charges (an updated claim for payment of customs charges) within the established term the customs body shall take a decision on collection of funds from the payer's bank accounts in an incontestable procedure within the amounts of customs charges (the updated claim for payment of customs charges) stated in the claim for payment of customs charges and the amounts of penalty accrued as of the date of such decision.

2. The decision on collection of funds in an incontestable procedure (hereinafter referred to as a "decision on incontestable collection") for which a form and completion procedure are confirmed by the federal executive governmental body empowered in area of customs affairs shall comprise information on the amount of collectable customs charges, the amount of penalty and/or interest accrued as of the date of presentation of the decision, on incontestable collection, the particulars of the claim for payment of customs charges that has been defaulted on (the updated claim for payment of customs charges).

3. A decision on incontestable collection shall be taken by the customs body within 60 calendar days after the expiry of the term for performance of the claim for payment of customs charges (the updated claim for payment of customs charges) if the customs body has information about the payer's bank accounts.

4. The decision on incontestable collection shall be deemed grounds for the customs body to send a collection letter (order) for deducting the necessary amounts of money from the payer's accounts and remittance to the account of the Federal Treasury or the account designated by an international agreement of the member states of the Customs Union.

5. The incontestable collection of customs charges shall be effected from the payer's bank accounts, except for loan accounts, except as otherwise envisaged by the **legislation** of the Russian Federation on taxes and fees. The collection of customs charges from foreign-currency bank accounts shall be effected in the amount equivalent to the sum of payable customs charges in the currency of the Russian Federation at the exchange rate of the Central Bank of the Russian Federation as of the date of actual collection. In the event of collection of the funds available in foreign-currency bank accounts the chief (a deputy chief) of the customs body shall send the following simultaneously with the collection letter (order): an order to the payer's bank for sale of the payer's foreign-currency funds not later than the next day.

6. The customs body's collection letter (order) shall be sent to the bank in which the payer's accounts are opened within one month after the date of the decision on incontestable collection, and it shall be performed by the bank in the procedure and within the term established by the **legislation** of the Russian Federation on taxes and fees for the performance of a collection letter (order) of a tax body.

7. If the duty to pay customs charges is terminated or discharged in full by the payer on its own or the sum of arrears on the payment of customs charges is collected at the expense of the payer's property in accordance with the present Federal Law the customs body that has

issued the decision on incontestable collection shall revoke such decision within three working days after the termination or discharge in full of the duty to pay customs charges and notify the bank in writing of revocation of the collection letter (order).

8. If arrears on the payment of customs charges are settled (terminated or discharged) partially the customs body that has issued the decision on incontestable collection shall send a new collection letter (order) to the bank within three working days after the date of partial discharge of the duty to pay customs charges for the outstanding amount of arrears on the payment of customs charges together with a written notice to the bank concerning the revocation of the preceding collection letter (order). In this case, no new decision on incontestable collection shall be issued by the customs body.

Article 154. Collection of Security for the Payment of Customs Duties and Taxes

1. The customs body is entitled to demand that the guarantor that has issued a bank guarantee or the surety pay money in the amount of outstanding customs charges, including penalties and interest or to collect the subject of the pledge. The customs body that has discovered a person's failure to perform an obligation causing the occurrence of the duty to pay customs duties or taxes which is secured with a pledge of property, bank guarantee or suretyship is entitled to act as a creditor (beneficiary) with the full scope of creditor's (beneficiary's) rights even though another customs body is mentioned in the contract of pledge of the property, bank guarantee or surety contract as a creditor (beneficiary).

2. If the whereabouts (place of residence) of the payer of customs duties and taxes or if the payer of customs duties and taxes is a foreign person the customs body is entitled to commit the actions mentioned in Part 1 of the present article without presenting a demand to that person for payment of customs charges. If the payer of customs duties and taxes is a foreign person the customs body shall simultaneously with the commission of the actions specified in **Part 1** of the present article notify the person of collection of security for the payment of customs duties and taxes.

3. If a cash collateral is used as security for the payment of customs duties and taxes the collection of cash collateral amounts shall take place without a demand for payment of customs charges being sent and without the collection of customs charges setting off the funds available on the payer's bank accounts if the duty to pay customs duties and taxes has occurred in connection with default on the obligation secured with the cash collateral. The collection shall be effected within three working days after the day on which default on the obligation is discovered. Within three working days after the cash collateral sum is collected the customs body shall inform the payer of the collection completed. If the amount of cash collateral is insufficient for settling arrears on the payment of customs charges and penalties a claim for payment of customs charges shall be presented for the outstanding amount of arrears on the payment of customs charges and penalties and enforced collection shall be implemented in the procedure established by the present Federal Law.

Article 155. Suspending Transactions on Bank Accounts of the Payer of Customs Duties and Taxes (Organisations or Individual Entrepreneurs)

1. Suspending transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) shall be used to secure the implementation of a decision on incontestable collection. Suspending transactions on the bank account (bank accounts) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall not extend to the payments whose priority ranking under the **civil legislation** of the Russian Federation precedes the execution of the duty to pay customs duties and taxes and also the transactions whereby amounts of money are deducted and remitted to set off the payment of customs duties, taxes and other compulsory charges to the budget

system of the Russian Federation.

2. A decision on suspending transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) shall be taken by the chief (a deputy chief) of the customs body that has sent a claim for payment of customs charges (an updated claim for payment of customs charges) if said payer has defaulted on that claim. A decision on suspending transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) shall not be taken before the issuance of a decision on incontestable collection.

3. The suspension of transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) means that the bank has terminated spending transactions on this account (these accounts) within the sum specified in the decision on suspending transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs), except as otherwise envisaged by **Part 1** of the present article.

4. The suspension of transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) is revoked by a decision of the customs body on revocation of the suspension of transactions on the account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) not later than one operating day following the date on which the customs body receives documents (copies thereof) confirming that customs duties and taxes have been collected.

5. The decision on suspending transactions on the account (accounts) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall be sent by the customs body to the bank either on a paper medium or in an electronic form not later than the working day following the date of the decision.

6. The decision on revocation of the suspension of transactions on the account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall be delivered against a signature to a representative of the bank by an official of the customs body or sent to the bank in electronic form not later than the working day following the date of the decision.

7. The forms of a decision on suspending transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) and of a decision on revocation of the suspension of transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) in electronic form and the procedure for such decisions to be sent by a customs body to a bank shall be established by the Central Bank of the Russian Federation by agreement with the federal executive governmental body empowered in the area of customs affairs.

8. The forms of a decision on suspending transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) and of a decision on revocation of the suspension of transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) on a paper medium and the procedure for such decisions to be sent by a customs body to a bank shall be established by the federal executive governmental body empowered in the area of customs affairs.

9. The decision on suspending transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall contain reference to the particulars of the claim for payment of customs charges (the updated claim for payment of customs charges) that has not been defaulted on and of the decision on incontestable collection, the full name of the bank, the bank identification code (BIC) and the types and numbers of the accounts of the payer of customs duties and taxes.

10. The decision on revocation of the suspension of transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall

comprise the full name of the bank, the BIC and the types and numbers of the accounts of the payer of customs duties and taxes.

11. A copy of the decision on suspending transactions on the bank account(s) of payer of customs duties and taxes (organisations or individual entrepreneurs) or of the decision on revocation of the suspension of transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall be handed over to said payer against a signature or otherwise as testifying of the date of receipt of the copy of the relevant decision by the payer.

12. The bank shall inform the customs body of the balance of funds of the payer of customs duties and taxes (organisations or individual entrepreneurs) on the bank account(s) on which transactions have been suspended, not later than on the day following the date on which the decision on suspending transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) is received.

13. The decision on suspending transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall be unconditionally performed by the bank.

14. The suspension of transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall be effective from the time when the bank receives the decision on suspending such transactions to the day on which the bank receives the decision on revocation of the suspension of transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs).

15. The date and time of the bank's receiving the customs body's decision on suspending transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) shall be indicated in a notice of delivery or in a receipt acknowledging that such decision is received. When the decision on suspending transactions on the bank accounts of the payer of customs duties and taxes (organisations or individual entrepreneurs) is sent to the bank in electronic form the date and time of its receipt by the bank shall be determined in the procedure established by the Central Bank of the Russian Federation by agreement with the federal executive governmental body empowered in the area of customs affairs.

16. If the sum total of the funds of a payer of customs duties and taxes (organisations or individual entrepreneurs) available on a bank account (bank accounts) on which transactions have been suspended under the decision on suspending transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) exceeds the sum mentioned in that decision said payer is entitled to file a written application with the customs body to claim suspension of transactions on the payer's bank account(s), with compulsory reference to a bank account (accounts) in a bank located on the territory of the Russian Federation in which there are sufficient funds to perform the decision on incontestable collection.

17. Before taking a decision on revocation of the suspension of transactions on the account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) the customs body shall do the following within the day following the date of receipt of said application from the payer of customs duties and taxes (organisations or individual entrepreneurs): send a inquiry to the bank in which the account(s) indicated by the payer (organisations or individual entrepreneurs) are opened asking for the balance of money on the account(s).

18. Having received information from the bank about the availability of funds on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) in an amount sufficient to perform the decision on collection, the customs body shall within two working days take a decision on revocation of the suspension of transactions on the bank

account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) in as much as it concerns the surplus over the sum of money stated in the customs body's decision on suspending transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs).

19. If the customs body does not honour the term of revocation of the decision on suspending transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) or the term for delivery (sending) of the decision on revocation of the suspension of transactions on the account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) to a representative of the bank (to the bank) interest shall accrue on the amount of money which has been subjected to the suspension regime, such interest being payable to the payer of customs duties and taxes (organisations or individual entrepreneurs) for each calendar day of failure to honour said term. The interest rate shall be deemed equal to the refinancing **rate** of the Central Bank of the Russian Federation effective on the days when the customs body did not honour the term for revocation of the decision on suspending transactions on the bank accounts of the payer of customs duties and taxes (organisations or individual entrepreneurs) or the term for delivery (sending) of the decision on revocation of the suspension of transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs) to a representative of the bank (to the bank).

20. The bank shall not be liable for the losses incurred by the payer of customs duties and taxes (organisations or individual entrepreneurs) as a result of the suspension of transactions on the bank account(s) of the payer of customs duties and taxes (organisations or individual entrepreneurs).

21. If there is a decision on suspending transactions on a bank account (bank accounts) of a payer of customs duties and taxes (organisations or individual entrepreneurs) the bank is not entitled to open new accounts for that payer.

Article 156. The Seizure of Property

1. The following is deemed "seizure of property" as a means of securing the performance of a customs body's decision on collection of customs duties and taxes at the expense of other property of the payer: an action of the customs body with the sanction of a procurator limiting the right of ownership of a payer of customs duties and taxes (organisation or individual entrepreneur) in respect of the payer's property. Property shall be seized if the payer of customs duties and taxes defaults within an established term on the duty to pay customs duties, taxes or penalties, and if customs bodies have sufficient grounds to believe that a given person will take measures to flee or conceal its property.

2. The seizure of property may be full or partial.

3. "The full seizure of property" is a restriction on the rights of a payer of custom duties and taxes in respect of his/her/its property when he/she/it is not entitled to dispose of the property seized and the possession and use of the property takes place with a permit and under control of a customs body.

4. "The partial seizure of property" is a restriction on the rights of a payer of customs duties and taxes in respect of his/her/its property when the possession, use and disposal of the property takes place with a permit and under control of a customs body.

5. The permits mentioned in **Parts 3 and 4** of the present article shall be made formal in writing in the form endorsed by the federal executive governmental body empowered in the area of customs affairs and they shall contain a description of the property, information on the individual features of the property, preliminary value and the grounds for the issuance of the permit.

6. Only property required and sufficient for performing the duty to pay customs duties,

taxes and penalties is subject to seizure.

7. A decision on seizure of property of a payer of customs duties and taxes shall be taken as a relevant decision of the chief (a deputy chief) of the customs body in the form endorsed by the federal executive governmental body empowered in the area of customs affairs.

8. The seizure of the property of the payer of customs duties and taxes shall be effected in the presence of witnesses.

9. If the value of the property cannot be determined its value shall be assessed by the official implementing the seizure with due regard to the opinion of a customs expert. In the services of a customs expert cannot be used the value of the property shall be assessed in accordance with the **legislation** of the Russian Federation on appraisal.

10. Officials of the customs body which is seizing the property are not entitled to deprive the payer of customs duties and taxes (his/her/its legal and/or empowered representative) of an opportunity to attend when the property is being seized.

11. The persons taking part in the seizure of the property shall be provided with an explanation of their rights and duties.

12. Before seizing the property the officials implementing the seizure shall present a decision on the seizure, a sanction of a procurator and documents attesting their powers.

13. The property being seized shall be shown to the witnesses and the persons taking part in the seizure.

14. Except for urgent cases, it is hereby prohibited to seize property in the night time.

15. In the course of the seizure a report on the seizure of the property shall be drawn up in the form endorsed by the federal executive governmental body empowered in the area of customs affairs. The report on the seizure of the property shall contain the following information:

1) the surnames, first names and patronymics of the persons who were in attendance during the seizure of the property;

2) a description and the distinctive features of each thing recorded in the report;

3) a preliminary appraisal of the value of each thing recorded in the report and the total value of the entire property seized;

4) the type, scope and term of a restriction on the right of using the property;

5) about the person to which the property has been transferred by an official of the customs body to be guarded or stored, and the whereabouts (place of residence) of said person;

6) remarks and applications of the persons who were in attendance when the property was seized.

16. Also the following annotations shall be entered in the report on the seizure of property:

1) on the seizure of the property;

2) on the explanation provided to the person to which the seized property was transferred by an official of the customs body to be guarded or stored concerning his/her duties and the warning provided thereto concerning his/her liability for the misappropriation, alienation, concealment or illegal assignment of the property with the signature of said person acknowledging that his/her duties have been explained thereto.

17. The report on the seizure of the debtor's property shall be signed by an official of the customs body, the witnesses, the person to which said property is transferred for being guarded or stored and the other persons who were present at the seizure. If any of said persons refuses to sign the report a relevant annotation shall be entered therein.

18. The chief (a deputy chief) of the customs body which has issued the decision on seizure of the property shall designate the place where the seized property is going to be placed.

19. Not later than on the working day following the date of the report on the seizure of the

property the chief (the deputy chief) of the customs body shall send a copy of said report to the payer of customs duties and taxes and also together with the property seizure application to the bailiff that commenced execution proceeding on the basis of the decision on collection of customs duties and taxes at the expense of the payer's other property issued by the customs body in accordance with **Article 158** of the present Federal Law.

20. The alienation (except for alienation taking place with a permit and under control of the customs body that has effected the seizure), misappropriation or concealment of the seized property are prohibited. Default on observing the procedure established by the legislation of the Russian Federation for the possession, use and disposal of seized property shall be deemed grounds for persons at fault to be held accountable as envisaged by the legislation of the Russian Federation.

21. The decision on seizure of the property shall be overturned by a decision of the chief (a deputy chief) of the customs body taken as a relevant decision in the form endorsed by the federal executive governmental body empowered in the area of customs affairs, on the basis of a decision on seizure of the property in accordance with the **legislation** of the Russian Federation on execution proceedings taken by a bailiff, and also when the duty to pay customs duties, taxes and penalties is terminated or when the execution proceedings are terminated or completed after being commenced on the basis of the decision on collection of customs duties and taxes at the expense of the payer's other property issued by the customs body in accordance with **Article 158** of the present Federal Law.

22. A decision overturning the seizure of the property as the relevant decision specified in **Part 21** of the present article shall be brought to the notice of the payer of customs duties and taxes (his/her/its legal and/or empowered representative), the bailiff and the procurator not later than on the working day following the date of the decision.

23. The decision on seizure of the property shall be effective from the time of imposition of seizure until the revocation of that decision by the chief (a deputy chief) of the customs body who has issued such decision or to the time when said decision is overturned by a higher customs body or a court.

Article 157. Collecting Customs Duties and Taxes at the Expense of Goods on Which Customs Duties or Taxes Have Not Been Paid

1. In the cases envisaged by the present Federal Law and also if there are no funds on a payer's accounts or no information is available about a payer's accounts customs bodies are entitled to collect customs duties and taxes at the expense of the payer's goods on which customs duties or taxes have not been paid, provided the **goods** have acquired Customs Union goods status in accordance with the procedure established by the customs **legislation** of the Customs union and/or the **legislation** the Russian Federation on customs affairs.

2. The collection of goods on which customs duties or taxes have not been paid, without a claim for customs duties and taxes being sent, is admissible in cases when the maximum term of storage of goods apprehended by customs bodies in accordance with **Chapter 21** of the Customs Union has expired or the payer of customs duties and taxes has not been identified by customs bodies.

3. The collection of goods for the purpose of setting off the payment of customs duties and taxes shall take place at a court decision if the payer of customs duties and taxes is a natural person or if the payer of customs duties and taxes has not been identified by customs bodies or an arbitration court decision if the payer of customs duties and taxes is a legal entity or individual entrepreneur, except for cases when such goods have been delivered to customs bodies as the subject of a pledge in accordance with **Article 140** of the present Federal Law and also when the collection is effected in respect of the goods whose maximum storage term established by **Part 7 of Article 189** of the present Federal Law had expired when they were

seized by customs bodies.

4. Collection shall be done only in respect of goods on which customs duties or taxes have not been paid or have been partially paid, in the procedure and within the term envisaged by the **Customs Code** of the Customs Union and the present **Federal Law**.

5. The proceeds from the sale of goods shall be disposed of in accordance with **Article 191** of the present Federal Law.

Article 158. Collecting Customs Charges at the Expense of the Unspent Balance of Advance Payments, a Cash Collateral, Excessively Paid (Collected) Customs Charges and the Other Property of the Payer

1. In the event of default on the performance of a claim for payment of customs charges (an updated claim for payment of customs charges) customs bodies are entitled to collect the unspent balance of advance payments, a cash collateral or excessively paid (collected) customs charges to set off the customs charges payable.

2. The collection of the amounts of advance payments, a cash collateral or excessively paid (collected) customs charges shall be effected by a decision of the chief (a deputy chief) of the customs body within the term during which these funds are kept in the account of the Federal Treasury or the account designated by an international contract of the member states of the Customs Union. Within one day after the collection the payer of customs duties and taxes (his/her/its successor) shall be notified in writing by the customs body of the collection of the advance payments, cash collateral or excessively paid (collected) customs charges setting off the amounts of customs payments. The collection of the amounts of advance payments, the cash collateral or the excessively paid (collected) customs charges shall be effected without a decision on incontestable collection being taken within ten calendar days after the expiry of the term for performance of the claim for payment of customs charges (the updated claim for payment of customs charges). If an unspent balance of the advance payments, cash collateral or excessively paid (collected) customs charges has appeared after the expiry of the term for performance of the claim for payment of customs charges (the updated claim for payment of customs charges) then collection shall be completed within five calendar days after the date of their appearance.

3. In the event of default on a claim for payment of customs charges (an updated claim for payment of customs charges) and the insufficiency or lack of funds on the payer's accounts or the lack of information about the payer's accounts customs bodies are entitled to collect other property of the payer, for instance money in cash, to set off the payable customs charges.

4. The collection other property of the payer for the purpose of setting off customs charges shall be effected as follows: a relevant decision taken by the chief (a deputy chief) of the customs body shall be sent within three working days after being taken to the bailiff in the procedure envisaged by the legislation of the Russian Federation on taxes and fees. The bailiff shall have the customs body's decision executed in accordance with the legislation of the Russian Federation on taxes and fees and the **legislation** of the Russian Federation on execution proceedings.

Article 159. The Duty of Banks and Other Credit Organisation to Perform a Customs Body's Decision on Collection of Customs Charges

1. Banks and other credit organisations shall implement decisions of a customs body on incontestable collection of customs charges.

2. A decision of a customs body on incontestable collection of customs charges shall be performed by a bank or another credit organisation within one operating day following the date on which the decision is received.

3. If there are funds in the payer's account the banks and other credit organisations are

not entitled to delay the implementation of decisions of customs bodies on incontestable collection of customs charges.

4. For default on, or the improper execution of, the duties envisaged by the present article the banks and other credit organisations shall be held accountable in accordance with the legislation of the Russian Federation.

5. The provisions of the present article are also applicable to the bank's and other credit organisations' duty to perform decisions of customs bodies on incontestable collection of the amounts of penalties and interest.

Article 160. Deeming the Debts Owing as Customs Charges (Arrears), Penalties and Interest Bad Debts and Writing Them off

1. The following shall be deemed "bad debts": the debts owing as customs charges (arrears), penalties and interest which are attributed to certain payers of customs duties and taxes and cannot be paid and/or collected in the cases of:

1) liquidation of the organisation being a payer of customs duties and taxes in accordance with the **legislation** of the Russian Federation in as much as it concerns the portion of debt which has remained outstanding after the customs body took all the collection measures envisaged by the legislation of the Russian Federation;

2) deeming an individual entrepreneur bankrupt in accordance with the **legislation** of the Russian Federation, in as much as it concerns the portion of debt remaining outstanding after the customs body took all the collection measures envisaged by the legislation of the Russian Federation because the debtor's property was not sufficient;

3) death of a natural person or declaration as deceased a natural person in the procedure established by the **legislation** of the Russian Federation, in as much as it concerns the portion of debt which was outstanding as of the date of death of the natural person or of his/her being declared dead;

4) a court issuing a judgement according to which customs bodies may no longer collect arrears and debts owing as penalties or interest due to the expiry of the established term for the collection thereof, for instance a ruling being issued on refusal in the event of laches to reinstate the term for filing an application with the court claiming collection of arrears and debts owing as penalties or interest.

2. The deeming the debts of one of the persons having joint liability for the payment of customs duties and taxes as bad debts shall not cause the deeming of the debts of the other persons having joint liability as bad debts if they do not evince the circumstance(s) specified in **Part 1** of the present article.

3. The procedure for writing off debts owing as customs charges (arrears), penalties or interest which have been recognised as bad debts and also a list of the documents confirming the circumstances envisaged by **Part 1** of the present article shall be confirmed by the federal executive governmental body empowered in the area of customs affairs.

Section III. Customs Control

Chapter 19. General Provisions on Customs Control

Article 161. Carrying out Customs Control

1. Customs control shall be carried out by customs bodies in accordance with the **customs legislation** of the Customs Union and the **legislation** of the Russian Federation on customs affairs.

2. The subject matters of customs control and the places where it is carried out are

defined by **Article 95** of the Customs Code of the Customs Union.

3. While carrying out customs control, customs bodies shall be guided by on the principle of selectivity and shall not go beyond the customs control forms which are sufficient to ensure the observance of the **customs legislation** of the Customs Union and the **legislation** of the Russian Federation on customs affairs. While choosing the forms and techniques of customs control, customs bodies shall use customs-control technical facilities and preliminary data analysis so as to make sure no damage is inflicted to declarants, carriers and other persons in the course of customs control in connection with the storage of goods, demurrage of means of transport or a longer period required for the clearance of goods, unless it is caused by emergency circumstances relating to the discovery of signs of serious irregularities in the area of customs affairs and the need for taking exhaustive measures for detecting and stopping said irregularities.

4. For the purpose of enhancing the effectiveness of customs control customs bodies shall cooperate with other controlling state bodies in accordance with the legislation of the Russian Federation and also with the persons specified in **Part 3** of the present article.

5. The **forms** of certificates, decisions, reports and other procedural documents drawn up by customs bodies as they carry out specific forms of customs control in accordance with the **Customs Code** of the Customs Union and the present **Federal Law** shall be established by the federal executive governmental body empowered in the area of customs affairs, except for cases when according to the Customs Code of the Customs Union said powers are vested in the Commission of the Customs Union.

Article 162. The Risk Management System

1. A risk management system shall be based on an effective use of customs bodies' resources for the purpose of preventing breaches of the **customs legislation** of the Customs Union and the **legislation** of the Russian Federation on customs affairs which:

- 1) have a stable character;
- 2) are relating to the evasion of customs duties and taxes in significant amounts;
- 3) undermine the competitiveness of Russian commodity producers;
- 4) affect the other important interests of the Customs Union and of the Russian Federation the observance of which is ensured by customs bodies.

2. The strategy and tactics of the use of the risk-management system, the procedure for gathering and processing information, analysing and assessing risk and elaborating and implementing risk management measures shall be defined by the federal executive governmental body empowered in the area of customs affairs.

3. The procedure for customs bodies to use the information contained in established risk profiles is regulated by the federal executive governmental body empowered in the area of customs affairs.

4. The restricted-access information contained in established risk profiles shall not be disclosed (disseminated) or given to third persons, for instance to state bodies, except for cases when said bodies need such information for the purpose of fulfilling the tasks vested therein by the legislation of the Russian Federation. Except as otherwise established by federal laws, the procedure for provision of such information shall be defined by the federal executive governmental body empowered in the area of customs affairs, in accordance with the legislation of the Russian Federation.

Article 163. Customs Control Zones

1. The places deemed "customs control zones" shall be designated in accordance with the **Customs Code** of the Customs Union and the present **Federal Law**.

2. Customs control zones may be set up along the State Border of the Russian

Federation, at check-points on the State Border of the Russian Federation, in the places where customs transactions take place, in the places of loading and reloading (transshipment) of goods, of the customs inspection and customs examination thereof, in parking areas intended for vehicles carrying goods which are under customs control.

3. Customs control zones may be permanent if:

1) the person possessing a land plot or premises intends to use said areas exclusively for the storage of goods which are under customs control or for the commission of other customs transactions in respect of such goods;

2) in specific parts of the area goods under customs control are predominantly carried or stored or other customs transactions are carried out in respect of said goods and a restriction on the movement of such goods across the boundaries of customs control zones or a restriction on access to such goods is required to ensure the observance of the **customs legislation** of the Customs Union and the **legislation** of the Russian Federation on customs affairs.

4. The movement of goods, means of transport and persons including officials of other state bodies across the boundaries of customs control zones and within them is admissible with a permit of customs bodies under their supervision, except for the cases established by the present Federal Law and other federal laws.

5. At a proposal of the customs body whose operational area includes the relevant part of the territory of the Russian Federation the federal executive governmental body empowered in the area of customs affairs shall designate sections of the State Border of the Russian Federation along which customs control zones are to be created and take a decision on creation of such zones. The decision on creation of customs control zones along the State Border of the Russian Federation shall be made formal by means of a legal act of the federal executive governmental body empowered in the area of customs affairs agreed upon with the federal executive governmental body in charge of the security of the Russian Federation and the executive governmental bodies of the subjects of the Russian Federation on whose territories said zones are formed.

6. In a land part of the territory of the Russian Federation a customs control zone along the State Border of the Russian Federation may be created within a 30 kilometre wide strip from the line of the State Border of the Russian Federation within the territory of the Russian Federation.

7. In sea, river and lake parts of the territory of the Russian Federation a customs control zone along the State Border of the Russian Federation may be created within the boundaries of the territorial sea of the Russian Federation, the Russian part of waters of border rivers, lakes and other bodies of water and also within a 15 kilometre wide strip from the coastal line within the territory of the Russian Federation respectively.

8. Customs control zones along the State Border of the Russian Federation shall be marked at its boundaries at the points of crossing with transport routes and at the points where the State Border of the Russian Federation is crossed by persons, goods and means of transport with signs bearing the white-colour inscription "Customs Control Zone" against a green background which are manufactured according to the specifications and standards defined for road information signs.

9. A decision on the formation of a customs control zone at the check-points on the State Border of the Russian Federation established and opened in accordance with the **legislation** of the Russian Federation shall be taken by the chief of the customs house whose operational area includes the check-point and it shall be made formal by means of an order of the chief of the customs house agreed upon with the federal executive governmental body empowered in the area of customs affairs. The customs control zone created at the check-point on the State Border of the Russian Federation shall include parts of land area (water area), buildings, installations and sites where the following take place: customs transactions, the storage,

unloading and re-loading (transshipment) of goods which are under customs control, the customs inspection and customs examination thereof and parking areas for the vehicles carrying such goods.

10. While determining the boundary of the customs control zone one shall take into account the opinion of the administration of the transport infrastructure facility within which the check-point is established on the State Border of the Russian Federation: the head of the administration of a sea port, the chief of the basin state managerial body for inland water transport, the head of a airport (airfield), the chief of a railway terminal (station). The opinion of the administration of the transport infrastructure facility prepared in writing shall be attached to a draft order of the chief of the customs house which is sent for approval to the federal executive governmental body empowered in the area of customs affairs.

11. The following shall be indicated in the order of the chief of the customs house for the formation of the customs control zone at the check-point:

- 1) the location of the check-point;
- 2) the boundary of the customs control zone and the points at which it is crossed by persons, goods and means of transport.

The following shall be indicated in a decision on formation of a customs control zone in the places specified in **Part 5** of the present article:

- 1) the location of the check-point;
- 2) the boundary of the customs control zone and the points at which it is crossed by persons, goods and means of transport.

12. An annex to an order of the chief of a customs house for the formation of a customs control zone at a check-point shall include a graphic image of the boundary and of the area of said customs control zone in the form of layouts or maps.

13. Decisions on formation of customs control zones in other places shall be taken by the chief of the customs house whose operational area includes the places and areas where such customs control zones are set up.

14. The decision on formation of a customs control zone envisaged by **Part 13** of the present article shall be made formal by means of an order of the chief of the customs house, including the following:

- 1) the location of the customs control zone;
- 2) the boundary of the customs control zone and the points at which it is crossed by persons, goods and means of transport;
- 3) the means of marking used.

15. An annex to the order of the chief of a customs house for the formation of a customs control zone shall include a graphic image of the boundary and the area of the customs control zone in the form of layouts or maps.

16. A temporary customs control zone may be set up by a decision of the chief of a customs check-point. Said decision shall be made formal by means of a directive of the chief of the customs check-point with reference to the objective of the creation of the temporary customs control zone, the location of the temporary customs control zone, effective term, the boundary and the points at which it is crossed by persons, goods and means of transport and also the means of marking used.

17. The boundary of a customs control zone shall be marked with rectangular-shape signs bearing the white-colour inscription "Customs Control Zone" in Russian and English against a green background. Said signs are the basic means of marking the customs control zone. The customs control zone may be marked by the inscription "Customs Control Zones" in Russian and English directly on fencing installations and the walls of the premises making up its perimeter. An inscription in English may be replaced with an inscription in any other language as might be appropriate for use in the formation of a specific customs control zone.

18. The marking of a customs control zone shall be provided on its boundary at the points where it is crossed by transport routes and also at the points where the boundary of the customs control zone is crossed by persons, goods and means of transport. While marking the customs control zone one may additionally use noticeboards with information about its boundary, the established points of crossing its boundary, a list of the persons having access to the customs control zone, the means of marking thereof and other circumstances that have to do with its operation.

19. The boundary of a temporary customs control zone may be marked with fencing tape and also temporary signs. Improvised materials and means may be used in this case.

20. Customs control zones shall be liquidated if the location of a customs body is changed, a check-point on the State Border of the Russian Federation is closed down, the place of storage of goods which are under customs control is changed, the location of the places intended for customs transactions, for the unloading and re-loading (transshipment) of goods, their customs inspection and customs examination and the parking of vehicles carrying goods which are under customs control is changed. A decision on liquidation of a customs control zone shall be made formal by means of an order of the customs body that has formed such zone.

21. A temporary customs control zone shall be liquidated upon the completion of the measures serving as grounds for the formation thereof or upon the expiry of its effective term mentioned in the decision of a customs body on the formation of the temporary customs control zone.

22. After the liquidation of a customs control zone which was located within its operational area a customs body shall take measure for removing the means of marking thereof and informing persons concerned of its being liquidated.

23. The production and other economic activities relating to the carriage, unloading, re-loading (transshipment) and storage of goods which are under customs control; the organisation and servicing of parking areas for vehicles carrying such goods; the provision of services to the legal entities and natural persons moving goods and vehicles across the State Border of the Russian Federation; to the construction and renovation of buildings and installations as well as their utility lines which are used for the purpose of carrying out customs transactions; to the construction and renovation of roads and accesses to check-points, the transport engineering installations used for moving goods and vehicles across the State Border of the Russian Federation (including the construction of motor-vehicle parking lots, the installation of road fencing and road signs) in customs control zones, for instance those set up along the State Border of the Russian Federation within the five-kilometre zone off the State Border of the Russian Federation is admissible with a permit from the customs bodies and under their supervision.

24. The production and other economic activities pursued within the boundary of a customs control zone shall not create an obstacle for the unfettered work of customs officials.

25. At a written application of a person concerned a permit to pursue production and other economic activities in a customs control zone shall be issued by the chief of the customs body within whose operational area the customs control zone has been created.

26. The application for a permit to pursue production and other economic activities in the customs control zone shall comprise information on the type and character of the activity which is going to be pursued within the customs control zone, a list of the persons who are going to pursue such activity and information on the would-be term for the pursuance of such activity.

27. The chief of the customs body shall consider the application, and if the would-be activity complies with **Parts 23 and 24** of the present article he/she shall issue the decision "Production and other activities in the customs control zone are permitted until (date)". In the event of refusal to grant the permit the following decision shall be entered in the application: "A permit to pursue the declared activity is refused" and the reasons for the refusal.

28. The original application shall be returned to the person concerned and a copy of the application shall be kept in the customs body.

29. The provisions of the present article do not extend to the temporary storage of goods on premises, open sites and other areas of an authorised economic operator in accordance with **Article 89** of the present Federal Law.

Article 164. Term for Completing Customs Control

1. Verification of the observance of provisions of the **customs legislation** of the Customs Union and of the **legislation** of the Russian Federation on customs affairs in respect of conditionally cleared goods and also of goods taken out of the Russian Federation on the undertaking of reverse importation in accordance with the customs **procedure of processing outside the customs territory** is admissible within the period when the goods are under customs control or until the time when the customs **procedures of temporary export** or processing outside the customs territory are terminated.

2. Customs bodies shall carry out customs control after the clearance of goods within three years after the time when the goods cease to be under customs control.

Article 165. The Participation of Officials of Other Federal Executive Governmental Bodies Responsible for the Functions of Control and Supervision in Customs Control

For the purpose of taking part in customs control officials of other federal executive governmental bodies of the Russian Federation having the functions of control and supervision shall be invited in the procedure defined by relevant federal laws, normative legal acts of the President of the Russian Federation, the Government of the Russian Federation and also joint acts of the federal executive governmental body empowered in the area of customs affairs and relevant federal executive governmental bodies.

Article 166. Providing the Documents and Information Required for the Purposes of Customs Control

1. In accordance with **Article 98** of the Customs Code of the Customs Union a declarant, persons pursuing activities in the area of customs affairs and other persons concerned shall provide customs bodies with the documents and information required for the purposes of customs control.

2. Customs bodies are entitled to receive the information they need for customs control purposes from the bodies responsible for the state registration of legal entities and other state bodies. The procedure for information exchange shall be defined by the federal executive governmental body empowered in the area of customs affairs jointly with the federal executive governmental body having said state bodies under its jurisdiction.

3. The documents required for customs control purposes shall be preserved by declarants and other persons concerned and also by customs bodies for at least three calendar years after the year in which the goods cease to have goods-under-customs-control status. Authorised economic operators, customs representatives, the possessors of temporary storage warehouses, the possessors of customs warehouses, the possessors of duty-free stores and customs carriers shall preserve said documents for five calendar years after the year in which customs transactions took place.

