

**CUSTOMS CODE OF THE RUSSIAN FEDERATION NO. 61-FZ OF MAY 28, 2003 (with the Amendments and Additions of December 23, 2003, June 29, August 20, November 11, 2004, July 18, December 31, 2005, January 10, February 18, December 19, 30, 2006, June 6, 26, July 24, October 30, 2007)**

**Adopted by the State Duma April 25, 2003  
Approved by the Federation Council May 14, 2003**

**Section I. General Provisions**

**Chapter 1. Basic Provisions**

**Article 1. Customs Regulation and Customs Affairs in the Russian Federation**

1. In accordance with the Constitution of the Russian Federation customs regulation is within the jurisdiction of the Russian Federation and it takes the form of the establishment of a procedure and rules in the observance whereof persons exercise the right to move goods and vehicles across the customs border of the Russian Federation (hereinafter referred to as "the customs border").

Customs regulation shall be performed in compliance with the customs legislation of the Russian Federation and the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. Customs affairs are an aggregate of methods and means of ensuring the observance of customs tariff regulation measures and bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity as relating to the movement of goods and vehicles across the customs border.

3. The general guidance of customs business shall be exercised by the Government of the Russian Federation.

The federal ministry authorised in the sphere of customs business shall discharge the functions of elaborating state policy and normative legal regulation in this sphere in accordance with the legislation of the Russian Federation.

The federal service authorised in the sphere of customs business shall ensure the direct realisation of the tasks in the sphere of customs business for customs purposes.

The federal ministry authorised in the sphere of customs business and the federal service authorised in the sphere of customs business shall ensure, within their terms of reference the uniform application of the customs legislation of the Russian Federation by all customs on the territory of the Russian Federation.

4. The Russian Federation shall participate in international cooperation in the area of customs regulation for the purposes of harmonising and bringing about the uniformity of legislation of the Russian Federation with the norms of international law and generally accepted international practice.

**Article 2. The Customs Territory of the Russian Federation and the Customs Border**

1. The territory of the Russian Federation constitutes the single customs territory of the Russian Federation.

2. The customs territory of the Russian Federation shall also incorporate the artificial islands, plants and structures which are located in the exclusive economic zone of the Russian Federation and on the continental shelf and which are under the jurisdiction of the Russian Federation in compliance with the legislation of the Russian Federation.

3. Special economic zones set up in compliance with federal laws may be located in the territory of the Russian Federation and they are deemed a part of the customs territory of the Russian Federation. The goods in the territories of special economic zones shall be deemed to be located outside the territory of the Russian Federation for the purposes of application of customs duties, taxes as well as bans and restrictions of an economic nature established by the legislation of the Russian Federation on the state regulation of foreign trade activity, except for cases defined by the present Code and other federal laws.

4. The limits of the customs territory of the Russian Federation and also the limits of the territories specified in Items 2 and 3 of the present article are deemed the customs border.

5. The customs border coincides with the State Border of the Russian Federation, except for the limits of the territories specified in Items 2 and 3 of the present Article.

**Article 3. The Customs Legislation of the Russian Federation, Legal Acts of the President of the Russian Federation and the Government of the Russian Federation**

1. The customs legislation of the Russian Federation shall regulate relations in the area of customs affairs, in particular, establishing a procedure for moving goods and vehicles across the customs border, the relations occurring in the course of customs processing and customs control, appealing acts,

actions (omissions) of customs bodies and the officials thereof, and also establishing and applying customs regimes, establishing, bringing into force and levying customs payments.

The procedure for the actual crossing of the customs border by goods and vehicles at the places where it coincides with the State Border of the Russian Federation shall be governed by the legislation of the Russian Federation on the State Border of the Russian Federation, and in as much as it concerns matters not regulated by the legislation of the Russian Federation on the State Border of the Russian Federation, by the customs legislation of the Russian Federation.

