

On the Fundamentals of the State Regulation of Foreign Trade Activity

(No. 164-FZ of December 8, 2003)

Adopted by the State Duma

October 17, 2003

Approved by the Council of Federation

November 26, 2003

Chapter I General Provisions**Article 1 Objectives and the Scope of Application of the Present Federal Law**

1. The present Federal Law shall determine a framework for the state regulation of foreign trade activity, the powers of the Russian Federation and the Subjects of the Russian Federation in the field of regulation of foreign trade activity, with a view to provide favourable conditions for foreign trade activity, as well as to safeguard the economic and political interests of the Russian Federation.

2. The present Federal Law shall apply to the relationship in the sphere of the state regulation of foreign trade activity as well as to the relationship directly connected with it.

3. Special features of the state regulation of foreign trade activity in the field of exportation from the territory of the Russian Federation and importation into the territory of the Russian Federation including the supply or purchase of military-purpose goods, development and manufacturing of military-purpose goods, as well as special features of the state regulation of foreign trade activity regarding goods, information, works, services, results of intellectual activity which can be used to create weapons of mass destruction, carriers thereof, other kinds of weaponry and materials, shall be established by international treaties of the Russian Federation, federal laws on military and technical cooperation of the Russian Federation with foreign States and federal laws on export control.

4. The provisions of the present Federal Law, regarding the state regulation of foreign trade in services, shall not apply to:

- 1) the services supplied in the exercise of governmental authority and supplied neither on a commercial basis nor in competition with one or more service suppliers;
- 2) the supply of services in the exercise of the activities conducted by the Central Bank of the Russian Federation in pursuit of the exercise of authority determined by federal laws;

- 3) the supply of financial services in the exercise of the activity forming part of statutory social security system, including the state public retirement plans and supplied not in competition with one or more service suppliers, and the activities with the guarantee of the Government of the Russian Federation or using the financial resources of the State.

Article 2 Basic Concepts Used in the Present Federal Law

The following concepts shall be used for the purposes of the present Federal Law:

1) the like product - the commodity which upon its function, use, quality and technical characteristics is completely identical to the other product or, in the absence of such a completely identical commodity other commodity which has the features close to the ones of the other commodity;

2) reciprocity – a certain regime of foreign trade in goods offered by a State or a group of States to another State or a group of States on condition that the other State (a group of States) offers the same regime to the first State (a group of States).

3) foreign trade barter transaction – a transaction made when exercising foreign trade activity and providing for the exchange of goods, services, works, intellectual property, including a transaction which beside the aforementioned conditions provide for the use of monetary and/or other means of payment in their realization;

4) foreign trade activity – activity for the realization of transactions in the field of foreign trade in goods, services, information and intellectual property;

5) foreign trade in intellectual property – the transfer either by a Russian person to a foreign person or by a foreign person to a Russian person, of the exclusive rights to objects of intellectual property, or of the rights to use the objects of intellectual property;

6) foreign trade in information – shall be considered as the foreign trade in goods if the information forms an integral part of these goods, or as the foreign trade in intellectual property if the information is transferred as the result of the transfer of the rights to the intellectual property to this information; in all other cases it shall be considered as the foreign trade in services;

7) foreign trade in goods – import and/or export of goods. The movement of goods between one part of the customs territory of the Russian Federation through the customs territory of another State into another part of the customs territory of the Russian Federation not connected to the first part by land, shall not be considered as the foreign trade in goods;

8) foreign trade in services – the supply, including the production, distribution, marketing, sale and delivery, of a service (the execution of works), and exercised through the modes described in Article 33 of the present Federal Law;

9) free trade area – customs territories within which, in accordance with an international treaty with one or more States or groups of States, customs duties and other restrictive regulations of foreign trade in goods originating in those customs territories are eliminated with respect to substantially all foreign trade in such products between those customs territories, with the exception where necessary, of the possibility of application of such measures in cases, foreseen in Articles 21, 32, 38 and 39 of the present Federal Law, without, however, any substantial coordination of customs duties and other restrictive regulations applied by each member of the free trade area with regard to the foreign trade in goods with third States;

10) import of goods – the importation of a commodity to the customs territory of the Russian Federation from abroad without the obligation to transport it back;

11) foreign person - any physical or juridical person or organisation which is not considered as a legal entity under the legislation of the Russian Federation, which is not Russian person;

12) foreign service consumer – a foreign person that orders or uses services or works;

13) foreign service supplier – a foreign person that supplies or renders services or executes works.

14) commercial presence – any form of organization of business or other economic activity of a foreign person in the territory of the Russian Federation or of a Russian person in the territory of a foreign State, allowed by the legislation of the Russian Federation or the legislation of the foreign State, for the purpose of supplying services, including through the constitution of a juridical person, a branch or a representative office of a juridical person, or by participation in the authorized (share) capital of a juridical person. A Russian juridical person through which the commercial presence is exercised, shall be considered as a foreign service supplier, when a foreign person (foreign persons), either have a dominant participation in its authorised (share) capital, or have the possibility of exerting a decisive impact on the decisions taken by such a juridical person, in accordance with a contract concluded between them or in any other way.

15) international traffic in transit – the passage through the customs territory of the Russian Federation of goods, means of transport, when that passage is only a part of a journey beginning and terminating beyond the customs territory of the Russian Federation;

16) directly competitive product – a product which is compared to another product in its function, use, quality and technical characteristics, as well as in other properties in the way that the buyer, when consuming it, substitutes by it or is ready to substitute by it another product in the process of consumption;

17) non-tariff regulation - the instrument of the state regulation of foreign trade in goods by introducing quantitative restrictions and other prohibitions and restrictions of economic nature;

18) body of pre-shipment inspection – any Russian or foreign juridical person, determined by the Government of the Russian Federation in accordance with the forth paragraph of Article 28 of the present Federal Law;

19) passport of foreign trade barter transaction – the document necessary to control the foreign trade in goods services, works, intellectual property exercised on the basis of foreign trade barter transactions;

20) pre-shipment inspection – the check of quality, quantity, price, including its financial conditions, and (or) the correctness of encoding of goods, intended for the importation to the territory of the Russian Federation for customs purposes;

21) Russian service consumer – a Russian person that orders or uses services (works);

22) Russian service supplier – a Russian person that supplies or renders services (executes works);

23) Russian person – any juridical person created in accordance with the legislation of the Russian Federation, and also any natural person who permanently or mainly resides in the territory of the Russian Federation and either is a citizen of the Russian Federation or have a right of permanent residence in the Russian Federation, as well as a physical person registered as an individual entrepreneur in accordance with the legislation of the Russian Federation;

24) customs-tariff regulation – the instrument of the state regulation of foreign trade in goods, exercised by introducing import and export customs duties;

25) customs union – the substitution on the basis of an international treaty with one or more foreign States or group of foreign States, of two or more customs territories by a single customs territory, within which customs duties and other restrictive regulations, with the exception, where necessary, of application of regulations provided for by Articles 21, 32,38 and 39 of the present Federal Law, are eliminated with respect to the foreign trade in substantially all goods, or at least substantially all products originating within the single customs territory; the customs duties and other restrictive regulations applied by each member of the customs union with regard to the foreign trade in goods with third States being substantially the same for all members;

26) goods – any movable property, being the object of foreign trade activity, which is subsumed under the category of immovable property and also aircraft, sea-going ships, inland and mixed navigation (river – sea) ships and spacecrafts, as well as electricity and all other types of energy. Means of transportation used under a contract on international transportation shall not be considered as goods;

27) persons engaged in foreign trade activity – Russian or foreign persons carrying out foreign trade activity;

28) export of goods – the exportation of a commodity from the customs territory of the Russian Federation abroad without the obligation to transport it back;

Article 3 Legislation on Foreign Trade Activity

The state regulation of foreign trade activity shall be based on the Constitution of the Russian Federation, and exercised in accordance with the present Federal Law, other federal laws and normative legal acts of the Russian Federation, as well as by generally recognised principles and rules of international law and international treaties of the Russian Federation.

