DECISION OF THE GOVERNMENT OF THE RUSSIAN FEDERATION NO. 622 OF AUGUST 23, 2001 ON TARIFF REGULATION OF THE IMPORT OF RAW SUGAR AND WHITE SUGAR IN 2002

(with the Amendments and Additions of November 30, 2001, August 20, August 20, 2002)

In execution of this Decision there was issued <u>Order</u> of the State Customs Committee of the Russian Federation No. 1079 of November 15, 2001

The Government of the Russian Federation resolves: <u>Decision</u> of the Government of the Russian Federation No. 830 of November 30, 2001 abolished item 1 of this Decision as of January 1, 2002

1. In partial amendment of the <u>Customs Tariff</u> of the Russian Federation approved by <u>Decision</u> of the Government of the Russian Federation No. 148 of February 22, 2000 (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2000, No. 9, item 1036), to establish as of January 1, 2002 the rate of the import customs duty on raw sugar (CC FEA code <u>1701 11 000 0</u>, 1701 11 900 0, 1701 12 900 0, 1701 91 000 0) to the extent of 40 per cent of the customs value but not less than 0.12 euro per kilogramme and duty on white sugar (CC FEA code <u>1701 99 100 0</u> and 1701 99 900 0) to the extent of 40 per cent of the customs value but not less than 0.14 euro per kilogramme.

According to <u>Decision</u> of the Government of the Russian Federation No. 830 of November 30, 2001, CC FEA codes 1701 11 100 0, 1701 11 900 0, 1701 12 100 0, 1701 12 900 0 and 1701 91 000 0 shall be replaced, respectively, with codes 1701 11 100 9, 1701 11 900 9, 1701 12 100 9, 1701 12 900 9 and 1701 91 000 9. This Decision shall <u>come into force</u> as of January 1, 2002

2. In partial amendment of <u>Item 2</u> of Decision of the Government of the Russian Federation No. 414 of May 25, 2000 on the Approval of the List of Goods Originating from Developing and Least Developed Countries in Whose Respect Tariff Preferences Shall Be Granted in Their Import onto the Territory of the Russian Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2000, No. 22, item 2321) to establish that from January 1, 2002 till December 31, 2002 with respect to raw sugar (CC FEA <u>1701 11 100 0</u>, 1701 11 900 0, 1701 12 100 0, 1701 12 900 0, 1701 91 000 0) originating from developing countries enjoying the national system of preferences of the Russian Federation shall be granted a tariff preference in the form of a tariff quota for import onto the territory of the Russian Federation of 3.65 million tons of raw sugar, including in the first half-year of 2002, 3.35 million tons and the fourth quarter of 2002, 0.3 million tons (hereinafter, 'the tariff quota').

The rate of the import customs duty on raw sugar imported within the limits of the tariff quota shall be established to the extent of 5 per cent of the customs value but not less than 0.015 euro per kilogramme.

<u>Decision</u> of the Government of the Russian Federation No. 536 of July 15, 2002, coming into force from the day of its <u>official publication</u>, established that from January 1 till December 31, 2003 with respect to raw sugar (CC FEA codes <u>1701</u> 11 100 1, 1701 11 100 9, 1701 11 900 1, 1701 11 900 9, 1701 12 100 1, 1701 12 100 9, 1701 12 900 1, 1701 12 900 9, 1701 91 000 1, 1701 91 000 9) originating from developing countries that are users of the national system of preferences of the Russian Federation, there shall be granted a tariff preference in the form of a tariff quota for the importation into the territory of the Russian Federation of 3.95 million tons of raw sugar (hereinafter referred to as the tariff quota). The rate of the import customs duty on raw sugar imported within the limits of the tariff quota shall be established in the amount of 0.095 euro per kilogram

3. To establish that the provisions stipulated by <u>ltems 1</u> and <u>2</u> of this Decision shall not be covered by the effect of <u>ltems 1</u> and <u>3</u> of Decision of the Government of the Russian Federation No.

1347 of October 22, 1997 Issues of the Customs-Tariff Policy (Sobraniye ZakonodateIstva Rossiyskoy Federatsii, 1997, No. 43, item 4998).