The customs legislation of the Russian Federation shall be applicable to establishing, bringing into force and levying customs payments in as much as it concerns matters not regulated by the legislation of the Russian Federation on taxes and levies.

2. The customs legislation of the Russian Federation is composed of the present Code and other federal laws adopted in accordance therewith (hereinafter referred to as "customs legislation").

3. The relations specified in Item 1 of the present article may be also regulated by decrees of the President of the Russian Federation.

On the basis of, and pursuant to, customs legislation and decrees of the President of the Russian Federation the Government of the Russian Federation shall issue decisions and orders in the area of customs affairs.

#### **Article 4.** The Applicability of Customs Legislation and Other Legal Acts of the Russian Federation in Time

1. Customs legislation, decrees of the President of the Russian Federation as well as decisions and orders of the Government of the Russian Federation (hereinafter referred to as "other legal acts of the Russian Federation") shall be applicable to relations occurring after they are put into force and they shall not have retroactive force, except for the cases specified in Item 2 of the present article.

2. Customs legislation and other legal acts of the Russian Federation that improve the state of persons shall have retroactive force if it is expressly stated therein. In other cases customs legislation and other legal acts of the Russian Federation may have retroactive force if there is a provision to this effect in federal laws or international treaties of the Russian Federation.

3. Customs legislation shall enter into force not earlier than one month after the official publication thereof.

4. The bans, restrictions or requirements in the area of customs affairs established by other legal acts of the Russian Federation shall be put into force not earlier than one month after the official publication thereof, except for cases when:

the appropriate provisions of legislation on the basis of which and pursuant to which the other legal acts of the Russian Federation are issued to ensure the observance of bans and restrictions established under the legislation of Russian Federation on the state regulation of foreign trade activity expressly state that they are put into force within a shorter term;

a special procedure for putting the said bans, restrictions or requirements into force is established by the present Code.

#### **Article 5.** The Legal Acts of the Federal Ministry Authorised in the Sphere of Customs Business and of the Federal Service Authorised in the Sphere of Customs Business

1. In the events expressly stated by customs legislation and other legal acts of the Russian Federation the federal ministry authorised in the sphere of customs business and the federal service authorised in the sphere of customs business shall issue within their terms of reference legal acts in the area of customs affairs.

2. The regulatory legal acts of the federal ministry charged with customs affairs shall be subject to state registration and official publication in the manner established for the state registration and official publication of regulatory legal acts of federal executive governmental bodies.

3. The regulatory legal acts of the federal ministry charged with customs affairs shall enter into force not earlier than ten days after the official publication thereof, except for cases when:

the provisions concerned of the customs legislation and other legal acts of the Russian Federation on the basis of which and pursuant to which the regulatory legal acts of the federal ministry charged with customs affairs are put into force within a shorter term;

regulatory legal acts of the federal ministry charged with customs affairs establish a more beneficial procedure in comparison with the one in effect. In this case such acts may enter into force within a shorter term or be retroactive;

a special procedure is established by the present Code for the entry into force of regulatory legal acts of the federal ministry body charged with customs affairs.

4. The regulatory legal acts of the federal ministry body charged with customs affairs affecting the rights and lawful interests of persons in the area of entrepreneurial activity and another economic activity

may be appealed in a court of arbitration in compliance with the legislation of the Russian Federation on arbitration.

**Article 6.** The Requirements for Pieces of the Customs Legislation, Other Legal Acts of the Russian Federation, the Legal Acts of the Federal Ministry Authorised in the Sphere of Customs Business and the Federal Service Authorised in the Sphere of Customs Business

1. The provisions of customs legislation and regulatory legal acts in the area of customs affairs shall be formulated so that each person knows exactly his rights and duties and also what actions, when and in what manner have to be committed in the event of movement of goods and vehicles across the customs border.

2. The provisions of legal acts of the the federal ministry authorised in the sphere of customs business and the federal service authorised in this sphere shall not conflict with the provisions of customs legislation and other legal acts of the Russian Federation or shall not establish requirements, bans and restrictions not envisaged by customs legislation and other legal acts of the Russian Federation.

