

**DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 1209 OF AUGUST 18, 1996 ON
STATE REGULATION OF FOREIGN-TRADE BARTER DEALS**

To improve the legal basis of foreign-trade barter deals, I hereby decree:

1. To establish that for purposes of the present Decree, foreigntrade barter deals shall imply deals effected in the coarse of foreign-trade activities which envisage an exchange of equivalent in cost works, services, results of intellectual activities (hereinafter referred to as the Barter Deals). Barter deals shall not include deals envisaging in the course of their execution the use of monetary or other means of payment.

2. Barter Deals shall be effected in a simple written form by way of concluding a bilateral exchange contract which shall comply with the following requirements:

- a) the contract shall have the date and number;
- b) the contract shall be drawn up as a single document (except for the barter deals concluded in execution of international agreements - in which case, it is permitted to draw up a contract in the form of a number of documents containing information permitting the contract to refer to a particular agreement, as well as to identify an interconnection between these documents to determine the terms of execution of the barter deal);
- c) the contract should define:
 - assortment, quantity, quality, price of commodity for each commodity item, deadlines and terms of exportation, importation of commodities;
 - list of works, services, results of intellectual activities, their cost, deadlines for fulfilling the work, the moment of rendering the services and the rights for the results of intellectual activities;
 - list of documents presented to the Russian party to confirm the fact of fulfilling the work, rendering services, and the rights for the results of intellectual activities;
 - procedure for satisfying claims in case of a failure to execute or improper execution of contractual terms by the parties.

3. To establish that the Russian parties concluding barter deals, or in whose name the barter deals are concluded, shall provide for the importation of equivalent in cost commodities, works, services, and results of intellectual activities into the customs territory of the Russian Federation within deadlines fixed by the legislation of the Russian Federation for executing current currency operations estimated from the date of release of exported commodities by the customs bodies of the Russian Federation or from the moment of fulfilling the works, rendering services and the rights for the results of intellectual property, while confirming the fact of exportation with respective documents. Exceeding the mentioned deadlines and fulfilling of counterobligations by the foreign party in a way which does not imply an importation of commodities, work, services, and results of intellectual activities to the customs territory of the Russian Federation shall only be permitted if cleared by the Ministry of Foreign Economic Relations of the Russian Federation.

4. In case of a change in the terms of the contract envisaging an exchange of commodities, work, services, and results of intellectual activities for the terms envisaging settlements in monetary or other means of payment, the Russian side shall provide for the reimbursement for these resources in amounts equivalent to the cost of the exported commodities, work, services, and results of intellectual activities to their accounts in authorized banks while observing the requirements of currency regulation and currency control.

5. To establish that in barter deals, the exportation of commodities, work, services, results of intellectual activities may be effected only after drawing up a passport of a barter deal in compliance with Item 8 of the present Decree. Customs registration of commodities transported across the customs border of the Russian Federation under barter deals shall be done if the passport of a barter deal is presented to customs bodies of the Russian Federation.

6. To establish that the Russian side in barter deals shall present the exported commodities for expert assessment of the quantity, quality, and price in compliance with procedure set forth by the Government of the Russian Federation.

7. When carrying out customs control and customs registration of commodities exported from the customs territory of the Russian Federation under foreign-trade deals (including the barter ones) in compliance with the export customs regime, one should proceed from the fact that a mandatory importation of commodities, work, services, results of intellectual activities equivalent in cost to the exported commodity, or transfer of currency receipts from the exportation of commodities to accounts in authorized banks in compliance with established procedure (if otherwise is not envisaged in the present Decree and other acts of the legislation of the Russian Federation) is a requirement of the customs regime of exportation of commodities under Article 98 of the Customs Code of the Russian Federation.

Control over execution of the requirements set forth in the present Decree pertaining to barter deals envisaging exportation of commodities shall be vested in the customs bodies of the Russian Federation.

8. The Government of the Russian Federation shall adopt:

- within 2 months, a control and registration procedure for barter deals, having envisaged the necessity of a mandatory drawing up of a passport for a Barter Deal in the Ministry of Foreign Economic Relations of the Russian Federation or in bodies authorized by it, while taking into account barter trade particulars with individual countries, as well as to define the list of documents necessary to confirm the execution of works, rendering services and the rights for the results of intellectual activities;

- within 1996, the procedure for carrying out control over barter deals envisaging an exchange of works, services, results of intellectual activities.

9. The Ministry of Foreign Economic Relations of the Russian Federation, jointly with the Ministry of Finance of the Russian Federation and the State Customs Committee of the Russian Federation, shall adopt within 2 months a procedure for issuing permissions envisaged in Item 3 of the present Decree.

10. The Ministry of Finance of the Russian Federation shall submit within 2 months to the Government of the Russian Federation suggestions on the liability of the Russian parties for violation of provisions of the present Decree when carrying out barter deals envisaging an exchange of work, services, and/or results of intellectual activities.

11. The State Customs Committee of the Russian Federation, the Ministry of Finance of the Russian Federation, and the Ministry of Foreign Economic Relations of the Russian Federation shall adopt an information exchange procedure to provide control over execution of the present Decree.

12. The Ministry of Foreign Economic Relations of the Russian Federation, or bodies authorized by it, shall issue statements on the circumstances resulting in a failure to observe the requirements on a mandatory import of commodities, works, services, and/or results of intellectual activities equivalent in cost to exported commodities, work, services, and/or results of intellectual activities to applications of interested parties for submission to the State Customs Committee of the Russian Federation and the Ministry of Finance of the Russian Federation.

13. The present decree shall come into effect from November 1, 1996.

President
of the Russian Federation

B. Yeltsin

Moscow, Kremlin