4. To established that the tariff quota shall be allocated among the Russian participants of foreign economic activity by way of its auction sale on commodity exchanges carried out in accordance with the <u>Regulations</u> on the Procedure for the Conduct of Biddings and Auctions for the Sale of Export and Import Quotas When Quantitative Restrictions Are Introduced by the Government of the Russian Federation, approved by <u>Decision</u> of the Government of the Russian Federation No. 1299 of October 31, 1996 (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 1996, No. 46, item 5249), provided that the following conditions are observed:

a) the tariff quota put up for auction sale is distributed into 146 lots of 25 thousand tonnes each;

b) the minimum price of a lot is one million euros;

c) free resale of lots is prohibited;

d) a condition for participation in the auction is the placement on deposit of 100 per cent of the amount for which a participant of the auction intends to acquire lots.

5. If the tariff quota is not sold at the auction in full, then it shall by way of conducting another auction.

In the case of repeated auction sale of a lot:

at a higher price than in the initial sale, the auction sale participant that has returned the lot shall be paid the initial price of the lot. The difference between the price of the repeated sale and the amount returned to the first owner of the lot shall go to the federal budget;

at a lower price than in the initial sale, the auction sale participant that has returned the lot shall be paid only the amount for which the lot has been sold for the second time.

6. The auction sale of the tariff quota shall be carried out within a month from the day of the <u>official publication</u> of this Decision, and a repeated auction for the sale of unsold or unpaid lots (where necessary), in November-December of 2001.

7. The Ministry of Economic Development and Trade of the Russian Federation shall:

sign contracts on cooperation in the conduct of the auction sale of the tariff quota with Russian Commodity exchanges admitted to auction sale in agreement with the Commission for Commodity Exchanges Under the Ministry of the Russian Federation for Antimonopoly Policy and the Support of Business;

ensure control over the conduct of the auction sale of the tariff quota and the incoming of funds to the federal budget.

8. The State Customs Committee of the Russian Federation shall, in the import of raw sugar within the limits of the tariff quota, collect the import customs duty to the extent established by this Decision on the basis of the licences issued in the established procedure by the Ministry of Economic Development and Trade of the Russian Federation.

Item 9 of this Decision was partially amended by <u>Decision</u> of the Government of the Russian Federation No. 621 of August 20, 2002. For the period from October 1 till December 31, 2002 the seasonal duty on raw sugar (codes 1701 11 100 9, 1701 11 900 9, 1701 11 900 9, 1701 12 100 9, 1701 12 900 9, 1701 91 000 9) shall be approved at the rate of 0.2 euro per kilogram

<u>Decision</u> of the Government of the Russian Federation No. 830 of November 30, 2001 amended item 9 of this Decision. The amendments shall <u>come into force</u> as of January 1, 2002 <u>See the text of the item in the previous wording</u>

9. To approve for the period from July 1 until December 31, 2002 seasonal duties on raw sugar (CC FEA codes 1701 11 100 9, 1701 11 900 9, 1701 12 100 9, 1701 12 900 9, 1701 91 000 9) to the extent of 50 per cent of the customs value but not less than 0.15 euro per kilogramme and for white sugar (CC FEA codes 1701 99 100 9 and 1701 99 900 9) to the extent of 50 per cent of the customs value but not less than 0.15 euro per kilogramme and for white sugar (CC FEA codes 1701 99 100 9 and 1701 99 900 9) to the extent of 50 per cent of the customs value but not less than 0.15 euro per kilogramme and for white sugar (CC FEA codes 1701 99 100 9 and 1701 99 900 9) to the extent of 50 per cent of the customs value but not less than 0.18 euro per kilogramme.

10. To invalidate as of January 1, 2002 <u>Item 1</u> of Decision of the Government of the Russian Federation No. 572 of July 28, 2000 on the Tariff Regulation of the Import of Raw Sugar (Sobraniye

Zakonodatelstva Rossiyskoy Federatsii, 2000, No. 33, item 3392). **11.** This Decision shall enter into force from the day of its <u>official publication</u>.

Chairman of the Government of the Russian Federation

Mikhail Kasyanov