Article 167. The Provision of the Documents and Information Required for Customs Verification Purposes by Banks

1. A customs body carrying out customs verification is entitled to ask the banks having documents and information concerning the activities of the organisations (individual

entrepreneurs) being inspected to provide the following relating to the subject matter verified: attested copies of contracts (agreements), attested copies of certificates of transactions, bank control sheets, statements on supporting documents, attested copies of a card bearing specimens of signatures and imprints of seals, and also statements on transactions on the accounts of organisation (individual entrepreneurs), for instance those containing banking secret, in accordance with the **legislation** of the Russian Federation on banks and banking activity. A bank that has received a substantiated inquiry asking for documents and information shall perform it within five days after receiving it or it shall inform that it does not have the documents and information so requested.

2. It is hereby prohibited to demand the provision of notarily attested copies of documents filed with a customs body, except as otherwise is envisaged by the legislation of the Russian Federation. If necessary, a customs body is entitled to see original documents.

3. The form of, and the procedure for a customs body to send, an inquiry to a bank shall be established by the federal executive governmental body empowered in the area of customs affairs.

4. The form of, and the procedure for banks to provide, documents and information on customs bodies' inquiries shall be established by the federal executive governmental body empowered in the area of customs affairs by agreement with the Central Bank of the Russian Federation.

Article 168. The Additional Powers of the Customs Bodies That Have Discovered Goods Illegally Brought into the Russian Federation or Goods in Respect of Which the Conditions for Application of Customs Procedures or Restrictions on the Use and/or Disposal of Goods Have Not Been Observed

1. If within the framework of customs control customs bodies discover goods that have been illegally brought into the Russian Federation or goods in respect of which the conditions for application of customs procedures or restrictions on the use and/or disposal of the goods for which privileges were provided in terms of payment of import customs duties and taxes have not been observed which has caused default on the payment of customs duties or taxes or the non-observance of bans and controls, such goods being held by the persons that have acquired the goods on the customs territory of the Customs Union in connection with their pursuing entrepreneurial activities, such goods shall be seized by customs bodies, unless they have been seized and apprehended in accordance with the **legislation** of the Russian Federation on administrative offences or the **criminal procedural legislation** of the Russian Federation. For customs purposes said goods shall be deemed goods under customs control.

2. The seizure of goods in accordance with **Part 1** of the present article shall take place on a substantiated **decision** of the chief of a customs body or an official empowered by him/her, in the presence of the person that was holding the **goods** discovered or a representative thereof and also with at least two witnesses attending.

3. A **report** on the seizure of such goods shall be drawn up in the presence of two witnesses. The report or the inventory attached thereto shall contain a detailed description of the seized goods including their names, quantity and individual features. Said report shall be signed by the customs body's official who has effected the seizure, the person from whom that goods are seized or a representative thereof and also witnesses. A copy of the report shall be delivered to the person from whom the goods are seized or to a representative thereof.

4. The goods seized in accordance with **Part 1** of the present article shall be placed in temporary storage warehouses in accordance with **Article 202** of the present Federal Law or in other places according to the rules established by **Part 4 of Article 189** of the present Federal Law. The storage term of the goods seized is one month.

5. The persons mentioned in **Part 1** of the present article are entitled to pay customs

duties and taxes in accordance with **Article 81** of the Customs Code of the Customs Union, **Article 119** of the present Federal Law, submit documents confirming the observance of restrictions and declare the goods in accordance with **Article 217** of the present Federal Law. No penalty shall be accrued on said amounts of customs charges. If such persons pay customs charges within five days after the goods -- specified in Part 1 of the present article -- they had had were discovered such goods shall not be seized, provided the requirements concerning the observance of restrictions on such goods have been met.

6. Before the expiry of the term for storage of seized goods established by **Part 4** of the present article the goods seized in accordance with **Part 1** of the present article shall be returned to the person that met the requirements established by **Part 5** of the present article. The return of such goods shall take place within three working days. As this is being done, a **report** shall be drawn up in triplicate, signed by officials of the customs body that seized the goods, the person to whom the seized goods are returned or a representative thereof and also the person that stored the seized goods or a representative thereof. The second copy of said report shall be handed over to the person to whom the seized goods are returned or a representative thereof, with the third copy going to the person that stored the seized goods or a representative thereof.

7. If the persons mentioned in **Part 1** of the present article have met the requirements established by **Part 5** of the present article the goods shall be considered for customs purposes as having lost goods-under-customs-control status which is not an obstacle for customs and other state bodies to commit the necessary actions aimed at discovering the persons which have taken part in illegal importation of the goods into the Russian Federation.

8. If the persons that have acquired the goods mentioned in **Part 1** of the present article refuse to comply with the requirements established by **Part 5** of the present article then such goods shall be disposed of in accordance with **Article 190** of the present Federal Law after the expiry of the storage term.

9. The provisions established by **Parts 5** and **6** of the present article do not extend to goods prohibited for being imported into the Russian Federation, the goods in which transactions are prohibited according to the legislation of the Russian Federation, the products of light industry included in the list established by the Government of the Russian Federation, and also the goods subject to quantitative restrictions when imported in accordance with international agreements of the member states of the Customs Union or the legislation of the Russian Federation. Said goods shall be destroyed in the cases and the procedure defined by the Government of the Russian Federation at the expense of the persons who have illegally brought such goods into the Russian Federation, if such persons have been identified, the persons from whom these goods were seized if said persons knew or should have known about the illegal nature of importation of the seized goods into the Russian Federation or at the expense of the federal budget in other cases.

Article 169. Using Technical Facilities and Water Vessels and Aircraft in the Course of Customs Control

1. For the purpose of reducing the time required for completing customs control and of enhancing its effectiveness customs bodies may use the customs control technical facilities a list of which and the procedure for the use of which are established by the federal executive governmental body empowered in the area of customs affairs.

2. The uniformity and required accuracy of measurements and metrological control and supervision in the course of customs operations through the use of technical facilities shall be ensured in the procedure established by the legislation of the Russian Federation by metrological units formed in the federal executive governmental body empowered in the area of customs affairs and in the customs bodies reporting thereto. When customs operations are

under way one may use the documented results of the measurements carried out by other persons in accordance with the legislation of the Russian Federation on ensuring the uniformity of measurements.

3. The procedure for using water vessels and aircraft of customs bodies for customs control purposes shall be established by the Government of the Russian Federation in accordance with the present Federal Law.

Article 170. Identifying Goods, Means of Transport, Premises and Other Places

The procedure for application of means of identification to goods which are under customs control, means of transport, premises, containers and other places where there are or can be goods subject to customs control shall be established by the federal executive governmental body empowered in the area of customs affairs.

Article 171. Using the Results of Customs Control in Proceedings in Cases of Administrative Offences and Civil and Criminal Cases

The results of customs control formalised in accordance with the provisions of the present section may be admitted as evidence in criminal and civil cases and in cases of administrative offences and they shall be assessed by a court, arbitration court or official in the course of hearing said cases, complaints against a decision, action (omission) of customs bodies and officials thereof or cases of economic disputes settled by an arbitration court alongside other evidence in accordance with the **criminal procedural legislation** of the Russian Federation, the **civil procedural** and **arbitration procedural legislation** of the Russian Federation or the **legislation** of the Russian Federation on administrative offences.

*See **Instructions** on the Procedure for Certifying the Copies of Documents, Which Are Seen as Proofs in the Cases on Administrative Law Offences approved by **Order** of the Federal Customs Service No. 1288 of June 21, 2011*

Article 172. Customs Expert Examination in the Course of Customs Control. The Participation of Specialists and Experts in the Course of Customs Control

1. Specialists and experts shall be invited to take part in customs control in the cases and the procedure defined by **Articles 101** and **102** and **Chapter 20** of the Customs Code of the Customs Union.

2. A customs examination in the course of customs control shall be ordered and carried out in accordance with **Chapter 20** of the Customs Code of the Customs Union with due regard to the provision of the present article.

3. The term for completing a customs expert examination envisaged by **Item 2 of Article 139** of the Customs Code of the Customs Union may be extended at a written permit of the chief (a deputy chief) of the customs body carrying out the customs expert examination, with the reasons for the extension being provided, by the term required for completing the expert examination, except for cases when according to the present Federal Law goods are not cleared until the results of an expert examination are obtained. In said case the expert examination shall be completed with a term not exceeding the goods clearance term, with account being taken of the extension of said term, according to **Item 4 of Article 196** of the Customs Code of the Customs Union.

4. If the customs expert examination is carried out in another authorised organisation the term for completing the customs expert examination may be extended at a written permit of the head of the authorised organisation by agreement with the customs body that has ordered the customs expert examination, with the reasons for such extension being provided, for the term

required for completion of the expert examination, except for cases when goods are not cleared until the results of an expert examination are obtained. In said cases the expert examination shall be completed within a term not exceeding the goods clearance term, with account being taken of the extension of said term, in accordance with **Item 4 of Article 196** of the Customs Code of the Customs Union.

5. The term for completing the customs expert examination shall be suspended if the items presented do not match the list thereof available in the decision on ordering the customs expert examination, but not by more than ten working days. The procedure for suspending the lapsing of the term for completion of a customs expert examination shall be defined by the federal executive governmental body empowered in the area of customs affairs.

6. Refusal to carry out a customs expert examination may be issued in the cases envisaged by **Item 5 of Article 138** of the Customs Code of the Customs Union and also if the customs body carrying out the customs expert examination or the other authorised organisation does not have a customs expert (an expert) having the required qualifications.

7. The procedure for selecting samples and specimens for a customs expert examination shall be defined by the federal executive governmental body empowered in the area of customs affairs on the basis of the proposal envisaged by **Article 144** of the Customs Code of the Customs Union.

8. The forms of a decision on ordering a customs expert examination and of a statement of a customs expert (an expert) in the case of a customs expert examination shall be established by the federal executive governmental body empowered in the area of customs affairs. Each page of a statement of a customs expert (an expert) in the case of a customs expert examination, including annexes thereto, shall be signed by the customs expert (the expert) who has carried out the customs expert examination and attested with the seal of the customs body carrying out the customs expert examination or the other authorised organisation carrying out the customs expert examination.

9. When according to the Customs Code of the Customs Union payment for the services of specialists and experts is made with federal budget funds the procedure for reimbursement of such spending shall be defined by the Government of the Russian Federation.

Article 173. Inviting an Expert (Specialist) of Another Authorised Organisation to Carry out a Customs Expert Examination

1. A customs expert examination shall be assigned to experts (specialists) of another authorised organisation if such expert examination cannot be carried out by customs experts.

2. An expert (specialist) of the other authorised organisation shall be invited to carry out the customs expert examination under a contract.

3. If an customs expert examination is assigned by a customs body to an expert (specialist) of another authorised organisation such expert (specialist) shall show the customs body that ordered the expert examination documents confirming he/she has the necessary special knowledge.

4. The rights and duties of an expert (specialist) of another authorised organisation shall be established by **Chapter 20** of the Customs Code of the Customs Union.

5. The procedure for taking a decision on invitation of an expert (specialist) of another authorised organisation to carry out a customs expert examination shall be defined by the federal executive governmental body empowered in the area of customs affairs.

Chapter 20. The Forms of, and the Procedure for Carrying out, Customs Control

Article 174. The Forms of, and the Procedure for Carrying out, Customs Control

Customs control shall be carried out by customs bodies in the forms and the procedure established by **Chapters 16** and **19** of the Customs Code of the Customs Union, with account being taken of the provisions established by the present Federal Law.

Article 175. The Customs Inspection of Premises and Sites

1. A customs inspection of premises and sites shall be carried out on instructions for a customs inspection of the premises and sites. In the course of a field customs inspection a customs inspection of premises and sites shall be carried out under the decision on the field customs inspection.

2. The customs inspection of premises and sites shall be completed within the shortest period required for the completion thereof and it shall not take more than one working day, except for the cases mentioned in **Part 3** of the present article. The customs inspection of premises and sites shall not take place in the night time.

3. In the following cases a customs inspection may last up to three working days:

1) when access is denied to the premises and sites which are subject to the customs inspection and/or when there is no voluntary presentation of goods for the customs inspection;

2) if for goods identification purposes actions need be committed on the premises or site subject to the customs inspection and these actions cannot be completed within one working day;

3) the area of the premises or site subject to inspection exceeds 1,000 square metres.

Article 176. The Keeping of Record of Goods Which Are under Customs Control by Customs Bodies

The procedure for keeping, and the forms of, record kept by customs bodies in respect of goods which are under customs control shall be defined by the federal executive governmental body empowered in the area of customs affairs.

Article 177. Verifying a System Intended for Keeping Record of Goods and Reporting

1. In accordance with **Item 3 of Article 121** of the Customs Code of the Customs Union, verification of a system intended for keeping records of goods and reporting as a form of customs control shall be carried out in respect of the persons pursuing activities in the area of customs affairs, authorised economic operators and also in respect of goods placed under the customs **procedures of processing on the customs territory, processing outside the customs territory, processing for internal consumption, temporary import (admission)**, free customs zone, free warehouse and **clearance for internal consumption** with the granting of privileges on the payment of customs duties and taxes conjugated with restrictions on the use and/or disposal of these goods.

3. Verification of a system intended for keeping record of goods shall be carried out by means of comparing the information contained in the reports submitted to customs bodies with the information a customs body has on hand and also by means of comparing this information with the data available on accounts and financial statements and the source documents submitted to a customs body at a substantiated inquiry.

4. The persons that pursue activities in the area of customs affairs and enjoy special simplifications and also use and/or possess foreign goods placed under the customs **procedures of customs warehouse, duty-free store, processing on the customs territory, processing outside the customs territory, processing for internal consumption, temporary import (admission)**, free customs zone, free warehouse or **clearance for internal consumption** with the grant of privileges on the payment of customs duties and taxes conjugated with restrictions on the use and/or disposal of these goods or restrictions on the use

and/or disposal relating to the provision of the documents specified in **Subitem 1 of Item 1 of Article 195** of the Customs Code of the Customs Union after the clearance of goods or which store foreign goods shall submit reports concerning the goods stored, carried, sold, processes and/or used and on the customs transactions accomplished.

5. The reports mentioned in **Part 4** of the present article may be submitted to the customs body in electronic form, given the availability of an electronic digital signature, or in electronic form without an electronic digital signature with the compulsory provision of information on a paper medium attested with the signature of the head of the organisation, the chief accountant or a person empowered by them and the seal. The **forms of the reports** envisaged by the present article shall be defined by the federal executive governmental body empowered in the area of customs affairs.

6. Every quarter before the tenth day of the month following the accounting month, a customs representative shall submit reports to the customs body on the cumulative total of goods in respect of which customs transactions have been accomplished. The following shall be provided in these reports in respect of each transaction:

- 1) the name of the customs body that has carried out the customs transaction;
- 2) the reference number of the customs declaration;
- 3) the customs procedure declared;
- 4) the name of the consignor (consignee) and the taxpayer identification number;
- 5) the reference number and date of the contract between the represented person and the customs representative;
- 6) the person that has paid customs charges and taxes;
- 7) the sum of customs charges and taxes paid;
- 8) a description of the goods complete with the code according to the **Commodity Classification** for Foreign Economic Activities;
- 9) the customs value of the goods;
- 10) net weight of the goods;
- 11) the date and reference number of the certificate on works completed and services provided;
- 12) the surname, first name and patronymic (if any) of the person who has completed the customs declaration, the series and number of his/her personal identity document (passport).

7. At least once every three months a declarant shall submit the following to the customs body that exercises customs control over the application of the customs **procedure of processing on the customs territory**: reports on the observance of the requirements and conditions for the application of the customs procedure of processing on the customs territory for the purpose of verifying the quantity of produced products of processing, waste and remains. The following shall be indicated in these reports as of the date on which they are submitted to the customs body:

- 1) a description and the quantity of the goods placed under the customs **procedure of processing on the customs territory** and used in a production process, complete with the reference numbers of relevant customs declarations;
- 2) a description and the quantity of the products of processing exported out of the customs territory of the Customs Union or cleared for free circulation or placed under another customs procedure in accordance with the **Customs Code** of the Customs Union, with the reference numbers of relevant customs declarations;
- 3) a description and the quantity of the products of processing that have not been placed under the customs procedure;
- 4) a description and the quantity of the waste resulting from the processing of the goods.

8. Reports on the final reconciliation of the quantity of the products of processing, waste and remains mentioned in the permit for processing the goods on the customs territory shall be

submitted after the completion of the customs **procedure of processing on the customs territory** in accordance with **Item 1 of Article 249** of the Customs Code of the Customs Union, but in any case within 30 days after the date of clearance of the last lot of the products of processing.

9. At least once every three months a declarant shall submit the following to the customs body exercising customs control over the application of the customs **procedure of processing outside the customs territory**: reports on compliance with the requirements and conditions for the application of the customs procedure of processing outside the customs territory. The following shall be indicated in these reports as of the date of when they are submitted to the customs body:

1) a description and the quantity of the goods placed under the customs **procedure of processing outside the customs territory** in accordance with an issued **permit** for processing and used in a production process, with the reference numbers of relevant customs declarations;

2) a description and the quantity of the products of processing that have been imported into the customs territory of the Customs Union and placed under the relevant customs procedure, with the reference numbers of relevant customs declarations;

3) a description and the quantity of the products of processing that have been imported into the customs territory of the Customs Union but have not been placed under the customs procedure;

4) a description and the quantity of the goods of the Customs Union that have been placed under the customs **procedure of processing outside the customs territory** and whose products of processing have not been imported into the customs territory of the Customs Union.

10. Reports on the final reconciliation of the quantity of products of processing stated in the permit for processing of goods outside the customs territory shall be submitted after the completion of the customs **procedure of processing outside the customs territory** in accordance with **Article 260** of the Customs Code of the Customs Union but in any case within 30 days after the clearance of the last lot of the products of processing according to a form.

11. At least once every three months a declarant shall submit the following to the customs body exercising customs control over the application of the customs **procedure of processing for internal consumption**: reports on compliance with the requirements and conditions for the application of the customs procedure of processing for internal consumption. The following shall be indicated in the reports as of the date on which they are submitted to the customs body:

1) a description and the quantity of goods placed under the customs procedure for internal consumption in accordance with the issued permit for processing of goods for internal consumption and used in a production process, with the reference numbers of relevant customs declarations;

2) a description and the quantity of the products of processing cleared for free circulation or placed under another customs procedure in accordance with the **Customs Code** of the Customs Union, with the reference numbers of the relevant customs declarations;

3) a description and the quantity of the products of processing that have not been placed under the customs procedure;

4) a description and the quantity of the waste resulting from processing.

12. Reports on the final reconciliation of the quantity of the products of processing, waste and remains stated in the permit for processing goods for internal consumption shall be submitted after the completion of the customs **procedure of processing of goods for internal consumption** in accordance with **Article 273** of the Customs Code of the Customs Union but in any case within 30 days after the clearance of the last lot of the products of processing.

13. The persons using and/or possessing goods that are placed under the customs

procedures of temporary import (admission), free customs zone, free warehouse or **clearance for internal consumption** with the grant of privileges on the payment of customs duties and taxes conjugated with restrictions on the use and/or disposal of these goods or restrictions on use and/or disposal relating to the provision of the documents specified in **Subitem 1 of Item 1 of Article 195** of the Customs Code of the Customs Union after the clearance of goods shall do the following at least once every six months or at a demand of a customs body: submitting reports on the observance of the requirements and conditions for the application of said customs procedures and also on the observance of restrictions on the use/or disposal of goods. The persons storing foreign goods, except for authorised economic operators, shall submit reports on stored goods within the term established by the federal executive governmental body empowered in the area of customs affairs. The procedure for filing the reports specified in the present part with customs bodies shall be defined by the federal executive governmental body empowered in the area of customs affairs.

14. The procedure for authorised economic operators to keep records and submit reports to customs bodies is defined by **Article 96** of the present Federal Law.

15. The **procedure** for the possessors of temporary storage warehouses, the possessors of customs warehouses, the possessors of duty-free stores and customs carriers to submit reports to customs bodies shall be defined by the federal executive governmental body empowered in the area of customs affairs.

16. For default on the submission and/or late submission to a customs body within the established term of the reports envisaged by the present article and equally for the submission of reports comprising untrue information the persons specified in **Part 4** of the present article shall be held accountable in accordance with the legislation of the Russian Federation.

Article 178. Formalising the Results of a Customs Inspection and Taking Decisions on the Results Thereof

1. The results of customs verification shall be made formal:

1) by means of a report on a cameral customs inspection when a cameral customs inspection takes place;

2) by means of a report on a field customs inspection when a field customs inspection takes place.

2. A report on a customs inspection shall be drawn up in duplicate and signed by the officials of a customs body who have carried out the customs inspection.

3. The report on a customs inspection shall comprise:

1) information on the person/entity inspected;

2) information on the customs officials who carried out the customs inspection (positions, surnames, first names and patronymics);

3) a systematised description of the discovered facts (signs) of breach of the **customs legislation** of the Customs Union and/or the **legislation** of the Russian Federation on customs affairs with reference to the provisions of normative legal acts whose norms have been violated or information on the lack of discovered facts (signs) of breach;

4) conclusions and proposals for elimination of the irregularities discovered or elimination of the consequences thereof and also on the amounts of customs duties and taxes to be additionally accrued and collected.

4. The date of completion of a customs inspection is the date on which a report on the customs inspection is drawn up. The report on the customs inspection shall be confirmed by the chief (a deputy chief) of the customs body that carried out the inspection.

5. If it is discovered that customs duties or taxes have not been paid or have been partially paid according to the report on the customs inspection the chief (the deputy chief) of the customs body that carried out the inspection or the person empowered by him/her shall

simultaneously take a relevant decision (relevant decisions) in the area of customs affairs, if he/she is competent to take such decision(s). In this case, the first copy of the report on the customs inspection shall be put in the set of materials of the customs inspection, the second copy of the report on the customs inspection and the decision(s) shall be delivered within five working days after the completion of the customs inspection to the person/entity inspected and/or the payer of customs duties and taxes or sent to their address by registered post with proof of delivery requested. Copies of the report and of the decision(s) if it (they) has/have been taken by the customs body that carried out the inspection shall be sent to the customs body in whose operational area the goods were cleared, within five working days after the completion of the customs inspection so that the actions envisaged by the **customs legislation** of the Customs Union and the **legislation** of the Russian Federation on customs affairs be committed and a claim for payment of customs duties be presented in accordance with the present Federal Law.

6. The procedure for cooperation of customs bodies in the implementation of the decision(s) of the customs body that carried out the customs inspection shall be defined by the federal executive governmental body empowered in the area of customs affairs.

7. If the customs body that carried out the customs inspection is not competent to take a decision (decisions) on the results of the inspection a copy of the report on the customs inspection shall be sent to an empowered customs body so that such decision(s) be taken.

Article 179. Ordering Field Customs Inspections

A field customs inspection shall be carried out according to a decision on a field customs inspection signed by the chief (a deputy chief) of a customs body.

Article 180. Effective Term of, and the Procedure for, the Suspension of a Field Customs Inspection

1. Suspending a field customs inspection shall take place in the cases envisaged by **Item 12 of Article 132** of the Customs Code of the Customs Union.

2. Suspending and resuming a field customs inspection shall be made formal by means of a decision of the chief (a deputy chief) of the customs body carrying out said inspection or of the official of the customs body carrying out said inspection who is empowered by him/her.

3. A field customs inspection can be suspended for up to six months. If an inspection has been suspended due to the need for sending inquiries to competent bodies of member states of the Customs Union or of foreign states in accordance with international agreements of the Russian Federation and the information requested which is of a substantial significance for the results of the inspection is not received within six months by the customs body the period of suspension of said inspection may be increased by three months.

Article 181. Access for a Customs Body's Officials to a Facility of an Inspected Person for the Purposes of a Field Customs Inspection

1. In the cases established by **Item 3 of Article 133** of the Customs Code of the Customs Union a person being inspected is entitled to refuse to provide access for customs officials to the person's facilities. If there is no good reason for the refusal by the person being inspected to give access for customs officials who carry out a field customs inspection to the person's facility then a report shall be drawn up in the presence of two witnesses.

2. The report mentioned in **Part 1** of the present article shall be signed by the customs officials who are carrying out the field customs inspection, the person subjected to the inspection or a representative thereof and also the witnesses. A copy of the report shall be delivered to the person inspected or a representative thereof.

3. If the person inspected or a representative thereof refuses to sign the report mentioned

in **Part 1** of the present article the customs official who is carrying out the field customs inspection shall make a relevant entry in said report. The person inspected is entitled to provide a written explanation of the reasons for the refusal to sign the report.

Article 182. Stock-Taking in the Course of a Field Customs Inspection

A stock-taking of goods shall be carried out by officials of customs bodies in accordance with **Subitem 6 of Item 1 of Article 134** of the Customs Code of the Customs Union in the procedure established for a stock-taking carried out by tax bodies in accordance with the **legislation** of the Russian Federation on taxes and fees.

Article 183. Procedure for Apprehending Goods and Seizing Goods and Documents in the Course of a Field Customs Inspection

1. The apprehension of goods and the seizure of goods shall be effected for the purposes envisaged by **Subitem 11 of Item 1 of Article 134** of the Customs Code of the Customs Union.

2. Below are the grounds for apprehension of goods:

1) goods have been found without the following on them: special stamps, identification signs or other designation of goods, if such stamps, identification signs and designation of goods must be applied to goods imported into the Russian Federation in accordance with the customs legislation of the Customs Union or the legislation of the Russian Federation, or the goods have been found with stamps or identification signs having the appearance of being counterfeit;

2) the commercial documents of the person being inspected do not contain information confirming that the goods have undergone customs declaration and/or clearance, if according to the customs legislation of the Customs Union or the legislation of the Russian Federation the entry of such information in commercial documents is compulsory when goods circulate on the territory of the Russian Federation and also such information is found to be untrue or there are no commercial documents that would have contained such information, if the availability of such documents is compulsory according to the customs legislation of the Customs Union or the legislation of the Russian Federation;

3) signs are discovered which can serve as evidence that the goods being inspected may be conditionally cleared and are being used in breach of restrictions on the use and/or disposal of such goods or in breach of the objectives corresponding to the conditions for the granting of privileges for the payment of import customs duties and taxes;

4) signs are discovered which can serve as evidence of the fact that the conditions and/or procedure for the granting of privileges for the payment of customs duties and taxes have not been observed;

5) signs are discovered which can serve as evidence of the fact that the goods being inspected are being used in breach of the terms and conditions of a customs procedure.

3. The "arrest of goods" means a ban on the disposal and use of goods. Goods which have been arrested shall be handed over for being stored to their possessor or to another person having powers in respect of such goods. The use of the goods which have been arrested may be permitted by the chief (a deputy chief) of the customs body that is carrying out the field customs inspection or the customs body's official empowered by him/her at an application of a person having powers in respect of such goods. The transfer of the goods which have been arrested to other persons, the alienation or other disposal thereof are hereby prohibited.

4. If signs are discovered which serve as evidence of goods being prohibited for import into the customs territory of the Customs Union or for circulation on the territory of the Russian Federation, and also if there are sufficient grounds to believe that the arrest of goods is not a

sufficient measure for ensuring the preservation thereof customs bodies shall seize the goods. Seized goods shall be placed in temporary storage warehouses in accordance with **Article 202** of the present Federal Law or in other places according to the rules established by **Part 4 of Article 189** of the present Federal Law.

5. In cases when for the purposes of a customs inspection copies of documents of the person being inspected are not sufficient and customs bodies have sufficient grounds to believe that the original documents could be destroyed, concealed, corrected or replaced an official of a customs body is entitled to seize the original documents. When the original documents are seized a report on the seizure thereof shall be drawn up in duplicate. The second copy of that report together with copies of the documents seized shall be delivered to the person from which they were taken. The reference number and date of the report on the seizure of an original document shall be entered in a copy of the document as well as the signature of the customs body's official who carried out the seizure.

6. The seizure of goods and documents and the arrest of goods shall take place under a substantiated decision of an official of the customs body that is carrying out the field customs inspection, in the presence of the person being inspected which has been found to have these goods and documents or a representative thereof and also in the presence of at least two witnesses.

7. All the goods and documents seized or the goods arrested shall be shown to the witnesses and the other persons taking part in the seizure of the goods and documents or in the arrest of the goods, and if necessary, shall be packed up and sealed with a seal or a lead seal. The documents seized shall be page-numbered, cord-bound and sealed with a seal or the signature of the person being inspected (a representative thereof). If the person being inspected (the representative thereof) refuses to seal the seized documents with a seal or signature a special annotation about it shall be entered in a report on the seizure of the documents.

8. A report on the seizure of the goods and documents or the arrest of the goods shall be drawn up. The report or the lists attached thereto shall contain a detailed description of the goods and documents seized or the goods arrested including a description, quantities and individual features thereof. Said report shall be signed by the customs official who carried out the seizure or arrest, the person found to have the seized goods and documents or the arrested goods or a representative thereof and also the witnesses. A copy of the report shall be delivered to the person found to have the goods and documents or to a representative thereof.

9. The return of seized goods and documents and the lifting of imposed arrest shall take place not later than on the last day of the field customs inspection, except for cases when goods are subject to arrest in accordance with **Article 189** of the present Federal Law or goods or documents are subject to seizure or arrest in accordance with the legislation of the Russian Federation on administrative offences, the **criminal procedural legislation** of the Russian Federation or in accordance with **Article 168** of the present Federal Law. The return of seized goods and documents and release shall take place under a decision of the customs official who is carrying out the field customs inspection. The decision on return of the seized goods and documents or on lifting imposed arrest shall be drawn up in duplicate. The second copy of said decision shall be delivered to the person found to have the goods and documents or to a representative thereof. The seized goods shall be returned to the person from whom they have been taken. When the seized goods are being returned a report shall be drawn up in triplicate, signed by an official of the customs body, the person to which the seized goods are being returned or a representative thereof and also the person that has stored the seized goods or a representative thereof. The second copy of said report shall be delivered to the person to which the seized goods are returned or a representative thereof, and the third copy shall go to the person that has been storing the seized goods or a representative thereof. The seized documents shall be returned to the person being inspected or a representative thereof. When

the seized documents are being returned a report shall be drawn up in duplicate, signed by an official of the customs body and the person being inspected or a representative of the person being inspected. The second copy of said report shall be delivered to the person inspected or a representative thereof.

10. The storage of seized goods shall be done at the expense of the person from whom the goods were taken. Unless it is established in the course of the customs inspection that the **customs legislation** of the Customs Union and/or the **legislation** of the Russian Federation on customs affairs has been violated in respect of these goods, the costs relating to the storage shall be posted as expenditure liabilities of the federal budget. The procedure for reimbursement of said funds from the federal budget shall be defined by the Government of the Russian Federation.

11. Information on all facts of arrest of goods, seizure of goods and documents shall be provided in the report reflecting the results of the field customs inspection.

12. In cases when seized goods or arrested goods are detained in accordance with **Article 189** of the present Federal Law or goods or documents are seized or arrested in accordance with the legislation of the Russian Federation on administrative offences, the criminal procedural legislation of the Russian Federation or in accordance with **Article 168** of the present Federal Law the goods and documents shall not be returned, the seizure or arrest of the goods and documents effected in accordance with the present article shall be deemed lifted and the reference number of the document under which the goods and documents were detained, seized or arrested shall be entered into the report on the field customs inspection.

13. Seized goods not claimed within two months after the end of the field customs inspection shall be converted into federal ownership under a court (arbitration court) decision in accordance with **Chapter 21** of the present Federal Law.

Article 184. The Rights of Customs Officials in the Course of a Customs Inspection

While carrying out a customs inspection officials of customs bodies shall enjoy the rights envisaged by **Article 134** of the Customs Code of the Customs Union, and they are also entitled to:

1) demand from the person being inspected and claim authorised economic operator status and obtain from that person information from a system intended for keeping record of goods in electronic form and also statements from it on a paper medium signed by the head of the person being inspected and the chief accountant and sealed with the seal of the person being inspected;

2) gain access in the course of a field customs inspection within the scope of their powers to the databases and databanks of automated information system of the person being inspected with due regard to the provisions of the **legislation** of the Russian Federation on protection of information;

3) check in the course of a field customs inspection the personal identity documents and/or documents confirming the powers of representatives of the person being inspected;

4) take a decision ordering a customs expert examination if special knowledge is required for clarifying the issues arising from a customs inspection;

5) exercise the other powers envisaged by the present Federal Law and other federal laws.

Article 185. The Duties of a Person Being Inspected when a Customs Inspection Is under Way

In the course of a customs inspection the person being inspected shall execute the duties established by **Article 135** of the Customs Code of the Customs Union and also:

1) if there are no documents (no information) and/or other circumstances have occurred

which obstruct their being provided when due -- shall provide a written explanation of the reasons for failure to perform the request before the expiry of the established term for provision of documents (information);

2) shall provide the customs officials who carry out a field customs inspection with access to the documents (information) required for the purposes of the field customs inspection, to the databases and databanks of automated information systems of the person being inspected as allowing one to view and select the necessary information and also to obtain copies of the necessary documents (information) on paper and an electronic carrier;

3) shall provide samples and specimens of goods in quantities required for studying them if customs officials in the course of the field customs inspection have taken a decision to order a customs expert examination;

4) shall provide explanations to the customs officials who carry out the customs inspection concerning the issues arising from the customs inspection and relating to inspection guidelines;

5) shall obey legal demands of the customs officials who carry out the customs inspection;

6) shall fulfil the other duties envisaged by the present Federal Law and other federal laws.

Chapter 21. Grounds and Procedure for Disposing of Goods Converted into Federal Ownership and Detained Goods Not Being the Subjects of Administrative Offences or Crimes. Detention of Goods

Article 186. Converting Goods into Federal Ownership

Goods shall be converted to federal ownership:

1) under a court decision in a criminal case or a case of an administrative offence when the confiscation of property is used, starting from the date on which that court decision becomes final;

2) under a court judgement at an application (claim) of a customs body or another empowered body asking for a piece of property to be deemed ownerless or for conversion of seized goods into federal ownership in the cases envisaged by the present Federal Law, starting from the date on which the court judgement becomes final;

3) on the basis of goods being placed under the customs **procedure of waiver for the benefit of the state** starting from the day on which goods are delivered to customs bodies under a certificate of delivery/acceptance.

Article 187. Disposing of Goods Converted into Federal Ownership

1. Disposal of goods converted into federal ownership under a court judgement shall be in the form of the sale, destruction or salvage thereof in the procedure established by the **legislation** of the Russian Federation.

2. Goods converted into federal ownership as they are placed under the customs **procedure of waiver for the benefit of the state** shall be delivered to the federal executive governmental body empowered by the Government of the Russian Federation to organise the sale, destruction or processing (salvage) of property converted into the ownership of the state, except for the goods for which a special disposal procedure is established by the **legislation** of the Russian Federation.

3. The light industry products converted into federal ownership and included in the list which is defined by the Government of the Russian Federation are subject to destruction in the procedure established by the Government of the Russian Federation.

Article 188. The Right of the Federal Executive Governmental Body Empowered in the Area of Customs Affairs to Gratuitously Grant Goods Converted into Federal Ownership

1. The federal executive governmental body empowered in the area of customs affairs is entitled to gratuitously grant medicines, sanitary and hygienic items, dressing items, medical-purpose items, perishable foodstuffs, infant and dietetic foodstuffs as well as clothing, footwear and other prime necessities converted into federal ownership to welfare, public-health, education and child-care institutions and bodies for social protection of the population; historical items, scientific items and works of art of no cultural value to museums; flora and fauna items to a zoo, reserve or museum; and cult items to religious organisations.