Article 4 Basic Principles of the State Regulation of Foreign Trade Activity

The basic principles of the State regulation of foreign trade activity shall be:

- 1) the protection by the State of the rights and legitimate interests of the persons engaged in foreign trade activity, as well as of the rights and legitimate interests of Russian producers and consumers of goods and services;
- 2) the equality and non-discrimination unless otherwise provided by a federal law, of persons engaged in foreign trade activity;
- 3) the unity of the customs territory of the Russian Federation;
- 4) the reciprocity in relation to another State or group of States;
- 5) the ensuring of the execution of the obligations of the Russian Federation under international treaties of the Russian Federation and the exercise of the rights of the Russian Federation arising from such treaties;
- 6) the choice of measures of the state regulation of foreign trade activity that are not more burdensome on the persons engaged in foreign trade activity, than necessary to secure an effective achievement of the objectives pursued by the application of measures of the state regulation of foreign trade activity;
- 7) the transparency in the development, adoption and implementation of the measures of the State regulation of foreign trade activity;
- 8) the reasonableness and objectivity in the implementation of the State regulation of foreign trade activity;
- 9) the exclusion of unjustified interference of the State and its bodies in foreign trade activity and of incurring damage to the persons engaged in such an activity and the economy of the Russian Federation ;
- 10) the securing of the defence and safety of the State;

- 11) the ensuring of the right to challenge in a court of law or through any applicable complaints procedure any unlawful action or inaction by the State bodies or their officials as well as to challenge any normative legal acts of the Russian Federation that directly affect the right of the person engaged in foreign trade activity to carry out foreign trade activity;
- 12) the unity of the system of the State regulation of foreign trade activity
- 13) the unity of application of the instruments of the State regulation of foreign trade activity on the whole territory of the Russian Federation

Article 5 Trade policy of the Russian Federation

1. The trade policy of the Russian Federation shall form an integral part of the economic policy of the Russian Federation. The purpose of the trade policy of the Russian Federation shall be to create favourable conditions for Russian exporters, importers, producers and consumers of goods and services.

2. The trade policy of the Russian Federation shall be based on the observance of generally recognised principles and rules of international law and obligations arising from international trade treaties of the Russian Federation.

3. The trade policy of the Russian Federation shall be exercised with the use of the instruments of the State regulation of foreign trade activity, foreseen in Article 12 of the present Federal Law.

Chapter II Competence and Powers of the Russian Federation and the Subjects of the Russian Federation in the Field of Foreign Trade Activity

Article 6 Matters in the Field of Regulation of Foreign Trade Activity Being in the Competence of the Russian Federation

In the field of foreign trade activity the Russian Federation shall have the competence:

- 1) to develop concepts and strategy of the development of foreign trade relations and fundamental principles of the trade policy of the Russian Federation;
- 2) to safeguard economic sovereignty and economic interests of the Russian Federation, economic interests of the Subjects of the Russian Federation and Russian persons;
- 3) to the state regulation of foreign trade activity, including customs-tariff and non-tariff regulation, as well as the to the regulation in the field of certification of compliance of goods

to the mandatory requirements with relation to their importation into the territory of the Russian Federation and exportation from the territory of the Russian Federation;

4) to set up on the whole territory of the Russian Federation mandatory requirements and criteria of safety and/or harmlessness for life and health of citizens, property of physical or juridical persons, state and municipal property, the environment, life or health of animals and plants, when importing goods into the territory of the Russian Federation and rules of their control;

5) to determine the regime of exportation from the territory of the Russian Federation and importation into the territory of the Russian Federation of fissionable nuclear materials, toxic agents, explosives, poisonous and psychotropic substances, hazardous wastes, super potent narcotic drugs, biologically active substances (donated blood, internal organs and other materials), genetic materials (fungi, germ, virus culture, seeds material of animals and human beings and other materials), endangered animals and plants, their parts and derivatives, as well as other goods, which may have unfavourable impact on health or life of citizens, health or life of animals and plants, the environment;

6) to determine the regime of importation into the territory of the Russian Federation and exportation from the territory of the Russian Federation of precious metals and precious stones;

7) to coordinate the cooperation of the Russian Federation in the field of international space activities and to control the development and the realization of international space projects of the Russian Federation;

8) to establish indices of statistical reporting of foreign trade activity, mandatory on the whole territory of the Russian Federation;

9) to enter into international agreements of the Russian Federation in the field of foreign economic relations;

10) to create, maintain and liquidate trade representative offices of the Russian Federation in foreign States;

11) to take part in the activities of international economic organisations and to carry out the decisions taken by those organisations;

12) to determine the regime of exportation from the territory of the Russian Federation of the goods an integral part of which is the information constituting a state secret.

Article 7 Matters of Joint Jurisdiction of the Russian Federation and the Subjects of the Russian Federation in the Field of Foreign Trade Activity

In the sphere of joint jurisdiction of the Russian Federation and the Subjects of the Russian Federation in the field of foreign trade activity shall be:

- 1) the coordination of foreign economic relations of the Subjects of the Russian Federation;
- 2) the fulfilment of international treaties of the Russian Federation in the field of foreign economic relations, if those treaties affect matters being within the jurisdiction of the Subjects of the Russian Federation, or powers of the Subject of the Russian Federation on subjects of joint jurisdiction of the Russian Federation and the Subjects of the Russian Federation;
- 3) the informational support of foreign trade activity.
- 4) The creation of insurance and mortgage funds in the field of foreign trade activity;
- 5) The participation in the activities of especially created for these purposes bodies of international organizations.

Article 8 Powers of the Subjects of the Russian Federation in the Field of Foreign Trade Activity

Within the limits of their competence the Subjects of the Russian Federation are entitled:

- 1) to conduct negotiations and to enter into agreements on the exercise of foreign economic relations with the Subjects of foreign federal States, administrative and territory entities of foreign States, as well as, after the approval of the Government of the Russian Federation, with the bodies of State power of foreign States;
- 2) to maintain their representatives in trade missions of the Russian Federation in foreign States for the account of the budgets of the Subjects of the Russian Federation on agreement with the federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law and the Ministry for Foreign Affairs of the Russian Federation.
- 3) To create representative offices in foreign States in pursuit of the realization of agreements on the exercise of foreign economic relations in the order set forth by the legislation of the Russian Federation.
- 4) To carry out the formation and realization of regional programmes on foreign trade activity.

Article 9 Cooperation of the Bodies of Executive Power of the Russian Federation and the Bodies of Executive Power of the Subjects of the Russian Federation

1. The federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law, must coordinate its draft projects or programmes of the development of foreign trade activity in the Russian Federation, affecting the interests of the Subjects of the Russian

Federation and being within the limits of their competence, with the respective bodies of executive power of the Subjects of the Russian Federation.

2. The bodies of executive power of the Subject of the Russian Federation in a thirty-day period after submitting such draft project or programme for coordination, shall address an official conclusion to the federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law.

3. Failure to submit an official conclusion by the body of executive power of the Subject of the Russian Federation shall be considered as its consent with the draft project or programme submitted for coordination.

