ORDER

OF THE STATE CUSTOMS COMMITTEE OF THE RUSSIAN FEDERATION NO. 829 OF NOVEMBER 30, 1999

ON THE PROCEDURE FOR DETERMINATION OF THE ORIGIN OF GOODS FROM THE SPECIAL ECONOMIC ZONE IN THE MAGADAN REGION (with the Amendments and Additions of December 20, 2001, October 20, 2003)

In keeping with <u>Letter</u> of the State Customs Committee of the Russian Federation No. 14-10/3863 of February 17, 2000 this Order came into force as of February 10, 2000

In accordance with <u>Article 6</u> of Federal Law No. 104-FZ of May 31, 1999 on the Special Economic Zone in the Magadan Region (published in Sobraniye zakonodatelstva Rossiyskoy Federatsii, 1999, No. 23, item 2807) I hereby order:

- **1.** To approve the Procedure, annexed to this <u>Order</u>, for the Determination of the Origin of Goods from the Special Economic Zone in the Magadan Region, elaborated on presentation of the Administration of the Special Economic Zone in the Magadan Region.
- **2.** The Press Service of the State Customs Committee of Russia (V.A.Yemelyanov) shall ensure the coverage of the provisions of this Order in the media.
- **3.** The heads of the regional customs departments and the heads of the custom houses shall ensure the bringing of the provisions of this Order to the notice of all the persons concerned.
- **4.** Control over the execution of this Order shall be exercised by Deputy Chairman of the State Customs Committee of Russia A.A.Kaulbars.

Chairman of the Committee, Colonel-General of the Customs Service

M.V.Vanin

Registered by the Ministry of Justice of the Russian Federation on December 22, 1999 Registration No. 2019

Annex to the <u>Order</u> of the State Customs Committee of the Russian Federation No. 829 of November 30, 1999

Procedure

for Determination of the Origin of Goods from the Special Economic Zone in the Magadan Region (with the Amendments and Additions of December 20, 2001, October 20, 2003)

Order of the State Customs Committee of the Russian Federation No. 1164 of October 20, 2003 amended Item 1 of this Procedure

See the previous text of the Item

- 1. This Procedure for Determination of the Origin of Goods from the Special Economic Zone in the Magadan Region has been elaborated in conformity with <u>Federal Law</u> on the Special Economic Zone in the Magadan Region (No. 104-FZ of May 31, 1999, <u>published</u> in Sobraniye zakonodatelstva Rossiyskoy Federatsii, 1999, No. 23, item 2807) and the <u>Customs Code</u> of the Russian Federation (Sobraniye Zakonodatelstva Rossiyskoy Federatsii, 2003, No. 22, item 2066).
- **2.** Goods completely manufactured or subjected to considerable processing on the territory of the Special Economic Zone in the Magadan Region (hereinafter, the Special Economic Zone) by <u>participants of the Special Economic Zone</u> shall be deemed to have been produced in the Special

Economic Zone.

- **2.1.** Goods completely manufactured on the territory of the Special Economic Zone shall include:
- a) minerals produced on its territory or on the continental shelf if there are exclusive rights for the development of that mineral wealth;
 - b) vegetable products grown or collected on its territory;
 - c) live animals born or raised therein;
 - d) products obtained in the Special Economic Zone from animals raised therein;
 - e) hunting or fishery products manufactured therein;
- f) sea fishery products caught and/or manufactured in oceans, including in the territorial waters of the Russian Federation, the exclusive economic zone of the Russian Federation or the continental shelf of the Russian Federation by vessels belonging to participants of the Special Economic Zone or by vessels leased (chartered) by them;
- g) recycled resources and waste resulting from manufacturing and other operations carried out in the Special Economic Zone;
- h) goods manufactured in the Special Economic Zone exclusively from the products indicated in Items (a) to (q).
- **2.2.** Goods shall be deemed to have been subjected to sufficient processing on the territory of the Special Economic Zone if the following conditions are similtaneously met.
 - **2.2.1.** For electronic and complex equipment (Annex):
- a change of the classification code of a commodity by the <u>CC FEA</u> at the level of any of the first four digits that has taken place as a result of the processing of the commodity;
 - the added value of the processing (working) of the commodity is not less than 15%.
 - 2.2.2. For other goods:
- a change of the classification code of a commodity by the <u>CC FEA</u> at the level of any of the first four digits that has taken place as a result of the processing of the commodity, and also
 - the added value of the processing (working) of the commodity is not less than 30%.
- **2.3.** The following operations shall not be considered corresponding to the criterion of sufficient processing:

the ensuring of the safekeeping of goods during their storage or transportation;

the preparation of goods for sale or transportation (the fragmentation of a batch, the formation of shipments, grading, repacking);

the mixing of goods (components) without imparting to the goods obtained of any characteristics making them essentially different from the initial constituents.

3. The value of the processing (working) of goods on the territory of the Special Economic Zone shall be calculated by the formula:

$$A = \frac{\begin{array}{c} P - P \\ \text{ts st.imp} \end{array}}{P \text{ ts}} \times 100\%,$$

where A is the added value;

- P is the value of a commodity manufactured on the territory of the ts

 Special Economic Zone on an ex-works basis;
- P is the customs value of the accessories not originating from st.imp
 the territory of the Russian Federation without the customs value of the accessories not originating from the customs territory of the Russian

Federation and released into free circulation on the customs territory of the Russian Federation.

Order of the State Customs Committee of the Russian Federation No. 1198 of December 20, 2001 amended the Annex to this Procedure

See the previous text of the Annex

Annex to the Procedure

List of electronic and intricate equipment (with the amendments and additions of December 20, 2001)

<u>CC FEA</u> commodity code	Short name of commodity*
7321 11 841510, 8415 81 90, from 8415 82 800 0,	Cooking appliances and plate warmers Household air conditioners
8422 11 000 0 8452 10 8470 10 100 1 8471	Household refrigerators and freezers Household dish washing machines Sewing machines of the household type Electronic calculators Automatic data processing machines
I	Electro-mechanical domestic appliances, with self-contained electric motor Electric shavers Electric water heaters Electric telephone sets
8517 19 900 0 8518 50 900 0 8519 8520 8521	
8526 8527 8528 8531 8537 9028	Radar apparatus Reception apparatus Reception apparatus for television Electric sound or visual signalling apparatus Boards, panels Gas, liquid or electricity supply or production meters, including calibrating meters thereof

^{*} For the purposes of this Annex, the classification of goods shall be determined exclusively by the <u>CC FEA</u> commodity code; the short name of commodities is given only for convenience of use.