3. Regulatory legal acts in the area of customs affairs shall be deemed inconsistent with the present Code if the act:

1) was issued by a body not entitled to issue acts of this kind under the present Code or if it was issued in breach of the established procedure for the issuance of such acts;

2) abolishes or limits persons' rights to goods and vehicles or the customs bodies' powers established by the present Code;

3) modifies the grounds, terms, sequence or procedure established by the present Code for the actions of participants in the relations regulated by the customs legislation of the Russian Federation, of other persons whose duties are established by the present Code;

4) changes the content of the terms defined in the present Code or if these terms are used in a meaning other than that of the present Code.

4. The regulatory legal acts specified in Item 1 of the present article shall be deemed inconsistent with the present Code if at least one of the circumstances mentioned in Item 3 of the present article exists. A regulatory legal act shall be declared inconsistent with the present Code in a judicial procedure.

5. No one shall be held accountable for a breach of customs rules if this breach is due to the vagueness of the legal norms contained in regulatory legal acts on customs affairs.

6. The state shall compensate for the damage sustained by persons due to the late adoption, putting into force and publication of the regulatory legal acts of which adoption is envisaged by the present Code and also due to the unreliability of information presented by customs bodies, this being done from the treasury of the Russian Federation in the manner envisaged by the legislation of the Russian Federation.

**Article 7.** The Application of the Customs Tariff Regulation Measures as Well as Bans and Restrictions Established in Compliance with the Legislation of the Russian Federation on the State Regulation of Foreign Trade Activity and Also of the Legislation of the Russian Federation on Taxes and Levies in Customs Affairs

Unless established to the contrary, the customs tariff regulation measures and the bans and restrictions established under the legislation of the Russian Federation on the state regulation of foreign trade activity and also the legislation of the Russian Federation on taxes and levies effective as of the date of acceptance of a customs declaration shall be applicable in customs affairs.

**Article 8.** The Effect of International Treaties of the Russian Federation in the Area of Customs Affairs

1. The generally accepted principles and norms of international law and the international treaties of the Russian Federation shall be deemed an integral part of the legal system of the Russian Federation in accordance with the Constitution of the Russian Federation.

2. If an international treaty of the Russian Federation has established rules different from those envisaged by the present Code the rules of the international treaty of the Russian Federation shall prevail.

**Article 9.** Counting Procedure for the Terms Established by the Present Code

1. The day of the beginning and the day of the end of the terms established by the present Code defined by a period of time or the date of onset of an event shall be determined in the manner established by the present Code.

2. If no special counting procedure for a term is established by the present Code the day of the beginning and the day of the end of the term for customs purposes shall be determined according to the rules established by the Civil Code of the Russian Federation with due regard to the provisions of Item 3 of Article 129 of the present Code.

#### **Article 10.** Treatment of the Information Received by Customs Bodies

1. Any information received by customs bodies under customs legislation, other legal acts of the Russian Federation, legal acts of the federal ministry authorised in the sphere of customs business and the federal service authorised in this sphere may be used exclusively for customs purposes.

2. The customs bodies, customs officials and other persons that have access to the information specified in Item 1 of the present article by virtue of law or contract are not entitled to disclose, use for personal purposes or pass to third persons, in particular, to state agencies, information deemed a state, commercial, bank, tax or other legally-protected secret, and other confidential information, except in the cases established by the present Code and other federal laws.

The customs bodies shall pass the information they receive to federal executive governmental bodies if such information is needed by them for fulfilling the tasks vested therein by federal laws, in the manner defined by the federal service authorised in the sphere of customs business by agreement with the federal ministry authorised in the sphere of customs business, and information relating to the law-enforcement activity - in the order determined by the federal service authorised in the sphere of customs business and the federal executive governmental body concerned in the observance of provisions of the legislation of the Russian Federation on the protection of state, commercial, bank, tax or other legally-protected secret and other confidential information.