4. Bodies of executive power of the Subject of the Russian Federation must inform the federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law, on all actions undertaken by the Subject of the Russian Federation on matters of joint jurisdiction of the Russian Federation and the Subjects of the Russian Federation in the field of foreign trade activity.

Chapter III Persons Engaged in the Foreign Trade Activity

Article 10 Russian and Foreign Persons as Persons Engaged in the Foreign Trade Activity

Any Russian and foreign persons have a right to carry out foreign trade activity. This right may be restricted in cases provided for by international treaties of the Russian Federation, the present Federal Law and other federal laws.

Article 11 Participation of the Russian Federation, the Subject of the Russian Federation and Municipal Entities in the Exercise of Foreign Trade Activity.

The Russian Federation, the Subjects of the Russian Federation and municipal entities shall carry out foreign trade activity directly only in cases set forth by federal laws.

Chapter IV Principal Provisions on the State Regulation of Foreign Trade Activity

Article 12 Instruments of the State Regulation of the Foreign Trade Activity

1. The State regulation of foreign trade activity shall be exercised in accordance with international treaties of the Russian Federation, the present Federal Law, other federal laws and other normative legal acts of the Russian Federation by means of:

- 1) customs-tariff regulation;
- 2) non-tariff regulation;
- 3) prohibitions and restrictions of foreign trade in goods, services and intellectual property,
- 4) measures of economic and administrative nature promoting the development of foreign trade activity and foreseen by the present Federal Law.

2. Other instruments of state regulation of foreign trade activity shall be prohibited.

Article 13 Powers of the Bodies of State Power of the Russian Federation in the Field of the State Regulation of Foreign Trade Activity

The President of the Russian Federation in accordance with the Constitution of the Russian Federation and federal laws shall:

- 1) determine the main directions of the trade policy of the Russian Federation;
- 2) determine the regime of importation and exportation of precious metals and precious stones;
- 3) introduce prohibitions and restrictions on foreign trade in goods, services and intellectual property with the purpose of participation in international sanctions;
- 4) exercise other powers.

The Government of the Russian Federation shall:

- 1) provide the implementation of the common trade policy in the Russian Federation and implement measures on its realisation, take appropriate decisions and provide for their implementation;
- 2) take safeguards, anti-dumping and countervailing measures when carrying out foreign trade in goods, as well as other measures for the protection of economic interests of the Russian Federation;
- 3) determine customs-tariff rates within the limits provided for by a federal law;
- 4) introduce quantitative restrictions on export and import of goods in accordance with international treaties of the Russian Federation, federal laws and determine the way of application of quantitative restrictions on export and /or import of goods;
- 5) establish the permit procedure of export and/or import of certain types of goods which can make an unfavourable impact on the safety of the State, life and health of citizens, property of physical and juridical persons, state and municipal property, the environment, life and

health of animals and plants, as well as determine the list of certain types of goods which are subject to such procedure;

6) determine the procedure of licensing in the sphere of the foreign trade in goods, and the procedure of formation and maintenance of federal bank of issued licenses;

7) determine, on the proposal of the federal body of executive power mentioned in the third paragraph of the present Article, the list of certain types of goods the export and/or import of which is subject to supervision;

8) determine the procedure of supervision of export and/or import of certain types of goods;

9) decide, within the limits of its competence, on the conduct of negotiations and on signing of international treaties of the Russian Federation;

10) decide on the introduction, as retaliatory measures with regard to foreign States, of restrictions on foreign trade in goods, services and intellectual property in cases provided for by the present Federal Law;

11) determine the procedure of importation into the territory of the Russian Federation and exportation from the territory of the Russian Federation of fissionable nuclear materials;

12) establish the procedure of exportation from the territory of the Russian Federation of goods an integral part of which is the information constituting a state secret;

13) approve the nomenclature of goods in foreign economic activity;

14) exercise other powers in the sphere of the State regulation of foreign trade activity and the State control in this field conferred on it by the Constitution of the Russian Federation, federal laws, decrees of the President of the Russian Federation.

3. The development of proposals regarding the trade policy of the Russian Federation, the state regulation of foreign trade activity, the conclusion of international trade treaties and other treaties of the Russian Federation in the field of foreign economic relations shall be exercised by the federal body of executive power on which the Government of the Russian Federation, within the limits of its competence, conferred the right to regulate foreign trade activity. In case the interests of the Subjects of the Russian Federation are affected, the development of the mentioned proposals shall be made with the participation of the appropriate bodies of executive power of the Subjects of the Russian Federation.

4. The federal body of executive power mentioned in the third paragraph of the present Article shall submit to the Government of the Russian Federation proposals on the trade policy of the Russian Federation and promote the realisation of the objectives to safeguard economic interests of the Russian Federation, the Subjects of the Russian Federation and Russian persons, as well as implement measures related to the state regulation of foreign trade activity.

5. The federal body of executive power mentioned in the third paragraph of the present Article shall be the only body of state power which grants licenses, set forth in Article 24 of the present Federal Law.

Article 14 Conclusion of International Trade Treaties and Other Treaties of the Russian Federation in the Field of Foreign Economic Relations

1. Proposals on the conclusion of international trade treaties and other treaties of the Russian Federation in the field of foreign economic relations shall be submitted in the order, set forth by the Federal Law № 101-FZ of 15 July 1995 On the International Treaties of the Russian Federation, to the President of the Russian Federation or to the Government of the Russian Federation by the federal body of executive power, mentioned in the third paragraph of Article 13 of the present Federal Law, jointly with the Ministry for Foreign Affairs of the Russian Federation or on agreement with it.

2. Proposals on the conclusion of international trade treaties of the Russian Federation, affecting matters of foreign economic relations, submitted by other federal bodies of executive power shall be agreed upon with the federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law. If needed to conduct consultations with the appropriate bodies of foreign States or international organisations with a view to prepare projects of such international treaties, such consultations shall be conducted in the order provided for in the Federal Law № 101-FZ of 15 July 1995 On the International Treaties of the Russian Federation, in accordance with the federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law.

Article 15 Transparency in the Elaboration of Measures of State Regulation of Foreign Trade Activity

1. When elaborating a normative legal act of the Russian Federation affecting the right to carry out foreign trade activity, the federal body of executive power responsible for its elaboration shall invite the Subjects of the Russian Federation, Russian organisations and individual entrepreneurs whose economic interests are affected by the adoption of such normative legal act (concerned persons), to present their proposals and views on the matter to the said body.

2. The federal body of executive power mentioned in the first paragraph of the present Article shall decide on the way and form of conducting the consultations, as well as on the way and form of making the procedure and the results of the conduct of the consultations available to the concerned persons and other persons, having presented their proposals and views.

3. When so required under international treaties of the Russian Federation, also the competent authorities of other States or groups of States shall be invited to present their views in the manner provided for by the provisions of the appropriate international treaty of the Russian Federation. Foreign organizations and entrepreneurs shall also be invited to present their views in the manner provided for by the provisions of the appropriate international treaty of the Russian Federation.

4. The federal body of executive power mentioned in the first paragraph of the present Article may decide not to conduct consultations pursuant to the first and second paragraphs of the present Article, if there one of the following conditions exists:

1) the measures foreseen in the draft normative legal act of the Russian Federation, affecting the right to carry out foreign trade activity should not be known to the general public before the date of its entry into force and the conduct of consultations leads or would lead to failure to achieve the objectives aimed at by such normative legal act, or

2) the conduct of consultations would lead to a delay in the enactment of the normative legal act of the Russian Federation, affecting the right to carry out foreign trade activity, that would cause substantial damage to the interests of the Russian Federation.

