

Exporting to Customs Union

CONTENT

1. Eurasian Economic Community
2. Customs Union
3. Technical Regulations
4. GOST/CU TR Certification
5. State Registration
6. Key regulatory changes
7. Case studies
8. Questions and answers

The Way It Used To Be

- Those who exported their products in the past know that most products were to undergo GOST-R certification, which established the product's conformity to the codes and standards active in Russia. Some regulations required the so called “sanitary-hygienic” certification; other, like food supplements, medicines, and medical devices fell under State Registration and required both registration and certification.
- None of the former Soviet republics recognized one another's certificates.
- **Well, it changed dramatically with the formation of Eurasian Economic Community.**

Eurasian Economic Community

What Is EurAsEC



○ Since the break up of the Soviet Union in 1991, Russia has been scrambling on re-uniting economically and, to an extent, politically with its neighbors and former satellites. During October of 2000, Republic of Belarus, Kazakhstan, Kyrgyz Republic, the Russian Federation, and the Republic of Tajikistan founded an international organization called

Eurasian Economic Community, or EAEC, with the objective of ensuring multilateral economic cooperation among its member states. Later, Moldova, Ukraine and Armenia joined EAEC as observers. The European Development Bank also has the status of an Observer.

EAEC, a.k.a. EAC, a.k.a. EurAsEC

- Member states of Eurasian Economic Community occupy a total area of 20.3 million sq. km. Their population exceeds 181 million. The trade turnover of the member states has increased several times since 2002 and exceeded USD 100 billion. They account for 4% of the world's GDP. They have 7.5% of the world's prospected oil resources and 22% of gas and coal. Their share in the generation of electrical energy was 5.5%, steel production amounted to 5.1%, and grain production was at 5.9%.
- On August 16, 2006, the Republic of Belarus, the Republic of Kazakhstan, and the Russian Federation made a decision to establish a customs union within the EAEC framework



Customs Union

- The decision of establishing the Customs Union was ratified by the heads of six Community states at their Interstate Council meeting on October 6, 2007. Only three countries have become its members so far: the Republic of Belarus, the Republic of Kazakhstan, and the Russian Federation. It was agreed that other Community members will join the Customs Union when their economies and legislative systems are ready. There is a tug-of-war for Ukraine going on between Russia and EU, and it seems that Russia is gaining ground.
- The Customs Union Commission - a unified regulatory supranational standing body – started operating on January 1, 2010. Its main objective is to enhance development of the Customs Union. The EAEC Interstate Council was vested with the functions of the supreme body of the Customs Union.

Customs Union

- The Uniform Customs Code for the three countries came into force on July 6, 2010; the Customs Union became fully functional on July 1, 2011.
- The three members of the Customs Union agreed on common principles and rules for technical regulation, as well as establishing a uniform list of products subject to mandatory certification procedures in the Customs Union.
- It was also ruled that none of the CU member-states may add a product to their respective national Mandatory Certification List if it is not included in the Uniform List.
- All CU compliant goods have to bear the Eurasian Community mark.



Market assessment

- According to Russian Federal Customs Service, in 2013 Russia's import grew by 4.4% and accounted for \$272 billion 312 million.
- Particularly rapid growth Import keeps growing in most areas:
- Comparing January 2012 to January 2013, the most rapidly growing import groups were: polymers (7.3%), detergents (5.2%), pharmaceuticals (4.9%), personal care and cosmetics (1.1%); apparel 12%; electrical equipment 4.9%; vehicles 2.1%.
- Agricultural machinery import has been and is doomed to keep soaring: as 320 000 units of operating machinery should have been scrapped long ago. Their complete wear-out rate is 20 000 units a year. 73% of tractors and 60% of harvesters have dramatically exceeded their design lifespan. Adapting to the WTO rules, Russia decreased the import tax for new agricultural machineries to 5% regardless the engine power.

Technical Regulations

- Customs Union Commission Resolution #526 of January 28, 2011 divided all certifiable products into 61 categories, each to be governed by a specific set of Technical Regulations of the Customs Union (TR CU), or, if not yet ready, by the national Technical Regulations, or GOST.

- Proclaimed objectives:
 - safety;
 - environmental protection;
 - prevention of actions that might mislead customers;
 - energy efficiency and resource saving.