2. The gratuitous transfer of goods converted into federal ownership for the purpose of pursuing commercial activities is hereby prohibited.

3. If there is a written application of the body, institution or organisation mentioned in **Part 1** of the present article claiming that the goods specified in Part 1 of the present article be gratuitously transferred thereto with the undertaking to abstain from using these goods for commercial activities the customs body having received a document on the conversion of said goods into federal ownership shall consider the possibility of their gratuitous transfer.

4. For the purpose of taking a decision on the gratuitous transfer of the goods specified in **Part 1** of the present article the customs body shall send copies of the following as attested by the customs body to the federal executive governmental body empowered in the area of customs affairs:

- 1) documents on the conversion of the goods into federal ownership;
- 2) applications of the bodies, institutions and organisations mentioned in **Part 1** of the present article claiming gratuitous transfer of the goods;
- 3) documents containing information on the value of the goods;
- 4) documents confirming the quality and safety of the goods gratuitously transferred;
- 5) statements according to which the goods intended for gratuitous transfer are not cultural valuables (in respect of goods having the appearance of cultural valuables);
- 6) the other documents held by the customs body as concerning the goods.

5. Simultaneously information on the sending of the documents to the federal executive governmental body empowered in the area of customs affairs for the purpose of taking a decision on the gratuitous transfer of the goods specified in **Part 1** of the present article shall be sent to the body empowered by the Government of the Russian Federation to dispose of goods converted into federal ownership.

6. On the basis of the documents submitted by the customs body the federal executive governmental body empowered in the area of customs affairs shall take a decision within 30 days after receiving them on issuing a directive on gratuitous transfer of the goods converted into federal ownership or on a substantiated refusal to allow the customs body to implement it.

7. On the basis of the directive of the federal executive governmental body empowered in the area of customs affairs the customs body shall arrange for the transfer of the goods under a certificate of delivery/acceptance to a representative of the body, institution or organisation mentioned in **Part 1** of the present article whose powers to commit the actions of accepting the property are confirmed by a relevant document and a power of attorney drawn up in accordance with the **legislation** of the Russian Federation.

Article 189 of this Federal Law shall enter into force from January 1, 2012

Article 189. Detaining Goods Not Being the Subject of Administrative Offences or Crimes and the Documents Relating to Such Goods

1. On the grounds envisaged by **Item 1 of Article 145** of the Customs Code of the Customs Union customs bodies shall detain goods that are not the subject of administrative offences or crimes and the documents relating to such goods.

2. When goods not being the subject of administrative offences or crimes and the documents relating to such goods are being detained a report shall be drawn up in the form defined by the Commission of the Customs Union and copies thereof shall be delivered to the carrier, the owner of a temporary storage warehouse or the other person who possesses the detained goods as well as the consignee or the consignor of these goods, if these persons have been identified by customs bodies.

3. The detained goods and documents specified in **Part 1** of the present article shall be seized by customs bodies not later than on the day following the date of expiry of the term of temporary storage or another term established by the Customs Code of the Customs Union for the purposes of **export of goods to a destination outside the customs territory of the Customs Union**, the customs declaration thereof or the commission of the other actions envisaged by **Articles 152, 170, 185, 192, 208, 231, 234, 305 and 354** of the Customs Code of the Customs Union, on the basis of a report on detention envisaged by **Part 2** of the present article.

4. Detained goods shall be placed in temporary storage warehouses in accordance with Article 202 of the present Federal Law or shall be transferred for being stored to an organisation that provides warehousing services in the operational area of the customs body. Goods requiring special storage conditions shall be transferred to specialised organisations (institutions) or state bodies. When said goods are transferred for storage a certificate of delivery/acceptance shall be drawn up, one copy of which shall be retained by the customs body and the second one by the organisation (institution) storing the goods. A copy of such certificate shall be sent to the lawful possessor of the goods, if that person is identified by a customs body.

5. In the cases established by **Article 147** of the Customs Code of the Customs Union detained goods and the documents relating thereto shall be returned. When said goods are returned a report shall be drawn up in triplicate and signed by officials of the customs body that is returning the goods, the person to which the detained goods are returned or a representative thereof and also the person that has been storing them or a representative thereof. The first copy of said report shall be retained by the customs body, the second copy shall be delivered to the person to which the detained goods are returned or a representative thereof and the third copy to the person that has been storing the detained goods or a representative thereof. Compensation for the expenses incurred to store the detained goods shall be provided by the persons to whom the goods are returned.

6. The detained documents shall be returned to the person to whom the detained goods are returned or a representative thereof. When the detained goods are returned a report shall be drawn up in duplicate and signed by officials of the customs body that is returning the documents and the person to which they are returned or a representative thereof. The second copy of said report shall be delivered to the person to whom the documents are returned or a representative thereof.

7. In accordance with **Article 146** of the Customs Code of the Customs Union customs bodies shall store detained goods for one month after they are detained, except for perishable foodstuffs whose storage terms is 24 hours after the time of detention and goods prohibited for import into the customs territory of the Customs Union or export from that territory whose storage term is three days after the time of detention.

8. Upon the expiry of the term envisaged by **Part 7** of the present article unclaimed

detained goods are subject to sale, destruction or salvage in accordance with **Article 190** of the present Federal Law.

Article 190 of this Federal Law shall enter into force from January 1, 2012

Article 190. Disposing of Goods Not Converted into Federal Ownership

1. The disposal of the detained goods seized by customs bodies in accordance with **Article 168** of the present Federal Law shall be in the form of their sale, destruction or salvage by the federal executive governmental body empowered by the Government of the Russian Federation to organise the sale, destruction or processing (salvage) of property converted into the ownership of the state (hereinafter referred to in this article as "empowered body").

2. The customs body that has detained or seized goods shall do the following in advance and at least 15 days prior to the expiry of the term of storage of detained goods established by **Part 7 of Article 189** of the present Federal Law or the term of storage of seized goods established by **Part 4 of Article 168** of the present Federal Law: notify the declarant in writing or if the goods were not declared, the owner of the goods or if the owner is a foreign person or if the customs body has no information on the owner of the goods, the person who possessed the goods at the time of detention or the person from which the goods were seized of the date of onset of the event that allow the disposal of the detained or seized goods in accordance with the present chapter and of the forthcoming transfer thereof to an empowered body. Such written notice may be delivered to the persons specified in the present part in person against a signature or otherwise acknowledging that the notice is received and the date when it is received. If a perishable product is detained the notification shall be provided on the day of detention of the product by operative means of communication available including the transmission of information in electronic form.

3. Not later than the day following the date of expiry of the storage term for detained goods envisaged by **Part 7 of Article 189** of the present Federal Law or the storage term for seized goods established by **Part 4 of Article 168** of the present Federal Law the customs body that has detained or seized the goods shall draw up a report on the expiry of the storage term in duplicate.

4. One copy of the customs body's report envisaged by **Part 3** of the present article shall be sent within three working days after being drawn up by registered post with confirmation of delivery requested to the persons specified in **Part 2** of the present article. The second copy of the report shall be retained by the customs body. A copy of the report attested by the customs body shall be retained by the owner of a temporary storage warehouse or the owner of a customs warehouse or the other person who is storing the detained or seized goods.

5. The customs body's report envisaged by **Part 3** of the present article shall be deemed grounds for the disposal of the detained or seized goods in accordance with the present article.

6. The customs body that has detained or seized the goods shall calculate the amounts of customs duties and taxes:

1) on the detained goods on the basis of the amounts of customs duties and taxes which would have been payable if such goods were placed under the customs **procedure of clearance for internal consumption** calculated as of the date of the detention thereof;

2) on seized goods in accordance with **Article 81** of the Customs Code of the Customs Union.

7. Within three working days after the expiry of the storage term of the detained or seized goods the customs body that has detained or seized the goods shall notify the empowered body of the expiry of the term of storage thereof, the location of the goods, their quantity and the other characteristics required by the empowered body to organise the acceptance and taking of the goods, together with a copy of the report on detention and also the calculation of the

payable amount of customs duties and taxes carried out in accordance with **Part 6** of the present article. If the detained or seized goods are perishable the notice shall be sent on the day of detention or seizure of the goods, including by the means of operative communications available, like the transmission of information in electronic form with reference to the fact that these goods are perishable. The customs body shall also notify the declarant of the goods or their owner or the other legal possessor respectively, if these persons are identified or the person from which the goods have been taken about the expiry of the term of storage of the detained or seized goods.

8. The customs body that has detained or seized the goods shall transfer such goods under a certificate of delivery/acceptance to the empowered body.

9. The empowered body or a representative thereof shall accept the detained or seized goods from the customs body and take them out for the purpose of their being recorded, appraised and disposed of within ten working days after the date of receipt the customs body's notice envisaged by **Part 7** of the present article. At a substantiated application of the empowered body the customs body that has detained or seized the goods is entitled to extend the term for accepting the goods and taking them out by up to one month. Perishable goods shall be accepted by the empowered body for being disposed of within three working days after the date of receipt of the customs body's notice envisaged by Part 7 of the present article.

10. The sale of the detained or seized goods shall be effected by the empowered body at market prices.

11. For the purpose of ensuring the remittance to the federal budget of the entire sum of customs duties and taxes payable and calculated by the customs body in accordance with **Part 6** of the present article the empowered body shall dispose of such goods within the shortest term possible, in any case within three months after the date of the certificate of delivery/acceptance.

12. Unless the detained or seized goods are sold within the term specified in **Part 11** of the present article, the empowered body shall seek approval from the customs body for extension by up to two months of the term for sale.

13. If the expenses incurred to store and sell the detained or seized goods exceed their value such goods shall be subject to destruction or processing (salvaging) by the empowered body.

14. The destruction or processing (salvaging) of the detained or seized goods and also the provision of compensation for the expenses relating to the storage and transportation of such goods shall be carried out at the expense of the persons specified in **Part 2** of the present article or if there are no such persons, at the expense of federal budget funds, except as otherwise envisaged by the legislation of the Russian Federation for specific categories of goods.

15. Starting from the time when the detained or seized goods are actually accepted under the certificate of acceptance/delivery until the time when they are sold, destroyed or processed (salvaged) the empowered body shall ensure their preservation and if they are lost shall be liable:

1) before customs bodies: for compensation to the federal budget in the amount of money equal to that of customs duties and taxes payable on the goods lost;

2) before the possessors of the goods received by it for being disposed of: for compensation to these persons for the value of the goods lost less the amounts to be withheld according to **Article 149** of the Customs Code of the Customs Union.

16. If before the time when the goods are transferred to the empowered body the persons specified in **Part 2** of the present article have executed the duty envisaged by the customs legislation of the Custom Union and the legislation of the Russian Federation on customs affairs to take the goods out of the customs territory of the Customs Union, to make a

customs declaration in respect of the goods or to commit the other actions envisaged by **Articles 152, 170, 185, 192, 208, 231, 234, 305** and **354** of the Customs Code of the Customs Union the customs body is not entitled to impede the handing out of the detained or seized goods to such persons.

Article 191. Disposing of the Proceeds from the Sale of Goods

1. The proceeds from the sale of goods converted into federal ownership shall be remitted to the federal budget.

Part 2 of Article 191 of this Federal Law shall enter into force from January 1, 2012

2. The proceeds from the sale of detained or seized goods shall be remitted by the empowered body that received them within three days after the date of receipt thereof to the account of the Federal Treasury so that these proceeds can be disposed of in accordance with **Article 149** of the Customs Code of the Customs Union and simultaneously information shall be provided to the customs body that has detained or seized the goods about the expenses relating to the sale of such goods.

Part 3 of Article 191 of this Federal Law shall enter into force from January 1, 2012

3. Within five working days following the date of receipt of the proceeds mentioned in **Part 2** of the present article into the account of the Federal Treasury the customs body that has detained or seized the goods shall withhold the amounts of customs duties and taxes calculated in accordance with **Part 6 of Article 190** of the present Federal Law and also the expenses incurred to transport and store the goods and the other expenses relating to the sale thereof.

Part 4 of Article 191 of this Federal Law shall enter into force from January 1, 2012

4. The balance of the proceeds from the sale of the goods calculated with account being taken of the amounts withheld as envisaged by **Article 149** of the Customs Code of the Customs Union shall be refunded by the customs body to the declarant and if no declaration has been made in respect of the goods, to the owner or the other legal possessor of the goods, if the customs body has information about them. The balance of the proceeds from the sale of the seized goods shall be refunded to the person from whom such goods have been taken.

Part 5 of Article 191 of this Federal Law shall enter into force from January 1, 2012

5. Within five working days after the date of the withholding mentioned in **Part 3** of the present article the customs body that has detained or seized the goods shall notify by registered post, with confirmation of receipt requested, the persons mentioned in **Part 4** of the present article of the possibility of receiving the balance of the proceeds from the sale of the detained or seized goods. If the customs body can notify these persons by faster means of communication, including the transmission of information in electronic form, it shall notify them simultaneously with the dispatch of the registered letter.

Part 6 of Article 191 of this Federal Law shall enter into force from January 1, 2012

6. The form of a notice of the availability of the refundable proceeds from the sale of detained or seized goods shall be established by the federal executive governmental body empowered in the area of customs affairs.

Part 7 of Article 191 of this Federal Law shall enter into force from January 1, 2012

7. At a written application of the declarant or of the person mentioned in **Part 4** of the present article filed with the customs body that has detained or seized the goods the balance of the proceeds from the sale of the detained or seized goods shall be refunded within three months after the day following the date of receipt of the proceeds from the sale of the detained or seized goods into the account of the Federal Treasury.

Part 8 of Article 191 of this Federal Law shall enter into force from January 1, 2012

8. The total term for the customs body's consideration of an application claiming refund of the proceeds from the sale of detained or seized goods shall not exceed ten working days after the customs body registers the refund application.

Part 9 of Article 191 of this Federal Law shall enter into force from January 1, 2012

9. The refund of the balance of the proceeds from the sale of detained or seized goods shall be done in the currency of the Russian Federation to the account specified in the proceeds balance refund application.

Part 10 of Article 191 of this Federal Law shall enter into force from January 1, 2012

10. If within the term envisaged by **Part 7** of the present article the customs body that has detained or seized the goods does not receive an application claiming refund of the balance of the proceeds from the sale of the detained or seized goods the unclaimed amounts of the proceeds shall be taken into account as other non-tax revenues of the federal budget and not be refundable.

Article 192. The Details of Disposing of Specific Types of Goods

The disposal of precious metals, precious stones and articles made from them, cultural valuables, the goods subject to marking, securities, currency valuables and other goods prohibited for transactions or in which transactions on the territory of the Russian Federation are subject to restrictions shall take place in accordance with the legislation of the Russian Federation.

Section IV

Importing Goods into the Russian Federation and Exporting Them out of the Russian Federation

Chapter 22. Basic Provisions on the Import of Goods into the Russian Federation and on the Export Thereof out of the Russian Federation

Article 193. The Places where Goods Are Imported into the Russian Federation

1. The **import of goods into the Russian Federation** directly from the territories of states not being members of the Customs Union shall take place at the points of arrival specified in **Article 156** of the Customs Code of the Customs Union which are check-points on the State Border of the Russian Federation during the working hours of customs bodies. The Government of the Russian Federation is entitled to designate check-points on the State Border

of the Russian Federation for the arrival of specific categories of goods to the Russian Federation and also to establish in accordance with the **legislation** of the Russian Federation on the State Border of the Russian Federation the cases when goods may arrive in the Russian Federation at other points not deemed points of arrival in accordance with the Customs Code of the Customs Union and the procedure for this.

2. The import of goods into the Russian Federation from states not being members of the Customs Union via the territories of the member states of the Customs Union which are placed at their arrival in the customs territory of the Customs Union under the customs **procedure of transit** may take place at any point along the carrier's route to the delivery point determined by the customs body of departure for the goods, except for cases when the route of carriage of goods is established in accordance with **Article 217** of the Customs Code of the Customs Union as a measure for securing the observance of customs transit.

3. In a case not mentioned in **Part 2** of the present article the import of goods into the Russian Federation from the territories of the member states of the Customs Union may take place at any point.

4. The provisions envisaged by **Parts 2 and 3** of the present article shall not relieve a carrier from the duty to observe the restrictions established by the legislation of the Russian Federation for the purposes of ensuring road traffic safety and the safe carriage of goods that are subject to special carriage rules and for other purposes not relating to the **legislation** of the Russian Federation on customs affairs.

Article 194. The Duties of a Carrier when Goods Are Brought into the Russian Federation from the Territory of a State Which Is Not a Member of the Customs Union

1. While bringing goods into the Russian Federation from the territory of a state which is not a member of the Customs Union a carrier shall:

- 1) deliver the goods to the point of entry or another point designated in accordance with **Part 1 of Article 193** of the present Federal Law;
- 2) show the goods to a customs body;
- 3) provide the customs body with the documents and information included in the list established by **Article 159** of the Customs Code of the Customs Union;
- 4) provide certificates, permits, licences or other documents confirming the observance of established bans and controls, if according to the customs legislation of the Customs Union or the legislation of the Russian Federation such documents are to be presented to the customs body at the point of entry;
- 5) carry out the customs transactions relating to the placement of the goods in temporary storage or to the customs declaration thereof for a customs procedure according to the **customs legislation** of the Customs Union and the **legislation** of the Russian Federation on customs affairs.

2. The actions mentioned in **Items 4 and 5 of Part 1** of the present article may be committed by any person concerned.

3. In the event of an accident, force majeure or other circumstances interrupting the delivery of the goods to the point of entry the carrier shall take the measures envisaged by **Article 157** of the Customs Code of the Customs Union.

4. On behalf of the carrier documents and information at the point of entry may be presented to the customs body by any other person acting on the carrier's orders.

5. When the customs body at the point of entry is provided with standard carriage (transport) documents whose form and contents are established by international transport agreements to which the Russian Federation is a party no Russian translation of such documents is required, if the documents have been drawn up in English or another foreign

language envisaged by an international standard for the preparation of carriage (transport) documents.

Article 195. Exporting Goods out of the Russian Federation

1. Except for the cases envisaged by **Part 3** of the present article the **export of goods out of the Russian Federation** to a destination outside the customs territory of the Customs Union shall take place at the points of departure mentioned in **Article 162** of the Customs Code of the Customs Union, which are check-points on the State Border of the Russian Federation, and within the working hours of customs bodies. The Government of the Russian Federation is entitled to designate check-points on the State Border of the Russian Federation for the departure from the Russian Federation of specific categories of goods, and also to establish cases in accordance with the **legislation** of the Russian Federation on the State Border of the Russian Federation when goods may leave the Russian Federation at other points not deemed points of departure according to the Customs Code of the Customs Union and the procedure for this.

2. When goods leave the Russian Federation the carrier shall provide the customs body with the documents and information envisaged by **Articles 159** and **163** of the Customs Code of the Customs Union. On behalf of the carrier the documents and information may be provided by any other person acting on the carrier's orders.

3. In cases when the departure of goods to a destination outside the customs territory of the Customs Union takes place from the territories of the other member states of the Customs Union the movement of such goods out of the Russian Federation to the territory of a member state of the Customs Union may occur at any point, except as otherwise established by the Government of the Russian Federation.

4. The export of goods out of the Russian Federation in the cases envisaged by **Parts 1** and **3** of the present article is admissible after their customs declaration and the completion of the other transactions required for the placement of the goods under a customs procedure and for the clearance of the goods, except for the export of electrical energy via power transmission lines in accordance with **Article 313** of the present Federal Law.

5. The export of the goods having Customs Union goods status in accordance with the **Customs Code** of the Customs Union out of the Russian Federation to the member states of the Customs Union shall take place without the restrictions envisaged by the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs, except as otherwise established by international agreements of the Russian Federation and the legislation of the Russian Federation. The provisions of the present part shall not relieve the persons exporting goods out of the Russian Federation of the duty to observe the provisions of the **legislation** of the Russian Federation in the area of export control, the **currency legislation** of the Russian Federation and the other provisions established by the legislation of the Russian Federation.

Article 196. The Actions of Customs Bodies when Preliminary Information Is Used

1. The preliminary information provided to customs bodies in accordance with **Article 42** of the Customs Code of the Customs Union shall be used so that it be studied and analysed and verification measures be taken before goods are presented to customs bodies for the purposes of selecting subjects of control and clearing the goods or taking other compulsory decisions in respect of the goods not deemed subject to control in accordance with a risk management system within a period shorter than the one envisaged by the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs.

2. The procedure for customs bodies officials to commit actions while using preliminary information shall be established by the federal executive governmental body empowered in the

area of customs affairs, except as otherwise established by the customs legislation of the Customs Union.

Chapter 23. The Temporary Storage of Goods

Article 197. General Provisions on the Temporary Storage of Goods

The meaning of temporary storage of goods, the rights and duties of the persons having powers in respect of goods and of their representatives and the term for temporary storage are established by **Articles 167, 170 and 171** of the Customs Code of the Customs Union respectively.

Article 198. Places of Temporary Storage of Goods

1. In accordance with **Article 168** of the Customs Code of the Customs Union the places of temporary storage are temporary storage warehouses and the following other temporary storage facilities:

- 1) a warehouse of a customs body;
- 2) a warehouse of the consignee of goods in the cases envisaged by **Article 200** of the present Federal Law;
- 3) premises, an open site and another area of an authorised economic operator in accordance with **Item 1 of Part 1 of Article 86** of the present Federal Law;
- 4) separate premises at international postal exchange points in accordance with **Part 2 of Article 317** of the present Federal Law;
- 5) the place of storage of unreceived or unclaimed baggage moved within the framework of a contract of air or rail carriage of a passenger;
- 6) the place of unloading and re-loading (transshipment) of goods within the area of a sea (river) port;
- 7) a specifically-equipped place for unloading and re-loading (transshipment) of foreign goods within the boundaries of the restricted-access area of an airport on the condition that the point of import of such goods into the Russian Federation and the place of their export out of the Russian Federation coincide;
- 8) railway tracks and container sites located in areas agreed upon with customs bodies within railway stations and intended for the temporary storage of goods without their being unloaded off vehicles;
- 9) the places defined by other federal laws or acts of the Government of the Russian Federation.

2. The place of temporary storage of goods is a permanent or temporary customs control zone set up in accordance with **Article 163** of the present Federal Law.

3. In the cases envisaged by **Items 2 and 4-8 of Part 1** of the present article the temporary storage of goods in other places of temporary storage of goods shall take place with a written permit of a customs body, issued at an application of a person concerned. A permit for temporary storage of goods in other places may be one-off (for the temporary storage of a specific lot of goods) or general (for the periodical temporary storage of foreign goods within a specific period).

4. The terms and procedure for the issuance of a permit for temporary storage of goods in other places, including claims for provision of security for the payment of customs duties and taxes, shall be defined by the federal executive governmental body empowered in the area of customs affairs.

5. The person that has received a permit for temporary storage of goods in other places of temporary storage of goods acquires the duties envisaged by **Parts 4 and 5 of Article 200** of

the present Federal Law for the consignee of goods when temporary storage of goods is in a warehouse of the consignee.

6. A customs body shall refuse to issue a permit to a person for temporary storage of goods in other places of temporary storage of goods if within one year before the date of application to the customs body that person has been on several occasions (twice or more) held accountable for administrative offences in the area of customs affairs envisaged by **Articles 16.1 and 16.2, Part 1 of Article 16.9, Articles 16.11, 16.13, 16.14 and 16.19 and Parts 2 and 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation, except for goods imported by rail, if the temporary storage thereof is performed by a carrier on railway tracks.

7. The federal executive governmental body empowered in the area of customs affairs shall establish a procedure for the provision of documents and information to a customs body when goods are placed in a temporary storage warehouse and in other places for temporary storage of goods, a procedure for the placement (handing out) of goods in (out of) a temporary storage warehouse and other places of temporary storage of goods for customs control purposes.

Article 199. The Customs Transactions Relating to the Placement of Goods in Temporary Storage

1. When goods are placed in a temporary storage warehouse the persons having powers in respect of the goods or representatives thereof shall submit the documents defined by **Item 1 of Article 169** of the Customs Code of the Customs Union to the customs body.

2. The documents required for the purposes of placing the goods in a temporary storage warehouse shall be submitted to the customs body within three hours after the completion of the **procedure of customs transit** (the presentation of the goods to the customs body at the point of entry).

3. The customs body shall register the documents filed for the purposes of placing the goods in temporary storage within one hour after receiving them. Starting from the date of registration of the documents filed for the purposes of placing the goods in temporary storage by the customs body the goods shall be deemed to be in temporary storage.

Article 200. The Temporary Storage of Goods in the Consignee's Warehouse

1. The temporary storage of goods in a warehouse of the consignee of the goods may take place if:

1) there is a need for temporary storage of goods that require special storage conditions when there is no temporary storage warehouse equipped to store such goods in sufficient proximity to the place where the goods are received;

2) the consignee of the goods is a state body or institution.

2. While issuing a permit for the temporary storage of goods in a warehouse of the consignee a customs body is entitled to demand that security be provided for the payment of customs duties and taxes, except for cases when the consignee of the goods is state body or institution.

3. The storage of foreign goods belonging to third persons in the warehouse of the consignee of the goods is prohibited.

4. The consignee of the goods shall make sure the goods are preserved and no transactions in respect of the goods take place without a permit of customs bodies. For the purpose of preventing the substitution of the goods or the performance of unauthorised transactions involving the goods customs bodies are entitled to attach lead seals and affix seals to the packaging of the goods or to the premises where they will be stored.

5. The consignee of the goods shall provide customs bodies with reports on the goods in

temporary storage in accordance with **Parts 4-8 of Article 177** of the present Federal Law. If the goods are lost or are transferred to third persons without a permit of the customs bodies the consignee of the goods shall pay customs duties and taxes in accordance with **Article 172** of the Customs Code of the Customs Union.

Article 201. The Storage of Goods in Temporary Storage Warehouses of Customs Bodies

1. Temporary storage warehouses of customs bodies are public warehouses and they shall meet the requirements set out in **Part 1 of Article 71** of the present Federal Law.

2. When goods are stored in temporary storage warehouses of customs bodies the relationships of the customs bodies with the persons which place goods into these warehouses shall be governed by the present Federal Law and the **Civil Code** of the Russian Federation. A contract concluded by a customs body with the person placing goods in a temporary storage warehouse of the customs body is subject to the provisions of the **civil legislation** of the Russian Federation established for a public contract. A customs body's refusal to conclude such contract if goods can be stored is hereby prohibited. The acceptance of goods for storage by a customs body shall be certified by means of a receipt issued to the person that has placed the goods in the customs body's temporary storage warehouse and drawn up on the **form** defined by the federal executive governmental body empowered in the area of customs affairs.

3. The rights, duties and liabilities of customs bodies in connection with these bodies' storing goods shall ensue from the essence of obligations in accordance with the general provisions on storage available in the **civil legislation** of the Russian Federation with due regard to the provisions established by the present Federal Law.

4. Customs fees shall be charged for the storage of goods in a temporary storage warehouse of a customs body in accordance with **Chapter 14** of the present Federal Law.

Article 202. The Placement of Goods in Temporary Storage by Customs Bodies

1. In the cases envisaged by **Articles 168, 183 and 189** of the present Federal Law goods may be placed in temporary storage warehouses by customs bodies.

2. When goods are placed in a temporary storage warehouse by customs bodies a contract shall be concluded with the possessor thereof in the procedure defined by the Government of the Russian Federation.

3. Remuneration for the storage of the goods and compensation for losses to the possessor of the temporary storage warehouse at the expense of the persons defined in **Part 1 of Article 168, Part 10 of Article 183 and Part 5 of Article 189** of the present Federal Law.

4. When goods storage expenses are compensated with the proceeds from the sale of goods or with federal budget funds compensation for the expenses shall be provided on the basis of the rates (tariffs) of the possessor of the temporary storage warehouse effective during the period of storage as announced in a public offer or used in the conclusion of contracts of storage of goods that require similar storage conditions and if there are no such documented rates (tariffs), within the amounts of the documented expenses incurred by the possessor of the temporary storage warehouse when the goods were stored. The procedure for the provision of compensation for expenses to the possessor of temporary storage warehouses is established by the Government of the Russian Federation.

5. If the person whose goods were placed in a temporary storage warehouse by customs bodies has compensated the expenses incurred to store them when the goods are released from the warehouse and according to **Article 183** of the present Federal Law storage expenses have to be compensated with federal budget funds customs bodies shall provide compensation for the expenses to said person in the procedure established by the Government of the Russian Federation within the amounts calculated in accordance with **Part 4** of the present article. The

customs bodies' refusal to provide compensation for the expenses or partial payment thereof are subject to appeal in the procedure established by the legislation of the Russian Federation.

Section V

The Customs Transactions Relating to the Placement of Goods under a Customs Procedure

Chapter 24. Declaring for Customs Purposes

Article 203. The Goods That Have to Be Declared in Accordance with the Customs Legislation of the Customs Union

Goods brought into the Russian Federation from the territories of states not being members of the Customs Union, for instance those moved via the territories of the member states of the customs Union in accordance with the customs **procedure of customs transit** and also goods taken out of the Russian Federation to a destination outside the customs territory of the Customs Union shall be declared for customs purposes in accordance with **Chapter 27** of the Customs Code of the Customs Union and the provisions of the present chapter when they are placed under a customs procedure and when a customs procedure is changed.

Article 204. A Declaration Concerning Goods

1. A declaration in respect of goods shall be filed in electronic form. The Government of the Russian Federation shall establish lists of goods and customs procedures and also the cases in which a declaration may be made in writing.

2. The details which are to be entered in a declaration concerning goods are established by **Article 181** of the Customs Code of the Customs Union.

3. The procedure for completion of a declaration concerning goods shall be established by a decision of the Commission of the Customs Union. In the cases established by a decision of the Commission of the Customs Union the details that have to be entered in a declaration concerning goods depending on the customs procedure, the category of the goods, the persons moving them and the means of transport may be reduced by the **federal executive governmental body** empowered in the area of customs affairs.

4. The following may be used as a declaration concerning goods: transport (carriage), commercial and/or the other documents containing the information required for the clearance of the goods placed under the customs procedures of clearance for internal consumption or export in the event of declaring goods whose total customs value does not exceed an amount equivalent to 1,000 euros, in the procedure defined by a decision of the Commission of the Customs Union, except for the following:

1) excisable goods;

2) goods subject to licensing and/or quotas;

3) goods which according to the legislation of the Russian Federation are exempt from customs duties or taxes, except for the provision of tariff preferential treatment, and also the goods imported addressed to diplomatic or missions of foreign states or other missions qualifying as such or exported addressed to the Russian Federation's missions abroad;

4) currencies, securities, precious metals and precious stones.

5. When a written declaration is filed in respect of goods such declaration shall be accompanied with the provision of an electronic copy. In the cases envisaged by a decision of the Commission of the Customs Union the federal executive governmental body empowered in the area of customs affairs shall establish that a written customs declaration is filed without the

provision of an electronic copy thereof.

6. The procedure for the filing of a declaration concerning goods, the registration thereof by a customs body, the amendment of the information declared therein and the withdrawal of a declaration filed in respect of goods is established by **Articles 190-192** of the Customs Code of the Customs Union.

Article 205. The Place of Declaration of Goods

1. A declaration concerning goods may be filed with any customs body having the **powers** to register a customs declaration.

2. The **federal executive governmental body** empowered in the area of customs affairs is entitled to designate specific customs bodies for the declaration of specific types of goods only if specialised customs bodies are set up in accordance with **Part 4 of Article 10** of the present Federal Law to carry out customs transactions in respect of specific categories of goods on the basis of the need for customs officials to have special knowledge about such goods as cultural valuables, articles made from precious metals and precious stones, weapons, military materiel and ammunition, radioactive and fissile materials and other specific goods or on the basis of the need to create conditions for the fast-track clearance of such goods as express cargoes, exhibition items, goods imported into a special economic zone and exported out of a special economic zone and other goods.

3. If a customs declaration concerning goods is filed with a customs body other than the one established in accordance with **Part 2** of the present article the customs body shall refuse to register such declaration according to **Item 4 of Article 190** of the Customs Code of the Customs Union.

Article 206. Recording the Date of Filing of a Declaration Concerning Goods

1. A customs body shall record the date and time of filing of a declaration concerning goods in the procedure defined by the **federal executive governmental body** empowered in the area of customs affairs. When goods are declared in electronic form the date and time of filing of the declaration concerning the goods and the sending to the declarant of an electronic message containing information of said date and time shall be done automatically when such declaration is received by the electronic system of the customs bodies.

2. At a request of the declarant or a customs representative the customs body shall issue an acknowledgement in writing of the date and time of filing of the declaration concerning the goods, except for cases when the declaration is filed in electronic form in a manner allowing one to record the date and time of filing of said declaration by means of software.

3. As evidence of default on the actions envisaged by **Parts 1 and 2** of the present article the declarant or the customs representative is entitled to use any means of acknowledgement of the filing of the declaration concerning the goods, such video and photographic recording, witness testimony or records made by surveillance cameras if they are installed at the places where such declaration is filed.

Article 207. Attesting a Declaration Concerning Goods Filed in Electronic Form

A declaration concerning goods in the event of customs declaration in an electronic form shall be signed with an electronic digital signature in accordance with the **legislation** of the Russian Federation.

Article 208. Filing the Documents Serving as Basis for the Completion of a Declaration Concerning Goods

1. Lists of the documents on the basis of which a declaration concerning goods has been completed and which have to be submitted to the customs body simultaneously with the

declaration concerning goods are established by **Articles 183, 240, 253, 265, 294, 299** and **308** of the Customs Code of the Customs Union. Depending on the customs procedure, the categories of goods and persons the relevant reduced list of documents is established by **Article 232, Part 3 of Article 248, Part 4 of Article 269, Articles 279** and **283** of the present Federal Law.

2. The federal executive governmental body empowered in the area of customs affairs is entitled to cut the list of the documents filed in the event of customs declaration of goods, depending on the form of customs declaration (written or electronic), customs procedure, the categories of goods and persons.

3. A customs body is entitled to verify the match between copies of the documents filed for customs declaration purposes and their originals if these copies have been attested by the person that filed them, the declarant or the body that has issued such documents. After the verification the original documents shall be immediately returned to the person that provided them.

4. The declarant shall provide the customs body empowered to accept declarations concerning goods with documents confirming the competence of this person to carry out customs transactions on a one-off basis at the first application, for instance before the filing of the customs declaration which is going to be completed on the basis of them. If amendments are made to said documents the declarant shall inform the customs body to which they were submitted at the first application accordingly.

5. Below are documents confirming the competence of persons to carry out customs transactions:

- 1) the constitutive documents of a Russian legal entity;
- 2) a certificate of the accreditation of a branch or representative office of a foreign legal entity if the foreign entity has the capacity to act as a declarant of goods according to **Subitems 2 and 3 of Article 186** of the Customs Code of the Customs Union;
- 3) a passport if a natural person acts as the declarant of goods;
- 4) the certificate of state registration of a legal entity or the certificate of state registration of a natural person as an individual entrepreneur;
- 5) the **documents** testifying according to the legislation of the Russian Federation to the fact that the person acting as a declarant has registered with the tax bodies.