5. The provisions of the first and second paragraphs of the present Article shall not apply to the measures set forth by Article 27 of the present Federal Law.

6. Failure to conduct consultations shall not lead to the invalidity of the normative legal act of the Russian Federation, affecting the right to carry out foreign trade activity.

7. The provisions of the fourth and sixth paragraphs of the present Article shall not apply to the elaboration of draft federal laws affecting the right to carry out foreign trade activity, proposals to conclude international trade treaties of the Russian Federation, as well as while determining the procedure of quota administration in accordance with Article 23 of the present Federal Law.

Article 16 Entry into Force of Normative Legal Acts in the Field of Foreign Trade Activity

Normative legal acts in the field of foreign trade activity shall enter into force after their official publication in time-limits and in order provided for by the legislation of the Russian Federation.

Article 17 Confidentiality

Bodies of state power and the officials of the bodies of state power of the Russian Federation exercising the activity related to the state regulation of foreign trade activity must ensure confidentiality of the information constituting state secret, commercial secret or any other secret

protected under law, and use the information exclusively for the purpose for which such information was provided.

Article 18 The Right to Challenge in Court Actions (Inactions) of a State Body or its Official

1. Person engaged in foreign trade activity shall be entitled to challenge in a court of law the decision, action (inaction) of a state body or its official, if he considers that such a decision, action (inactions) infringes his rights, liberties or legitimate interests, impedes realisation thereof or unlawfully places upon him any obligations.
2. The decision, action (inaction) of a state body or its official shall be challenged in a court of law, an arbitration court and in cases provided for by the legislation of the Russian Federation in a higher state body.

Chapter V State Regulation of Foreign Trade Activity in the Field of the Foreign Trade in Goods

Article 19 Customs-Tariff Regulation

Customs duties on import and export shall be established with a view to regulate the foreign trade in goods, including to protect the internal market of the Russian Federation and to stimulate the progressive structural changes in the economy, in accordance with the legislation of the Russian Federation.

Article 20 Non-tariff Regulation

Non-tariff regulation of the foreign trade in goods can be exercised only in the cases provided for in Articles 21 to 24, 26 and 27 of the present Federal Law and with the observance of the requirements referred to in those Articles.

Article 21 Quantitative Restrictions Established by the Government of the Russian Federation in Exceptional Cases

1. Import and export of goods shall be exercised without any quantitative restrictions except in cases provided for by the second paragraph of the present Article as well as by other provisions of the present Federal Law.

2. In exceptional cases the Government of the Russian Federation may introduce:

1) temporary prohibitions or restrictions of export of goods, applied to prevent or diminish critical shortages on the internal market of the Russian Federation of foodstuffs or other products substantially important to the internal market of the Russian Federation. The list of goods being substantially important shall be determined by the Government of the Russian Federation;

2) import restrictions on any agricultural product or water biological resources, imported into the territory of the Russian Federation in any form, when it is necessary:

to restrict the production or the marketing of the like product of Russian origin;

to restrict the production or the marketing of the like product of Russian origin which can be directly substituted by the imported product, if there is no substantial production of the like product in the Russian Federation;

to remove a temporary surplus of the like product of Russian origin, by making the surplus of such a product available to certain groups of Russian consumers free of charge or at prices below the current market level;

to remove a temporary surplus of the product of Russian origin which can be directly substituted by the imported product, if there is no substantial production of the like product in the Russian Federation, by making the surplus of such a product available to certain groups of Russian consumers free of charge or at prices below the current market level;

to restrict the production of any animal product the production of which is dependent on the commodity imported into the territory of the Russian Federation, if the production of that product in the Russian Federation is relatively negligible.

3) Foodstuff and agricultural products for the purposes of the present Article shall be determined by the Government of the Russian Federation.

Article 22 Non-Discriminatory Application of Prohibitions and Restrictions

1. In case the present Federal Law provides for the introduction of quantitative restrictions on export and/or import of goods, those restrictions shall be applied without the distinction as to the country of origin of goods, unless otherwise is provided by the present Federal Law.

2. In cases of the distribution of quotas on import of goods between the concerned foreign States when introducing quantitative restrictions on import of goods, previous import from such foreign States can be taken into consideration.

3. The provisions of the first and second paragraphs of the present Article may not apply to the goods originating in foreign States or groups of States towards which the Russian Federation has no reciprocal treaty obligation to accord treatment no less favourable than that accorded to foreign States or groups of States.

4. The provisions of the present Article shall not apply to anti-dumping and countervailing measures set forth in Article 27 of the present Federal Law.

5. The provisions of the first and second paragraphs of the present Article shall not impede the observance of the obligations under international treaties of the Russian Federation on border trade, customs union or free trade area.

Article 23 - Distribution of Quotas

The distribution of quotas when introducing quantitative restrictions on import or export of goods shall be carried out by means of conducting a competition or auction, or in the procedure for the actual conduct of the import or export operations till the aggregate fulfilment of the quota, or on the basis of historical deliveries i.e. taking into account past imports or exports of the said goods, or by other methods. When deciding on the introduction of a quota the Government of the Russian Federation shall determine the method of the distribution of a quota and establish in each case the procedure for conducting a competition or auction. The distribution of quotas shall be based on the principles of equal rights of persons engaged in the foreign trade activity to obtain a quota and of non-discrimination among them on the criteria of the form of ownership, the place of registration, or the position on the market.

Article 24 Licensing in the Sphere of the Foreign Trade in Goods

1. Licensing in the field of foreign trade in goods (hereinafter licensing) shall be established while:

1) introducing temporary quantitative restrictions on export or import of certain types of goods;

2) realizing a special permit procedure of export and (or) import of certain types of goods which may have unfavourable impact on the safety of the State, the health or life of its citizens, property of physical or juridical persons, state or municipal property, the environment, life or health of animals and plants;

3) granting the exclusive right to import and (or) export of certain types of goods;

4) fulfilling international obligations of the Russian Federation

2. The ground for the export and (or) import of certain types of goods in cases referred to in the first paragraph of the present Article shall be a license issued by the federal body of executive power, mentioned in the third paragraph of Article 13 of the present Federal Law. The absence of the license shall constitute the grounds to refuse the release of goods through the customs border by the customs authorities of the Russian Federation.

The federal body of the executive power, mentioned in the third part of Article 13 of the present Federal Law shall form and monitor the federal bank of issued licenses. The procedure of forming and monitoring the federal bank of issued licenses shall be determined by the Government of the Russian Federation.

Article 25 Supervision of Export and/or Import of Certain Types of Goods

1. The supervision of export and/or import of certain types of goods shall be established as a temporary measure with the purpose of monitoring the dynamics of the export and/or import of certain types of goods.

2. The supervision of export and (or) import of certain types of goods shall be carried out through issuing of permits on export and (or) import of certain types of goods. The permits shall be issued without any restrictions to any persons engaged in foreign trade activity, submitting an application, the form of which is determined by the federal body of the executive power mentioned in the third paragraph of Article 13 of the present Federal Law. The period for issuing permit can not exceed three working days from the day of application. The requirement to submit other documents than the application, in order to receive the permit for export and (or) import of certain types of goods, shall be prohibited. The absence of the permit shall constitute the grounds for the refusal to release goods through the customs border by the customs authorities of the Russian Federation.

Article 26 Exclusive Rights to the Export and/or Import of Certain Types of Goods

1. The right to carry out foreign trade activity can be restricted through the introduction of exclusive rights to export and/or import of certain types of goods.

2. The lists of certain types of goods to export and (or) import of which an exclusive right is established, as well as of organizations being granted an exclusive right to export and/or import of certain type of goods shall be determined by federal laws.