Active Technical Regulations

UNIFORM LIST of PRODUCTS, subject to mandatory certification of conformity	Former certificates valid till:
Machinery and equipment	11.15.13
High voltage equipment	03.15.15
Low voltage equipment	03.15.15
Appliances burning gaseous fuels	03.15.15
Equipment operating under excessive pressure	09.01.15
Vessels operating under excessive pressure	
Equipment for operation in explosive atmospheres	11.15.13
Attractions and equipment for children playgrounds	
Lifts	03.15.15
Wheeled motor vehicles	01.01.17
Tractors	

UNIFORM LIST of PRODUCTS, subject to mandatory certification of conformity	Former certificates valid till:
Agricultural machinery	03.15.17
Agricultural and forestry tractors and trailers	03.15.17
Tires	
Railway rolling stock, including high-speed stock	08.01.16
Subway rolling stock	08.01.16
Light rail vehicles and trams	08.01.16
Maritime transport	
Domestic water transportation means	
Small water craft	07.31.15
Buildings and structures	
Construction material and products	

UNIFORM LIST of PRODUCTS, subject to mandatory certification of conformity	Former certificates valid till:
Railway infrastructure	08.01.16
Subway infrastructure	08.01.16
Motor roads	09.01.16
Fireworks	08.15.13
Explosives and explosive-based products	02.15.16
Consumer goods (apparel, rugs, furs, footwear etc)	01.01.13
Toys	02.15.14
Products intended for children and adolescents	02.15.14
Children care products	
Kitchen ware	
Sanitary and Hygienic products	

UNIFORM LIST of PRODUCTS, subject to mandatory certification of conformity	Former certificates valid till:
Dental Hygiene products	
Packaging	02.15.14
Personal protective equipment	02.15.14
Fire Safety products	
Firefighting products	
Medical devices	
Bathroom appliances	
Furniture	03.01.16
Chemical products	
Synthetic detergents	
Household chemicals	
Varnishes, paints and solvents	

UNIFORM LIST of PRODUCTS, subject to mandatory certification of conformity	Former certificates valid till:
Plants protection products	
Automobile and aviation gasoline, diesel and marine fuels, jet fuels and heating oils	06.30.14
Alternative fuels	
Greases, oils and special liquids	09.01.15
Utilities monitoring devices and systems	
Petroleum and petrochemical products monitoring devices and systems	
Finished foods	02.15.15
Alcohol products	
Fodders and supplements	

UNIFORM LIST of PRODUCTS, subject to mandatory certification of conformity	Former certificates valid till:
Grains	02.15.15
Tobacco products	
Electronic means of communication	
Coal and derived products	

OTHER ALREADY ADOPTED TECHNICAL REGULATIONS	Effective date
Oils and fats	02.15.15
Foods marking	02.15.15
Fruit and vegetable juices	02.15.15
Electro-magnetic compatibility of devices and appliances	11.15.13

OTHER ALREADY ADOPTED TECHNICAL REGULATIONS	Effective date
Specialized foods, including medicinal and dietary foods	02.15.15
Food additives, flavors and auxiliary processing aids	02.15.15
Dairy and milk products	05.01.15
Meat and meat products	05.01.15
Blood, blood derivatives, blood replacement solutions and processing aids	05.01.15
Motor vehicle exhaust fumes	05.01.15
Consumer radio electronics	05.01.15
Watches	05.01.15
IT products	05.01.15

Road Fork

- Route 1. Each and every product that falls into one or several of those categories has to be assessed for compliance with the Customs Union Technical Regulations. This is done either via Certification or by State Registration.
- Route 2. Products that do not fall under any of these categories are considered exempt and legal for importation without TR CU certification. They still may be submitted for voluntary certification

TR CU Certification

- As a member of the WTO, Russia is gradually adjusting its complicated certification laws to the ones active in Europe, which are often even more strict and complicated than the ones in Russia.
- There are two types of TR CU certification, and a third option still available but expiring soon:
 - By means of a **Declaration of Conformity (70%)**
 - By means of a **TR CU Certificate of Conformity**
 - By means of national **GOST** or **TR** certification (until replaced by TR CU)

As of February 15th, 2013, TR or GOST certificates of conformity are no longer issued if a corresponding TR CU has been adopted. They are being replaced by either TR CU certificates or Declarations of Conformity.