Federal executive governmental bodies, the officials thereof, the other persons that have access, by virtue of law, to information received from customs bodies shall not be entitled to disclose, propagate, use for personal purposes or pass to third persons the said information, except in the cases established by federal laws.

3. The information specified in Item 1 of the present article deemed a state, commercial, bank, tax or other legally-protected secret and another confidential information shall have special storage and access regimes.

4. The loss of documents containing state, commercial, bank, tax or another legally-protected secret and another confidential information, the disclosure of such information, the use thereof for purposes or the passing thereof to third persons shall incur the consequences envisaged by the legislation of the Russian Federation.

#### **Article 11.** The Basic Terms Used in the Present Code

1. In the present Code basic terms are used as having the following meanings:

1) "**goods**" means any movable property moved across the customs border, and also vehicles classified as immovable items moved across the customs border. The vehicles specified in Subitem 5 of the present item are not deemed goods;

2) "**Russian goods**" means goods having for customs purposes the status of being in free circulation in the customs territory of the Russian Federation, i.e. goods fully manufactured in the Russian Federation that are not taken out of the customs territory of the Russian Federation, goods cleared for free circulation in the customs territory of the Russian Federation, and goods manufactured in the Russian Federation from goods fully manufactured or cleared for free circulation in the customs territory of the Russian Federation;

3) "**foreign goods**" means goods not being Russian goods in compliance with Subitem 2 of the present item;

4) "**goods under customs control**" means foreign goods brought into the customs territory of the Russian Federation before their clearance for free circulation, their actual crossing of the customs border in the event of export, or before their destruction, and also Russian goods in the event of their export from the customs territory of the Russian Federation before the actual crossing of the customs border;

5) "**vehicles**" means any sea (river) vessel (in particular, a self-propelled and non-self propelled lighter and barge, and also a hydrofoil craft), hovercraft, aircraft, motor road vehicles (in particular, trailers, single-axle trailers and combined motor road vehicles) or a railway rolling stock unit used in international traffic for the purpose of carriage of persons for a fee or industrial or commercial carriage either for a fee or free of charge, and also their standard spare parts, accessories and equipment, the fuels/lubricants contained in their standard tanks if carried together with the vehicle;

6) "**the status of goods and vehicles for customs purposes**" means the existence or absence of bans and restrictions on the use and disposition of goods and vehicles as established by the present Code;

7) "**the movement of goods and/or vehicles across the customs border**" means the committing of the actions of bringing or taking goods and/or vehicles in any manner into/out of the customs territory of the Russian Federation;

8) "**the import of goods and/or vehicles into the customs territory of the Russian Federation**" means the actual crossing of the customs border by goods and/or vehicles and all the

subsequent actions relating to the goods and/or vehicles envisaged by the present Code until they are cleared by customs bodies;

9) **"the export of goods and/or vehicles from the customs territory of the Russian Federation"** means the filing of a customs declaration or the committing of the actions specified in Paragraph 2 of the present subitem as directly aimed at exporting goods and/or vehicles, and also all the subsequent actions relating to the goods and/or vehicles envisaged by the present Code until their actual crossing of the customs border.

Actions aimed directly at exporting goods and/or vehicles from the customs territory of the Russian Federation include the entry on foot (by vehicle) of a natural person leaving the Russian Federation into a customs control zone, the entry of a vehicle into a State Border check-point for the purposes of the vehicle's leaving the customs territory of the Russian Federation, the release of international postal parcels to transport organisations or to postal communication organisations for the purposes of their being dispatched to territories outside the customs territory of the Russian Federation, the actions of a person directly aimed at goods and/or vehicles actually crossing the customs border outside the places established in compliance with the legislation of the Russian Federation;

10) **"the unlawful movement of goods and/or vehicles across the customs border"** means committing the actions of importing or exporting into/from the customs territory of the Russian Federation goods and/or vehicles in breach of the procedure established by the present Code;