3. An exclusive right to export and/or import of certain types of goods shall be carried out on the grounds of a license. The licences to the exercise of an exclusive right to export and/or

import of certain types of goods shall be issued by the federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law.

4. The transactions for export and/or import of certain types of goods carried out without any licence to an exclusive right to export and (or) import of certain types of goods shall be null and void.

5) The organizations having been granted an exclusive right to export and (or) import of certain types of goods shall make the transactions for export and/or import of certain types of goods basing on the principle of non-discrimination and guided solely by commercial considerations.

Article 27 Safeguards, Anti-Dumping Measures and Countervailing Measures

Safeguard measures, anti-dumping measures and countervailing measures in accordance with a federal law may be introduced to protect the economic interests of Russian producers of goods when importing goods.

Article 28 Pre-shipment inspection

1. The Government of the Russian Federation shall be entitled to introduce a pre-shipment inspection, including the issuance of a certificate of the passing of pre-shipment inspection, with regard to certain goods, imported into the territory of the Russian Federation, with a view to protect rights and interests of consumers, to take actions against unfair practices of twisting the data on the goods imported into the territory of the Russian Federation, including the undercutting of their value. The pre-shipment inspection shall be introduced with regard to certain goods on the term, not exceeding three years. The Government of the Russian Federation while deciding if it is practicable to extend the term of exercising of the pre-shipment inspection with regard to certain goods shall summarize and analyze the practice and results of the application of such a measure.
2. The lists of goods regarding which a pre-shipment inspection is introduced shall be determined by the Government of the Russian Federation.
3. The charges on the exercise of a pre-shipment inspection shall be born by the importer of goods regarding which the pre-shipment inspection is introduced. The Government of the Russian Federation at the same time as deciding on the introduction of a pre-shipment inspection shall lower the rates of customs duties on the goods subject to the introduction of such an inspection.

4. The body of pre-shipment inspection shall be determined by the Government of the Russian Federation upon the results of a competition to provide services on pre-shipment inspection and shall exercise its activity on the grounds of an agreement with the Government of the Russian Federation.
5. While choosing the body of pre-shipment inspection the following characteristics shall be taken into account:
 - 1) professional reputation;
 - 2) sufficient manufacturing and professional resources;
 - 3) experience in the field of providing services on pre-shipment inspection;
 - 4) the value of the exercise of pre-shipment inspection.
6. The provision on the pre-shipment inspection shall be authorized by the Government of the Russian Federation and shall include the time-limit of its exercise, rights, obligations and responsibilities of people, participating in a pre-shipment inspection, the procedure for the settlement of disputes between the body of pre-shipment inspection and the importer of goods, the procedure of control of the activities of the bodies of pre-shipment inspection.
7. The pre-shipment inspection shall be exercised with the observance of the following principles:
 - 1) the transparency and openness;
 - 2) the application of procedures and criteria used in course of pre-shipment inspection, impartially and on the same basis with regard to all importers of goods;
 - 3) the check of quality and quantity of goods in accordance with the requirements of the legislation of the Russian Federation;
 - 4) the provision of importers of goods with the information on the requirements, imposed by the Russian Federation with regard to a pre-shipment inspection;
 - 5) the ensuring the confidentiality of the information received during pre-shipment inspection.
8. The body of pre-shipment inspection shall exercise pre-shipment inspection on the grounds of an application of an importer of goods in accordance with the provision set forth in the sixth paragraph of the present Article, and upon its results shall issue to the importer of goods the certificate of pre-shipment inspection or shall take decision on a motivated refuse to issue such a certificate.
9. The term of exercising pre-shipment inspection shall not as a rule exceed three working days.

10. The import of goods subject to a pre-shipment inspection shall be carried out only in the presence of a certificate of a pre-shipment inspection.

Article 29 National Treatment with respect of goods originating from foreign States

1. In accordance with the legislation on taxes and charges the introduction of differential rates for taxes and-fees, with the exception of customs duties on entry, depending on the place of origin of goods shall be prohibited.

2. Technical, pharmacological, sanitary, veterinary, phytosanitary and ecological requirements as well as mandatory certification requirements, shall apply to goods originating in the territory of a foreign State in the same way as they apply to like goods of Russian origin.

3. Goods originating in the territory of a foreign State or group of foreign States shall be accorded treatment no less favourable than that accorded to the like products of Russian origin or to the directly competitive product of Russian origin with regard to sale, offering for sale, purchase, transportation, distribution or use on the internal market of the Russian Federation. This provision shall not prevent the application of differential transportation charges which are based exclusively on the value of economic operation of the means of transport and not on the origin of the product.

4. Goods originating in a foreign State or a group of foreign States that is not bound by a treaty with the Russian Federation to accord such legal treatment as mentioned in the second and third paragraphs of the present Article may be made, according to the legislation of the Russian Federation, subject to another regulatory treatment.

5. The provisions of the present Article shall not apply to the supply of goods for governmental purposes.

Article 30 Payments Imposed in Connection with Importation and Exportation

All charges established by the normative legal acts of the Russian Federation, and imposed in connection with importation or exportation of goods and not being customs duties or other taxes shall be fixed so as not to represent an indirect protection to products of Russian origin or taxation for fiscal purposes, but be limited to the approximate cost of services rendered.

This Article shall apply to payments imposed in connection with importation and exportation, including those relating to:

- a) quantitative restrictions;
- b) licensing;
- c) exercise of exchange control;

- d) statistical services;
- e) certification of compliance by goods to mandatory requirements;
- f) analysis and inspection, and
- g) quarantine, sanitation and fumigation.

Article 31 Freedom of International Transit

1. Unless otherwise is provided for by federal laws there shall be freedom of international transit via railway, water, road transport , and air routes, the most convenient for international transit. During the international transit no distinction shall be made which is based on the flag of the vessels, the place of origin, registration, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods, of vessels or of other means of transport, unless otherwise provided for by the present Federal law, other federal laws.

2. In accordance with the customs legislation of the Russian Federation, certain types of goods (means of transport) may be required to enter (exit) the customs territory of the Russian Federation at the proper customs house at the customs border of the Russian Federation and to move through determined routes.

3. The present Article shall not apply to the operation of international aircraft in transit, but it shall apply to air transit of goods.

Article 32 Measures Affecting Foreign Trade in Goods and Introduced because of National Interests

1. Irrespective of the provisions of the present Article-and in accordance with international treaties of the Russian Federation and federal laws, measures of non economic nature and affecting the foreign trade in goods may be introduced because of national interests, if those measures are:

- 1) necessary to protect public morals or maintain public order;
- 2) necessary to protect life or health of citizens, the environment, life or health of animals and plants;
- 3) relating to the import or export of gold or silver;
- 4) imposed for the protection of cultural valuables;
- 5) relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption, related to the use of exhaustible natural resources;
- 6) necessary for the acquisition or distribution of goods in general or local shortage
- 7) necessary to fulfil the international obligations of the Russian Federation;

8) necessary to ensure the defence and security of the State;

9) necessary to secure the observance of normative legal acts of the Russian Federation which are not in themselves inconsistent with international treaties of the Russian Federation, including those relating to:

a) the enforcement of customs legislation of the Russian Federation;

b) the presentation to customs agencies of the Russian Federation together with the cargo customs declaration, of certificates of recognition issued pursuant to a mandatory certification requirement for goods;

c) the protection of the environment;

d) the obligation according to the legislation of the Russian Federation to re-export or destroy goods that do not comply with technical, pharmacological, sanitary, veterinary, phytosanitary and ecological requirements;

e) the prevention and investigation of violations as well as relating to the court proceedings and the enforcement of court decisions with regard to such violations;

f) the protection of intellectual property;

g) the granting of an exclusive right pursuant to Article 26 of the present Federal Law.