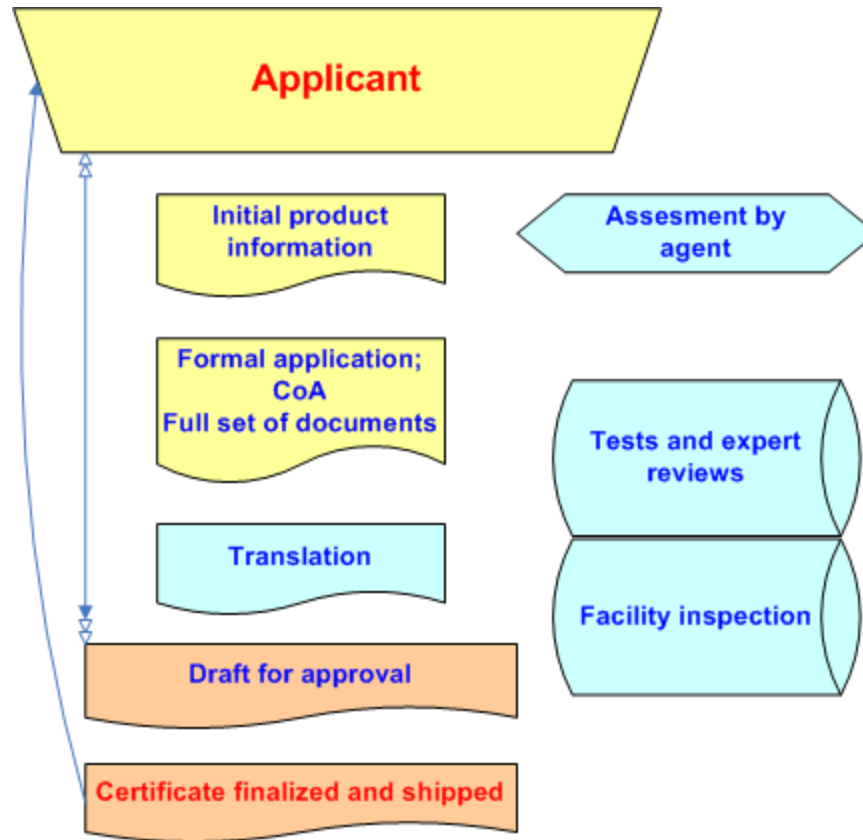
Declaration of Conformity

- Declaration of Conformity (DoC) is a certification document covering most products in the mandatory list. It is issued by a certification authority on the basis of statements, reports, and existing domestic and international certificates presented by the exporter. Tests or facility inspections may be waived.
- DoC is issued for a term of 1 – 5 years, depending on the type of certification.
- The big news is that from now on, only the official importer or representative, being a Customs Union legal entity, may apply for a DoC. His name and data are entered in the Declaration. To change the importer, the exporter has to obtain a new Declaration of Conformity. By applying for the Declaration, the importer assumes full responsibility for the product before the national laws.

TR CU Certificate of Conformity

- Unlike GOST-R or GOST TR certificates, the new GOST TR CU certificate is issued only in the name of legal entities registered in the territory of the Customs Union. The applicant must have a valid contract that clearly specifies the arrangement and fulfillment of warranty obligations for the products to certify.
- **Single delivery:**
 - requires a valid contract with a business entity registered in any of the CU countries.
 - does not require a branch or an agent/distributor representing the manufacturer.
- **Serial production:**
 - requires a branch or an agent/distributor representing the manufacturer, and may require facility inspection.