6. At a request of a declarant the customs body to which documents have been submitted shall acknowledge in writing the acceptance thereof.

7. If goods are going to be declared to a customs body empowered to accept declarations for goods, by means of filing an electronic declaration concerning the goods, the documents mentioned in **Part 5** of the present article shall be submitted to the customs body and the customs body shall issue an acknowledgement of receipt of such documents in electronic form.

8. If some of the documents used to complete a declaration concerning goods cannot be presented simultaneously with the declaration concerning the goods then at a substantiated application filed in writing by the declarant the customs bodies shall permit such documents to be submitted after the clearance of the goods within the term required for obtaining them but in any case within 45 days after the date of registration of the declaration concerning the goods. The declarant shall submit an undertaking in writing to provide the documents within the established term. The procedure for submission of licences, certificates, permits and/or other documents confirming the observance of established bans and restrictions and required for the clearance of goods is established by **Article 219** of the present Federal Law.

Article 209. Term for Filing a Declaration Concerning Goods

1. The term for filing a declaration concerning goods is established by **Article 185** of the

Customs Code of the Customs Union.

2. In the cases established by **Articles 212-217** of the present Federal Law a special term for filing a declaration concerning goods is applicable.

Article 210. The Declarant

1. The following may be a declarant: a legal entity which is located in the Russian Federation and is formed in accordance with the **legislation** of the Russian Federation or a natural person who is registered as an individual entrepreneur and permanently resides in the Russian Federation and also a natural person who has his/her permanent place of residence in the Russian Federation and meets the criteria envisaged by **Subitem 1 of Article 186** of the Customs Code of the Customs Union.

2. In the customs procedure of customs transit the persons meeting the criteria envisaged by **Subitem 3 of Article 186** of the Customs Code of the Customs Union may be declarants.

3. While filing a declaration concerning goods a foreign person/entity is entitled to act as the declarant of the goods only in the cases envisaged by **Subitem 2 of Article 186** of the Customs Code of the Customs Union.

4. The rights and duties of a declarant when making declarations for customs purposes and other customs transactions taking place as required for the placement of goods under a customs procedure are established by **Articles 187** and **188** of the Customs Code of the Customs Union respectively.

Article 211. The Preliminary Customs Declaration of Goods

1. The filing of a declaration concerning goods (for instance by a person not being an authorised economic operator) before the goods are brought into the customs territory of the Customs Union shall be effected in the procedure for preliminary declaration of foreign goods defined by **Article 193** of the Customs Code of the Customs Union. If the import of foreign goods into the customs territory of the Customs Union is by road or rail their preliminary declaration may be done before the vehicles reach the point of delivery.

2. The goods which have been declared through the filing of a preliminary declaration concerning the goods and on which the customs duties and taxes have been paid as payable at placement under the customs **procedure of clearance for internal consumption** may be shown after their arrival in the Russian Federation to the customs body located at a place close to the State Border of the Russian Federation before the expiry of the term established by **Item 6 of Article 193** of the Customs Code of the Customs Union.

3. The procedure for interaction of the customs body that has accepted the preliminary declaration concerning goods, the customs body located at the check-point and the customs body located at the place close to the State Border of the Russian Federation in the course of clearance of goods and of customs control being exercised in respect thereof shall be defined by the **federal executive governmental body** empowered in the area of customs affairs.

4. If the payer of customs duties and taxes so wishes the amounts of customs duties and taxes paid at the preliminary customs declaration may be used in the carriage of the goods declared through the filing of a preliminary declaration concerning the goods as the amounts of security for the payment of customs duties and taxes.

5. At an application of the payer of customs duties and taxes the customs body that has accepted the preliminary declaration concerning the goods shall issue the document acknowledging the acceptance of security for the payment of customs duties and taxes envisaged by **Item 5 of Article 85** of the Customs Code of the customs Union in the amount of paid customs duties and taxes.

6. If the foreign goods are not delivered to the point of delivery established by the

customs body security for the payment of customs duties and taxes shall be collected in accordance with **Article 93** of the Customs Code of the Customs Union.

Article 212. An Incomplete Declaration Concerning Goods

1. If a declarant (for instance, a declarant not having authorised economic operator status) does not have all the information required to complete a customs declaration for reasons beyond his/her/its control it is permitted to file an incomplete declaration concerning goods if it contains the information required for the clearance of the goods, calculation and payment of customs charges and confirming the observance of bans and restrictions and also allowing one to identify the goods by the entirety of their quantitative and qualitative characteristics.

2. While filing an incomplete declaration concerning goods a declarant shall undertake in writing to provide the missing information within the term established by the customs body, the term not exceeding 45 days for foreign goods after the date on which the incomplete declaration concerning the goods is registered by the customs body.

3. For Customs Union goods the term within which the declarant is to provide missing information shall be set depending on the time required to transport the goods to the point of exit and on navigation and other conditions, and it shall not exceed eight months after the date on which the incomplete declaration concerning the goods is registered by the customs body.

4. If a customs body registers an incomplete declaration concerning goods the same requirements and conditions of the **customs legislation** of the Customs Union and of the **legislation** of the Russian Federation on customs affairs are applicable, including the procedure for calculating and paying the customs charges applicable if the declaration filed in respect of goods initially is complete and appropriately filled in.

Article 213. A Periodical Customs Declaration of Goods

1. If the same goods are regularly moved across the customs border of the Customs Union by the same person in the procedure and on the terms envisaged by the present article any person that may act as a declarant is permitted to file a periodical declaration concerning goods in respect of all the goods imported into the Russian Federation (exported out of the Russian Federation) within the period of delivery but not exceeding 30 calendar days.

2. For the purposes of application of the present article the "period of delivery" is the period declared by the declarant during which the following is planned:

- 1) goods imported into the Russian Federation will be presented to the customs body;
- 2) goods exported out of the Russian Federation will be shipped (delivered to a carrier which will perform the international carriage of the goods or to the first carrier in the event of international carriage of the goods involving re-loading (transhipment) to another vehicle for the purpose of their being exported).

3. For the purposes of application of the present article goods shall be deemed the "same" if they have the same description and the same classification code according to the **Commodity Classification** for Foreign Economic Activities.

4. Goods shall be deemed "regularly moved by a person across the customs border" if that person makes three and more deliveries of the same goods within 30 calendar days.

5. A "commodity lot" that may be declared in the periodical declaration concerning goods means goods which meet the conditions set out in **Parts 3** and **4** of the present article and are declared for customs purposes at one and the same customs body and are imported into the Russian Federation or exported out of the Russian Federation to set off the performance of obligations under one contract concluded at the conclusion of a foreign economic deal or under one permit for the processing of goods at the declaration of products of processing or under a unilateral foreign economic deal or without any deal made, irrespective of the number of separate deliveries within the declared period of delivery not exceeding 30 calendar days.

6. When the customs declaration of goods is effected by means of filing a periodical declaration concerning goods import customs duties shall be paid simultaneously with the filing of such declaration on the basis of the rates effective as of the date of its registration.

7. When the customs declaration of goods is effected by means of filing a periodical declaration concerning goods one shall apply the exchange rates of foreign currencies and restrictions as of the date of its registration by a customs body.

8. Periodical customs declaration shall be carried out by means of filing a periodical declaration concerning goods with a customs body for one commodity lot defined according to **Part 5** of the present article within 15 days before the commencement of the declared period of delivery.

9. The periodical declaration concerning goods shall be used to declare information on the basis of the quantity of goods planned for being imported or exported within the declared period of delivery. The periodical declaration concerning goods shall declare the details required to clear the goods, calculate and pay customs duties and confirm the observance of the restrictions established in accordance with the **customs legislation** of the Customs Union and also allow one to identify the declared goods by the entirety of their quantitative and qualitative characteristics.

10. The declarant shall declare updated information on the goods declared in the periodical declaration concerning goods to the customs body in the form established by the **federal executive governmental body** empowered in the area of customs affairs:

1) within ten working days after the end of the period of delivery when imported goods are declared;

2) within two months after the actual export of the entire lot of goods declared in the periodical declaration concerning goods when exported goods are declared.

11. The exported goods declared in a periodical declaration concerning goods shall be actually exported within three months after the end of the period of delivery. The departure of the goods in a quantity exceeding that declared in the periodical declaration concerning goods is prohibited.

12. The periodical declaration concerning goods shall be deemed unfiled if the goods contained in the lot of goods declared in such declaration:

1) were not exported within the term specified in **Part 8** of the present article;

2) were not presented to the customs body that accepted the periodical declaration concerning goods within the declared period of delivery.

13. A periodical customs declaration is not applicable to exported goods which are subject to export customs duties or are under controls.

14. An authorised economic operator pursuing production activities is entitled to make a periodical customs declaration in respect of foreign goods after they are imported into the Russian Federation in accordance with the provisions of the present article with the following details:

1) a periodical declaration concerning goods may refer to all the goods that have arrived addressed to the authorised economic operator during the period from the first delivery of the goods to the expiry of the term of their temporary storage and in cases when goods are cleared before the filing of a declaration concerning goods, to the expiry of the term for filing a declaration concerning goods;

2) a periodical declaration concerning goods may be filed for goods placed under the customs procedures of processing on the customs territory or processing for internal consumption.

Article 214. The Temporary Periodical Customs Declaration of Exported Customs Union Goods

1. In the event of exportation out of the customs territory of the Customs Union of the goods of the Customs Union for which exact information cannot be provided as to the quantity and/or customs value their temporary periodical customs declaration is admissible by means of filing a temporary customs declaration (for instance, by a person not being an authorised economic operator). In respect of goods moved by pipelines and power transmission lines temporary a periodical customs declaration is applicable, with account being taken of the details envisaged by **Article 312** of the present Federal Law.

2. The application of a temporary periodical declaration shall not relieve the declarant of the duty to observe the requirements and conditions established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs in as much as it concerns the completeness and proper timing of payment of customs charges, the observance of bans and restrictions and also the observance of the conditions of customs procedures and the performance of customs control.

3. In respect of the goods subject to export customs duties and/or restrictions when they are exported out of the Russian Federation a temporary periodical customs declaration is permitted by the customs body with which a temporary declaration concerning goods is filed, by means of its being registered, given the simultaneous observance of the below conditions:

1) as of the date of filing of the temporary declaration concerning goods the declarant does not have decisions in cases of administrative offences in the area of customs affairs which have become final or have not been discharged;

2) as of the date of filing of the temporary declaration concerning goods the declarant has been pursuing foreign economic activities for at least one year and within the frame thereof the declarant has imported goods into the Russian Federation (exported goods out of the Russian Federation) at least 12 times.

4. The observance of the conditions mentioned in **Items 1 and 2 of Part 3** of the present article is not required in respect of goods moved by pipeline and also in respect of the goods whose declarants are authorised economic operators or the persons that have paid amounts of customs duties and taxes exceeding 100,000,000 roubles in the year preceding the date of filing of the temporary declaration.

5. After goods have been actually exported out of the customs territory of the Customs Union the declarant shall file one or several complete and appropriately filled in customs declarations for all the goods exported from the customs territory of the Customs Union. One or several complete and appropriately filled in declarations concerning goods shall be filed within the term set by the customs body on the declarant's written application. While setting such a term one shall take into account the term required for the actual exportation of goods out of the customs territory of the Customs Union and for receiving the information sufficient for filing a complete and appropriately filled in declaration concerning goods. At a substantiated written application of the declarant on a permit of the customs body the term set by the customs body for filing a complete declaration concerning goods may be extended. The longest term for filing a complete declaration concerning goods in respect of the goods exempt from export customs duties or not subject to restrictions shall not exceed eight months after the date of registration of the temporary declaration concerning goods, and in respect of the goods subject to export customs duties or restrictions said term shall not exceed six months.

6. In a temporary declaration concerning goods it is admissible that information is declared according to the intent to export an approximate quantity of the goods, with the conditional customs value (evaluation) calculated according to the would-be quantity of the goods going to be moved across the customs border of the Customs Union and also on the basis of the consumer properties of the goods envisaged by the terms of a foreign economic

deal and the procedure for determining the price thereof as of the date of filing of the temporary declaration concerning goods. The departure of the goods in a quantity exceeding that declared in the temporary declaration concerning goods is hereby prohibited.

7. When a temporary declaration concerning goods is used restrictions shall be applied as of the date of registration of that declaration by a customs body. The rates of export customs duties shall be applied as of the date of actual export of the goods out of the customs territory of the Customs Union. The date of actual export of the goods is the date of the technological annotations made by the customs body located at the point of exit of the goods from the customs territory of the Customs Union in transport (carriage) or other documents permitting the goods to leave.

8. The declarant begins to have the duty to pay export customs duties on the goods declared in accordance with the present article from the time when the customs body registers the temporary declaration concerning goods and from the time when the customs body registers the complete declaration concerning goods.

9. The declarant ceases to have the duty to pay export customs duties on the goods declared in accordance with the present article in the cases established by **Item 2 of Article 80** of the Customs Code of the Customs Union and also if the amounts of export customs duties have been paid in full.

10. Export customs duties are payable:

1) when a temporary declaration concerning goods is filed: before the goods are cleared in accordance with the declared customs procedure;

2) when a complete declaration concerning goods is filed: simultaneously with the filing of the complete declaration concerning goods.

11. Export customs duties are payable:

1) when a temporary declaration concerning goods is filed: in the amount calculated on the basis of the quantity and/or value of exported goods declared in the temporary customs declaration as of the time of filing of the temporary declaration concerning goods;

2) when a complete declaration concerning goods is filed: in the amount calculated on the basis of the actually exported quantity of the goods and/or the value of actually exported goods, with account being taken of the amounts of export customs duties paid when the temporary declaration concerning goods was filed.

12. Export customs duties shall be paid on the basis of the rates effective as of the date of registration of the temporary declaration concerning goods. When the complete declaration concerning goods is filed the additional payment of the amounts of export customs duties shall take place if the sum of payable export customs duties is increased as a result of updating the information mentioned in **Part 6** of the present article and/or an increase in the rate of the customs duty applicable according to **Part 7** of the present article or a change in the exchange rate of a foreign currency as of the date of registration of the complete declaration concerning goods. No penalty shall accrue in that case. The refund of excessively paid or excessively collected amounts of export customs duties, for instance in the event of a decrease in the amounts of payable export customs duties as a result of updating the information mentioned in Part 6 of the present article and/or a decrease in the rate of the customs duty applicable according to Part 7 of the present article or a change in the exchange rate of a foreign currency as of the date of registration of the complete declaration concerning goods shall be effected in accordance with **Chapter 17** of the present Federal Law.

13. When a periodical temporary customs declaration is used and a change occurs in the information concerning the consignees of goods the declarant shall file a complete declaration concerning goods in accordance with such change. In this case, the reference number of the complete declarations concerning goods filed shall correspond to the reference number of foreign trade contracts.

14. Unless within eight months, or within six months if it concerns goods subject to export customs duties and controls, after the date of registration of the temporary declaration concerning goods such goods are exported out of the customs territory of the Customs Union, the temporary declaration concerning the goods whereby such goods have been declared for export shall be deemed unfiled.

Article 215. The Details of Declaration of a Product That Has Not Been Assembled or Has Been Disassembled, Including as an Incomplete or Un-finished Set, and Has Been Moved within an Established Period of Time

1. A product that has not been assembled or which has been disassembled, including as an incomplete or un-finished set, and is going to be imported or exported in several lots within the period established in accordance with the present article may be declared (for instance by a person not being an authorised economic operator) with reference to one classification code according to the **Commodity Classification** for Foreign Economic Activities.

2. Below are the conditions for applying the declaration envisaged by the present article for the product specified in **Part 1** of the present article:

1) the availability of a decision on classification of the product confirming the classification of a product that has not been assembled or which has been disassembled, for instance as an incomplete or un-finished set, according to the classification code of a finished or complete-set product (hereinafter referred to in the present article as "decision on classification") issued by the **federal executive governmental body** empowered in the area of customs affairs to a person authorised to act as the declarant of the product, before the declaration of the product or of the components thereof;

2) the delivery of components of the product addressed to one consignee when the product is imported within the framework of a foreign economic deal concluded by that person or as a contribution into the charter capital of the consignee or in the event of export of the product, the delivery of components of the product by one consignor within the framework of a foreign economic deal concluded with that person;

3) the imported product shall be declared for customs purposes to one customs body in accordance with the customs **procedures of clearance for internal consumption** or free customs zone.

3. Before the commencement of the declaration of the product that is going to be imported or exported unassembled or disassembled, for instance as an incomplete set or un-finished set, the declarant shall send a written notice of the planned deliveries (hereinafter referred to as "notice") to the customs house in whose operational area the product is going to be declared together with a copy of the decision on classification attested by the declarant. The notice shall contain information:

1) on the declarant;

2) on the decision on classification (its reference number and the date of issue);

3) the schedule of import or export of the product;

4) the location of the product on the territory of the Russian Federation, where it is going to be stored, installed or assembled (for an imported product).

4. In the notice the declarant is entitled to provide other information of importance for customs control in respect of the product imported.

5. Each specific lot of goods imported (exported) unassembled or disassembled, for instance as an incomplete set or un-finished set, shall be shown to the customs body in which customs declaration is going to take place.

6. Components of the product exported are subject to clearance at an application for clearance of the component of the product exported and the documents attached thereto as required for customs declaration purposes, copies of the decision on classification and the

notice.

7. Components of the product imported are subject to conditional clearance at an application for conditional clearance filed by the declarant and the documents attached thereto as required for customs declaration purposes, copies of the decision on classification and the notice. The conditional clearance application (the application for clearance of a component of the product exported) shall be drawn up in the form and completed in the procedure established in accordance with **Article 180** of the Customs Code of the Customs Union for a declaration concerning goods. The conditional clearance application (the application for clearance of a component of the product exported) shall contain the classification code according to the **Commodity Classification** for Foreign Economic Activities according to the decision on classification.

8. Within 30 days after the date of import (export) of all the components of the product a final declaration concerning goods shall be filed with the customs body containing the classification code according to the **Commodity Classification** for Foreign Economic Activities according to the decision on classification. The term for filing the final declaration concerning goods shall not exceed one calendar year after the date of registration of the conditional clearance application (the application for clearance of a component of the product exported) of the first commodity lot. The term for filing the final declaration concerning goods may be extended by the customs body at the declarant's substantiated written application indicating the term required by the declarant to file a final declaration concerning goods. The total term for filing the final declaration concerning goods in this particular case shall not exceed three years after the date of registration of the conditional clearance application (the application for clearance of a component of the product exported) of the first commodity lot.

9. The **details of completion** of a conditional clearance application (an application for clearance of a component of a product exported) and of a declaration concerning goods shall be established by the **federal executive governmental body** empowered in the area of customs affairs.

10. At the declaration of goods customs duties and taxes in accordance with the provisions of the present article shall be paid at the rates applicable to the goods in accordance with the classification code according to the **Commodity Classification** for Foreign Economic Activities in keeping with the decision on classification and effective as of the date of filing of the declaration concerning goods.

11. After the entry into force of a decision on amending the decision on classification in accordance with **Part 11 of Article 107** of the present Federal Law a conditional clearance application (an application for clearance of a component of a product imported) and a final declaration concerning the product shall be completed with due regard to the amendment to the decision on classification.

12. When the decision on classification is terminated in accordance with **Part 12 of Article 107** of the present Federal Law the components of the product imported (exported) in each separate lot shall be declared through the filing of a separate declaration concerning components of the product in the established procedure. In this case, the separate components of the product shall be classified in accordance with the **Commodity Classification** for Foreign Economic Activities under the codes applicable to said components according to commodity classification rules. The term for filing declarations concerning separate components of the product shall not exceed 30 days after the date of notification of the person concerned of termination of the decision on classification.

13. While calculating the amounts of customs duties and taxes in a declaration concerning separate components of the product which are specified in **Part 12** of the present article one shall apply the rates of customs duties and taxes and also the exchange rates of foreign currencies effective as of the date of registration of such declaration. For each day of

deferment of the payment of the amounts of customs charges calculated according to the declaration on specific components of the products a penalty shall be collected starting from the date of filing of each conditional clearance application (application for clearance of a component of a product exported) through the date of payment of accrued sums or collection thereof in an incontestable procedure.

14. The provisions of the present article do not extend to any goods classified under commodity items **7308, 7309 00, 8701, 8702, 8704 10, 8705, 8709, 9301** and **9406 00** (except for mobile homes of subitem 9406 00 110 0) and under the items of **groups 84-86** and **88-90** according to the Commodity Classification for Foreign Economic Activities.

Article 216. The Details of Declaring Goods of Various Descriptions Contained in a Single Commodity Lot through the Indication of One Classification Code

1. If the declarant so wishes goods of various descriptions contained in a single commodity lot which are imported into the Russian Federation or exported out of the Russian Federation may be declared through the indication of one classification code according to the **Commodity Classification** for Foreign Economic Activities, provided the conditions envisaged by the present article are observed.

2. The Government of the Russian Federation shall define cases when exported goods may be declared through the indication of one classification code according to the **Commodity Classification** for Foreign Economic Activities. The Government of the Russian Federation is entitled to define cases when imported goods shall not be declared through the indication of one classification code according to the Commodity Classification for Foreign Economic Activities.

3. Goods imported into the Russian Federation may be declared with an indication of one classification code according to the **Commodity Classification** for Foreign Economic Activities if the highest-level rate of customs duty corresponds to that classification code. If several classification codes according to the Commodity Classification for Foreign Economic Activities with equal rates of customs duty correspond to the goods contained in one commodity lot then the classification code of the product relating to the highest level of excise rate shall be indicated or given equal excise rates, the highest level of the rate of value added tax.

4. A commodity lot including goods that may be declared through an indication of one classification code according to the **Commodity Classification** for Foreign Economic Activities shall contain goods for which only ad valorem (including zero) rates of customs duty and excise apply and also these goods shall be subject to the same preferential treatment depending on the country of origin of the goods.

5. If the goods contained in one commodity lot are subject to specific rates of customs duty and excise the units of measurement to which the established rate of customs duty or excise is applied shall be equal for each type of customs charge.

6. The goods which are imported into the Russian Federation and also exported out of the Russian Federation and are not subject to import or export customs duties respectively may be declared through the indication of one classification code according to the **Commodity Classification** for Foreign Economic Activities corresponding to the product whose value is the largest in the commodity lot.

7. Information on descriptions and the quantity of all the goods contained in one commodity lot shall be declared by the declarant by means of filing a list of the goods. Shipment specifications, packing lists, lists of documents or other similar documents may be used as such list. For customs purposes the list of the goods shall be deemed an integral part of the customs declaration concerning the goods.

8. For the purpose of verifying the observance of the provisions of **Part 7** of the present article the customs body is entitled to demand that the declarant provide clarification information concerning some of goods being declared.

9. If some of the goods contained in one commodity lot are subject to bans and restrictions they shall be declared through the indication of a separate classification code according to the **Commodity Classification** for Foreign Economic Activities, and said goods shall not be subject to the provisions of **Parts 1-7** of the present article.

Article 217. Additional Cases When Goods Are Declared

1. In accordance with the **Customs Code** of the Customs Union and the present Federal Law goods are subject to customs declaration in the following cases:

1) illegally imported goods are discovered at their buyer's in accordance with **Part 5 of Article 168** of the present Federal Law;

2) there is a need to pay customs charges on waste and remains in accordance with **Articles 246, 247, 271 and 272 and Item 2 of Article 309** of the Customs Code of the Customs Union.

2. The federal executive governmental body empowered in the area of customs affairs shall define a simplified procedure for declaring illegally imported goods as a means of securing the rights of said persons -- envisaged by **Article 168** of the present Federal Law -- to pay customs charges and observe other provisions concerning the illegally imported goods and the conditions for the placement thereof under a customs procedure. A customs declaration concerning illegally imported goods may be filed with any customs body empowered to accept customs declarations, at the discretion of the possessor of the illegal imported goods.

3. The filing of a declaration concerning goods which have been illegally imported into the Russian Federation shall be accompanied with the submission of:

1) documents confirming the powers of the person that is filing the declaration concerning goods;

2) the commercial and other documents held by the possessor as allowing one to identify the illegally imported goods and classify them by a ten-digit classification code according to the **Commodity Classification** for Foreign Economic Activities;

3) permits, certificates and other documents confirming the observance of established controls;

4) documents confirming that customs charges have been paid;

5) documents confirming information about the customs value of the goods.

4. When foreign goods are imported into the Russian Federation from the territory of a member state of the Customs Union, and the operations whereby they were processed took place on the territory of the member state of the Customs Union, for instance simple assembly operations, warehousing in accordance with the customs **procedure of customs warehouse** and also the other operations interrupting the international carriage of the goods, except for transshipment (re-loading of the goods from one vehicle to another) and simultaneous warehousing for the period of placement of the goods under the customs **procedure of customs transit**, such goods shall, within five working days after being brought into the Russian Federation, be declared by the consignee of the goods to the customs body empowered to accept customs declarations and has said consignee in its operational area.

5. The federal executive governmental body empowered in the area of customs affairs shall make sure information on the customs bodies empowered to accept declarations concerning goods, their operational areas and working hours is published and otherwise brought to the notice of persons concerned.

6. The Government of the Russian Federation is entitled to establish that specific categories of goods imported into the Russian Federation from the territory of a member state of the Customs Union be declared to customs bodies in the following cases:

1) if at the declaration of these goods for internal consumption on the territory of the member state of the Customs Union import customs duties were paid at rates below the ones

applicable in the Russian Federation;

2) if on the territory of the member state of the Customs Union at the importation of the goods from states not being members of the Customs Union privileges on the payment of import customs duties were granted and also at the import of the goods manufactured from these goods, save cases when it is expressly established by the customs legislation of the Customs Union that such goods may be moved on the customs territory of the Customs Union without the payment of import customs duties;

3) if the imported goods have their origin in states which are not members of the Customs Union and are subject to restrictions unilaterally imposed by the Russian Federation, for instance, special safeguards, anti-dumping and countervailing measures, even though these goods have acquired Customs Union goods status in accordance with the **customs legislation** of the Customs Union.

7. The form and procedure for declaring goods in the cases envisaged by **Part 6** of the present article and also the procedure for the payment (additional payment) of the amounts of import customs duties or the observance of established restrictions shall be defined by the Government of the Russian Federation.

8. The Government of the Russian Federation is entitled to define other procedures and control measures and designate other control (supervision) bodies to ensure the safeguarding of the economic interests of the Russian Federation in the cases envisaged by **Part 4** of the present article.

Chapter 24. Clearing Goods

Article 218. Clearing Goods

1. Goods shall be cleared by customs bodies in accordance with **Chapter 28** of the Customs Code of the Customs Union.

2. When one commodity lot contains several goods the customs body shall clear the goods in respect of which the conditions for clearance have been observed. The declarant is entitled to abstain from taking cleared goods out of a temporary storage warehouse until a decision on clearance of the remaining goods of the commodity lot is taken.

Article 219. Filing Documents After the Clearance of Goods

1. In cases when at the clearance of goods it is impossible to provide the customs body with licences, certificates, permits or the other documents confirming the observance of restrictions customs bodies acting on the declarant's substantiated written application shall permit in writing the filing of such documents within the term required for obtaining them but in any case within 45 days after the clearance of the goods, except if another term is set as required for obtaining them. The clearance of the goods shall be effected if the declarant files the undertaking in writing to submit the documents when due.

2. The goods mentioned in **Part 1** of the present article are prohibited for transfer to third persons, for instance by means of being sold or otherwise alienated, and in cases when restrictions on the import of said goods are established in connection with verification of the quality and safety of these goods, are prohibited for use (being operated or consumed) in any form.

3. Customs bodies are entitled to demand that the declarant file an undertaking to observe the restrictions established by **Part 2** of the present article, and are entitled to attach lead seals and affix seals to the packaging of goods and the premises where they are going to be stored until the documents are received and also to take other measures ensuring the observance of said controls.

4. Customs bodies are entitled to refuse to grant a permit for the filing of the documents envisaged by **Part 1** of the present article after the clearance of the goods if:

- 1) the declarant is importing goods subject to such controls for the first time;
- 2) the declarant has been pursuing foreign economic activities for less than one year;
- 3) within one year before the application to the customs body the declarant has been held accountable for the administrative offences in the area of customs affairs envisaged by **Article 16.3** of the Code of Administrative Offences of the Russian Federation.

5. A written notice of refusal to grant a permit for the filing of the documents specified in **Part 1** of the present article after the clearance of the goods shall be issued by the customs body together with the reasons for the refusal not later than on the day following the date of application.

Article 220. Term for the Clearance of Goods

1. Except as otherwise envisaged by **Part 9 of Article 232**, **Part 8 of Article 279** and **Part 6 of Article 283** of the present Federal Law, the clearance of goods shall be completed as soon as possible but in any case not later than established by **Item 1 of Article 196** of the Customs Code of the Customs Union. Within said term customs bodies shall check a customs declaration, goods and the documents relating thereto.

2. The term for clearance of goods within ten working days after the day following the date of registration of the customs declaration according to **Item 4 of Article 196** of the Customs Code of the Customs Union may be extended exclusively in the following cases:

1) if according to the provisions of the **Customs Code** of the Customs Union and the present Federal Law clearance is possible if the declarant has provided security for the payment of customs duties and taxes: until the provision of said security;

2) if the declarant has not presented licences, certificates, permits or the other documents confirming the observance of controls: until the provision by the declarant of said documents or a written application in accordance with **Part 1 of Article 219** of the present Federal Law;

3) if additional verification is carried out for the purpose of determining the classification of the goods according to the **Commodity Classification** for Foreign Economic Activities in accordance with **Parts 9 and 10 of Article 106** of the present Federal Law: until the end of verification;

4) if additional verification is carried out in accordance with **Article 69** of the Customs Code of the Customs Union: until the provision of relevant security for the payment of customs duties and taxes;

5) if additional documents and information have been requested for the goods about which information is declared in the customs declaration or verification is carried out in respect of the goods in the form of a customs examination thereof if a discrepancy has been discovered between the information concerning the declared goods in the customs declaration and the information contained in the documents submitted and/or the marking or other information on the packaging of the goods and/or the appearance of the goods, if preliminary information about possible breaches in customs declaration has been received from other control and supervision bodies and also if the goods have been identified as goods imported into the Russian Federation or exported out of the Russian Federation with the possible breaches of the **customs legislation** of the Customs Union and also of the legislation of the Russian Federation on customs affairs specified in **Part 1 of Article 162** of the present Federal Law: until the receipt of the additional documents requested or until the completion of the customs examination of the goods;

6) if the declarant has filed a written application for extension of the term for clearance of the goods in connection with the need for paying the customs duties and taxes additionally

accrued in accordance with a decision of the customs body: until the customs duties and taxes are paid.

3. On the grounds mentioned in **Item 4 of Part 2** of the present article a customs body is entitled to extend the term for clearance of goods, if the **Customs Code** of the Customs Union has not expressly established that the clearance of goods does not take place before the verification of additional documents and information or the goods presented for verification have not been separated into package items by the type and/or description of goods and/or information about the packaging and marking is not available in the commercial and/or transport documents relating to the goods. The term for checking the goods shall be extended if said circumstances do not allow the customs bodies to carry out the necessary operations to establish if the goods match the information about them. The term for verifying the goods shall be extended by the period of time required for the person having powers in respect of the goods to split up the commodity lot into separate goods.

Article 221. The Clearance of Goods Before the Filing of a Declaration Concerning the Goods

Grounds and conditions for the clearance of goods before a declaration concerning the goods is filed are established by **Article 197** of the Customs Code of the Customs Union.

Article 222. Conditional Clearance

1. "Conditionally cleared goods" are goods in the cases established by **Item 1 of Article 200** of the Customs Code of the Customs Union and also the following goods:

1) the components of a product which is imported in separate commodity lots over an established period of time in a unassembled or disassembled form, for instance as incomplete or unfinished sets.

2) goods placed under the customs **procedures of customs warehouse** (for instance without the goods being actually placed in a customs warehouse), **duty-free trade, processing on the customs territory, processing for internal consumption, temporary import (admission), re-export, customs transit, destruction** and under the special customs procedure applicable to goods imported into the Russian Federation;

3) other goods in cases defined by the Government of the Russian Federation.

2. The components of a product which are mentioned in **Item 1 of Part 1** of the present article are prohibited from being transferred to third persons, for instance by means of being sold or alienated, and they shall be deemed conditionally cleared until the time when the customs body takes a decision on clearance of the product according to the declared customs procedure.

3. The goods specified in **Item 2 of Article 1** of the present article shall be deemed conditionally cleared until they acquire Customs Union goods status, are actually destroyed or exported out of the Russian Federation to a destination outside the boundaries of the Customs Union or waived for the benefit of the state.

Article 223. Refusal to Clear Goods

1. In the event of refusal to clear goods in accordance with **Article 201** of the Customs Code of the Customs Union the customs body shall return to the declarant his copy of the customs declaration and shall also refund the amounts of customs charges paid (except for customs fees for customs transactions) in accordance with **Chapter 17** of the present Federal Law.

2. An appeal against a refusal to clear goods may be brought in accordance with **Chapter 3** of the present Federal Law.

3. If the decision on refusal to clear goods is deemed wrongful the declarant is entitled

while declaring for customs purposes again to claim the application of the rates of customs duties and taxes and the exchange rates of currencies and the restrictions which were effective as of the date of registration of the initial declaration concerning the goods.

4. If the conditions for the clearance of goods are not observed only in respect of specific goods contained in one commodity lot the customs body shall clear the rest of the goods. In said case, the customs body shall return only the documents concerning the goods for which clearance has been denied. If such documents cannot be detached the customs body shall make copies thereof and attest them in the established procedure. The declarant is entitled to use the attested copies of the documents for repeated customs declaration of the goods denied clearance.

Section VI Customs Procedures

Chapter 26. General Provisions on Customs Procedures

Article 224. Placing Goods under a Customs Procedure

1. Goods imported into the Russian Federation shall be placed under one of the customs procedures in the procedure and on the conditions envisaged by the **Customs Code** of the Customs Union and the present Federal Law, except for goods:

1) having their origin on the customs territory of the Customs Union (the territory of a member state of the Customs Union);

2) cleared for free circulation on the customs territory of the Customs Union. For the purposes of applying the present Federal Law the "goods cleared for free circulation on the customs territory of the Customs Union" are goods on which import customs duties have been paid at the same rates as in the Russian Federation and in respect of which the same bans and restrictions have been observed as in the Russian Federation;

3) manufactured from goods which have their origin on the territory of the Customs Union or have been cleared for free circulation on the territories of the member states of the Customs Union.

2. Goods exported out of the Russian Federation shall be placed under one of the customs procedures if the goods are intended for being exported to a destination outside the boundaries of the customs territory of the Customs Union. In other cases goods exported out of the Russian Federation shall be placed under a customs procedure if there is a provision to this effect in the **customs legislation** of the Customs Union or acts of the Government of the Russian Federation.

3. The placement of goods under a customs procedure shall be carried out in the procedure and on the conditions defined by the **Customs Code** of the Customs Union and the present Federal Law.

4. In accordance with the legislation of the Russian Federation on customs affairs the **federal executive governmental body** empowered in the area of customs affairs shall define a **procedure** for customs bodies to commit the actions relating to the issuance of permits for the placement of goods under customs procedures, the **forms** of such permits, and also shall establish a procedure and technologies for the implementation of customs transactions/operations depending on the categories of goods moved across the Customs Union, means of transport and also the categories of the persons moving the goods.