2. Measures mentioned in the first paragraph of the present Article shall not be enacted or applied in a manner, which would constitute a means of arbitrary or unjustifiable discrimination between States, or a disguised restriction on the foreign trade in goods.

3. The provisions of the second paragraph of the present Article can not be applied to goods originating in foreign States or groups of foreign States towards which the Russian Federation has no reciprocal treaty obligation to accord treatment no less favourable than that accorded to other States or groups of States.

Chapter VI State Regulation of Foreign Trade Activity in the Field of Foreign trade in Services

Article 33 Foreign trade in Services

1. Foreign trade in services shall be exercised through the following modes:

1) from the territory of the Russian Federation into the territory of a foreign State;

2) from the territory of a foreign State into the territory of the Russian Federation;

3) in the territory of the Russian Federation to a foreign service consumer;

4) in the territory of a foreign State to a Russian service consumer;

5) by a Russian service supplier not constituting a commercial presence on the territory of a foreign State through his presence or the presence of persons authorized to act on his behalf on the territory of a foreign State;

6) by a foreign service supplier not constituting a commercial presence on the territory of the Russian Federation through his presence or the presence of persons authorized to act on his behalf on the territory of the Russian Federation;

7) by a Russian service supplier through commercial presence on the territory of a foreign State;

8) by a foreign service supplier through commercial presence in the territory of the Russian Federation.

2. Unless otherwise is provided by international treaties of the Russian Federation, the foreign trade in services may be restricted by introduction of prohibitions and restrictions affecting all or certain sectors of services with respect to the modes of service supply, on the basis of federal laws and other normative legal acts of the Russian Federation.

Article 34 National Treatment with Respect of Foreign trade in Services

1. Unless otherwise provided by international treaties of the Russian Federation, the present Federal Law or other normative legal acts of the Russian Federation with regard to measures affecting foreign trade in goods, foreign service suppliers and services provided through the modes described in No 2, 4, 6 and 8 of the first paragraph of Article 33 of the present Federal Law shall, with regard to measures affecting the foreign trade in services, be accorded treatment no less favourable, than that accorded to like Russian service suppliers and services supplied within the territory of the Russian Federation. Treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of Russian service suppliers or services rendered by Russian suppliers within the territory of the Russian Federation compared to the like foreign service suppliers and services provided through the modes described in No 2, 4, 6 and 8 of the first paragraph of Article 33 of the present Federal Law.

2. The provisions of the first paragraph of the present Article shall not apply to the services supplied (works-performed) for governmental purposes.

Article 35 Measures affecting foreign trade in Services and Introduced because of National Interests

1. Irrespective of the provisions of Article 34 of the present Federal law and in accordance with international treaties of the Russian Federation and federal laws, measures, affecting the foreign trade in services may be introduced if those measures are:

- 1) necessary to protect public morals or maintain public order;
- 2) necessary to protect life or health of citizens, the environment, life or health of animals and plants;
- 3) necessary to fulfil the international obligations of the Russian Federation;
- 4) necessary to ensure the defence and security of the State;
- 5) necessary to provide the integrity and stability of financial system, to protect rights and legitimate interests of investors, depositors, policy holders, financial service suppliers;
- 6) aimed at ensuring equitable or effective imposition or collection of taxes in respect of foreign service suppliers and/or of services supplied through modes described in No 2, 4, 6 and 8 of the first paragraph of Article 33 of the present Federal Law;
- 7) implementing measures with regard to treaty provisions on the avoidance of double taxation;
- 8) necessary to ensure compliance with laws and regulations which are not in themselves inconsistent with the provisions of the present Federal Law, including those relating to:
 - a) the prevention and investigation of violations, as well as relating to court proceedings and the enforcement of court decisions with regard to such violations;
 - b) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on a services contract on the service supply;
 - c) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts.

2. Measures mentioned in the first paragraph of the present Article shall not be enacted or applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between States, or a disguised restriction on foreign trade in services.

3. The provisions of the second paragraph of the present Article can not be applied in respect of services, foreign service suppliers from foreign States or groups of foreign States towards which the Russian Federation has no treaty obligation to accord a treatment no less favourable than that accorded to other States or groups of States.

Chapter VII State Regulation of Foreign Trade Activity in the Field of Foreign trade in Intellectual Property

Article 36 Foreign trade in Intellectual Property

1. The state regulation of foreign trade activity in the field of foreign trade in intellectual property shall be exercised in accordance with the present Federal Law.

2. In accordance with international treaties of the Russian Federation and federal laws measures affecting foreign trade in intellectual property may be introduced, if those measures are necessary to protect public morals or maintenance of public order, life or health of citizens, the environment, life or health of animals and plants, to fulfil international obligations of the Russian Federation, to ensure the defence and security of the State and in other cases provided for by the present Federal Law.

Chapter VIII Special Types of Prohibitions and Restrictions of the Foreign Trade in Goods, Services and Intellectual Property

Article 37 Prohibitions and Restrictions of the Foreign trade in Goods, Services and Intellectual Property for the Purpose of Participation of the Russian Federation in International Sanctions

In accordance with decrees of the President of the Russian Federation foreign trade activity may be restricted through measures, that are necessary for the participation of the Russian Federation in international sanctions under the United Nations Charter, including measures that derogate from the provisions of the first paragraph of Article 21, Articles 22, 29 to 31 and 34 of the present Federal Law.

Article 38 Restriction of the Foreign Trade in Goods, Services and Intellectual Property for the Purpose of Safeguarding the Balance of Payments

1. In order to safeguard external financial position and the balance of payments of the Russian Federation the Government of the Russian Federation may take decision to introduce restrictive regulations of the foreign trade in goods, services and intellectual property, including measures which derogate from the provisions of the first paragraph of Article 21, Articles 22, 29 to 31 and 34 of the present Federal Law. Such measures shall only be introduced or intensified when it is necessary to:

- 1) stop serious decline in the monetary reserves of the Russian Federation or forestall the imminent threat of a serious decline in the monetary reserves of the Russian Federation;
- 2) achieve a reasonable rate of increase in the monetary reserves of the Russian Federation, (in case the monetary reserves are very low).

2. The measures referred to in the first paragraph of the present Article shall be introduced only for the period as they are necessary to achieve their goal, with regard for the international obligations of the Russian Federation.

3. While introducing restrictive regulations of the foreign trade in goods, services and intellectual property, mentioned in the first paragraph of the present Article, the Government of the Russian Federation shall designate the federal body of executive power responsible for their implementation.

4. The decision to introduce restrictive regulations of the foreign trade in goods, services and intellectual property, mentioned in the first paragraph of the present Article shall be taken by the Government of the Russian Federation on the proposal of the Central Bank of the Russian Federation.

Article 39 Restriction of the Foreign Trade in Goods, Services and Intellectual Property Connected with the Measures of Exchange Regulations

The foreign trade in goods, services and intellectual property may be restricted by the measures of exchange regulations or exchange control in accordance with the Articles of Agreement of the International Monetary Fund and the legislation of the Russian Federation.