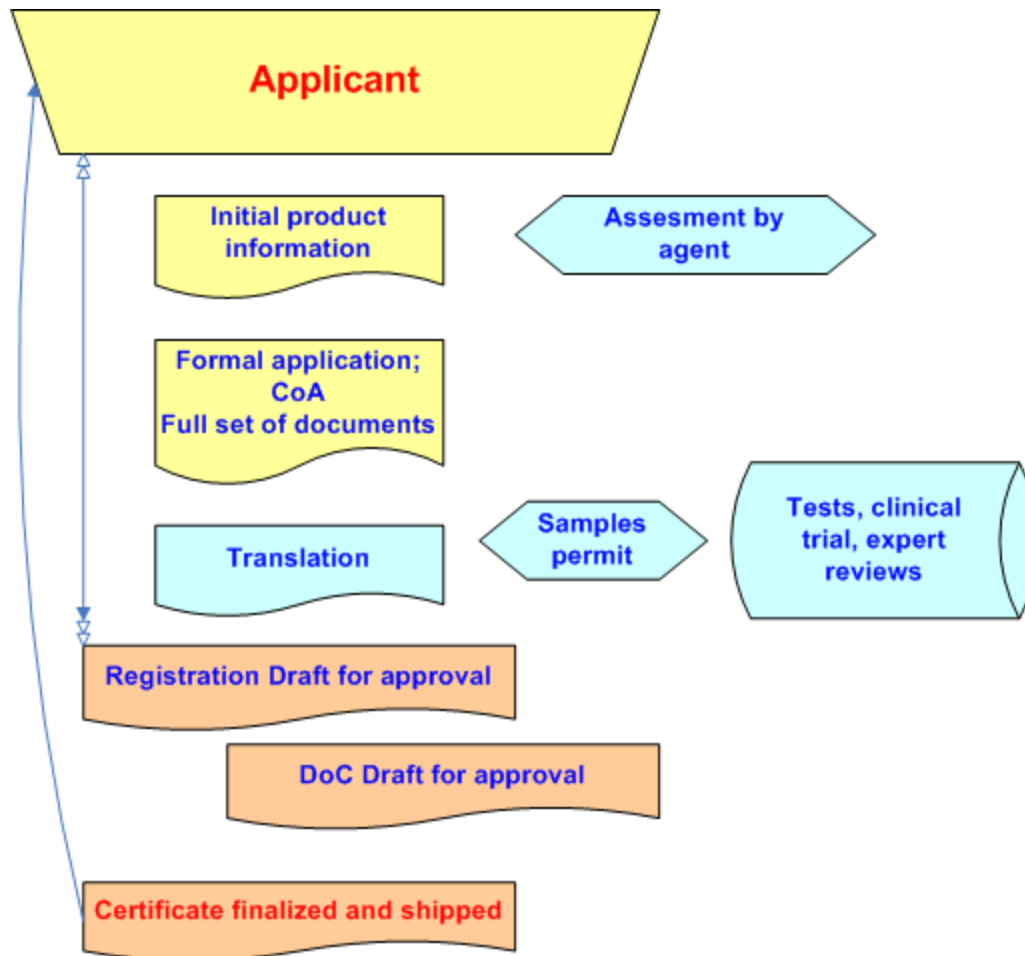
Certification Flowchart



State Registration

- Some of the regulated products, instead of or beside TR certification, require State Registration; **dietary supplements, food additives and ingredients**; mineral water; GMO containing and dietetic food; many cosmetic products (for children, whiteners, sunless tanning, containing nano-components, etc); disinfectant cleaners. Registration by ROSPOTREBNADZOR. Require State Registration only. All of those take 3-6 months.
- **Medical devices** and medical products. Registration by ROSZDRAVNADZOR. Require State Registration and Declaration of Conformity. Takes 6-12 months.
- **Pharmaceutical products**. Registration by Health Ministry of Russia. Takes at least 1 year to register.
- **Pesticides, agrochemical products**, veterinary products, fodders and supplements. Registration by ROSSELKHOZNADZOR. Takes 1-6 months.

State Registration Flowchart



State Registration for CU

Dietary Supplements

EAC Resolution #880 of December 09, 2011.

- All State Registrations for dietary supplements/ingredients issued before May 28, 2010, or not in compliance with the CU requirements, are to be replaced **before February 15, 2015**. Ramifications for the exporters are huge. Ramifications for the exporters are huge.

Deliberations on the re-registration procedure are still underway.

However, it is already clear that it will be a procedure quite similar to the initial registration, taking considerable time and expense.

The good news is that Declaration of Conformity is no longer required with the State Registration of nutraceuticals or cosmetic products.

State Registration for CU

Medical devices

Russian Government Resolution #930 of October 17, 2013.

All State Registrations for medical devices/products with a set expiration date and issued prior to October 29, 2013 shall stay valid until expired. All State Registrations without an expiration date issued prior to October 29, 2013 are **to be re-registered before January 1, 2017** (the original deadline for medical devices re-registration had originally been January 1, 2014).