Article 225. The Types of Customs Procedures

1. The types of customs procedures are established by **Article 202** of the Customs Code

of the Customs Union.

2. The customs procedures of free customs zone and free warehouse shall be established in accordance with international agreements of the member states of the Customs Union.

Article 226. The Occurrence and Termination of the Duty to Pay Customs Charges in Connection with the Placement of Goods under Customs Procedures

The occurrence and termination of the duty to pay customs duties and taxes in connection with the placement of goods under customs procedures and termination of the effective term of customs procedures shall be established by the **Customs Code** of the Customs Union.

Article 227. Guarantees for the Observance of the Conditions of Customs Procedures

1. If the contents of customs procedures imply full or partial exemption from customs duties or taxes customs bodies are entitled to demand that security be provided for the payment of customs duties and taxes in accordance with **Chapter 16** of the present Federal Law.

2. If the conditions and requirements of a customs procedure imply restrictions on the use and disposal of goods customs bodies are entitled to demand that the declarant and other persons submit their undertakings to observe established controls, carry out the identification of goods, attach lead seals and affix seals to the packaging of goods and the premises where they are going to be stored and also to take the other measures ensuring the observance of said controls.

Chapter 27. The Customs Procedure of Clearance for Internal Consumption

Article 228. The Content of the Customs Procedure of Clearance for Internal Consumption and the Conditions for Placement of Goods under the Customs Procedure

1. The content of the customs procedure of clearance for internal consumption and the conditions for placement of goods under the customs procedure of clearance for internal consumption are defined in **Articles 210** and **211** respectively of the Customs Code of the Customs Union.

2. If goods have been placed under the customs procedure of clearance for internal consumption by the customs bodies of the member states of the Customs Union there is no need for such goods to again be placed under a customs procedure when they are imported into the Russian Federation.

3. If at the clearance for internal consumption in the member states of the Customs Union import customs duties have been paid on goods at rates below the ones applicable in the Russian Federation according to the **customs legislation** of the Customs Union, privileges for the payment of import customs duties have been granted for goods or the materials from which they are manufactured or the restrictions applicable in the Russian Federation have not been observed in respect of goods the payment (additional payment) of the amounts of import customs duties and the provision of documents confirming the observance of the restrictions effective in the Russian Federation shall take place when they are being declared in accordance with **Parts 4** and **6 of Article 217** of the present Federal Law, except as otherwise established by the Government of the Russian Federation in accordance with **Part 8 of Article 217** of the present Federal Law.

Article 229. Applying the Customs Procedure of Clearance for Internal Consumption in the Event of Conditional Clearance of Goods

1. When goods are placed under the customs procedure of clearance for internal consumption with the granting of privileges for the payment of import customs duties and taxes combined with restrictions on the use and/or disposal of the goods there is no need for the goods to again be placed under a customs procedure for the purpose of acquiring Customs Union goods status in accordance with **Item 7 of Article 200** of the Customs Code of the Customs Union.

2. For the purpose of goods acquiring Customs Union goods status the procedure for payment of the amounts of customs duties and taxes is established by **Article 119** of the present Federal Law.

3. The documents the absence of which caused goods to be conditionally cleared in accordance with **Subitem 2 of Item 1 of Article 200** of the Customs Code of the Customs Union shall be submitted by the declarant to the customs body that has conditionally cleared the goods. The customs body shall accept such documents at the declarant's application drawn up in an arbitrary form. The application shall contain the number of the declaration concerning the goods whereby the customs body conditionally cleared the goods. At the declarant's request the customs body shall issue a written confirmation of the acceptance of the documents.

4. In cases when a customs body has effected conditional clearance in connection with the granting of privileges for the payment of customs duties and taxes combined with restrictions on the use and/or disposal of goods said restrictions on the use and/or disposal of the goods shall cease to be effective upon the expiry of five years after the date of clearance of the goods.

5. The Government of the Russian Federation is entitled to establish a shorter or a longer effective term for the restrictions envisaged by **Part 4** of the present article.

Chapter 28. The Customs Procedure of Export

Article 230. The Content of the Customs Procedure of Export and the Conditions for Placement of Goods under the Customs Procedure

The content of the customs procedure of export and the conditions for placement of goods under the customs procedure are defined by **Articles 212** and **213** respectively of the Customs Code of the Customs Union.

Article 231. The Certificate of Origin of a Product in the Event of Export of Specific Categories of Goods Filed with the Customs Bodies of the Member States of the Customs Union

If in the event of export to a destination outside the customs territory of the Customs Union of goods which have their origin in the Russian Federation and have been included in the consolidated list of goods compiled by the Commission of the Customs Union in accordance with the international agreements of the member states of the Customs Union regulating the application of export customs duties in respect of third countries customs bodies of the Russian Federation or of other member states of the Customs Union shall be provided with the certificate of origin of the product, such certificate being issued by the Chamber of Commerce and Industry of the Russian Federation in accordance with the **rules** for determining the country of origin of goods applicable when the trade regime of free trade of the Commonwealth of Independent States is granted.

Article 232. Exporting Goods Exempt from Export Customs Duties

1. When goods exempt from export customs duties are being exported the declaration and clearance thereof shall be effected in a simplified procedure with due regard to the details established by the present article.

2. When the goods mentioned in **Part 1** of the present article are being declared customs bodies' demands shall be limited to those required to certify the fact that the goods are exported to a destination outside the customs territory of the Customs Union to set off the performance of a specific foreign economic deal and to ensure the observance of bans and controls.

3. The following shall be submitted when the goods mentioned in **Part 1** of the present article are being declared:

1) the invoice;
2) transport (carriage) documents, if any;
3) permits, licences, certificates and/or the other documents confirming the observance of established controls, if they are required;

4) documents confirming information about the declarant, unless they were filed earlier when other goods were declared for customs purposes, about the customs representative if the customs declaration is filed by said person and also the powers of the natural person who is filing the customs declaration with the customs body, except for cases when the customs declaration is filed in electronic form;

5) a payment document confirming that customs fees have been paid.

4. If the invoice submitted at declaration does not contain information about the persons that have concluded the foreign economic deal, the reference number and date of conclusion of a contract, a description, the quantity, weight and value of the goods, if the goods are moved across the customs border of the Customs Union under a deal, the declarant shall submit the other commercial documents or a copy of the contract (an excerpt from it) that contain said information.

5. Below are the documents confirming information about the declarant:

1) the constitutive documents;
2) the certificate of state registration of the legal entity or a certificate of state registration of the natural person as an individual entrepreneur;
3) the contract between the declarant and the customs representative;
4) the power of attorney of the natural person to commit actions on behalf of the legal entity with the presentation of personal identity documents;
5) a confirmation of the existence of labour relations with the customs representative and the availability of a qualification certificate of a customs transactions specialist if the customs declaration is filed by a customs representative.

6. In the event of declaring goods having an appearance similar to that of goods subject to export customs duties the following shall be submitted: the documents serving as grounds for declaring the classification code of the goods according to the **Commodity Classification** for Foreign Economic Activities.

7. The following documents may be deemed the documents specified in **Part 6** of the present article:

1) those containing information on the composition of a product (if the **Commodity Classification** for Foreign Economic Activities established, as a footnote for a group or item or as the text of an item, requirements for the product applicable to the content of any substances (elements) or materials in the product);

2) technological flow-charts, technological instructions, a description of a technological process and other documents containing documents on the processes of processing and the types of processing of the product (if the classification feature defined in the footnotes to a group, item or in the text of an item of the **Commodity Classification** for Foreign Economic

Activities is the type of processing of the product or the degree of processing of the product);

3) drawings, block-diagrams, a technical certificate, operating instructions, technological flow-charts, user's manual and other technical documentation containing information on the technical characteristics of the product and its operating principle (if the classification feature defined in the footnotes to a group, item or the text of an item of the **Commodity Classification** for Foreign Economic Activities is weight, size, power rating, performance and other characteristics).

8. When the goods mentioned in **Part 1** of the present article are being declared no customs value shall be assessed, declared or confirmed.

9. The term for clearance of the goods exempt from export customs duties is four hours after the time when the customs declaration is registered, provided all the necessary documents are filed simultaneously with the customs declaration, except for cases when according to the present Federal Law some documents may be submitted after the clearance of goods. The Government of the Russian Federation may establish a list of the goods whose clearance term may be up to one working day following the date of registration of the customs declaration. Where necessary, within said term customs bodies shall complete the check of the customs declaration, the goods and the documents relating thereto.

10. In the following cases the customs body is entitled to check the goods mentioned in **Part 1** of the present article and request additional documents and information:

1) a discrepancy is discovered between the information on the declared goods in the customs declaration and the information contained in the documents filed and/or the marking or other information available on the packaging of the goods and/or the appearance of the goods;

2) the availability of preliminary information on possible breaches at customs declaration, received from other control or supervision bodies.

11. The goods may be checked at a written permit of the chief of the customs body.

12. If inaccuracies are discovered in the information about the goods in the customs declaration and in the documents filed the customs body shall inform the declarant of the need for correcting (updating) the information provided. If the inaccuracies discovered do not affect the customs body's decision on the application of export bans and restrictions the adjustment of the information by the declarant shall not be deemed ground for refusal to clear the goods.

Chapter 29. The Customs Procedure of Customs Transit

Article 233. The Content of the Customs Procedure of Customs Transit and the Conditions for Placement of Goods under the Customs Procedure

1. The content of the customs procedure of customs transit and the conditions for placement of goods under the customs procedure are defined by **Articles 215** and **216** of the Customs Code of the Customs Union.

2. When goods are being placed under the customs procedure of customs transit the declarant of the customs procedure of customs transit shall file the transit declaration envisaged by **Article 182** of the Customs Code of the Customs Union with a customs body.

3. The details of customs transit in respect of goods moved by sea or air and also when foreign goods are moved from the customs body at the point of entry to an internal customs body shall be established by the **federal executive governmental body** empowered in the area of customs affairs by agreement with the **federal executive governmental body** empowered in the area of transport. The details of customs transit of foreign goods from one internal customs body to another internal customs body shall be established by the federal executive governmental body empowered in the area of customs affairs by agreement with the **federal executive governmental body** charged with the functions of state policy elaboration

and normative legal regulation in the area of foreign economic activity.

Article 234. Measures for Securing the Observance of Customs Transit

1. According to **Item 1 of Article 217** of the Customs Code of the Customs Union the measures for securing the observance of customs transit are as follows: security for the payment of customs duties and taxes, customs escort and the setting of a merchandise carriage route.

2. Only in the cases established by **Item 2 of Article 217** of the Customs Code of the Customs Union shall customs bodies not demand security for the payment of customs duties and taxes in the event of customs transit.

3. The cases in which a customs body is entitled to take a decision on customs escort for the vehicles carrying goods in accordance with the customs procedure of customs transit are defined by **Item 2 of Article 218** of the Customs Code of the Customs Union. The customs escort of the vehicles carrying goods in accordance with the customs procedure of customs transit shall be performed by customs bodies. Customs fees shall be collected for customs escort in the procedure envisaged by **Chapter 14** of the present Federal Law.

*On the Procedure for Customs Escorting of International Carriage Transport Vehicles Engaged in Commodities Transportation see **Order of the Federal Customs Service No. 397 of February 25, 2011***

4. The customs escort of the vehicles carrying goods in accordance with the customs procedure of customs transit may be performed by the organisations authorised by the Government of the Russian Federation. The Government of the Russian Federation shall define the conditions that have to be observed by the organisations to carry out customs escort and ceilings on the level of tariff for customs escort carried out by these organisations.

5. Customs bodies may establish merchandise carriage routes in the procedure and on the conditions defined by **Item 3 of Article 217** of the Customs Code of the Customs Union. The Government of the Russian Federation is entitled to establish carriage routes via the territory of the Russian Federation for specific types of goods placed under the customs procedure of customs transit. A change in a route set by a customs body is admissible with a written permit of the customs body of departure or of any customs body located along the route.

Article 235. The Point of Delivery of Goods

1. The point of delivery of goods shall be established in accordance with **Article 220** of the Customs Code of the Customs Union.

2. In the following cases the customs body of departure is entitled to establish a point of delivery regardless of the information provided in transport (carriage) documents:

1) if according to the present Federal Law declaring for customs purposes is carried out by a specialised customs body;

2) if a state-of-emergency regime or other restrictions on the import of specific categories of goods have been introduced on the territory within the operational area of the customs body designated as the point of delivery;

3) in the other cases established by the Government of the Russian Federation.

Article 236. The Duties and Liabilities of a Carrier When Goods Placed under the Customs Procedure of Transit Are Being Carried

1. The duties of a carrier when goods placed under the customs procedure of customs transit are being carried are established by **Article 223** of the Customs Code of the Customs Union.

2. For default on its duties in the course of the carriage of goods in accordance with the customs procedure of customs transit a carrier shall be liable as established by the legislation of the Russian Federation. If the goods and the document relating thereto are not delivered to the customs body of destination the carrier may be held accountable in accordance with the legislation of the member state of the Customs Union whose customs body has placed the goods under the customs procedure of customs transit, if an international agreement of the Russian Federation has a provision to this effect.

Article 237. Completing the Customs Procedure of Customs Transit

1. The customs procedure of customs transit shall be completed in the procedure established by **Article 225** of the Customs Code of the Customs Union with due regard to the provisions of the present article.

2. The details of completion of the customs procedure of customs transit of goods from the customs body at the point of entry to an internal customs body, such goods being imported by an authorised economic operator through the implementation of the special simplifications envisaged by **Subitems 1 and 3 of Item 1 of Article 41** of the Customs Code of the Customs Union are established by **Article 87** of the present Federal Law.

3. When goods are carried by rail the term for the carrier to file the transit declaration and also the other documents the carrier has to file with the customs body of destination shall not exceed 12 hours after the vehicle's arrival at the point of delivery of the goods. For the purpose of counting the term established by the present article one shall take into account the hours of the customs body's working hours. When goods are carried by other means of transport the term for the carrier to file the transit declaration and the other documents with the customs is established by **Item 3 of Article 225** of the Customs Code of the Customs Union.

4. Within one hour after the carrier submits the documents specified in **Item 3 of Article 225** of the Customs Code of the Customs Union the customs body of destination shall register the filing of the documents and the arrival of the vehicle at the point of delivery of the goods and immediately thereafter issue a written **acknowledgement** of the vehicle's arrival to the carrier.

5. The following information may be provided to **confirm** that the vehicle has arrived:

- 1) the registration number of the acknowledgement of arrival of the vehicle;
- 2) the date and time when the carrier submitted the transit declaration and the other documents the carrier has to the customs body of destination;
- 3) the date and time of registration by the customs body of destination of the arrival of the vehicle at the point of delivery;
- 4) the date and time when the acknowledgement of arrival of the vehicle is issued to the carrier;
- 5) the name and address of the carrier;
- 6) the number of the international traffic vehicle;
- 7) the reference number of the transit declaration, the reference numbers, dates and number of the documents filed by the carrier;
- 8) the result of a customs inspection of vehicles;
- 9) the possibility of removing the means of identification and unloading the goods;
- 10) the possibility of moving the goods from the location of the customs body of destination to a temporary storage warehouse;
- 11) the reference numbers and dates of the documents under which the goods are to be carried to the temporary storage warehouse;
- 12) the name and address of the customs body of destination;
- 13) the name and address of the temporary storage warehouse and the reference number of the certificate of inclusion in the register of possessors of temporary storage warehouses;

14) the reference number of a document confirming that measures have been taken to secure the observance of customs transit;

15) the effective term of customs transit;

16) the date and time of placement of the goods in the temporary storage warehouse.

6. The information available in **Items 11-16 of Part 5** of the present article shall be provided to confirm the arrival of the vehicle when the goods are moved from the location of the customs body of destination to the temporary storage warehouse.

7. The customs procedure of customs transit shall be completed in accordance with **Item 5 of Article 225** of the Customs Code of the Customs Union.

8. The carrier or another person concerned shall carry out the customs transactions relating to the placement of the goods in temporary storage or the customs declaration thereof in accordance with a customs procedure within three hours after the completion of the customs procedure of customs transit, or in respect of the goods carried by rail or water transport, within 12 hours after the completion of the customs procedure of customs transit. The provisions of the present part are not applicable when the customs procedure is completed at the point of exit in respect of goods exported out of the customs territory of the Customs Union.

Chapter 30. The Customs Procedure of Customs Warehouse

Article 238. The Content of the Customs Procedure of Customs Warehouse, the Conditions for Placement of Goods under the Customs Procedure and the Effective Term of Storage of Goods in a Customs Warehouse

The content of the customs procedure of customs warehouse, the conditions for placement of goods under the customs procedure and the effective term of storage of goods in a customs warehouse are defined by **Articles 229-231** of the Customs Code of the Customs Union.

Article 239. Conditions for Placement of Goods under the Customs Procedure of Customs Warehouse without the Physical Placement of the Goods in a Customs Warehouse

1. The placement of goods under the customs procedure of customs warehouse without the physical placement in a customs warehouse of goods which due to their large size cannot be placed in the customs warehouse is admissible if there is a written permit of a customs body and security for the payment of customs duties and taxes in the procedure established by **Chapter 16** of the present Federal Law.

2. For the purpose of obtaining a permit a declarant shall file a written application with the customs body in whose operational area the storage of goods is going to take place after their being placed under the customs procedure of customs warehouse before a customs declaration is filed. In the application the declarant shall give a description of the goods and their characteristics, the reasons for their being placed under the customs procedure of customs warehouse without physical placement in a customs warehouse, the exact place where the goods are going to be stored, including postal address, and also the measures the declarant is going to take to ensure the preservation of the goods.

3. Within three working days after the declarant's application to the customs body the customs body shall issue a permit for placement of the goods under the customs procedure of customs warehouse or refuse to issue such permit. The permit shall refer to the place of storage of the goods and information on the need for provision of security for the payment of customs charges.

4. The customs body is entitled to refuse to issue a permit only if:

- 1) there are arrears on the payment of customs charges;
- 2) within one year before the date of the application to the customs body the person has been held accountable for the administrative offences in the area of customs affairs envisaged by **Part 1 of Article 16.9, Articles 16.13, 16.14** and **Parts 2 and 3 of Article 16.23** of the Code of Administrative Offences of the Russian Federation.

5. In accordance with **Parts 4 and 15 of Article 177** of the present Federal Law the person that has placed the goods under the customs procedure of customs warehouse without their physical placement in a customs warehouse shall submit a report to customs bodies concerning the goods being in temporary storage.

Article 240. Placing Goods Placed under the Customs Procedure of Export in a Customs Warehouse

1. In accordance with **Item 2 of Article 234** of the Customs Code of the Customs Union goods of the Customs Union placed under the customs **procedure of export** may be stored in a customs warehouse for six months.

2. When Customs Union goods placed under the customs **procedure of export** are put in a customs warehouse relief from the duty to pay value added tax and excise taxes is granted, the amounts of value added tax and excise tax paid earlier shall be compensated or refunded, if such relief, compensation or refund are envisaged by the legislation of the Russian Federation on taxes and fees at the actual export of the goods out of the Russian Federation.

3. If within six months after being placed in the customs warehouse the goods are not actually exported then said amounts shall be collected together with interest accrued thereon at the **refinancing rate** of the Central Bank of the Russian Federation effective during the period of storage of the goods in the customs warehouse, in the procedure envisaged by the present Federal Law for collection of taxes at the import of the goods into the Russian Federation.

Article 241. Customs Warehouses and the Types Thereof

1. A "customs warehouse" is a specifically designated and arranged installation, premises and/or open site that meets the requirements established by **Article 80** of the present Federal Law.

2. Customs warehouses may be public or non-public.

3. Customs warehouses are deemed public warehouses if they are accessible for the storage of any goods and use by any persons having powers in respect of goods.

4. Customs warehouses are deemed non-public warehouses if they are intended for the storage of goods of the possessor of the customs warehouse.

5. The Government of the Russian Federation is intended to define the types of goods which may be stored exclusively in a non-public customs warehouse.

Article 242. The Transactions Carried out in Respect of Goods Placed under the Customs Procedure of Customs Warehouse

1. A list of the transactions accomplished involving goods placed under the customs procedure of customs warehouse is defined by **Article 232** of the Customs Code of the Customs Union.

2. When according to **Item 2 of Article 232** of the Customs Code of the Customs Union a permit of a customs body is required for the implementation of transactions involving goods which have been placed under the customs procedure of customs warehouse such permit shall be issued at a written application of a person concerned on the day when the application is filed. The permit shall be issued in writing as a separate document or as a relevant annotation made by an empowered official of the customs body in the written application of the person concerned. Refusal to issue a permit is admissible only if the completion of the transactions

involving the goods can result in a change in their characteristics relating to the classification of the goods according to the **Commodity Classification** for Foreign Economic Activities.

Article 243. Completing the Customs Procedure of Customs Warehouse

1. The procedure and term for completing the customs procedure of customs warehouse are established by **Article 236** of the Customs Code of the Customs Union.

2. Any person capable of acting as a declarant according to **Article 186** of the Customs Code of the Customs Union is entitled to carry out the customs transactions required to complete the effect the customs procedure of customs warehouse in accordance with the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs.

3. The customs **procedure of destruction** may be declared by the possessor of the customs warehouse in respect of goods stored in a customs warehouse.

4. Customs duties and taxes on goods placed under the customs **procedure of clearance for internal consumption** after they have been stored in a customs warehouse shall be calculated with due regard to the details established by **Article 238** of the Customs Code of the Customs Union.

Chapter 31. The Customs Procedure of Processing on the Customs Territory

Article 244. The Content of the Customs Procedure of Processing on the Customs Territory and the Conditions for Placement of Goods under the Customs Procedure

1. The content of the customs procedure of processing on the customs territory and the conditions for placement of goods under the customs procedure are defined by **Articles 239** and **240** respectively of the Customs Code of the Customs Union.

2. For the purpose of placing goods under the customs procedure of processing on the customs territory a customs declaration shall be filed by the person that has obtained a permit to process the goods on the customs territory as envisaged by **Article 248** of the present Federal Law or by the person that directly carries out the operations whereby the goods are processed.

Article 245. Identifying Foreign Goods in the Products of Processing Thereof

1. For the purpose of identifying foreign goods in the products of processing thereof one shall use the methods mentioned in **Article 242** of the Customs Code of the Customs Union.

2. The acceptability of a declared identification method shall be established by a customs body when a permit to process the goods is issued, with account being taken of the characteristic features of the goods and the product processing operations performed. If the customs body does not deem acceptable the method of identification of foreign goods in the products of processing thereof proposed by the declarant then the customs body is entitled to designate a product identification method at its own discretion.

Article 246. Term for Processing Goods on the Customs Territory

1. The term for processing goods on the customs territory shall be set by the person seeking a permit for the goods to be processed on the customs territory, within the term established by **Item 1 of Article 243** of the Customs Code and it shall be approved by a customs body when an application for a permit to process the goods on the customs territory is considered.

2. At a substantiated application of the person that has obtained a permit to process goods on the customs territory the term of processing the goods on the customs territory may

be extended within the term mentioned in **Part 1** of the present article.

3. Within ten working days the customs body shall consider the application for extension of the term for processing goods on the customs territory and shall inform the person that has obtained the permit to process the goods on the customs territory about the extension of the processing term or refusal to grant such extension. The customs body is entitled to refuse to extend the term of processing of the goods on the customs territory only if the declarant is in breach of the requirements and conditions for the application of the customs procedure of processing of goods on the customs territory established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs. The customs body's refusal to extend the term for processing goods on the customs territory shall be substantiated and reasonable. The customs body shall notify the person that has obtained the permit to process the goods on the customs territory of said refusal in writing.

Article 247. The Rates of Output of the Products of Processing on the Customs Territory

1. The rates of output of the products of processing shall be determined by the person that seeks a permit to process goods on the customs territory on the basis of the actual conditions in which the goods are processed and it shall be approved by a customs body when an application for a permit to process the goods on the customs territory is considered, except for the case envisaged by **part 2** of the present article. While approving the rates of output of the products of processing, customs bodies shall take into account statements of expert organisations based on the specific technological process whereby the goods are processed.

2. Given the observance of the conditions established by **Item 2 of Article 245** of the Customs Code of the Customs Union the federal executive governmental bodies empowered by the Government of the Russian Federation may establish standard **rates** of output of the products of processing.

Article 248. The Permit to Process Goods on the Customs Territory

1. The document on the conditions for processing goods on the customs territory envisaged by **Articles 240** and **244** of the Customs Code of the Customs Union is a permit to process goods on the customs territory. The permit to process goods on the customs territory shall contain the details established by Article 244 of the Customs Code of the Customs Union.

2. If no information is available concerning the value of the foreign goods, the products of processing thereof, the remains and waste, the relevant value ranges shall be indicated in the permit to process the goods on the customs territory. If no information is available concerning documents acknowledging that a foreign economic deal has been concluded or other documents confirming the right of possession, use and/or disposal of the goods within the framework of a foreign economic deal this information shall be provided in the permit to process the goods on the customs territory in the procedure envisaged by **Part 4** of the present article, not later than on the date of declaration of the goods.

3. If the goods are placed under the procedure of processing on the customs territory by an authorised economic operator the following may be used as a document on the conditions for processing on the customs territory: an agreement between the authorised economic operator and a customs body signed in accordance with **part 8 of Article 86** of the present Federal Law, provided the agreement contains the information envisaged by **parts 1** and **2** of the present article.

4. At a written application of the person that has obtained a permit to process goods on the customs territory the issued permit to process goods on the customs territory may be amended with the consent of the customs body in a manner that does not contravene the **customs legislation** of the Customs Union and also the legislation of the Russian Federation on customs affairs. The customs body that has issued the permit shall consider the application

within ten working days, or if the information envisaged by **Part 1** of the present article is provided, within three working days, and given the consent, it shall enter the amendment. The customs body's refusal to amend the permit to process the goods on the customs territory shall be substantiated and reasonable. The customs body shall notify the person that has obtained the permit to process the goods on the customs territory of said refusal in writing.

5. Within the effective term of the permit to process goods on the customs territory the person that has obtained it is entitled to assign it, with a written permit of the customs body, to any other Russian person, provided that person undertakes to further observe the requirements and conditions for the application of the customs procedure of processing on the customs territory established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs. In this case, the person that assigns the permit to process the goods on the customs territory shall submit a report to the customs body on compliance with the requirements and conditions for the application of the customs procedure of processing on the customs territory established by the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs for the period during which the goods were used in accordance with the customs procedure of processing on the customs territory and also shall pay customs duties and taxes, if events causing the duty to pay customs duties and taxes took place within that period.

6. If the observance of the customs procedure is secured with the guarantees mentioned in **Article 227** of the present Federal Law the person to which the permit to process the goods on the customs territory is assigned shall have relevant documents prepared in the person's name.

7. Starting from the date of the customs body's decision on assigning the permit to process the goods the person that has accepted the permit to process the goods on the customs territory shall enjoy the rights and have the duties of applying the customs procedure of processing on the customs territory which are established by the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs.

Article 249. Issuing a Permit to Process Goods on the Customs Territory

1. A permit to process goods on the customs territory may be obtained by any Russian person/entity, for instance one that does not directly carry out the operations whereby the goods are processed, which may act as declarant in respect of the goods specified in the permit to process the goods on the customs territory.

2. For the purpose of obtaining permit to process goods on the customs territory a person concerned shall file a written application with the customs body in whose operational area he/she/it has registered as a taxpayer in accordance with the **legislation** of the Russian Federation on taxes and fees.

3. The following details shall be provided in the application:

1) on the applicant;

2) on the person(s) directly carrying out the operations whereby the goods are processed;

3) on the goods intended for processing and the products of such processing (a description, the classification code according to the Commodity Classification for Foreign Economic Activities, quantity in basic and additional units of measurement according to the **Commodity Classification** for Foreign Economic Activities and the value or value range);

4) on waste, i.e. the products resulting from the operations whereby the foreign goods are processed, except for the products of processing (a description, the classification code according to the **Commodity Classification** for Foreign Economic Activities, quantity in basic or additional units of measurement in accordance with the Commodity Classification for Foreign Economic Activities and the value or value range), and on remains, i.e. the part of the foreign

goods which have not been used to make a complete item (product of processing) according to the rate(s) of output of the product(s) of processing (a description, the classification code according to the Commodity Classification for Foreign Economic Activities, quantity in basic or additional units of measurement in accordance with the Commodity Classification for Foreign Economic Activities and the value or value range);

5) on the operations whereby the goods are processed, including technology and the terms of completion thereof;

6) on the location of the manufacturing facilities used to carry out the operations whereby the goods are processed;

7) on the rate of output of the products of processing;

8) on the methods proposed for identifying the imported goods in the products of processing;

9) on the replacement of the imported goods with equivalent products;

10) on the prior delivery of the products of processing before the import of the foreign goods;

11) on the possibility of further commercial use of waste;

12) on the term for completion of processing of the goods.

4. The application for processing the goods on the customs territory shall be filed together with documents confirming the information provided in the application.

5. The customs body shall consider the application for processing the goods on the customs territory and the documents attached thereto within 15 days after accepting them. The customs body is entitled to request that third persons and also state bodies provide documents confirming the information mentioned in **Part 3** of the present article. Within ten days after they receive the request said persons shall provide the documents requested. In this case, the customs body is entitled to extend the term for consideration of the application by up to 30 days after the day on which it is accepted.

6. If repair is the purpose for which the goods are placed under the customs procedure of processing on the customs territory then the declarant is entitled to use a customs declaration concerning the imported foreign goods as an application for processing the goods on the customs territory. The term for the customs body to consider such application for processing the goods shall not exceed the term for verification of a customs declaration established by **Item 1 of Article 196** of the Customs Code of the Customs Union.

7. The customs body shall refuse to issue a permit to process the goods only if in the course of filing the application there was a breach of the requirements and conditions for the application of the customs procedure of processing on the customs territory established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs, and also if the customs body decides to refuse to approve the declared rate of output of the products of processing and the term for completing the processing of the goods. The customs body's refusal to issue a permit to process the goods shall be substantiated and reasonable. The customs body shall notify the person that seeks a permit to process the goods on the customs territory of said refusal in writing.

Article 250. Revoking and Cancelling a Permit to Process Goods on the Customs Territory

1. An issued permit to process goods on the customs territory may be revoked by a customs body.

2. A permit to process goods on the customs territory shall be revoked by a customs body if:

1) according to a decision taken by the Commission of the Customs Union the placement of the goods under the customs procedure of processing on the customs territory is prohibited;

2) the information that was declared when the permit was sought concerning foreign goods, the products of processing thereof, waste, remains and the rates of output has caused the understatement of the amounts of customs charges, except for the case mentioned in **Part 7** of the present article.

3. Before taking a decision on revocation of a permit to process goods on the customs territory in accordance with **Item 2 of Part 2** of the present article a customs body shall send a written notice to the declarant of the possible revocation of the permit to process goods on of the customs territory and of the reasons for the revocation. Unless measures for eliminating the reasons for the revocation of the permit to process the goods on the customs territory are taken by the declarant (the person that has obtained the permit to process the goods on the customs territory) within ten working days after the notice is received, such permit to process the goods shall be revoked by the customs body.

4. The customs body's decision on revocation of the permit to process the goods on the customs territory taken in accordance with **Item 1 of Part 2** of the present article shall be effective until the entry into force of the decision of the Commission of the Customs Union. The customs body's decision on revocation of the permit to process the goods on the customs territory taken in accordance with **Item 2 of Part 2** of the present article shall be effective from the date of the customs body's decision on revocation of the permit to process the goods on the customs territory.

5. When a permit to process goods on the customs territory is revoked the placement of the foreign goods under the customs procedure of processing on the customs territory under the revoked permit is prohibited, and in respect of the goods placed under the customs procedure of processing on the customs territory before the revocation of the permit to process the goods on the customs territory in accordance with **Item 1 of Part 2** of the present article said customs procedure may be completed in accordance with **Chapter 34** of the Customs Code of the Customs Union.

6. When a permit to process goods on the customs territory is revoked in accordance with **Item 2 of Part 2** of the present article the foreign goods placed under the customs procedure of processing on the customs territory whose products of processing as of the date of revocation of the permit to process the goods on the customs territory have not been placed under the customs **procedure of re-export** are subject to customs duties and taxes in accordance with **Article 251** of the Customs Code of the Customs Union.

7. A permit to process goods on the customs territory shall be cancelled by a customs body if when it was sought the deliberately untrue information that was declared in respect of the goods, the products of processing thereof, remains, waste and the rates of output has caused the understatement of the amounts of customs charges.

8. A customs body's decision on cancellation of a permit to process goods on the customs territory shall be effective from the date of issue of the permit to process the goods on the customs territory.

9. Starting from the date of the decision on cancellation of a permit to process goods on the customs territory customs bodies shall cease to carry out customs transactions in respect of the foreign goods, the products of processing thereof, remains and waste in connection with the cancellation of the permit to process the goods on the customs territory.

10. When a permit to process goods on the customs territory has been cancelled the following shall be paid within ten days after the date of the decision on cancellation:

1) customs duties and taxes on the foreign goods placed under the customs procedure of processing on the customs territory in connection with the cancellation of the permit to process the goods on the customs territory, in accordance with the procedure established by the provisions of **Article 251** of the Customs Code of the Customs Union;

2) export customs duties on the products of processing placed under the customs

procedure of re-export.

11. The form and procedure of revocation and the form and procedure of cancellation of a permit to process goods on the customs territory shall be established by the **federal executive governmental body** empowered in the area of customs affairs.

Article 251. Replacing Foreign Goods with Equivalent Goods (Equivalent Compensation)

1. With a permit of the customs body foreign goods which have been placed under the customs procedure of processing on the customs territory may be replaced with equivalent goods in accordance with **Article 248** of the Customs Code of the Customs Union. Reference to the permit to use an equivalent compensation shall be made by the customs body in the permit to process the goods on the customs territory.

2. If the replacement of foreign goods with equivalent goods is permitted the products of processing obtained from the equivalent goods may be exported before the import of the foreign goods into the customs territory of the Customs Union, with a relevant annotation being entered in the permit to process the goods on the customs territory. In this case the term for exporting the foreign goods shall be set by the person that has obtained (is seeking) the permit to process the goods on the customs territory, by agreement with the customs body.

3. The Government of the Russian Federation is entitled to define the procedure for applying equivalent compensation to specific categories of goods.

Article 252. Keeping a Record of Goods When the Customs Procedure of Processing on the Customs Territory is Applied. Reporting on the Application of the Customs Procedure of Processing on the Customs Territory

1. The declarant and also the persons processing goods placed under the customs procedure of processing on the customs territory shall keep a record of the goods.

2. The record of the goods shall be kept in accordance with the provisions of the **legislation** of the Russian Federation on bookkeeping and accounting for taxation purposes.

3. If within the term of processing of the goods the same foreign goods are imported in several commodity lots a record of such goods for customs purposes shall be kept on the basis of the assumption that the goods imported earliest are used for processing first.

4. The rule set out in **Part 3** of the present article is not applicable if the method of identification of foreign goods in the products of processing thereof established in the permit for processing implies the need for comparing specific foreign merchandise with the product of processing which has been manufactured through the use of the foreign merchandise. The declarant is entitled to refuse to use that rule if it is incompatible with the bookkeeping methods practiced by him/her/it.