Article 40 Retaliatory Measures

1. The Government of the Russian Federation may introduce measures restricting foreign trade in goods, services and intellectual property (retaliatory measures), in case a foreign State:

1) fails to fulfil the obligations assumed by it under international treaties before the Russian Federation;

2) takes measures infringing the economic interests of the Russian Federation, the Subjects of the Russian Federation, municipal entities or Russian persons, or the political interests of the Russian Federation, including, in particular, measures that unreasonably deny access to foreign market to Russian persons or otherwise unreasonably discriminate against Russian persons;

3) fails to provide Russian persons with adequate and effective protection of their legitimate business interests in that State, such as protection against anti-competitive activities by other persons;

4) fails to take reasonable action to combat illegal behaviour of natural or juridical persons of that State in the territory of the Russian Federation.

2. Restrictions of the foreign trade in goods, services and intellectual property mentioned in the first paragraph of the present Article shall be introduced in accordance with the generally recognised principles and rules of international law, international treaties of the Russian Federation and within the limits necessary for efficient protection of economic interests of the Russian Federation, the Subjects of the Russian Federation, municipal entities and Russian persons. The mentioned restrictions may derogate from the provisions of the first paragraph of Article 21, Articles 22, 29 to 31 and 34 of the present Federal Law.

3. The federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law shall collect and generalize information related to the violations by a foreign State of legitimate rights and interests of the Russian Federation, the Subjects of the Russian Federation, the municipal entities and Russian persons, mentioned in the first paragraph of the present Article. If, after considering the acquired information, the said federal body of executive power comes to the conclusion that it would be expedient to introduce retaliatory measures regarding the violations mentioned in the first paragraph of the present Article, it shall submit to the Government of the Russian Federation a report, adjusted with the Ministry for Foreign Affairs, containing proposals on introduction of retaliatory measures.

4. The decision to introduce retaliatory measures shall be taken by the Government of the Russian Federation. Before introducing retaliatory measures the Government of the Russian Federation may decide to conduct negotiations with the concerned foreign State.

Chapter IX Special Regimes for Carrying Out Foreign Trade Activity

Article 41 Border trade

1. As a rule the border trade is exercised on the basis of an international treaty of the Russian Federation with an adjacent foreign State or group of adjacent foreign States establishing a special favourable regime for the foreign trade activity with respect to foreign trade in goods and services conducted exclusively for satisfying the local needs with respect to goods and services produced within the respective border territory and intended to be consumed by natural persons having their residence, and juridical persons residing permanently in that territory. Such special favourable regime shall not extend on other foreign States or groups of foreign States with which the Russian Federation has treaties providing for treatment not less favourable than that accorded to any other foreign State.

2. Border trade can be exercised between Russian persons having their permanent residence within the border territory of the Russian Federation and foreign persons having their residence in the respective border territory defined in international treaties of the Russian Federation with the

adjacent foreign States, exclusively for satisfying the local needs with respect to goods and services produced within the appropriate border territory, as well as goods and services intended to be consumed within the limits of the appropriate border territory.

3. The regime of carrying out border trade and the appropriate border territories on which extends special regime to carry out foreign trade activity shall be determined by the Government of the Russian Federation in accordance with international treaties of the Russian Federation with the adjacent foreign States and federal laws.

Article 42. Free Economic Areas

A special regime for the economic activity, including foreign trade activity, on the territory of free economic areas shall be established by the federal law on the free economic areas.

Chapter X State Regulation of Foreign Trade Barter Transactions

Article 43 Measures Related to Foreign Trade Barter Transactions

1. In case of introduction in accordance with the present Federal Law of prohibitions and restrictions on the foreign trade in goods, services and intellectual property, such prohibitions and restrictions shall apply to the foreign trade in goods, services and intellectual property, carried out with the use of foreign trade barter transactions.

2. On the grounds referred to in the first paragraph of Article 38 of the present Federal Law the Government of the Russian Federation shall introduce prohibitions and restrictions with regard to the use of foreign trade barter transactions at the carrying out of foreign trade in goods, services or intellectual property.

Article 44 Regime of Control of the Exercise of Foreign Trade Barter Transactions.

1. Foreign trade in goods, services and intellectual property with the use of foreign trade barter transactions may be exercised only on condition that these transactions provide for an exchange of goods (services, works, intellectual property) equal in value, as well as the obligation of the respective party to pay the difference in value in case the transaction provides for the exchange of goods (services, works, intellectual property) of different (unequal) value.

2. The regime of control of foreign trade barter transactions and their registration shall be established by the Government of the Russian Federation. In case foreign trade barter transactions provide for partial use of monetary and (or) other methods of payment control over such

transactions and their record keeping shall be established by the Government of the Russian Federation and the Central bank of the Russian Federation in accordance with the legislation of the Russian Federation.

Article 45 Special Features of Carrying out Foreign Trade Barter Transactions

1. The document authorizing a foreign trade barter transactions must contain:

1) the date of the execution and the number of foreign trade barter transaction;

2) nomenclature, quantity, quality, price of goods on every commodity item, term and conditions of export, import of goods. The contract for the supply of complete equipment (the execution of works and supply of services) when constructing complete objects abroad shall contain the price of goods due for the exchange against the exported goods of equal value (further referred as counter-goods), and the nomenclature, quantity, quality and price of counter-goods shall be concretized in the additional protocols which shall form part of such contracts.

3) the list of services, works, intellectual property, their value, the term of supply of services, of execution of works and of the transfer of exclusive rights to the objects of intellectual property or the granting of the rights to use the objects of intellectual property;

4) the list of documents submitted to a Russian person to confirm the fact of the supply of services, execution of works and of the transfer of exclusive rights to the objects of intellectual property or the granting of the rights to use the objects of intellectual property.

2. Russian persons or the persons who on their behalf entered into a foreign trade barter transaction, shall, in periods set forth by the legislation of the Russian Federation until the execution of current currency obligations, counted from the date when the exported goods actually pass through the customs border of the Russian Federation or since the moment of supply of services, of execution of works and transfer of exclusive rights to the objects of intellectual property or the granting of right to use the objects of intellectual property, provide for the importation in the customs territory of the Russian Federation of goods, the supply of services, the execution of works, and transfer of exclusive rights to the objects of intellectual property or the granting of right to use the objects of intellectual property, of equal value, as it is stipulated by such transactions, with the confirmation of the fact of importation of goods (supply of services, execution of works, transfer of exclusive rights to the objects of intellectual property or the granting of right to use the objects of intellectual property) by relevant documents as well as the receipt of payment means and placing to accounts in authorized banks of the relevant monetary means if the foreign trade barter transaction provides for partial payment by monetary means.

3. In case the periods provided for in paragraph 2 of the present Article exceed and the execution of the counter obligation by a foreign person by a means not providing for the importation into the customs territory of the Russian Federation of goods (the supply of services, the execution of works and transfer of exclusive rights to the objects of intellectual property or the granting of right to use the objects of intellectual property) shall be allowed only on condition of obtaining a permit issued in order, determined by the Government of the Russian Federation.

4. At the export of goods the execution of obligation by the Russian person, foreseen in the second paragraph of the present Article shall be considered as a requirement of export customs procedure.

5. At the exercise of foreign trade barter transactions according to the contract for the supply of complete equipment (supply of services and exercise of works) at the construction of complete objects in a foreign State the counter goods may be marketed without their importation into the customs territory of the Russian Federation, provided that:

1) the actual acquisition of counter goods shall be confirmed by relevant documents;

2) the Russian persons must provide for the realization of goods at market prices of the country of realization and the placing into their account at the authorized bank on the territory of the Russian Federation of all incomes from such realisation no later than 90 days since the actual acquisition of counter goods.

6. The foreign trade in goods, services and intellectual property with the use of foreign trade barter transactions may only be exercised after issuance of a passport of foreign trade barter transaction, which among others shall contain the information on payments in monetary means and/or other means of payment, in case the foreign trade barter transaction is executed with the partial use of monetary and/or other means of payment.