Exemption Letter

- If the product is not in the 61 TR groups list, this product is exempt from certification. Theoretically. However, with a very dynamic regulatory situation in Russia, Customs officers may and often do challenge products that have not been certified.
- To pre-empt this potentially costly situation, many exporters obtain the so called Exemption Letter. This letter is a formal confirmation from a certification authority asserting that the product with this particular HS Code does not fall under mandatory certification requirements.

As helpful as it is, an Exemption Letter is not compulsory for Customs.

Voluntary Certification

Another optional course of action in order to facilitate a quicker market entry for an exempt product is getting a Voluntary Certificate of Conformity. Voluntary certification is an officially established procedure serving two purposes:

- It makes the exempt, and therefore uncertified, product more trustworthy and competitive in the markets of Russia and the Customs Union;
- It adds weight to the Exemption Letter should complications happen at the Customs clearance.

Procedures, tests, and hence costs are the same as for the mandatory certification.

Application documents

- Detailed Application with product description, HS codes, manufacturers list;
- Licenses and certificates issued by domestic authorities (apostil);
- Full ingredients list (Registration)
- Technical documents (standards, specifications, formulas) by which the product is manufactured;
- Label or its draft in Russian, as well the original label in English;
- User instructions, directions, manual etc. ;
- Scientific report and usage recommendations (Registration);
- Documents and publications on the efficacy (Registration);
- GMO statement;
- Statement of no narcotic or psychotropic substances (Registration);
- Nanotechnology statement (Registration);
- Test reports of authorized laboratories of organizations;
- Random Sampling Protocols;
- Copies of patents or brand registration (if available);
- Contract with the importer;
- Power of Attorney to agent/representative to handle documentation.

All documents must be translated into Russian.

Cosmetic and personal care

- Since July 2012, several categories of cosmetic products were decreed to be subject to both TR CU Declaration of Conformity and CU State Registration, like many skin and hair products, children cosmetics, products with nano materials, oral hygiene products.
- Other cosmetic products are exempt from mandatory State registration. However, it may be wise to obtain a voluntary safety certificate from ROSPOTREBNADZOR.
- The Customs Union does not recognize “cosmeceutical products”, or “medicinal cosmetics”. They are handled either as a cosmetic product or as a medicine.
- **The dead line for switching to TR CU certificates is July 1, 2014.**

Dietary supplements

- **All registrations issued prior to June 2013 will expire on February 15, 2015.**
- This is the result of the new laws and technical regulations adopted by the Customs Union of Russia, Belarus and Kazakhstan. Re-registration procedures require old registration and test reports to be turned in to the testing institute. Products registered before 2011 will have to go through the full registration process. Products registered in 2012 and 2013 will be subject to a less rigorous verification. Unless the supplement contains ingredients that had been allowed in Russia but banned in the Customs Union, the reports will be re-approved at the nutrition laboratory, and the application for re-registration will go to ROSPOTREBNADZOR for renewal.

Other major certificate types

- **RTN Permit.**
Permission of ROSTECHNADZOR to operate hazardous equipment/technical devices assures equipment safety compliance.
- **GOST R PATTERN APPROVAL CERTIFICATE** (Metrology Certificate).
Validation and calibration of measuring instruments.
- **Fire Safety Certificate.**
May be a pre-requisite for TR certification
- **Telecom Type Approval Certificate**
Equipment that can be connected to Common Telecom Network by wire, optic, or radio channel.
- **Authorization of radio frequencies .**
High frequency and radio electronic devices.
- **Bluetooth certification.**

Main changes summary

- GOST-R certificates are being replaced by TR CU certificates. For many, expiration dates have been established.
- ISO certificate is a must.
- Inspection of facilities is a strong requirement for TR CU certification.
- An official Importer/Representative is now mandatory for most certifications and registrations.
- Hygienic certification is now replaced by State Registration.
- All old State registrations, except the ones for medical devices, will become invalid on February 15, 2105.
- Pharmaceutical (medicinal) products, medical products and medical devices are to be certified nationally, while test results and conclusions are valid in the whole Customs Union.
- All CU-compliant certification documents and labels must carry the market sign **EAC**.

Contact us

For any questions and concerns regarding

- Exporting to Russia and the Customs Union;
- Certification and registration;
- Representation and importer services.

Please contact Russian Standard, Ltd. at:

1-914-478-7557

www.russiancertification.com

www.rosstandard.com

Skype: TEMKING

E-mail: info@russiancertification.com