5. At least once in three months the declarant of the goods shall file reports with the customs body containing information on the compliance with the requirements and conditions for the application of the customs procedure of processing on the customs territory in accordance with **Parts 7 and 8 of Article 177** of the present Federal Law.

6. If the foreign goods are imported into the Russian Federation and/or the products of processing are exported out of the Russian Federation in several commodity lots the final reconciliation of the quantity of the products of processing indicated in the permit to process the goods shall take place at least 30 days before the expiry of the effective term of processing on the customs territory.

Article 253. Completing and Suspending the Customs Procedure of Processing on the Customs Territory

1. The customs procedure of processing shall be completed in the procedure established by **Article 249** of the Customs Code of the Customs Union.

2. When the products of processing and/or foreign goods which have not undergone processing operations are placed under the customs **procedure of clearance for internal consumption** customs duties and taxes shall be paid with due regard to the details established by **Article 251** of the Customs Code of the Customs Union.

3. Before the expiry of the effective term of processing of the goods the effect of the customs procedure of processing on the customs territory (the lapsing of the effective term of processing of the goods) may be suspended. The procedure for suspending and resuming the customs procedure of processing on the customs territory shall be defined by a decision of the Commission of the Customs Union.

Chapter 32. The Customs Procedure of Processing Outside the Customs Territory

Article 254. The Content of the Customs Procedure of Processing Outside the Customs Territory and the Conditions for Placement of Goods under the Customs Procedure

1. The content of the customs procedure of processing outside the customs territory and the conditions for placement of goods under the customs procedure are defined in **Articles 252** and **253** respectively of the Customs Code of the Customs Union.

2. For the purpose of placing goods under the customs procedure of processing outside the customs territory a customs declaration shall be filed by a person that has obtained the permit to process the goods outside the customs territory envisaged by **Article 258** of the present Federal Law.

Article 255. Term for Processing of Goods Outside the Customs Territory

1. The term for processing goods outside the customs territory shall be defined by the person that has obtained a permit to process the goods outside the customs territory, within the term established by **Article 256** of the Customs Code of the Customs Union and approval for it shall be sought from the customs body when the application for a permit to process the goods is considered.

2. At a substantiated application of the person that has obtained the permit to process the goods outside the customs territory the term for processing the goods outside the customs territory may be extended within the term specified in **Part 1** of the present article.

3. Within ten working days the customs body shall consider the application for extension of the term for processing the goods outside the customs territory and shall inform the person that has obtained the permit to process the goods outside the customs territory of the extension of the term for processing the goods outside the customs territory or of refusal to grant such extension. The customs body is entitled to refuse to extend the term for processing the goods outside the customs territory only if the declarant is in breach of the requirements and conditions for the application of the customs procedure of processing of goods outside the customs territory established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs. The customs body's refusal to extend the term for processing the goods outside the customs territory shall be substantiated and reasonable. The customs body shall notify the declarant of said refusal in writing.

Article 256. Identifying Goods in the Products of Processing Thereof

1. For the purpose of identifying Customs Union goods in the products of processing thereof one shall use the methods specified in **Article 255** of the Customs Code of the Customs Union.

2. The acceptability of a method declared to identify exported goods for processing

outside the customs territory in the products of processing thereof shall be established by a customs body with account being taken of the characteristic features of the goods and the product processing operations carried out. If the method proposed by the declarant for identifying the exported goods in the products of processing thereof is deemed unacceptable by the customs body then the customs body is entitled to determine the product identification method at its own discretion.

Article 257. The Rates of Output of the Products of Processing of Goods Outside the Customs Territory

1. The rates of output of the products of processing of goods outside the customs territory shall be determined by the person seeking a permit to process the goods outside the customs territory, according to the actual conditions in which the goods are processed, and approval for them shall be sought from the customs body when the application for a permit to process the goods outside the customs territory is being considered, except for the case envisaged by **Part 2** of the present article. While approving the rates of output of the products of processing the customs body shall take into account expert organisations' statements based on the specific technological process of processing.

2. Given the observance of the conditions established by **Item 2 of Article 250** of the Customs Code of the Customs Union, the federal executive governmental bodies empowered by the Government of the Russian Federation may establish standard **rates** of output of the products of processing.

Article 258. The Permit to Process Goods Outside the Customs Territory

1. The document on the conditions of processing of goods outside the customs territory envisaged by **Articles 253** and **257** of the Customs Code of the Customs Union is a **permit** to process goods outside the customs territory. The permit to process the goods outside the customs territory shall contain the details defined by Article 257 of the Customs Code of the Customs Union.

2. If no information is available on the value of foreign goods, the products of processing thereof, remains and waste a permit to process the goods outside the customs territory shall contain relevant value ranges. If no information is available on documents confirming that a foreign economic deal has been concluded or on other documents confirming the right of possession, use and/or disposal of the goods within the framework of a foreign economic deal that information shall be provided in the permit to process the goods outside the customs territory in the procedure envisaged by **Part 4** of the present article not later than on the day when the goods are declared.

3. The **permit** to process the goods outside the customs territory shall be effective within the established term of processing of the goods.

4. At a written application of the person that has obtained the permit to process the goods outside the customs territory, given the permit of the customs body, the issued permit to process the goods outside the customs territory may be amended in a manner not contravening the **customs legislation** of the Customs union and the legislation of the Russian Federation on customs affairs. The customs body that issued the permit to process the goods outside the customs territory shall consider the application within ten working days, or if the information envisaged by **Part 1** of the present article has been provided, within three working days and if it agrees it shall make the amendment. The customs body's refusal to amend the permit to process goods outside the customs territory shall be substantiated and reasonable. The customs body shall notify the person that has obtained the permit to process the goods outside the customs territory of said refusal in writing.

Article 259. Issuing a Permit to Process Goods Outside the Customs Territory

1. Any Russian person/entity may obtain a **permit** to process goods outside the customs territory.

2. For the purpose of obtaining a permit to process goods outside the customs territory a person concerned shall file a written application for processing of the goods outside the customs territory with the customs body in whose operational area the person has registered as a taxpayer in accordance with the **legislation** of the Russian Federation on taxes and fees.

3. The following information shall be provided in the application for processing the goods:

1) on the applicant (declarant);

2) on the person(s) which directly carry out the operations whereby the goods are processed and the person's (persons') location/whereabouts;

3) on the goods intended for being processed and on the products of such processing (a description, the classification code according to the **Commodity Classification** for Foreign Economic Activities, quantity in basic or additional units of measurement in accordance with the Commodity Classification for Foreign Economic Activities, approximate value or value range);

4) on the operations whereby the goods are processed, including the technology and the term of completion of the operations;

5) on the rate of output of the products of processing;

6) on the products of processing (a description, the classification code according to the **Commodity Classification** for Foreign Economic Activities, would-be quantity in basic or additional units of measurement according to the Commodity Classification for Foreign Economic Activities, approximate value or value range);

7) on the methods used to identify Customs Union goods in the products of processing thereof;

8) on the replacement of the products of processing with foreign goods;

9) on the term for processing the goods.

4. The application for processing the goods outside the customs territory shall be filed together with documents confirming the information declared.

5. The customs body shall consider the application for processing the goods outside the customs territory and the documents attached thereto within 15 days after accepting them. The customs body is entitled to request that third persons and also state bodies provide documents confirming the information declared. In this case, the customs body is entitled to extend the term for consideration of the application for processing the goods outside the customs territory by up to 30 days after the date of acceptance thereof.

6. If repair is the purpose for which the goods are placed under the customs procedure of processing outside the customs territory a customs declaration may be used as an application for processing the goods outside the customs territory. Such application shall be considered within the term established by **Article 196** of the Customs Code of the Customs Union.

7. The customs body shall refuse to issue a **permit** to process the goods outside the customs territory only if in the course of filing of the application for processing the goods outside the customs territory the declarant did not observe the requirements and conditions for the application of the customs procedure of processing outside the customs territory established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs, and also if the customs body decides to refuse to approve the declared rate of output of the products of processing and the term for completing the processing of the goods. The customs body's refusal to issue a permit to process the goods outside the customs territory shall be substantiated and reasonable. The customs body shall notify the person that has obtained the permit to process the goods outside the customs territory of said refusal in writing.

Article 260. Revoking and Cancelling a Permit to Process Goods Outside the Customs Territory

1. A **permit** to process goods outside the customs territory may be revoked by a customs body in the following cases:

1) if according to a decision taken by the Commission of the Customs Union the placement of the goods under the customs procedure of processing outside the customs territory is prohibited;

2) if the declarant is in breach of the requirements and conditions for the application of the customs procedure of processing outside the customs territory established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs;

3) if the information that was declared when the permit was sought concerning Customs Union goods, the products of processing thereof, the rates of output has caused the understatement of the amounts of customs charges, except for the case mentioned in **Part 6** of the present article.

2. Before taking a decision on revocation of a permit to process goods outside the customs territory in accordance with **Items 2 and 3 of Part 1** of the present article a customs body shall send a written notice to the declarant of the possible revocation of the permit to process goods outside the customs territory and of the reasons for the revocation. Unless measures for eliminating the reasons for the revocation of the permit to process the goods outside the customs territory are taken by the declarant within ten working days, such permit to process the goods outside the customs territory shall be revoked by the customs body.

3. The customs body's decision on revocation of the permit to process the goods outside the customs territory taken in accordance with **Item 1 of Part 1** of the present article shall be effective from the date of entry into force of the relevant decision of the Commission of the Customs Union. The customs body's decision on revocation of the permit to process the goods outside the customs territory taken in accordance with **Item 2 or 3 of Part 1** of the present article shall be effective from the date of the customs body's decision on revocation of the permit to process the goods outside the customs territory.

4. When a permit to process goods outside the customs territory is revoked in accordance with **Item 1 of Part 1** of the present article the placement of Customs Union goods under the customs procedure of processing outside the customs territory is prohibited, and in respect of the goods placed under the customs procedure of processing outside the customs territory before the revocation of the permit to process goods outside the customs territory said customs procedure may be completed in accordance with **Chapter 35** of the Customs Code of the Customs Union.

5. When a permit to process goods outside the customs territory is revoked in accordance with **Items 2 and 3 of Part 1** of the present article the placement of Customs Union goods under the customs procedure of processing outside the customs territory under the revoked permit to process on the customs territory is prohibited, and the Customs Union goods placed under the customs procedure outside the customs territory whose products of processing as of the date of revocation of the permit to process the goods outside the customs territory have not been placed under the customs **procedure of re-import** or **clearance for internal consumption** are subject to export customs duties. The products of processing which as of the date of revocation of the permit to process the goods outside the customs territory have not been placed under the customs procedure of re-import or clearance for internal consumption are subject to import customs duties and taxes.

6. A permit to process goods outside the customs territory may be cancelled by a customs body if when it was sought the deliberately untrue information that was declared in respect of Customs Union goods, the products of processing thereof and the rates of output has

caused the understatement of the amounts of customs charges.

7. A customs body's decision on cancellation of a permit to process goods outside the customs territory shall be effective from the date of issue of the permit to process goods outside the customs territory.

8. Starting from the date of the decision on cancellation of a permit to process goods outside the customs territory customs bodies shall cease to carry out customs transactions in respect of Customs Union goods and the products of processing thereof in accordance with the cancellation of the permit to process the goods outside the customs territory.

9. When a permit to process goods outside the customs territory has been cancelled the following shall be paid within ten days after the date of the decision on cancellation:

1) export customs duties on Customs Union goods placed under the customs procedure of processing outside the customs territory in accordance with the permit to process the goods outside the customs territory which has been cancelled by a customs body;

2) import customs duties and taxes on the products of processing that have been imported into the customs territory of the Customs Union in accordance with the permit to process the goods outside the customs territory which has been cancelled by the customs body.

10. The **form** and **procedure** of revocation and the form and procedure of cancellation of a permit to process goods outside the customs territory shall be established by the **federal executive governmental body** empowered in the area of customs affairs.

Article 261. Replacing the Products of Processing with Foreign Goods

1. The products of processing may be replaced with foreign goods in accordance with **Article 259** of the Customs Code of the Customs Union.

2. If the purpose of processing was a gratuitous (warranty) repair realised within the warranty term the replacement of the products of processing with foreign goods is admissible at the declarant's application if the foreign maker of the product confirms the need for replacing an out-of-order product with a similar product and if the possibility of such replacement is envisaged by a contract or manufacturer's warranty, and these goods are placed under the customs **procedure of re-import** within the processing period. The provisions of the present part are not applicable if at the initial import of the goods into the Russian Federation when they were placed under the customs **procedure of clearance for internal consumption** account was taken of the existence of the defect (defects) that was the reason for the gratuitous (warranty) repair of these goods. A permit to replace the products of processing with foreign goods shall be issued by the customs body in the permit to process goods outside the customs territory. If a declaration concerning goods is used as a permit to process the goods outside the customs territory a permit of the customs body to replace the products of processing with equivalent foreign goods shall be issued as a separate document whose form and issuance procedure are defined by the **federal executive governmental body** empowered in the area of customs affairs. The permit shall be issued within the term for clearance of goods established by **Article 196** of the Customs Code of the Customs Union at the applicant's written application drawn up in an arbitrary form setting out the reasons for the need for replacing the products of processing with equivalent foreign goods and filed together with documents confirming the information provided in the application and the observance of the conditions set out in the present part.

3. The procedure for replacing the products of processing with equivalent foreign goods in cases other than those envisaged by **Part 2** of the present article shall be defined by the Government of the Russian Federation.

Article 262. Reporting on the Use of the Customs Procedure of Processing Outside the Customs Territory

1. At least once every three months a declarant shall file reports with the customs body containing information on the observance of the requirements and conditions for the application of the customs procedure of processing outside the customs territory according to **Parts 7 and 8 of Article 177** of the present Federal Law.

2. If the products of processing are imported into the customs territory of the Customs Union in several lots the final reconciliation of the quantity of the products of processing shown in the **permit** to process the goods outside the customs territory shall be carried out within 30 days after the expiry of the term for processing outside the customs territory.

Article 263. Completing the Customs Procedure of Processing Outside the Customs Territory

1. Not later than the day of expiry of the term for processing goods the products of processing and the goods that have not undergone processing operations shall be placed under the customs **procedure of re-import, clearance for internal consumption or export** (except for cases when according to the legislation of the Russian Federation said goods are subject to compulsory reverse import into the Russian Federation) in the procedure and on the terms envisaged by the **Customs Code** of the Customs Union.

2. The products of processing may be placed under the customs **procedure of re-import or clearance for internal consumption** as a single lot (shipment) or several lots (shipments).

3. When the products of processing are placed under the customs procedure of clearance for internal consumption import customs duties and taxes shall be paid in the procedure established by **Article 262** of the Customs Code of the Customs Union.

4. The calculation and payment of customs duties and taxes when goods which have been placed under the customs procedure of processing outside the customs territory are being placed under the customs **procedure of export** shall take place with due regard to the details established by **Article 263** of the Customs Code of the Customs Union.

Chapter 33. The Customs Procedure of Processing for Internal Consumption

Article 264. The Content of the Customs Procedure of Processing for Internal Consumption and the Conditions for Placing Goods under the Customs Procedure

1. The content of the customs procedure of processing for internal consumption and the conditions for the placement of goods under the customs procedure are defined by **Articles 264 and 265** of the Customs Code of the Customs Union.

2. For the purpose of placing goods under the customs procedure of processing for internal consumption a customs declaration shall be filed by the person who has obtained the **permit** to process goods for internal consumption envisaged by **Article 269** of the present Federal Law.

Article 265. The Goods Admitted for Being Processed for Internal Consumption

A list of the goods for which processing for internal consumption is admissible shall be defined by the Government of the Russian Federation.

Article 266. Identifying Foreign Goods in the Products of Processing Thereof

1. For the purpose of identifying foreign goods in the products of processing thereof one shall use the methods mentioned in **Article 267** of the Customs Code of the Customs Union.

2. The acceptability of the method declared by a declarant to identify foreign goods in the products of processing thereof shall be established by a customs body with account being taken of the characteristic features of the goods and the product processing operations carried out.

Article 267. Term for Processing Goods for Internal Consumption

1. The term for processing goods for internal consumption shall be defined by the person seeking a permit to process the goods for internal consumption within the term established by **Article 268** of the Customs Code of the Customs Union and approval for it shall be sought from a customs body when an application for a permit to process the goods for internal consumption is being considered.

2. At a substantiated application of the person who has received a **permit** to process goods for internal consumption the term for processing the goods for internal consumption may be extended within the term specified in **Part 1** of the present article.

3. Within ten working days the customs body shall consider the application for extension of the term for processing of goods for internal consumption and inform the person who has obtained the permit to process the goods for internal consumption about the extension of the term or refusal to extend it. The customs body is entitled to refuse to extend the term for processing the goods for internal consumption only if the declarant is in breach of the requirements and conditions for the application of the customs procedure of processing of goods outside the customs territory established by **Chapter 36** of the Customs Code of the Customs Union and the legislation of the Russian Federation on customs affairs.

4. The customs body's refusal to extend the term for processing the goods for internal consumption shall be substantiated and reasonable. The customs body shall notify the person who has obtained the permit to process the goods for internal consumption of said refusal in writing.

Article 268. The Rates of Output of the Products of Processing for Internal Consumption

1. The rates of output of the products of processing shall be determined by the person that seeks a **permit** to process goods for internal consumption on the basis of the actual conditions in which the goods are processed, except for the case envisaged by **Part 2** of the present article and approval for them shall be sought from the customs body when the application for the permit to process the goods of internal consumption is being considered. While approving the rates of output of the products of processing the customs body shall take into account expert organisations' statements based on the specific technological process of the processing.

2. If the conditions established by **Item 2 of Article 270** of the Customs Code of the Customs Union are observed the federal executive governmental body empowered by the Government of the Russian Federation may establish standard **rates** of output of the products of processing.

Article 269. The Permit to Process Goods for Internal Consumption

1. The document on the conditions of processing of goods for internal consumption envisaged by **Articles 265** and **269** of the Customs Code of the Customs Union is a **permit** to process goods for internal consumption. The permit to process goods for internal consumption shall contain the information established by Article 269 of the Customs Code of the Customs Union.

2. If no information is available concerning the value of foreign goods, the products of processing thereof, remains and waste relevant value ranges shall be indicated in the permit to process the goods for internal consumption.

3. If no information is available concerning the document confirming that a foreign

economic deal has been concluded or other documents confirming the right of possession, use and/or disposal of the goods within the framework of a foreign economic deal that information shall be provided in the permit to process the goods for internal consumption in the procedure envisaged by **Part 6** of the present article not later than on the day when the goods are declared.

4. If the goods are placed under the procedure of processing for internal consumption by an authorised economic operator the following may be used as a document on the conditions for processing on the customs territory: an agreement between the authorised economic operator and the customs body signed in accordance with **Part 8 of Article 86** of the present Federal Law, provided said agreement contains the information envisaged by **Parts 1 and 2** of the present article.

5. The issued **permit** to process the goods for internal consumption shall not be assigned to another person.

6. At a written application of the person who has received a permit to process goods for internal consumption, on a permit of the customs body the issued permit to process the goods for internal consumption may be amended in a manner that does not contravene the customs legislation of the Customs Union and the legislation of the Russian Federation on customs affairs. The customs body that issued such permit shall consider the application within ten working days, or if only the information envisaged by **Part 2** of the present article is provided, within three working days, and if it agrees it shall make the amendments. The customs body's refusal to amend the permit to process the goods for internal consumption shall be substantiated and reasonable. The customs body shall notify the person who has obtained the permit to process the goods for internal consumption of said refusal in writing.

Article 270. Procedure for Issuing a Permit to Process Goods for Internal Consumption

1. Any **Russian person**/entity may obtain a **permit** to process goods for internal consumption.

2. For the purpose of obtaining a permit to process goods for internal consumption a person concerned shall file a written application with the customs body in whose operational area he/she/it has registered as a taxpayer in accordance with the **legislation** of the Russian Federation for taxes and fees.

3. The following information shall be provided in the product-processing application:

1) on the applicant (declarant);

2) on the person(s) who directly carry out the operations whereby the goods are processed;

3) on the goods intended for being processed and on the products of processing thereof and also on waste and remains (a description, the classification code according to the **Commodity Classification** for Foreign Economic Activities, quantity in basic or additional units of measurement in accordance with the Commodity Classification for Foreign Economic Activities, value or value range);

4) on the operations whereby the goods are processed, the methods and completion terms thereof;

5) on the location of the production facilities used to carry out the operations whereby the goods are processed;

6) on the rate of output of the products of processing;

7) on the methods whereby foreign goods are identified in the products of processing thereof;

8) on the term for processing the goods;

9) on the possibility of further use of the waste.

4. The product-processing application shall be filed together with documents confirming

the information declared.

5. The customs body shall consider the application and the documents attached thereto within 15 days after receiving them. The customs body is entitled to request third persons and also state bodies to provide documents confirming the information mentioned in **Part 3** of the present article. Within ten days after receiving the request said persons shall provide the documents requested. In this case the customs body is entitled to extend the term for consideration of the application by up to 30 days after it is accepted.

6. The customs body shall refuse to issue a permit to process goods for internal consumption only if at the filing of the application the declarant did not observe the requirements and conditions for the application of the customs procedure of processing for internal consumption established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs, and also if the customs body takes a decision on refusal to approve the rates of output of the products of processing and the term for processing.

7. The customs body's refusal to issue a permit to process the goods for internal consumption shall be substantiated and reasonable. The customs body shall notify the declarant of said refusal in writing.

Article 271. Revoking and Cancelling a Permit to Process Goods for Internal Consumption

1. A permit to process goods for internal consumption may be revoked by a customs body if:

1) the declarant does not observe the requirements and conditions for the application of the customs procedure of processing for internal consumption established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs;

2) the information declared when the permit was sought concerning foreign goods, the products of processing thereof, remains and waste and the rates of output has caused the understatement of the amounts of customs duties, except for the case mentioned in **Part 6** of the present article.

2. Before taking a decision on revocation of a permit to process goods for internal consumption a customs body shall send a written notice to the declarant of the possible revocation of the permit to process goods for internal consumption complete with the reasons for the revocation. Unless within ten working days after receiving the notice the declarant takes measures to eliminate the reasons for the revocation of the permit to process goods for internal consumption said permit shall be revoked by the customs body.

3. The customs body's decision on revocation of the permit to process goods for internal consumption shall be effective from the date of the customs body's decision on revocation of the permit to process the goods for internal consumption.

4. When the permit to process the goods for internal consumption is revoked the placement of foreign goods under the customs procedure of processing for internal consumption in accordance with the revoked permit to process is prohibited.

5. When the permit to process goods for internal consumption is revoked the declarant shall pay import customs duties on the foreign goods that were placed under the customs procedure of processing for internal consumption and have not been processed as of the date of revocation of said permit or shall export such goods to a destination outside the customs territory of the Customs Union in accordance with the customs **procedure of re-export**. In respect of the foreign goods which were placed under the customs procedure of processing for internal consumption and have been processed as of the date of revocation of said permit to process goods the customs procedure of processing for internal consumption may be completed in the procedure established by **Chapter 36** of the Customs Code of the Customs

Union.

6. A **permit** to process goods for internal consumption may be cancelled by a customs body if the deliberately untrue information declared in respect of goods, the products of processing thereof, remains and waste and the rates of output when the permit was sought has caused the understatement of the amounts of customs charges.

7. The customs body's decision on cancellation of the permit to process goods for internal consumption shall be effective from the date of issue of the permit to process goods for internal consumption.

8. Starting from the date of the decision on cancellation of the permit to process goods for internal consumption customs bodies shall cease to carry out customs transactions in respect of foreign goods, the products of processing thereof, remains and waste in connection with the cancellation of the permit to process the goods for internal consumption.

9. When the permit to process goods for internal consumption is cancelled import customs duties shall be paid within ten days after the date of the decision on cancellation on the foreign goods that have been placed under the customs procedure of processing for internal consumption and have not been processed as of the date of said decision.

10. The form and procedure for revocation and the form and procedure for cancellation of a permit to process goods for internal consumption shall be established by the **federal executive governmental body** empowered in the area of customs affairs.

Article 272. Keeping a Record of Goods When the Customs Procedure of Processing for Internal Consumption Is Applied. Reporting on the Application of the Customs Procedure of Processing for Internal Consumption

1. A declarant and also the persons who process goods placed under the customs procedure of processing for internal consumption shall keep a record of the goods.

2. A record of the goods shall be kept in accordance with the **provisions of the legislation** of the Russian Federation on bookkeeping and accounting for taxation purposes.

3. If within the term of processing of the goods the same foreign goods are imported in several commodity lots a record of such goods for customs purposes shall be kept on the basis of the assumption that the goods imported earliest are used for processing first.

4. The rule envisaged by **Part 3** of the present article shall not apply if the method established in the permit to process for identifying foreign goods in the products of processing thereof implies the need for a specific foreign product to be compared with the product of processing in the manufacture of which that foreign product has been used. The declarant is entitled to refuse to use that rule if it is incompatible with the bookkeeping methods the declarant practices.

5. At least once every three months the declarant shall submit reports to the customs body containing information on the observance of the requirements and conditions for the application of the customs procedure of processing for internal consumption in accordance with **Parts 7 and 8 of Article 177** of the present Federal Law.

6. If foreign goods are imported into the Russian Federation in several commodity lots the final reconciliation of the quantity of the products of processing stated in the permit to process the goods for internal consumption shall be carried out within 30 days after the expiry of the term for processing for internal consumption.

Article 273. Completing the Customs Procedure of Processing for Internal Consumption

Not later than on the day of expiry of the product processing term the products of processing and the goods that have not undergone processing operations shall be placed under the customs **procedure of clearance for internal consumption** in the procedure envisaged by **Articles 273, 275 and 276** of the Customs Code of the Customs Union.

Chapter 34. The Customs Procedure of Temporary Import (Admission)

Article 274. The Content of the Customs Procedure of Temporary Import (Admission) and the Conditions for Placement of Goods under the Customs Procedure

The content of the customs procedure of temporary import (admission) and the conditions for the placement of goods under the customs procedure are defined by **Article 277** and **278** respectively of the Customs Code of the Customs Union.

Article 275. Using and Disposing of Temporarily Imported Goods

1. Goods placed under the custom procedure of temporary import (admission) shall be used and disposed of in the observance of the restrictions established by **Article 279** of the Customs Code of the Customs Union.

2. Temporarily imported goods shall be in the declarant's actual possession and use, except for the cases established by **Articles 276** and **277** of the present Federal Law.

Article 276. The Declarant's Transferring Temporarily Imported Goods to Another Person for Possession and Use without a Customs Permit

1. The transfer by a declarant of temporarily imported goods to another person for possession and use without a permit of a customs body is admissible for the purposes established by **Subitem 1 of Item 3 of Article 279** of the Customs Code of the Customs Union and also:

1) in the event of temporary import of multiple-use packing intended for packing and protecting goods intended for being sold and circulated, if according to a foreign trade contract that or a similar (of the same type and approximately the same value) packing has to be returned;

2) for the purpose of conducting trials, research, tests, checks, verification or experiments involving the temporarily imported goods or of their being used in the course of trials, research, tests, checks, verification or experiments;

3) for the other purposes defined by the Government of the Russian Federation.

2. When the temporarily imported goods are transferred for possession or use to another person the declarant shall notify the customs body in which these goods have been placed under the customs procedure in writing in an arbitrary form, having indicated the name and address of the person to whom the goods are transferred, the purpose of the transfer thereof and also the location of the goods, if the value thereof exceeds 500,000 roubles.

3. The transfer of temporarily imported goods to another person without a permit of a customs body shall not relieve the declarant of the customs procedure of temporary import (admission) from the duty to observe the requirements and conditions established by **Chapter 37** of the Customs Code of the Customs Union. The persons to whom the temporarily imported goods have been transferred for possession and use shall bear jointly with the declarant the duty to pay customs charges in the amount of customs charges payable.

4. According to **Item 2 of Article 98** of the Customs Code of the Customs Union the customs body is entitled to request documents and information about the actual location of the temporarily imported goods, and if such goods have been transferred in accordance with **Part 1** of the present article to another person, information about such person in writing and/or electronic form, and also to set a term for the provision thereof, such term being sufficient for the provision of the documents and information requested.

Article 277. The Declarant's Transferring Temporarily Imported Goods to Another Persons for Possession and Use with the Permit of a Customs Body

1. A declarant's transferring temporarily imported goods to another person for possession and use with the permit of a customs body is admissible in the cases not specified in **Article 276** of the present Federal Law.

2. A declarant's transferring temporarily imported goods to another person for possession and use is admissible with a written permit of a customs body, provided the person undertakes to further observe the requirements and conditions for temporary import established by the **legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs.

3. The declarant transferring the temporarily imported goods shall pay customs duties and taxes for the period when the declarant used the goods in accordance with the customs procedure of temporary import (admission), if events causing the duty to pay customs duties or taxes occurred within that period.

4. If the observance of the customs procedure of temporary import is secured with the guarantees envisaged by **Article 227** of the present Federal Law the person to which the temporarily imported goods are transferred shall prepare relevant documents in the person's name.

5. Starting from the date of the customs body's decision on the transfer of the temporarily imported goods the person to which the temporarily imported goods are transferred enjoys the rights and have the duties in line with the use of the customs procedure of temporary import established by **Chapter 37** of the Customs Code of the Customs Union and the legislation of the Russian Federation on customs affairs.

Article 278. Term of Temporary Import of Goods

1. The term of temporary import (admission) of goods shall be established by a customs body at a declarant's application depending on the purposes and circumstances of such importation within the term set by **Article 280** of the Customs Code of the Customs Union.

2. At a substantiated application of the declarant the term of temporary import (admission) may be extended within the term specified in **Part 1** of the present article.

3. Within ten working days the customs body shall consider the application for extension of the term of temporary import and inform the declarant about the extension of the term or refusal to extend it. The customs body is entitled to refuse to extend the term of temporary import (admission) only if the declarant does not observe the requirements and conditions for the application of the customs procedure of temporary import established by the legislation of the Russian Federation on customs affairs.

4. The customs body's refusal to extend the term of temporary import (admission) shall be substantiated and reasonable. The customs body shall notify the declarant of said refusal in writing.

Article 279. The Temporary Import (Admission) of Scientific or Commercial Specimens

1. Goods temporarily imported into the Russian Federation for the purpose of trials, research, tests, checks, verification, experiments or displays to be carried out in respect of them or for the purpose of being used in the course of trials, research, tests, checks, verification, experiments or displays (hereinafter referred to as "scientific or commercial specimens") are subject to customs declaration in a simplified procedure in accordance with the provisions of the present article.

2. The Government of the Russian Federation is entitled to establish a maximum quantity and/or maximum value of goods temporarily imported as scientific or commercial specimens by one person simultaneously or over a certain period of time according to **acts** of the customs

legislation of the Customs Union.

3. A declarant is entitled to declare the customs **procedure of destruction** in respect of temporarily imported scientific or commercial specimens according to the provisions of **Chapter 39** of the present Federal Law, for instance in cases when the scientific or commercial specimens have been destroyed or damaged while undergoing trials, research, tests, checks, verification, experiments or displays or while being used in the course of trials, research, tests, check, verification, experiments or displays.

4. The Government of the Russian Federation shall establish a list of the goods which are prohibited for being placed under the customs **procedure of destruction** according to **Part 3 of Article 296** of the present Federal Law in the event of temporary import as scientific or commercial specimens to complete the customs procedure of temporary import (admission), if they have been destroyed or damaged while undergoing trials, research, tests, checks, verification, experiments or displays or being used in the course of trials, research, tests, checks, verification, experiments or displays.

5. If a declarant so wishes, scientific or commercial specimens temporarily imported into the Russian Federation in the personal baggage of a passenger, by express post and also scientific or commercial specimens whose value does not exceed 300,000 roubles may be declared in a simplified procedure through the use of a written application of the organisation being the recipient of the scientific or commercial specimens as a customs declaration. The form of such application shall be established by the **federal executive governmental body** empowered in the area of customs affairs.

6. Scientific institutions and the companies formed by them are entitled to place scientific or commercial specimens under the customs procedure of temporary import (admission) through the use of the scientific institutions' written application -- as evidence of the intended purpose of the goods -- drawn up in an arbitrary form and containing information about the scientific or commercial specimens and a description of the circumstances of movement of the scientific or commercial specimens across the customs border of the Customs Union. Other persons shall confirm the intended purpose of scientific or commercial specimens by means of submitting to a customs body a contract with a foreign person, if it contains information about the purpose of importation of the scientific or commercial specimens, confirmed plans (programmes) of research, if any, or other documents on the economic activities of the person containing information on the performance of trials, research, tests, checks, verification, experiments or displays.

7. The status of the scientific institution shall be confirmed by its constitutive documents. The Government of the Russian Federation is entitled to set criteria for organisations to qualify as scientific institutions or to designate a federal executive governmental body as empowered to confirm the organisation's status as a scientific institution.

8. The term for clearing scientific or commercial specimens in the event of their temporary import (admission) is four hours after the time when the customs declaration is accepted, if all the necessary documents are filed simultaneously with the customs declaration, except for cases when according to the present Federal Law some documents may be filed after the goods are cleared. The Government of the Russian Federation may establish a list of goods for which clearance term may be up to one working day following the date of registration of the customs declaration. If necessary, within said term customs bodies shall check the customs declaration, the goods and the documents relating thereto.

Article 280. Completing and Suspending the Customs Procedure of Temporary Import (Admission)

The customs procedure of temporary import (admission) shall be completed and suspended in accordance with **Article 281** of the Customs Code of the Customs Union.

Chapter 35. The Customs Procedure of Temporary Export

Article 281. The Content of the Customs Procedure of Temporary Export and the Conditions for Placement of Goods under the Customs Procedure

The content of the customs procedure of temporary import and the conditions for placement of goods under the customs procedure are established by **Articles 285** and **286** respectively of the Customs Code of the Customs Union.

Article 282. The Term of Temporary Export of Specific Categories of Goods

1. The term of temporary export of goods shall be established by a customs body at a declarant's application depending on the purposes and circumstances of such exportation, except for the case envisaged by Part 4 of the present article. On the declarant's written application the term of temporary export of the goods may be extended by the customs body, with account being taken of the provisions of **Parts 4** and **5** of the present article.

2. Within ten working days the customs body shall consider the application for extension of the term of temporary export and inform the declarant that the term is extended or that it has refused to extend it. The customs body is entitled to refuse to extend the term of temporary export only if the declarant is in breach of the requirements and conditions for the application of the customs procedure of temporary export established by **Chapter 38** of the Customs Code of the Customs Union and the legislation of the Russian Federation on customs affairs.

3. The customs body's refusal to extend the term of temporary export shall be substantiated and reasonable. The customs body shall inform the declarant of said refusal in writing.

4. In accordance with **Item 2 of Article 288** of the Customs Code of the Customs Union a ceiling on the term of temporary export shall be established by the Government of the Russian Federation for specific categories of goods depending on the purpose of their export to a destination outside the customs territory of the Customs Union and also for goods for which reverse import in the event of temporary export is compulsory according to the legislation of the Russian Federation.

5. In the event of assignment to a foreign person of the right of ownership to the temporarily exported goods which according to the legislation of the Russian Federation are not to be compulsorily returned to the territory of the Russian Federation the term of temporary export of these goods is not extendable, and the goods shall be placed under the customs **procedure of export**.