7. At the customs treatment of the goods passing through the customs boarder of the Russian Federation for the account of the carrying out foreign trade barter, the passport of foreign trade barter transaction shall be presented to the customs authorities of the Russian Federation.

Chapter XI Facilitation of the Development of Foreign Trade Activity

Article 46 Actions Facilitating the Development of Foreign Trade Activity

The Government of the Russian Federation and the bodies of executive power of the Subjects of the Russian Federation, within the limits of their competence, shall, in accordance with international treaties of the Russian Federation, the legislation of the Russian Federation—take actions, (including their necessary financing), to promote the development of foreign trade activity, including the ensuring of:

- 1) the crediting of persons engaged in foreign trade activity;
- 2) the functioning of the systems of guarantees and insurance of export credits;
- 3) the organisation of trade exhibitions and fairs, specialised symposia and conferences, and participation therein;
- 4) the conduct of campaigns (including advertising campaigns) for the promotion of Russian goods, services and intellectual property on international markets.

Article 47 Information Support for Foreign Trade Activity

1. For the purposes of developing and raising the efficiency of the foreign trade activity there shall be established a system of foreign trade information managed by the federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law.

2. The foreign trade information system shall contain the following information:

- 1) on Russian and foreign persons carrying out foreign trade activity on the Russian market;
- 2) on Russian and foreign persons that have received quotas and licences;
- 3) on international trade treaties and other treaties of the Russian Federation in the field of foreign economic relations;
- 4) on Russian and foreign legislation in the field of foreign trade activity;
- 5) on the activity of the trade representations of the Russian Federation abroad;
- 6) on the activity of the Russian import-export bank and other organisations which render the services of awarding credit and insurance in the field of foreign trade activity;
- 7) on the customs statistics of foreign trade of the Russian Federation;
- 8) on the state of foreign markets with regard to the main commodities groups;
- 9) on the legislation of the Russian Federation in the field of technical regulation;
- 10) on violations of the law in the field of foreign trade activity;
- 11) on the list of goods that are prohibited from importation into the territory of the Russian Federation and from exportation from the territory of the Russian Federation;
- 12) any other data useful for conducting foreign trade activity.

3. The federal body of executive power mentioned in the third paragraph of Article 13 of the present Federal Law must, within reasonable time, provide the necessary foreign trade information to a Russian or foreign person participating in foreign trade activity, charging a fee therefore, the fee being equal to the value of services on supply of such information.. The full sum received thereof shall be entered on the federal budget income.

4. In accordance with the obligations arising from international treaties of the Russian Federation, the federal body of executive power mentioned in the third paragraph of Article 13 of

the present Federal Law shall provide foreign States and international organisations with information on measures regulating foreign trade activity.

Article 48 Foreign Trade Statistics

1. The Government of the Russian Federation, jointly with the Central Bank of the Russian Federation, shall ensure the creation of the federal system of statistical reporting, the collection and elaboration by a single methodology of statistical data comparable at the international level. This shall include the information:

1) on the foreign trade of the Russian Federation on the basis of state statistical reporting and the customs statistics of foreign trade of the Russian Federation, including the trade balance of the Russian Federation;

2) on the payment balance of the Russian Federation, including the statistics of the foreign trade in goods, services, intellectual property, flow of capital.

2. The Government of the Russian Federation, jointly with the Central Bank of the Russian Federation, shall ensure the monthly, quarterly and yearly official publication of the statistical information mentioned in the first part of the first paragraph of the present Article.

Article 49 Ensuring Favourable Conditions for the Access to External Markets of Russian Persons

The Government of the Russian Federation shall take measures to create favourable conditions for the access of Russian persons to the markets of foreign States, entering, for these purposes into bilateral and multilateral negotiations and concluding international treaties of the Russian Federation, and also participating in the creation, activity of international organisations and intergovernmental commissions intended to promote the development of the foreign economic relations of the Russian Federation.

Article 50 Ensuring foreign economic interests of the Russian Federation in Foreign States

1. The trade and economic interests of the Russian Federation in foreign States shall be ensured by diplomatic and consular missions of the Russian Federation as well as by the trade representations of the Russian Federation created on the basis of international treaties of the Russian Federation.

2. Decisions related to the establishment of trade representations of the Russian Federation in foreign States shall be taken by the Government of the Russian Federation.

Article 51 Missions of Foreign States on Trade-and Economic Issues in the Russian Federation

Missions of foreign States on trade-and-economic issues shall be established in the Russian Federation on the basis of international treaties concluded by the Russian Federation with the relevant foreign States.

Chapter XII Control of the Exercise of Foreign Trade Activity, Responsibility for the Violation of the Legislation of the Russian Federation on Foreign Trade Activity

Article 52 Control of the Exercise of Foreign Trade Activity

Control of the exercise of the foreign trade activity shall be carried out by appropriate bodies of state power of the Russian Federation, and bodies of state power of the Subjects of the Russian Federation, within the limits of their competence in order to ensure the observance of the provisions of the present Federal Law, other federal laws and other normative legal acts of the Russian Federation on foreign trade activity, to ensure and protect economic and political interests of the Russian Federation, the Subjects of the Russian Federation, as well as economic interests of municipal entities and Russian persons.

Article 53 Responsibility of Persons Guilty of Infringement of the Legislation of the Russian Federation on Foreign Trade Activity

Persons guilty of infringement of the legislation of the Russian Federation on foreign trade activity shall bear civil-legal, administrative and criminal responsibility in accordance with the legislation of the Russian Federation.

Chapter XIII Final and Transitory Provisions

Article 54 Entry into Force of the Present Federal Law

1. The present Federal Law shall enter into force on the expiry of the six month period after its official publication with the exception of the fourth paragraph of Article 45 of the present Federal law.

2. The fourth paragraph of Article 45 of the present Federal Law shall enter into force the day of entry into force of Customs Code of the Russian Federation № 61-FZ of 28 May 2003, but no sooner than the present Federal law enters into force..

3. From the date of its entering into force the present Federal Law shall invalidate:

the Federal Law No. 157 of 13 October 1995 on State Regulation of Foreign Trade Activity (Collection of the legislation of the Russian Federation, 1995, No 42, pp. 3923),

the Federal Law No 96 of 8 July 1997 On the Amendments to the Federal Law of State Regulation of Foreign Trade Activity (Collection of the legislation of the Russian Federation, 1997, No 28, pp. 3305),

the fourth and fifth parts of the first paragraph and the second paragraph of Article 1, the ninth and tenth paragraphs of Article 2, Chapters 5 and 6 of the Federal Law № 63-FZ of 14 April 1998 “On measures for the protection of economic interests of the Russian Federation in the exercise of foreign trade in goods” (Collection of the legislation of the Russian Federation, 1998, No 16, pp. 1798);

Article 3 of the Federal Law No 32 of 10 February 1999 On Amendments to legislative acts of the Russian Federation arising from the Federal Law on Production Sharing Agreements (Collection of the Legislation of the Russian Federation, 1999, No 7, pp.879)

article 13 of the federal Law № 110-FZ of 24 July 2002 “On amendments to the second part of the Tax Code of the Russian Federation and some other legal acts of the legislation of the Russian Federation” (Collection of the legislation of the Russian Federation, 2001, No 20, pp. 3027).

4. Pending the harmonization of normative legal acts, in force on the territory of the Russian Federation and regulating the relations connected with the state regulation of foreign trade activity, with the present Federal Law, those normative legal acts shall be applied in measure they do not contradict the provisions of the present Federal Law.

The President
of the Russian Federation

V. Putin