Article 283. The Temporary Export of Scientific or Commercial Specimens

1. Scientific or commercial specimens temporarily exported out of the Russian Federation to a destination outside the Customs Union to be subjected to trials, research, tests, checks, verification, experiments or displays or to be used in the course of trials, research, tests, checks, verification, experiments or displays shall be declared for customs purposes in a simplified procedure in accordance with the provisions of the present article.

2. If the declarant so wishes scientific or commercial specimens temporarily exported out of the Russian Federation to a destination outside the Customs Union in the personal baggage of a passenger, by express post, and also scientific or commercial specimens whose value does not exceed 300,000 roubles may be declared in a simplified procedure through the use of a written application of the organisation being the consignor of the scientific or commercial specimens as a customs declaration. The form of such application shall be established by the **federal executive governmental body** empowered in the area of customs affairs.

3. Scientific institutions and companies formed by them are entitled to temporarily export scientific or commercial specimens through the use of a written application of the scientific institution as evidence of the intended purpose of the goods containing information on the scientific or commercial specimens and a description of the circumstances of movement of the scientific or commercial specimens across the customs border of the Customs Union.

4. Other persons shall confirm the intended purpose of scientific or commercial specimens by means of submitting a contract with a foreign person to the customs body if it contains information on the purpose of exportation of the scientific or commercial specimens, confirmed plans (programmes) of research, if any, or other documents containing information about the performance of trials, research, tests, checks, verification, experiments or displays.

5. The status of the scientific institution shall be confirmed in the procedure envisaged by **Part 7 of Article 279** of the present Federal Law.

6. The term for clearing scientific or commercial specimens when they are temporarily exported is four hours after the acceptance of the customs declaration, provided all the necessary documents are presented simultaneously with the customs declaration, except for cases when some documents may be submitted after the clearance of goods according to the present Federal Law. The Government of the Russian Federation may establish a list of the goods for which clearance term may be up to one working day following the date of registration of the customs declaration. If necessary, within said term customs bodies shall check the customs declaration, the goods and the documents relating thereto.

Article 284. Completing the Customs Procedure of Temporary Export of Goods

1. The customs procedure for temporary export of goods shall be completed in accordance with **Article 289** of the Customs Code of the Customs Union.

2. In the event of temporary export of goods at an application of a declarant a customs body shall determine the identification features of the goods and enter them in the declarant's documents. In the event of reverse import (re-import) of goods that have been earlier temporarily exported the customs body shall check the coincidence of identification features. If said features coincide and there is no express evidence of the goods being substituted customs bodies are not entitled to refuse to place the goods under the customs **procedure of re-import**.

Chapter 36. The Customs Procedure of Re-Import

Article 285. The Content of the Customs Procedure of Re-Import and the Conditions for Placement of Goods under the Customs Procedure

The content of the customs procedure of re-import and the conditions for placement of goods under the customs procedure are defined by **Articles 292** and **293** of the Customs Code of the Customs Union.

Article 286. Procedure for Extending the Term of Re-Import of Goods

1. It is admissible to extend the term of re-import of the goods endorsed by a decision of the Commission of the Customs Union for which the term of placement under the customs procedure of re-import may exceed the term established by the **Customs Code** of the Customs Union.

2. For the purpose of extending the term for placement under the customs procedure of re-import of the categories of goods specified in **Part 1** of the present article a declarant shall within 30 days after the declaration of goods to the customs body submit a substantiated inquiry drawn up in an arbitrary written form to the federal executive governmental body empowered in the area of customs affairs setting out the circumstances of the exportation of the goods to a

destination outside the customs territory of the Customs Union in accordance with the customs **procedure of export** or the customs **procedure of re-export**.

3. The following documents shall be attached to the inquiry:

- 1) the customs declaration accepted by a customs body of the Russian Federation when the goods were exported to a destination outside the customs territory of the Customs Union;
- 2) documents confirming the circumstances in which the goods were exported to a destination outside the customs territory of the Customs Union;
- 3) documents confirming the date on which the goods crossed the customs border of the Customs Union;
- 4) documents containing information on the operations whereby the goods were repaired, if such operations have been performed on the goods outside the customs territory of the Customs Union.

4. The inquiry concerning extension of the term of re-import shall be considered by the **federal executive governmental body** empowered in the area of customs affairs within 30 days. Unless all the documents containing the information specified in **Part 3** of the present article the are submitted structural unit of the federal executive governmental body empowered in the area of customs affairs whose competence encompasses customs procedure application issues, shall within ten days after receiving the inquiry, notify the declarant in writing of the need for submitting additional documents containing said information. After additional documents are filed with the federal executive governmental body empowered in the area of customs affairs the inquiry concerning extension of the term of re-import of the goods shall be considered within 15 days after they are submitted.

5. A decision on extending the term of re-import of the goods shall be taken by the chief or the acting chief of the structural unit of the federal executive governmental body empowered in the area of customs affairs whose competence encompasses customs procedure application issues.

6. The decision on extending the term of re-import of the goods shall be brought to the notice of the declarant and of the customs body in whose operational area the goods are going to be declared in accordance with the customs procedure of re-import.

7. In the event of refusal to extend the term of re-import of the goods a letter containing the reason(s) for the refusal shall be sent to the declarant.

Article 287. Refunding (Setting off) the Amounts of Export Customs Duties

1. In respect of the goods specified in **Subitem 1 of Item 1 of Article 293** of the Customs Code of the Customs Union placed under the customs procedure of re-import the amounts of export customs duties that have been paid shall be refunded (accepted for set-off) if said goods are placed under the customs procedure of re-import within six months after the day following the date of placement of such goods under the customs **procedure of export**.

2. The refund (set-off) of the paid amounts of customs duties shall be effected by customs bodies in the procedure established by **Chapter 17** of the present Federal Law.

Article 288. Paying the Amounts of Import Customs Duties, Taxes, Subsidies and Other Sums when Goods Are Placed under the Customs Procedure of Re-Import

1. When goods are placed under the customs procedure of re-import the following shall be paid into the account of the Federal Treasury, and in the cases established by an international agreement of the member states of the Customs Union, into the account designated by that international agreement:

- 1) the amounts of export customs duties and taxes and/or interest on them if the amounts of such duties, taxes and/or interest on them have not been collected or have been refunded in connection with the export of the goods to a destination outside the customs territory of the

Customs Union;

2) the amounts of internal taxes, subsidies and the other amounts that have not been paid or have been received directly or indirectly as disbursements, privileges or compensations in connection with the export of the goods to a destination outside the customs territory of the Customs Union.

2. A declarant shall start to have the duty to pay the amounts of import customs duties, taxes, internal taxes, subsidies and other sums on goods placed under the customs procedure of re-import as of the time when a customs body registers the customs declaration.

3. The declarant shall cease to have the duty to pay the amounts of import customs duties, taxes, internal taxes, subsidies and other sums when:

1) the import customs duties, taxes, internal taxes, subsidies and other sums have been paid in the amounts established in accordance with the present Federal Law;

2) the clearance of the goods in accordance with the customs procedure of re-import has been denied.

4. The amounts of import customs duties and taxes shall be calculated by the rules established by **Article 251** of the Customs Code of the Customs Union for the calculation of payable amounts of customs duties and taxes when the products of processing are placed under the customs **procedure of clearance for internal consumption**.

5. The amounts of internal taxes shall be calculated on the basis of the rates effective as of the date of registration of the customs declaration when goods are exported to a destination outside the customs territory of the Customs Union and the customs value of the goods and/or the quantity thereof assessed when the goods are exported to a destination outside the customs territory of the Customs Union. If no customs value was assessed and declared in respect of exported goods when the customs **procedure of export** was declared in respect thereof then the following shall be used for the purposes of calculating the sum of internal taxes: the price actually paid or payable for these goods, stated in the invoice drawn up in connection with a purchase-sale transaction at the export of the goods, as translated into the currency of the Russian Federation in the procedure established by the present Federal Law as of the date of registration of the customs declaration at the exportation of the goods to a destination outside the customs territory of the Customs Union. When the customs procedure of export is declared in respect of these goods in connection with other transactions one shall use the value of these goods stated in commercial or other documents concerning these goods at the exportation thereof, translated into the currency of the Russian Federation in the procedure established by the present Federal Law as of the date of registration of the customs declaration when the goods are exported to a destination outside the customs territory of the Customs Union.

6. The procedure for calculating the amounts of subsidies and other sums not specified in **Parts 4** and **5** of the present article shall be defined by the Government of the Russian Federation. The Government of the Russian Federation is entitled to define cases when apart from said amounts interest is collected on them at the **refinancing rates** of the Central Bank of the Russian Federation.

7. Import customs duties, taxes, **internal taxes**, subsidies and other sums shall be paid before the goods are cleared in accordance with the customs procedure of re-import.

8. The amounts of import customs duties, taxes, internal taxes, subsidies and other sums and interest on them envisaged by the present article shall be paid in the procedure established by the **Customs Code** of the Customs Union and the present Federal Law for collection of customs charges.

Chapter 37. The Customs Procedure of Re-Export

Article 289. The Content of the Customs Procedure of Re-Export and the Conditions for Placement of Goods under the Customs Procedure

The content of the customs procedure of re-export and the conditions for placement of goods under the customs procedure are defined by **Articles 296** and **297** respectively of the Customs Code of the Customs Union.

Article 290. The Details of Transportation of Goods Placed under the Customs Procedure of Re-Export

Goods placed under the customs procedure of re-export to a destination outside the customs territory of the Customs Union shall be exported under customs control as applicable to the **procedure of customs transit** in the procedure and on the conditions established by **Chapter 32** of the Customs Code of the Customs Union and **Chapter 29** of the present Federal Law.

Article 291. Refunding (Setting off) the Amounts of Import Customs Duties and Taxes

The paid amounts of import customs duties and taxes shall be refunded (accepted for set-off) in the procedure established by **Chapter 17** of the present Federal Law in respect of goods which have been earlier placed under the customs **procedure of clearance for internal consumption** and are being placed under the customs procedure of re-export in accordance with the conditions established by **Subitem 2 of Article 297** of the Customs Code of the Customs Union and have been actually taken out of the customs territory of the Customs Union.

Chapter 38. The Customs Procedure of Duty-Free Trade

Article 292. The Content of the Customs Procedure of Duty-Free Trade and the Conditions for Placement of Goods under the Customs Procedure

The content of the customs procedure of duty-free trade and the conditions for placement of goods under the customs procedure are defined by **Articles 302** and **303** of the Customs Code of the Customs Union.

Article 293. Duty-Free Stores

1. The premises of a duty-free store may include sales areas, back rooms and warehouses.

2. The requirements applicable to the location, arrangement and equipment of a duty-free store are established by **Article 84** of the present Federal Law.

3. In accordance with **Article 59** of the present Federal Law the possessor of a duty-free store shall keep a record of, and provide reports on, goods placed under the customs procedure of duty-free trade.

Article 294. Organising Duty-Free Trade for Specific Categories of Persons

1. The procedure for organising duty-free trade for foreign diplomatic missions, the missions of international organisations qualifying as such, consular institutions, and also the diplomatic agents, consular officials qualifying as such, and the members of their families who reside together with them shall be defined by the Government of the Russian Federation.

2. The Government of the Russian Federation shall establish **requirements** applicable to the location, arrangement and equipment of the duty-free stores mentioned in **Part 1** of the present article.

Chapter 39. The Customs Procedure of Destruction

Article 295. The Content of the Customs Procedure of Destruction and the Conditions for Placement of Goods under the Customs Procedure

The content of the customs procedure of destruction and the conditions for placement of goods under the customs procedure are defined by **Articles 307** and **308** respectively of the Customs Code of the Customs Union.

Article 296. Customs Body's Permitting to Place Goods under the Customs Procedure of Destruction

1. Goods may be placed under the customs procedure of destruction with a permit of a customs body.

2. For the purpose of obtaining a permit to place goods under the customs procedure of destruction a person which may be a declarant of goods according to **Article 186** of the Customs Code of the Customs Union shall file a written application containing a description and the code -according to the **Commodity Classification** for Foreign Economic Activities -- of goods which are to be destroyed, the quantity, value and location thereof, would-be method, place and date of destruction, and also a brief description of the reasons for which the declarant stops the circulation of the goods.

3. When goods which are being placed under the customs procedure of destruction have been destroyed, irreparably lost or damaged as a result of an accident or force majeure or as a result of commercial or scientific specimens undergoing the operations mentioned in **Part 5** of the present article the declarant in an application shall indicate the place and date of said events and also provide information on the waste resulting from the destruction (a description, quantity, value (if the waste can be further used for commercial purposes) and the possibility of commercial use of such waste.

4. In respect of goods stored in a customs warehouse the customs procedure of destruction may be declared by the possessor of the customs warehouse.

5. The following shall be attached by a declarant to an application for placement of goods under the customs procedure of destruction: a statement of the federal executive governmental body empowered by the Government of the Russian Federation on the possibility of destruction, the method and place of destruction of the goods, except for cases when the goods have been irreparably lost as a result of an accident or force majeure. The following may be used as a statement on the possibility of destruction and the method and place of destruction of the goods:

1) if the goods have been destroyed or damaged while undergoing trials, research, tests, checks, verification, experiments or displays or while being used in the course of trials, research, tests, checks, verification, experiments or displays: a certificate of destruction issued by the organisation which conducted said trials, research, tests, checks, verification, experiments or displays of said goods;

2) a licence to carry out the operations whereby the relevant category of goods is destroyed (salvaged) issued by the organisation with which the declarant has concluded a contract for destruction (salvage) of the goods.

6. Simultaneously with the application the declarant shall submit documents confirming the circumstances described in **Part 3** of the present article. When scientific or commercial specimens are placed under the customs procedure of destruction, such specimens having been destroyed or damaged while undergoing the operations mentioned in **Part 5** of the present article, such documents shall include documents drawn up for bookkeeping purposes and statements from bookkeeping documents.

7. The customs body shall consider the declarant's application within a term not

exceeding the term of clearance of goods established by **Article 196** of the Customs Code of the Customs Union.

8. In the following cases a customs body is entitled to refuse to place goods under the customs procedure of destruction:

1) the documents envisaged by the present article have not been submitted to the customs body;

2) the goods which are mentioned in **Part 3** of the present article and in respect of which the customs procedure of destruction is being declared have been found without the damage declared by the declarant or it has been established that the goods were sold or transferred to third persons.

Article 297. The Destruction of Goods

1. The term for destruction of goods shall be set by a customs body at a declarant's application depending on the time required to complete the operations whereby the given type of goods are destroyed by the declared method and the time required to transport the goods from the place where they are to the place of destruction.

2. The place of destruction of the goods shall be determined by the declarant in accordance with the provisions of the **legislation** of the Russian Federation on environmental protection.

3. After the goods are destroyed the declarant shall provide the customs body with confirmation documents (certificates or reports of/on destruction or salvage, the other documents drawn up in the event of destruction or salvage in accordance with the legislation of the Russian Federation or prevailing practices).

Article 298. Customs Bodies' Exercising Control

1. In accordance with the provisions of the **Customs Code** of the Customs Union and the present **Federal Law** customs bodies shall apply a risk-management system to exercise customs control over goods that are being placed or have been placed under the customs procedure of destruction.

2. When officials of customs bodies visually inspect the process of destruction (salvage) of goods a certificate shall be drawn up to confirm the completion of destruction, the form thereof and the procedure for the preparation thereof being defined by the **federal executive governmental body** empowered in the area of customs affairs.

Chapter 40. The Customs Procedure of Waiver for the Benefit of the State

Article 299. The Content of the Customs Procedure of Waiver for the Benefit of the State and the Conditions for Placement of Goods under the Customs Procedure of Waiver for the Benefit of the State

The content of the customs procedure of waiver for the benefit of the state and the conditions for placement of goods under said procedure are defined by **Articles 310** and **311** respectively of the Customs Code of the Customs Union.

Article 300. Procedure for Placing Goods under the Customs Procedure of Waiver for the Benefit of the State

1. Goods may be placed under the customs procedure of waiver for the benefit of the state with the **permit** of a customs body.

2. For the purpose of obtaining a permit a person who according to **Article 186** of the Customs Code of the Customs Union may be a declarant of goods shall submit a written

application containing a description and the code of the goods according to the **Commodity Classification** for Foreign Economic Activities, their quantity, value and location and also a brief description of the reasons for which the declarant waives the goods for the benefit of the state.

3. The customs body shall consider the application for placement of the goods under the customs procedure of waiver for the benefit of the state and the documents attached thereto, and take a decision on issuance of a permit or on refusal to issue it within ten days after accepting the application.

Article 301. Disposing of Goods Placed under the Customs Procedure of Waiver for the Benefit of the State

1. The waiver of goods for the benefit of the state shall not cause state bodies of the Russian Federation to incur any expenses which cannot be compensated with the proceeds from the sale of the goods.

2. Goods placed under the customs procedure of waiver for the benefit of the state shall be transferred to the **federal executive governmental body** empowered by the Government of the Russian Federation to organise the sale, destruction or processing (salvage) of property converted to the ownership of the state, in accordance with **Article 187** of the present Federal Law.

Article 302. Liability for the Application of the Customs Procedure of Waiver for the Benefit of the State

Liability for the legal nature of the disposal of goods by means of placing them under the customs procedure of waiver for the benefit of the state shall be borne by the declarant. Customs bodies shall provide no compensation in respect of any property claims of the persons having powers in respect of the goods which have been waived by the declarant for the benefit of the state.

Chapter 41. The Special Customs Procedure

Article 303. The Content of the Special Customs Procedure and the Conditions for Placement of Goods under the Customs Procedure

1. The special customs procedure is a procedure in which specific categories of goods according to the list established by the Commission of the Customs Union are imported into the Russian Federation or exported out of the Russian Federation fully exempt from customs duties and taxes and also from non-tariff regulation measures.

2. The **requirements** and conditions for placement of goods under the special customs procedure and also restrictions on the use and disposal of goods placed under the special customs procedure shall be defined by the Government of the Russian Federation, except as otherwise established by the **customs legislation** of the Customs Union.

3. When goods are placed under the special customs procedure no refund of the paid amounts of customs duties and taxes and also no relief from the duty to pay and no refund or compensation of internal taxes shall be provided, except for cases when the special customs procedure chosen is changed to the customs **procedure of export**.

Article 304. Declaring Goods for Customs Purposes when They Are Placed under the Special Customs Procedure

The procedure for declaring goods for customs purposes, a list of the details to be entered in a declaration concerning the goods when they are placed under the special customs procedure and also a list of the documents which are to be submitted by the declarant

simultaneously with the declaration concerning the goods shall be established by the **federal executive governmental body** empowered in the area of customs affairs in accordance with the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs.

Section VII

The Details of Carrying out Customs Transactions in Respect of Specific Categories of Goods

Chapter 42. Measures for Protecting Rights to Intellectual Property Items

Article 305. Grounds for Customs Bodies to Take Measures for Protecting Rights to Intellectual Property Items

1. Customs bodies shall take measures for protecting rights to intellectual property items relating to the suspension of clearance of goods, in accordance with **Chapter 46** of the Customs Code of the Customs Union and the present chapter.

2. Measures for protecting rights to intellectual property items shall be taken in respect of the goods containing subjects of copyright law and allied rights, trademarks, service marks and appellation of origin of products (hereinafter referred to as "subject of intellectual property") included on an application of the rightholder in the customs register of intellectual property items. Customs bodies are entitled to take measures for protecting rights to intellectual property items without an application of the rightholder in accordance with the present chapter.

Article 306. The Filing of an Application by a Rightholder and the Procedure for Consideration Thereof

1. A rightholder having sufficient ground to believe that his/her/its right may be infringed in accordance with the legislation of the Russian Federation in connection with the import of goods into the Russian Federation or the export thereof out of the Russian Federation or when other actions take place involving goods being under customs control is entitled to file an application with the federal executive governmental body empowered in the area of customs affairs asking for inclusion of the relevant intellectual property item in the customs register of intellectual property items. On behalf of the rightholder the actions envisaged by the **customs legislation** of the Customs Union and the present Federal Law may be committed by his/her/its representative.

2. The application for inclusion of the intellectual property item in the customs register of intellectual property items shall contain information on:

1) the rightholder and if the application is filed by his/her/its representative also on the representative;

2) the intellectual property item;

3) the goods the import of which into the Russian Federation or export out of the Russian Federation or the involvement of which in other actions while they are under customs control in the rightholder's opinion cause an infringement of his/her/its rights -- sufficiently detailed for the customs bodies to identify such goods;

4) the term during which customs bodies are going to take measures relating to the suspension of the clearance of the goods.

3. The application shall be filed together with documents confirming the existence of a right to the intellectual property item (a certificate, a contract of alienation of the exclusive right, a contract on the granting of an exclusive licence or other documents the rightholder can submit to confirm his/her/its rights to the intellectual property items) and if the application is filed by a

representative said application shall also be filed together with a power of attorney issued by the rightholder to such person. The rightholder (the representative thereof) may attach to the application specimens of the goods which can serve as a confirmation of the allegedly existing fact that his/her/its rights to the intellectual property items have been infringed upon.

4. Depending on the type of intellectual property the procedure for filing an application, the requirements applicable to declared information and submitted documents shall be defined by the **federal executive governmental body** empowered in the area of customs affairs.

5. The application shall be filed together with the rightholder's written undertaking to provide compensation for property damage that may be caused to the declarant, owner, consignee of the goods or other persons in connection with the suspension of the clearance of the goods.

6. The application shall be considered by the federal executive governmental body empowered in the area of customs affairs within one month after the date on which it is received which shall take a decision on taking measures relating to the suspension of the clearance of the goods or on refusal to take such measures and to include the intellectual property item in the customs register of intellectual property items.

7. For the purpose of verifying the reliability of the information provided by the rightholder (the representative thereof) the federal executive governmental body empowered in the area of customs affairs is entitled to request documents from the rightholder (the representative thereof), third persons and also from state bodies confirming the declared information. The documents requested shall be provided within ten days after the request is received. In this case, the federal executive governmental body empowered in the area of customs affairs is entitled to extend the term for considering the application by up to one month.

8. The consideration of the application may be suspended if the rightholder (the representative thereof) fails to submit requested documents which have a substantial significance for taking a decision. In this case, the entire term for consideration of the application shall not exceed three months. If the documents requested have not been received from the rightholder (the representative thereof) the application shall be deemed withdrawn and not subject to further consideration, with the rightholder being notified accordingly in writing or in electronic form.

9. A decision on refusal to take measures relating to the suspension of the clearance of the goods and to include the intellectual property item in the customs register of intellectual property items shall be taken if the documents filed do not confirm that the applicant has the rights to the intellectual property item or if the applicant has provided untrue information. A decision on refusal to include the intellectual property item in the customs register of intellectual property items shall also be taken if the rightholder does not observe the requirement established by **Part 2 of Article 307** of the present Federal Law.

10. The rightholder shall be notified in writing or electronic form of the decision taken within three days after the date of the decision.

11. If a change has occurred in the details provided in the application or in the documents attached thereto the rightholder (the representative thereof) shall immediately inform the federal executive governmental body empowered in the area of customs affairs accordingly.

Article 307. The Customs Register of Intellectual Property Items

1. The following shall be included in the customs register of intellectual property items (hereinafter referred to as "the register"): the copyright law items, subjects of allied rights, trademarks, service marks and appellations of origin of products in respect of which the **federal executive governmental body** empowered in the area of customs affairs has taken a decision on taking measures relating to the suspension of clearance of goods. Inclusion in the register is free of charge. The register shall be kept by the federal executive governmental body

empowered in the area of customs affairs in the procedure established by this body.

2. The intellectual property items in respect of which the **federal executive governmental body** empowered in the area of customs affairs has taken a decision on taking measures relating to the suspension of clearance of goods shall be included in the register on the condition that the rightholder ensures the performance of the undertaking mentioned in **Part 5 of Article 306** of the present Federal Law by the methods envisaged by the **civil legislation** of the Russian Federation. Instead of security for the performance of the undertaking the rightholder is entitled to file a contract of insurance of the risk of liability for infliction of harm for the benefit of the persons specified in Part 5 of Article 306 of the present Federal Law. In this case, the sum of security for the undertaking or the insured amount shall be at least 300,000 roubles.

3. If within one month after the date of dispatch of a notice of the taken decision on taking measures relating to the suspension of clearance of the goods the rightholder fails to file a document confirming security for the undertaking or a contract of insurance of the risk of liability for infliction of harm the federal executive governmental body empowered in the area of customs affairs shall take a decision on refusal to include the intellectual property item in the register.

4. In the following cases an intellectual property item shall be removed from the register:

1) at an application of the rightholder;

2) the rightholder does not observe the conditions envisaged by **Part 2** of the present article;

3) if the legal protection of the intellectual property item is terminated in the established procedure;

4) if within the period of suspension of clearance of goods the rightholder did not apply to the body empowered in accordance with the legislation of the Russian Federation asking for his/her/its rights to be protected or did file an application with a customs body for overturning the decision on suspension of the clearance of goods;

5) if untrue information has been discovered in the information provided when the application for inclusion of the intellectual property item was filed.

5. Amendments may be made to the register on the basis of information received:

1) from a rightholder (a representative thereof) about a change in the information provided in the application for inclusion of an intellectual property item in the register or in the documents attached thereto;

2) from law-enforcement or other state bodies and also from natural persons or legal entities according to which the persons mentioned in the register as rightholders have been stripped of rights or their rights to an intellectual property item have been limited.

6. The register shall be amended on the basis of a decision of the federal executive governmental body empowered in the area of customs affairs.

7. The amendment of the register may be preceded by verification of received information according to a decision of the federal executive governmental body empowered in the area of customs affairs, with the rightholder and customs bodies being notified accordingly not later than on the working day following the date of the relevant decision. During the period of verification measures relating to the suspension of clearance of the goods containing such intellectual property item shall not be taken by customs bodies.

8. The lapsing of the term for which an intellectual property item has been entered in the register may be suspended for the period required for verification by up to two months.

9. The federal executive governmental body empowered in the area of customs affairs shall make sure the data of the register are published in its official publications and placed on its official internet website in the procedure established by it.

Article 308. Suspending the Clearance of the Goods Containing Intellectual Property Items Which Have Not Been Entered in the Register

1. Customs bodies are entitled to suspend the clearance of goods containing intellectual property items which have not been entered in the register if signs of a breach of intellectual property rights are discovered and if information is available about the rightholder (a representative thereof) on the territory of the Russian Federation. Customs bodies are entitled to request that the rightholder provide the information required to execute the powers envisaged by the present article. If the clearance of goods is suspended in accordance with the present article customs bodies shall inform the rightholder and the declarant accordingly not later than on the day following the date of suspension of clearance of the goods.

2. The clearance of goods shall be suspended for seven working days. The customs body is entitled to extend said term by up to ten working days if the rightholder has sent a term-extension application in writing to the customs body and filed an application with the federal executive governmental body empowered in the area of customs affairs for inclusion of the relevant intellectual property item in the register in accordance with **Article 306** of the present Federal Law.

3. The rightholder is entitled to receive information from the customs body about the goods in respect of which a clearance suspension decision is taken in accordance with the present article and also to take samples and specimens of such goods.

4. A decision on suspension of the clearance of goods shall be revoked before the expiry of the term of suspension of clearance of the goods if the information held by the customs body concerning the rightholder has not been confirmed or the rightholder (a representative thereof) has asked the customs body to revoke such decision and also in the case envisaged by **Article 310** of the present Federal Law. Unless before the expiry of the period of suspension of clearance of the goods the rightholder fulfilled the conditions set out in **Part 2** of the present article or the empowered body took a decision on seizure of the goods, arrest or confiscation thereof, the goods shall be cleared in the procedure established by the **customs legislation** of the Customs Union and the present Federal Law.

5. The measures envisaged by the present article are not applicable to the goods containing intellectual property items on which measures have been earlier taken in accordance with the present article.

Article 309. Term for Customs Bodies to Take Decisions While Taking Measures Relating to the Suspension of Clearance of Goods

Customs bodies' decisions on suspension of the clearance of goods, extension of the term of suspension of clearance of goods, revocation of a decision on suspension of the clearance of goods and also on the grant of the right to information and to the taking of samples and specimens shall be taken by a customs body not later than the next working day after the date of discovery of signs of a breach of intellectual property rights, of receipt of a relevant written application or of the commission of another action deemed ground for the taking of the relevant decision.

Article 310. Placing the Goods Whose Clearance Has Been Suspended under the Customs Procedure of Destruction

Within the period of suspension of the clearance of goods in accordance with **Article 331** of the Customs Code of the Customs Union or **Article 308** of the present Federal Law the declarant may declare -- if there is written consent of the rightholder to the destruction of the goods -- the customs **procedure of destruction** of the goods whose clearance has been suspended. In this case the customs body's decision on suspension of the clearance of the

goods shall be revoked.

Chapter 43. The Details of the Movement of Goods by Pipeline and Power Transmission Line

Article 311. Instruments for Keeping a Record of Goods Moved by Pipeline and Power Transmission Line

1. The **federal executive governmental body** empowered in the area of customs affairs jointly with the **federal executive governmental body** in charge of the functions of state policy elaboration and implementation and normative legal regulation in the area of the fuel and energy complex shall define for customs purposes a list of the technology-determined points where record-keeping instruments are installed to keep a record the movement of the goods imported into the Russian Federation and exported out of the Russian Federation by pipeline and power transmission line.

2. For the purpose of preventing unauthorised access and information modification in the readings of the instruments used to keep a record of goods moved by pipeline and power transmission line customs bodies may apply means of identification to such instruments if they are located on the territory of the Russian Federation, in the procedure defined by the federal executive governmental body empowered in the area of customs affairs jointly with the federal executive governmental body in charge of the functions of state policy elaboration and implementation and normative legal regulation in the area of the fuel and energy complex.

3. The procedure for assessing the quantity of goods moved by power transmission line shall be established by the **federal executive governmental body** empowered in the area of customs affairs jointly with the **federal executive governmental body** in charge of the functions of state policy elaboration and implementation and normative legal regulation in the area of the fuel and energy complex.

Article 312. The Details of Declaration and Payment of Customs Duties and Taxes when Goods Are Moved by Pipeline

1. When goods are imported into the Russian Federation and exported out of the Russian Federation by pipeline it is admissible if they are temporarily periodically declared for customs purposes in accordance with **Article 214** of the present Federal Law with due regard to the details envisaged by the present article. The temporary periodical declaration shall be carried out by means of filing a temporary customs declaration.

2. In the temporary customs declaration information may be declared in keeping with the intention to import or export an approximate quantity of goods within the period of time declared by the declarant, not exceeding the effective term of the foreign trade contract, the conditional customs value (evaluation) assessed according to the quantity of the goods intended to be imported into the Russian Federation or exported out of the Russian Federation and the consumer properties thereof and/or the procedure set out in the terms of the foreign trade contract for determining the price of said goods as of the date of filing of the temporary customs declaration.

3. It is admissible that one temporary customs declaration be filed for goods imported or exported by one and the same person moving goods in accordance with the conditions of one customs procedure within the framework of performance of obligations under several foreign trade contracts (for instance, under different terms of delivery, pricing and payment).

4. A temporary customs declaration shall be filed by a declarant for a period of time not exceeding one quarter, or for natural gas, one calendar year, not later than the 20th day of the month preceding that period.

5. If within the period of time specified in the temporary customs declaration a change occurs in the quantity of goods stated in the temporary customs declaration accepted by a customs body an additional temporary customs declaration may be filed before the goods declared in the additional temporary customs declaration start to be moved.

6. The export of the goods within the period of time specified in the temporary customs declaration in a quantity exceeding the quantity of goods stated in the temporary customs declaration without an additional temporary customs declaration being filed is hereby prohibited.

7. The declarant shall file one or several appropriately completed complete customs declarations for the goods imported or exported for each calendar month of product delivery. The complete customs declaration shall be filed not later than the 20th day of the month following the calendar month of product delivery. At a substantiated application of the declarant the customs body shall extend the term for filing a complete customs declaration by up to 90 days. The extension of the term for filing a complete customs declaration shall not cause extension of the term for payment of the payable amounts of customs duties and taxes.

8. If within a calendar month the goods declared for import or export in a temporary customs declaration were not imported or were not actually exported the declarant shall notify the customs body in writing accordingly before the expiry of the term for filing a complete customs declaration.

9. Customs duties shall be paid on goods exported out of the Russian Federation for each calendar month of delivery at the rates of export customs duties effective as of the 15th day of the month of product delivery.

10. At least 50 per cent of the amount of export customs duties calculated on the basis of the information provided in a temporary customs declaration shall be paid not later than the 20th day of the month preceding each calendar month of delivery. In this case, the amounts of export customs duties shall be calculated on the basis of the quantity of the goods pro rata to the relevant one calendar month of delivery, if the temporary customs declaration indicates a period of delivery exceeding one calendar month.

11. If a temporary customs declaration is filed after the expiry of the term established by **Part 4** of the present article the amounts of customs duties shall be paid not later than the date of registration of this customs declaration by a customs body in full in the amounts corresponding to the amounts of export customs duties which would have been payable if the goods were placed under the customs **procedure of export** calculated as of the date of registration of the temporary customs declaration by a customs body.

12. If an additional temporary customs declaration is filed in accordance with **Part 5** of the present article export customs duties shall be paid in full for the first calendar month of delivery not later than the date of such declaration, if the temporary customs declaration is filed in the calendar month of delivery of goods or upon the expiry of the term established by **Part 4** of the present article. In all other cases export customs duties on goods intended to be exported out of the Russian Federation shall be paid in accordance with **Parts 10** and **13** of the present article.

13. Not later than the 20th day of the month following each calendar month of delivery the outstanding portion of the amounts of export customs duties shall be paid, calculated on the basis of updated information on the goods exported and the rate of export customs duty effective as of the 15th day of the month of delivery. In this case, the exchange rates of foreign currencies to the currency of the Russian Federation effective as of the date of registration of the temporary customs declaration by a customs body shall be applied. In this case, the calculation of export customs duties on the basis of the customs value and quantity which have been increased as compared to those stated in the temporary customs declaration shall not be deemed wrongdoing and shall not cause the duty to pay penalties and/or being held accountable for administrative offences, unless the rule established by **Part 6** of the present

article is violated.

14. The declarant shall start to have the duty to pay import customs duties and taxes on the goods moved by pipeline from the time when the customs body registers a temporary customs declaration or a complete customs declaration.

15. In the cases established by **Item 2 of Article 80** of the Customs Code of the Customs Union the declarant shall cease to have the duty to pay import customs duties and taxes on the goods moved by pipeline.

16. When goods are imported by pipeline import customs duties and taxes shall be paid not later than the 20th day of the month preceding each calendar month of delivery on the basis of the information provided in a temporary customs declaration. For the purposes of calculating and paying customs charges one shall use the rates of customs duties and taxes effective as of the 15th day of the month preceding the month of delivery.

17. Updated information on the goods imported for each calendar month of delivery shall be provided to the customs body not later than the 20th day of the month following each calendar month of delivery. If the amounts of payable customs duties and taxes are increased as a result of updated information the additional payment of the amounts shall be effected simultaneously with the provision of the updated information. No penalty shall accrue in this case.

18. The refund of excessively paid sums shall take place in accordance with **Chapter 17** of the present Federal Law.

19. When goods are moved by pipeline restrictions shall be applicable as of the date of acceptance of a temporary customs declaration.

20. When natural gas moved by pipeline is declared for customs purposes the following shall be used to confirm the quantity and quality thereof: certificates of actual delivery of goods drawn up according to the readings of record-keeping instruments located at the points determined by the terms of the foreign trade contracts under which such movement is taking place.

Article 313. The Details of Declaration and Payment of Customs Duties and Taxes when Goods Are Imported and Exported by Power Transmission Line

1. The following are subject to declaration: the actual quantity of electrical energy imported and exported and/or the balance of electrical energy interchange as the algebraic sum of electrical energy interchange in opposite directions via inter-state power transmission lines for each calendar month. In a customs declaration (customs declarations) the quantity of imported or exported electrical energy shall be indicated for each calendar month as the balance of electrical energy interchange (the algebraic sum of electrical energy interchange in opposite directions via all engaged inter-state power transmission lines of all voltage classes as adjusted by the value of electrical grid losses occurring when electrical energy is moved) or separately - the actually imported or exported quantity of electrical energy adjusted by the value of electrical grid losses occurring when electrical energy is moved.

2. The federal executive governmental body empowered in the area of customs affairs by agreement with the **federal executive governmental body** in charge of the functions of state policy elaboration and implementation and normative legal regulation in the area of the fuel and energy complex shall establish a list of the details that have to be provided to customs bodies when electrical energy is moved by power transmission line through the customs territory of the Customs Union in the conditions of parallel operation of power systems in accordance with **Item 2 of Article 339** of the Customs Code of the Customs Union.

3. The payment of customs charges on goods imported into the Russian Federation and exported out of the Russian Federation by power transmission line shall be effected according to the rules established by **Section II** of the present Federal Law.

Article 314. Security for the Payment of Customs Duties and Taxes

1. When goods are moved by pipeline or power transmission line a customs body is entitled to demand that security be provided for the payment of customs duties and taxes if:

- 1) the declarant has been pursuing its foreign trade activity for less than one year;
- 2) the declarant has outstanding claims for payment of customs charges within the term established by these claims;
- 3) the declarant has unperformed decisions in cases of administrative offences in the area of customs affairs.

2. The amount of security shall be set in accordance with **Article 88** of the Customs Code of the Customs Union.

Chapter 44. The Entry and Exit of Means of Transport of International Carriage

Article 315. Bringing into the Russian Federation and Taking out of the Russian Federation Means of Transport of International Carriage, Spare Parts, Equipment and Stores

1. Means of transport of international carriage shall be brought to the Russian Federation and taken out of the Russian Federation in accordance with **Chapter 48** of the Customs Code of the Customs Union. The duration of the parking time of means of transport of international carriage at the points of arrival in the Russian Federation and points of departure from the Russian Federation for the purposes of customs operations in respect of air and rail transport shall not exceed the time set by the technological schedule of servicing an aircraft of the given type or the technological process of railway station operation respectively, if the carrier meets the requirements established by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs.

2. The spare parts and equipment intended for repair, maintenance or operation of an international carriage vehicle shall be brought into the Russian Federation and taken out of the Russian Federation in accordance with **Article 349** of the Customs Code of the Customs Union. The spare parts and equipment which have been removed from an international carriage vehicle as the result of replacement may be brought into the Russian Federation and taken out of the Russian Federation simultaneously with the international carriage vehicle from which they were removed. Information on such spare parts and equipment and also on the repair performed shall be provided in a customs declaration concerning the international carriage vehicle. In other cases, the spare parts and equipment that have been removed from the international carriage vehicle as the result of replacement shall be brought into the Russian Federation in accordance with **Paragraph 2 of Item 3 of Article 349** of the Customs Code of the Customs Union and taken out of the Russian Federation with no export customs duties paid as applicable to the customs **procedure of re-export**.

3. The customs **procedures of temporary import (admission)** and **temporary export** in respect of the spare parts and equipment intended for repair, maintenance or operation of a vehicle shall be completed by the export out of the Russian Federation or import into the Russian Federation respectively of the spare parts and equipment which have been removed from the vehicle as the result of replacement or the spare parts and equipment which have been placed under the customs procedure of temporary import (admission) and temporary export or the placement of said goods under another customs procedure which does not imply their being taken out of the customs territory of the Customs Union or imported into the customs territory of the Customs Union.

4. The stores required for the normal operation and maintenance of vehicles shall be

brought into the Russian Federation and taken out of the Russian Federation in accordance with **Chapter 50** of the Customs Code of the Customs Union.

Article 316. Using Conditionally Cleared Vehicles as Means of Transport of International Carriage

1. According to **Item 5 of Article 279** and **Item 4 of Article 345** of the Customs Code of the Customs Union vehicles that have been brought into the customs territory of the Customs Union according to the customs **procedure of temporary import (admission)** and also other vehicles that are conditionally cleared goods in accordance with **Subitem 1 of Item 1 of Article 200** of the Customs Code of the Customs Union, for instance vehicles that have been brought into the customs territory of the Customs Union according to the customs procedure of free customs zone may be used as means of transport of international carriage involving their being temporarily taken out of the territory of the Russian Federation and brought back into the territory of the Russian Federation in the procedure established by **Chapter 48** of the Customs Code of the Customs Union.

2. The special equipment intended for loading, unloading, processing and protecting cargoes or for rendering services to passengers and/or baggage and the spare parts intended for being used in the repair, maintenance or operation of the means of transport mentioned in **Part 1** of the present article, and also the spare parts and equipment which have been removed from the vehicle mentioned in Part 1 of the present article as the result of replacement within the framework of performed repair are subject to the provisions of **Chapter 48** of the Customs Code of the Customs Union and **Article 315** of the present Federal Law.

**Chapter 45. Importing and Exporting Goods by International Post,
Goods for the Personal Use of Natural Persons and Specific
Categories of Foreign Persons**

Article 317. Importing and Exporting Goods by International Post and Goods for the Personal Use of Natural Persons

1. Goods shall be brought into the Russian Federation and taken out of the Russian Federation by international post in accordance with **Chapter 44** of the Customs Code of the Customs Union and international agreements between the member states of the Customs Union.

2. Customs transactions in respect of goods sent by international post shall be carried out at the points of international postal exchange or at other points designated by a customs body. The points of international postal exchange deemed postal communication facilities shall be designated by the **federal executive governmental body** empowered in the area of customs affairs jointly with the **federal executive governmental body** charged with the functions of state policy elaboration and normative legal regulation in the area of postal communications.

3. Goods for the personal use of natural persons shall be brought into the Russian Federation and taken out of the Russian Federation in accordance with **Chapter 49** of the Customs Code of the Customs Union and international agreements of the member states of the Customs Union on the movement of goods across the customs border of the Customs Union by natural persons.

4. In accordance with the international agreements mentioned in **Part 3** of the present article the Government of the Russian Federation is entitled to impose additional restrictions on the importation or exportation of goods by natural persons.

5. The federal executive governmental body empowered in the area of customs affairs

and other customs bodies shall ensure access to information on the rules for movement of goods by natural persons, for instance by means of disseminating information materials in Russian and in foreign languages at transport and tourist organisations and also by means of installing billboards in areas where customs transactions take place in respect of the goods moved by natural persons.

6. The goods for personal use moved in unaccompanied baggage or delivered by a carrier may be declared for customs purposes at the declarant's choice either to the customs body where such goods are located or in whose operational area the natural person permanently or temporarily resides, irrespective of the place to which the goods have been delivered.

7. Customs transactions in respect of the goods accepted by an air carrier for being carried in accompanied baggage from a point of departure on the territory of the Russian Federation to a destination point outside the customs territory of the Customs Union with an interim landing at a point of exit from the territory of the Russian Federation may be carried out in a simplified procedure and in the conditions defined by the Government of the Russian Federation.

8. The forms of a customs cash receipt slip used to pay customs duties and taxes on goods for personal use are deemed strict-accountability forms.

Article 318. The Importation and Exportation of Goods by Specific Categories of Foreign Persons

1. Goods shall be brought into the Russian Federation and **taken out of the Russian Federation** by diplomatic, consular and other official missions of foreign states, international organisations, the personnel of these missions and organisations in accordance with **Chapter 45** of the Customs Code of the Customs Union which also applies to goods intended for the personal and family use of specific categories of foreign persons who enjoy preferences, privileges and/or immunities.

2. If according to international agreements of the Russian Federation for the foreign persons specified in **Part 1** of the present article more privileged rules are envisaged for bringing goods into the Russian Federation or for taking them out of the Russian Federation as compared with those established by **Chapter 45** of the Customs Code of the Customs Union the rules of the international agreements of the Russian Federation shall apply.

3. Customs privileges for international inter-state and inter-government organisations, the missions of foreign states to such organisations and also for the personnel of these organisations and missions and for members of their families are defined by relevant international agreements of the Russian Federation.

4. The customs declaration of goods intended by diplomatic missions, consular institutions and other official missions of foreign states, international organisations and the personnel of these missions, institutions and organisations (hereinafter referred to as "Missions") for official use shall be carried out by means of filing a written application with a customs body, drawn up in duplicate in an arbitrary form (hereinafter referred to as an "application"), attested with the seal of the Mission and signed by the head of the Mission or the person empowered by him/her, containing the following information:

- 1) the name of the customs body;
- 2) the name and whereabouts of the consignor of the goods;
- 3) the name and whereabouts of the consignee of the goods;
- 4) the reference number and date of the transport documents according to which the goods are moved across the customs border of the Customs Union;
- 5) a description of the goods allowing one to identify them for customs purposes, quantity (weight, volume and other quantitative characteristics) of the goods with an indication of the

abbreviated name of the unit of measurement and value (according to the forwarding document).

5. The following documents shall be filed simultaneously with the application mentioned in **Part 4** of the present article:

- 1) transport (carriage) and commercial documents;
- 2) documents confirming that restrictions have been observed.

6. The person dispatching (receiving) the goods intended for official use of the Mission shall show to the customs body his/her personal identity document and also a document confirming the status of the person or a power of attorney (annual or one-off) bearing an imprint of the seal of the Mission and the signature of the head of the Mission or of another official of the Mission empowered to do so.

Chapter 46. The Controlled Delivery of Goods

Article 319. Realising the Controlled Delivery of Goods Brought into the Russian Federation and Taken out of the Russian Federation

1. A controlled delivery of goods brought into the Russian Federation and taken out of the Russian Federation is an operational investigation operation in which the goods are allowed to be brought into the Russian Federation, taken out of the Russian Federation or the imported goods are allowed to be moved on the territory of the Russian Federation with the knowledge of, and under the control of, the bodies pursuing operational investigation activities. A decision on realising a controlled delivery of imported or exported goods shall be taken by the head (acting head) of the federal executive governmental body empowered in the area of customs affairs or the deputy head of said body supervising operational investigation. The other bodies pursuing operational investigation shall implement a controlled delivery of goods with the approval of customs bodies. The procedure for such approval shall be defined by agreement between the **federal executive governmental body** empowered in the area of customs affairs and the other **federal executive governmental body** pursuing operational investigation.

2. If a decision on realisation of a controlled delivery of goods taken out of the Russian Federation is taken on the basis of international agreements of the Russian Federation or by agreement with the competent bodies of foreign states no criminal action shall be brought in the Russian Federation and the head of the body in charge of the controlled delivery of the goods shall immediately notify a procurator in accordance with the legislation of the Russian Federation of the decision taken.

Article 320. Seizing or Replacing Goods Brought into the Russian Federation and Taken out of the Russian Federation when a Controlled Delivery Is Taking Place

When a controlled delivery of goods brought into the Russian Federation or taken out of the Russian Federation is under way, such goods having been prohibited for unrestricted sale or transactions in them being permitted with a special permit according to the **legislation** of the Russian Federation, these goods may be fully or partially seized or replaced in the procedure defined by the Government of the Russian Federation. Goods that are highly hazardous for human health and the environment or serve as a basis for manufacturing weapons of mass destruction shall be replaced in the procedure defined by the Government of the Russian Federation.

Section VIII Concluding and Transitional Provisions

Chapter 47. Concluding Provisions

Article 321. Temporary Rules for Importing Goods into the Russian Federation from the Member States of the Customs Union and for Exporting Goods out of the Russian Federation to These States

1. Goods imported into the Russian Federation from the territories of the member states of the Customs Union are subject to import customs duties at the rates effective in the Russian Federation and also to the bans and restrictions applicable in the Russian Federation at the importation of goods, unless these goods:

- 1) originate from the customs territory of the Customs Union (the territory of a member state of the Customs Union);
- 2) have been cleared for free circulation on the customs territory of the Customs Union;
- 3) are manufactured from goods which originate from the customs territory of the Customs Union or have been cleared for free circulation on the territories of the member states of the Customs Union.

2. If at the importation of goods into the territory of a member state of the Customs Union import customs duties were paid at rates below those applicable in the Russian Federation then as these goods are brought into the Russian Federation import customs duties may be paid at the rate corresponding to the difference of the sums of import customs duties between the sum payable in the Russian Federation when a similar product is imported and the sum paid at importation into the territory of the member state of the Customs Union, if the person concerned provides the customs body with documents confirming that import customs duty has been paid and the amount paid.

3. For the purpose of certifying the status of goods for checking compliance with the criteria mentioned in **Part 1** of the present article customs bodies shall exercise customs control on goods imported into the Russian Federation from the territories of the member states of the Customs Union. For said purposes customs bodies are for instance entitled to demand confirmation of the origin of specific types of goods from member states of the Customs Union or of the fact that they have been cleared for free circulation on the territories of member states of the Customs Union when the goods are brought into the Russian Federation and/or when the goods are received by their consignees from carriers. When goods are brought into the Russian Federation the carrier shall provide the necessary documents and information at the point of customs control when requested by a customs official.

4. The procedure and places for carrying out customs control in respect of goods imported into the Russian Federation from the territories of the member states of the Customs Union shall be defined by the Government of the Russian Federation.

5. If customs bodies have discovered evidence of goods' failing to meet the criteria set out in **Part 1** of the present article the customs bodies are entitled to check the documents and information required for the purpose of identifying the country of origin thereof and confirming the observance of bans and controls, examine the goods and carry out an expert examination thereof (research) in the forms and the procedure envisaged by the present Federal Law.

6. For the period of verification of the status of goods such goods if necessary may be placed in a temporary storage warehouse or put under other restrictions as envisaged by the present Federal Law in respect of their being used on the territory of the Russian Federation and/or on the territories of artificial islands, plants and installations where the Russian Federation has jurisdiction in accordance with the legislation of the Russian Federation and the norms of international law. Customs bodies are entitled to demand that security be provided for the payment of customs duties and taxes in respect of said goods.

7. The procedure for carrying out verification and the methods whereby restrictions are imposed on the use of the goods during the period of implementation thereof shall be defined by

the Government of the Russian Federation.

8. If according to international agreements of the Russian Federation and/or the legislation of the Russian Federation export customs duties are payable on Customs Union goods when they are exported out of the Russian Federation to other member states of the Customs Union, and also in the other cases defined by the Government of the Russian Federation then such goods, while being exported out of the Russian Federation to other member states of the Customs Union, are subject to the provision requiring, to the procedure for, and the conditions for, the carrying out of customs transactions, customs declaration, placement under a customs procedure, completion of a customs procedure, clearance of the goods, the occurrence and termination of the duty to pay customs duties and taxes, calculation (including the assessment, declaration and control of the base (tax base) for the calculation of customs duties and taxes), payment, security, refund (set-off), collection of customs charges and exercise of customs control established by the **customs legislation** of the Customs Union and the present Federal Law as if said goods were exported out of the Russian Federation to a destination outside the customs territory of the Customs Union.

9. The Government of the Russian Federation may establish additional conditions and procedure for the use and/or disposal, and also registration on the territory of the Russian Federation of motor vehicles that have been imported by natural persons after January 1, 2010 into the territory of the Republic of Belarus or the Republic of Kazakhstan from third countries and on which customs duties and taxes have been paid at rates different from those established by Annex 5 to the Agreement on the Procedure for Natural Persons to Move Goods for Personal Use across the Customs Border of the Customs Union and for Realisation of the Customs Transactions Relating to the Clearance Thereof before They Acquire Customs Union Goods Status. In this case "motor vehicles" means passenger cars and the other motor vehicles intended mainly for carrying people, classified under commodity item **8703** of the Commodity Classification for Foreign Economic Activities, except for all-terrain vehicles, snowmobiles and other passenger vehicles classified under commodity item 8703 of the Commodity Classification for Foreign Economic Activities, not intended for running on public motor roads.

Article 322. Transitional Provisions

1. Until the entry into force of international agreements of the member states of the Customs Union and the decisions of the Commission of the Customs Union envisaged by the **Customs Code** of the Customs Union the federal laws and the other normative legal acts of the Russian Federation regulating relevant legal relationships in the area of customs affairs shall be applicable.

2. If an international agreement of the Russian Federation established rules in the area of customs affairs other than those set out in the present Federal Law the rules of the international agreement of the Russian Federation shall apply until the establishment of relevant legal relationships at the level of the **customs legislation** of the Customs Union or termination (for instance denunciation) or suspension of the international agreement.

3. The normative legal acts of the President of the Russian Federation, the Government of the Russian Federation and federal executive governmental bodies adopted before the entry into force of the present Federal Law shall remain effective in as much as they do not contravene the legislation of the Russian Federation on customs affairs until they are deemed no longer effective or relevant normative legal acts are adopted. Said normative legal acts shall be brought into line with the provisions of the present Federal Law before January 1, 2011.

4. Until January 1, 2014 at the discretion of a declarant customs declaration shall be effected either in writing or in electronic form through the use of a customs declaration.

5. The status for customs purposes of goods imported into the Russian Federation and exported out of the Russian Federation before the date of entry into force of the present Federal

Law, the rights and duties of persons in connection with the importation of goods into the Russian Federation or the exportation of goods out of the Russian Federation, carriage and storage, the realisation of customs transactions and the payment of customs duties and taxes shall be determined in accordance with **Section 8** of the Customs Code of the Customs Union.

6. Until December 31, 2010 the customs broker (representative), customs carrier, possessor of a temporary storage warehouse, possessor of a customs warehouse, possessor of a duty-free store that has filed an application for inclusion in the relevant register of persons pursuing activities in the area of customs affairs are entitled to continue pursuing their activities as a customs broker (representative), customs carrier, possessor of a temporary storage warehouse, possessor of a customs warehouse or possessor of a duty-free store until the inclusion of these persons in the relevant register according to the rules established by the present Federal Law with due regard to the provisions set out in **Part 7** of the present article or until refusal to include said persons in the relevant register.

7. The persons specified in **Part 6** of the present article, if decisions on inclusion in the relevant register are taken before December 31, 2010, shall not be subject to the conditions established by **Item 3 of Part 3 of Article 61, Part 2 of Article 67, Part 5 of Article 70, Part 4 of Article 76** and **Part 3 of Article 82** of the present Federal Law, if they are included in the registers of customs representative, customs carriers, possessors of a temporary storage warehouse, possessors of a customs warehouse and possessors of duty-free stores respectively.

8. Unless a normative legal act which is adopted in accordance with **Part 13 of Article 54** of the present Federal Law and establishes a procedure for customs bodies to commit actions in the event of inclusion in the register of authorised economic operators enters into force before December 1, 2010, the persons for which special simplifications for customs formalities are established in accordance with the **Customs Code** of the Russian Federation and which before December 31, 2010 had informed the federal executive governmental body empowered in the area of customs affairs in writing about their consent to being included in the register of authorised economic operators in the procedure and on the terms established by the **customs legislation** of the Customs Union and the present Federal Law may use the special simplifications established for them in accordance with the Customs Code of the Russian Federation until the expiry of 90 days after the entry into force of said normative legal act.

9. Unless a normative legal act which is enacted in accordance with **Part 13 of Article 54** of the present Federal Law and establishes a procedure for customs bodies to commit actions in the event of inclusion in the register of duty-free stores enters into force before December 1, 2010, the persons that possess duty-free stores according to the **Customs Code** of the Russian Federation and before December 31, 2010 had informed the customs body in whose operational area the duty-free store is located in writing of their consent to being included in the register of duty-free stores in the procedure and on the terms established by the **customs legislation** of the Customs Union and the present Federal Law shall pursue their activities until the expiry of 90 days after the entry into force of said normative legal act.

10. The Government of the Russian Federation shall make sure the normative legal acts mentioned in **Parts 8 and 9** of the present article are adopted not later than January 1, 2012.

11. Until October 1, 2011 customs fees for customs transactions shall be paid at the rates established for the collection of customs fees for customs formalities in accordance with the **customs legislation** of the Russian Federation.

12. The bank guarantees, contracts of pledge of goods and other property and surety contracts accepted as security for the payment of customs charges in accordance with the **Customs Code** of the Russian Federation shall be used as security for the payment of customs duties and taxes for the relevant obligations defined by the **customs legislation** of the Customs Union and the legislation of the Russian Federation on customs affairs until the expiry of their

effective term.

13. Until January 1, 2015 the electrical energy imported into the Russian Federation and exported out of the Russian Federation shall be declared by means of filing a customs declaration not later than the last day of the month following each calendar month of the actual delivery of the goods.

14. The provisions of **Part 3 of Article 279** of the present Federal Law shall be applicable from the date on which the Government of the Russian Federation establishes the list of goods mentioned in **Part 4 of Article 279** of the present Federal Law.

15. The aircraft used to carry passengers and/or goods loaded on the customs territory of the Customs Union and subject to unloading outside that territory or loaded outside the customs territory of the Customs Union and subject to unloading on that territory may be moved across the customs border of the Customs Union through the use of the customs **procedure of customs transit** in accordance with **Subitem 1 of Item 2 of Article 215** of the Customs Code of the Customs Union. The provisions of the present part shall be applicable until December 31, 2011.

16. Customs transactions in respect of Customs Union goods exported to the territories of the artificial islands, plants and installations which are under the jurisdiction of the Russian Federation according to the legislation of the Russian Federation and the norms of international law shall be accomplished at the points of exit out of the territory of the Russian Federation, or in respect of such goods imported from said facilities, at the points of entry into the territory of the Russian Federation.

17. Customs Union goods moved between the territory of the Russian Federation and territories of artificial islands, plants and installations which are under the jurisdiction of the Russian Federation according to the legislation of the Russian Federation and the norms of international law are not subject to customs declaration and are moved free of customs duties and taxes and free of bans and controls.

18. Customs control in respect of Customs Union goods moved between the territory of the Russian Federation and the territories of artificial islands, plants and installations which are under the jurisdiction of the Russian Federation according to the legislation of the Russian Federation and the norms of international law shall be exercised in the procedure defined by the **federal executive governmental body** empowered in the area of customs affairs.

19. The persons having powers in respect of goods moved between the territory of the Russian Federation and the territories of artificial islands, plants and installations which are under the jurisdiction of the Russian Federation according to the legislation of the Russian Federation and the norms of international law shall provide the necessary documents and information at the request of customs bodies.

20. It is hereby established that the following is deemed bad debt: the debts owing as the payment of customs charges (arrears), penalties and interest recorded as owed as of January 1, 2010 by the organisations which qualify as non-operating legal entities established by **Federal Law** No. 129-FZ of August 8, 2001 on the State Registration of Legal Entities and Individual Entrepreneurs and are not under the proceedings applicable in a case of insolvency (bankruptcy) and in respect of which a decision has been issued by a bailiff on termination of execution proceedings in connection with the impossibility of collecting said debts owing as payment of customs charges (arrears), penalties and interest. A decision on deeming the debts owing as customs charges (arrears), penalties and interest specified in the present article as bad debt and on writing them off shall be taken by the customs body to which there is (is recorded) a debt owing as customs charges (arrears), penalties and interest. A list of the documents that are the basis for taking a decision on deeming the debts owing as customs charges (arrears), penalties and interest mentioned in the present article as bad debt, on writing them off and the procedure for writing off shall be endorsed by the **federal executive**

governmental body empowered in the area of customs affairs.

Article 323. Transitional Provisions Concerning Logistical Support and Social Guarantees for Officials of Customs Bodies

1. The officials of customs bodies shall be supplied with uniforms. The design of said uniforms, the procedure for handing them out, insignia and the rates of supply of a clothing allowance to the officials of customs bodies shall be established by the Government of the Russian Federation. The procedure for wearing uniforms shall be established by the **federal executive governmental body** empowered in the area of customs affairs.

2. In the event of death of an official of a customs body in line of duty a lump-sum benefit shall be paid to the family of the deceased and to his/her dependents in the amount of ten-fold the annual monetary allowance of the deceased in his/her last position in the customs body. Additionally, a monthly benefit shall be paid to the minor dependents of the deceased official of the customs body equal to the monthly monetary allowance calculated as one twelfth of the annual monetary allowance (hereinafter referred to as "monthly monetary allowance") of the deceased in his/her last position in the customs body until they become adults or begin to have an independent source of income, and those undergoing study in primary vocational, secondary vocational and higher professional education institutions, until the end of their study.

3. If an official of a customs body sustains bodily harm in line of duty preventing him/her from further service a lump-sum benefit shall be paid to said person in the amount of five-fold the annual monetary allowance in his/her last position in the customs body, and also for ten years, a benefit as the sum of the difference between the amount of his/her monthly monetary allowance in his/her last position and the amount of the pension ordered. If an official of a customs body has sustained another bodily harm a lump-sum benefit in the amount of five times the monthly monetary allowances shall be paid thereto.

4. The damage inflicted on the property of an official of a customs body or his/her close relation in the line of duty of that official shall be compensated in full.

5. The disbursement of the benefits mentioned in this article and compensation for the harm inflicted to property shall be effected/provided with federal budget funds, with these amounts being subsequently collected from the persons at fault.

6. A decision on disbursement of the benefits mentioned in the present article shall be taken by the chief of the customs body with which the injured has been undergoing service, under a court judgement or a decision of investigation bodies on termination of a criminal case or on suspension of preliminary investigation and also a decision on refusal to bring a criminal action in connection with the death of a suspect.

7. Compensation for damage inflicted to property shall be provided by a decision (judgement) of a court.

8. The annual monetary allowance of the official of the customs body used to calculate the amounts of the benefits specified in the present article shall include all types of monetary disbursements said person would have received in the year of his/her death or harm to his/her health.

9. The amounts of the monthly benefits payable to the minor dependents of the deceased official of the customs body and benefits in the sum of the difference between the amount of monthly monetary allowance in the last position occupied in the customs body and the amount of the ordered pension payable to the official of the customs body in connection with his/her sustaining the bodily harm preventing his/her further service shall be indexed in the procedure established by the Government of the Russian Federation.

10. The benefits and the amounts of compensation for damage to property shall be paid out by the customs body with which the deceased/injured had been undergoing service before the time of his/her death, before sustaining the bodily harm or before damage was inflicted to

property, or if that customs body has been re-organised or liquidated, by its successor or a higher customs body.

11. For the purposes of the present article the following shall be deemed dependents of the deceased official of the customs body: the members of his/her family and the other persons whom he/she fully maintained or who received aid from him/her, the aid being for them a permanent and basic source of means of subsistence.

12. The procedure for disbursement of the benefits and the amounts of compensation for property damage mentioned in the present article shall be defined by the **federal executive governmental body** empowered in the area of customs affairs.

13. Officials of customs bodies are subject to compulsory state personal insurance at the expense of federal budget funds. The subject of compulsory state personal insurance are the life and health of an official of a customs body.

14. The insured accidents under a contract of compulsory state personal insurance shall be as follows:

1) the death (demise) of an official of a customs body (hereinafter referred to as "insured person") during the period of his/her service with customs bodies or before the expiry of one year after discharge from the customs body as a result of a wound (contusion), another bodily harm or disease he/she received in line of duty;

2) an insured person is formally deemed disabled in line of duty during his/her service with customs bodies or before the expiry of one year after being discharged from customs bodies;

3) an insured person has sustained a grave bodily harm or a less grave bodily harm in line of duty while being on service with customs bodies.

15. Insured amounts shall be payable upon the onset of insured accidents in the following amounts:

1) in the event of an insured person's death (demise) during his/her service with customs bodies or before the expiry of one year after being discharged from customs bodies as a result of a wound (contusion), another bodily harm or disease he/she received in line of duty to his/her heirs (on show of an inheritance certificate) in the amount of 12.5-fold the annual monetary allowance;

2) if an insured person is formally deemed disabled in line of duty while undergoing service with customs bodies or before the expiry of one year after being discharged from customs bodies;

a) for a Group I disabled person: in the amount of 7.5-fold the annual monetary allowance;

b) for a Group II disabled person: in the amount of 5-fold the annual monetary allowance;

c) for a Group III disabled person: in the amount of 2.5-fold the annual monetary allowance;

3) if an insured person sustained grave bodily harm in line of duty while undergoing service with customs bodies: in the amount of the annual monetary allowance, or a less grave bodily harm: in the amount of a half-year's monetary allowance.

16. The insured amount for this type of insurance is payable irrespective of disbursements relating to other types of insurance and disbursements in line of compensation for harm.

17. The annual monetary allowance of an official of a customs body used to calculate insured amounts shall be determined for the last position the official occupied in a customs body and it shall include all types of monetary disbursement amounts which would have been received by the official in the year of onset of the insured accident.

18. The other conditions and the procedure for realisation of compulsory state personal insurance for officials of customs bodies shall be defined by a contract between the **federal**

executive governmental body empowered in the area of customs affairs (insured) and an insurance organisation (insurer). Said contract shall include provisions concerning insured amounts, the effective term of the contract, the amount of, the term and procedure for the payment of insurance premium (insurance contribution), the rights, duties and liabilities of the insured and insurer.

19. The provisions of **Parts 1-18** of the present article shall be applicable until the date of entry into force of a federal law defining the conditions and procedure for undergoing law-enforcement service as a type of federal state service in the Russian Federation and of amending **Federal Law** No. 114-FZ of July 21, 1997 on Service with the Customs Bodies of the Russian Federation and **Federal Law** No. 79-FZ of July 27, 2004 on the State Civil Service of the Russian Federation.

Article 324. Deeming No Longer Effective Certain Legislative Acts (Certain Provisions of Legislative Acts) of the Russian Federation

1. The following shall be deemed no longer effective as of the date of **entry into force** of the present Federal Law:

1) **Articles 1 - 357.9, Items 2 and 3 of Article 357.10, Articles 358 - 439** of the Customs Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 2066, No. 22, 2003; item 4494, No. 46, 2004; item 3733, No. 30, 2009);

2) **Article 19** of Federal Law No. 58-FZ of June 29, 2004 on Amending Certain Legislative Acts of the Russian Federation and Deeming No Longer Effective Certain Legislative Acts of the Russian Federation in Connection with the Implementation of Measures for Improving State Governance (Sobranie Zakonodatelstva Rossiyskoy Federatsii, 2004, No. 27, item 2711);

3) **Article 2** of Federal Law No. 118-FZ of August 20, 2004 on Amending the Code of Administrative Offences of the Russian Federation and the Customs Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3533, No. 34, 2004);

4) **Items 1 - 7, Paragraphs 3-66 and 70-77 of Item 8 of Article 1** of Federal Law No. 139-FZ of November 11, 2004 on Amending the Customs Code of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 4494, No. 46, 2004);

5) **Article 9** of Federal Law No. 90-FZ of July 18, 2005 on Amending Certain Legislative Acts of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3101, No. 30, 2005);

6) **Federal Law** No. 204-FZ of December 31, 2005 on Amending Articles 147 and 388 of the Customs Code of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 15, No. 1, 2006);

7) **Article 26** of Federal Law No. 16-FZ of January 10, 2006 on the Special Economic Zone in Kaliningrad Oblast and on Amending Certain Legislative Acts of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 280, No. 3, 2006);

8) **Article 1** of Federal Law No. 26-FZ of February 18, 2006 on Amending the Customs Code of the Russian Federation and the Federal Law on Special Safeguards, Anti-Dumping and Countervailing Measures when Goods Are Imported (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 854, No. 8, 2006);

9) **Article 11** of Federal Law No. 266-FZ of December 30, 2006 on Amending Certain Legislative Acts of the Russian Federation in Connection with the Improvement of State Control at Check-Points on the State Border of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 29, No. 1, 2007);

10) **Federal Law** No. 88-FZ of June 6, 2007 on Amending Article 177 of the Customs Code of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 2831, No. 24, 2007);

11) **Article 5** of Federal Law No. 240-FZ of October 30, 2007 on Amending the Federal Law on Special Economic Zones in the Russian Federation and Certain Legislative Acts of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 5417, No. 45, 2007);

12) **Article 12** of Federal Law No. 333-FZ of December 6, 2007 on Amending the Federal Law on Fishing and the Conservation of Aquatic Biological Resources and Certain Legislative Acts of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 6246, No. 50, 2007);

13) **Article 7** of Federal Law No. 103-FZ of June 26, 2008 on Amending Certain Legislative Acts of the Russian Federation in Connection with the Improvement of State Governance in the Area of Customs Affairs (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3022, No. 26, 2008);

14) **Article 18** of Federal Law No. 250-FZ of December 3, 2008 on Amending the Federal Law on Fishing and Conservation of Aquatic Biological Resources and Certain Legislative Acts of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 5748, No. 49, 2008);

15) **Article 3** of Federal Law No. 314-FZ of December 30, 2008 on Amending Part 2 of the Tax Code of the Russian Federation and Certain Legislative Acts of the Russian Federation in as Much as Concerns Enhancing the Effectiveness of Taxation of Fisheries (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 22, No. 1, 2009);

16) **Article 2** of Federal Law No. 58-FZ of April 9, 2009 on Amending the Budget Code of the Russian Federation and Certain Legislative Acts of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 1780, No. 15, 2009);

17) **Federal Law** No. 207-FZ of July 24, 2009 on Amending the Customs Code of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 3733, No. 30, 2009);

18) **Federal Law** No. 231-FZ of October 13, 2009 on Amending Articles 69 and 119 of the Customs Code of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 4859, No. 42, 2009);

19) **Federal Law** No. 232-FZ of October 13, 2009 on Amending Articles 138 and 325 of the Customs Code of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 4860, No. 42, 2009);

20) **Article 14** of Federal Law No. 267-FZ of November 25, 2009 on Amending the Fundamentals of Legislation of the Russian Federation on the Protection of Citizens' Health and Certain Legislative Acts of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 5717, No. 48, 2009);

21) **Federal Law** No. 290-FZ of November 28, 2009 on Amending Article 334 of the Customs Code of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 5740, No. 48, 2009).

2. The following shall be deemed no longer effective as of October 1, 2011:

1) the **Customs Code** of the Russian Federation (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 2066, No. 22, 2003);

2) **Federal Law** No. 139-FZ of November 11, 2004 on Amending the Customs Code of the Russian Federation" (Sobranie Zakonodatelstva Rossiyskoy Federatsii, item 4494, No. 46, 2004).

Article 325. Procedure for Entry into Force of the Present Federal Law

1. The present Federal Law shall enter into force upon the expiry of one month after the date of its official publication, except for the provisions for which other dates of entry into force are established by the present article.

2. Parts 1 - 4 of Article 130 of the present Federal Law shall enter into force from October 1, 2011.

3. Articles 189, 190 and Parts 2 - 10 of Article 191 of the present Federal Law shall enter into force from January 1, 2013.

4. The provisions of **Item 3 of Part 2 of Article 120** of the present Federal Law cover the legal relations arising from July 1, 2010.

President of the Russian Federation

D. Medvedev

The Kremlin, Moscow