10.1) the **federal ministry authorised in the sphere of customs business** is a federal ministry in charge of the federal service authorised in the sphere of customs business, which exercises control and coordination of the activity of the said service, and also discharges the functions of normative legal regulation in the sphere of customs business, or a federal ministry authorised in the sphere of finance, if the given ministry carries out the normative legal regulation of particular questions of customs business in cases stipulated by decrees of the President of the Russian Federation and by acts of the government of the Russian Federation, adopted in accordance with these decrees, but shall not coordinate the activity of customs. In these cases the federal ministry authorised in the sphere of finance and the federal ministry in charge of the federal service authorised in the sphere of customs business shall exercise over the execution by customs of normative legal acts in the sphere of customs business in the order established by the Government of the Russian Federation. The federal ministries indicated in the present subitem shall not be customs agencies;

11) **"customs bodies"** means the federal service authorised in the sphere of customs business and the customs bodies of the Russian Federation subordinate to it, except for cases when foreign states' customs bodies are mentioned in the present Code;

12) **"persons"** means juridical and natural persons, except as otherwise ensuing from the present Code;

13) **"Russian persons"** means juridical persons located in the Russian Federation which have been formed in compliance with the legislation of the Russian Federation, and also natural persons permanently residing in the Russian Federation, in particular, those registered in the territory of the Russian Federation as individual entrepreneurs;

14) **"foreign persons"** means persons not specified in Subitem 13 of the present item;

15) **"declarant"** means a person declaring goods or on behalf of which goods are declared;

16) **"carrier"** means a person carrying goods across the customs border and/or carrying goods under customs control within the customs territory of the Russian Federation or being responsible for the use of vehicles;

17) **"customs broker (representative)"** means a mediator accomplishing customs operations on behalf of and on the instructions of a declarant or another person vested with the duty or right to accomplish customs operations in keeping with the present Code;

18) **"persons concerned"** means persons whose interests are affected by decisions, actions (omissions) of customs bodies relating to goods and/or vehicles directly and individually, except as otherwise ensues from the present Code;

19) **"customs control"** means an aggregate of measures taken by customs bodies for ensuring the observance of the customs legislation of the Russian Federation;

20) **"customs operations"** means specific actions in respect of goods and vehicles performed by persons and customs bodies in keeping with the present Code in the event of customs processing of goods and vehicles;

21) **"customs procedure"** means an aggregate of the provisions that envisage a procedure for accomplishment of customs operations and determine the status of goods and vehicles for customs purposes;

22) **"customs regime"** means a customs procedure setting out an aggregate of requirements and terms including a procedure for the application to goods and vehicles of customs duties and taxes, bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity and also the status of goods and vehicles for customs purposes

depending on the purpose of their being moved across the customs border and used in the customs territory of the Russian Federation or abroad;

23) **"the clearance of goods"** means the action of customs bodies granting permission to persons concerned for the use and/or disposition of goods under a customs regime;

24) **"free circulation"** means the circulation of goods in the customs territory of the Russian Federation free of the bans and restrictions envisaged by the customs legislation of the Russian Federation;

25) **"taxes"** means the value-added tax and excise tax levied by customs bodies in connection with the movement of goods across the customs border under the Tax Code of the Russian Federation and the present Code;

26) **"internal taxes"** means the value-added tax and excise tax levied as goods circulate in the territory of the Russian Federation;

27) **"customs declaration"** means a document drawn up in an established form that contains the details to be provided to a customs body in compliance with the present Code;

28) **"transport (carriage) documents"** means a bill of lading, waybill or another document confirming the presence and content of a contract for carriage of goods and accompanying goods and vehicles in international traffic;

29) **"commercial documents"** means an invoice, shipping and packing sheets and other documents which are used under international treaties of the Russian Federation, the legislation of the Russian Federation or business custom in foreign trade activity and another activity and which by virtue of law, agreement of parties or business custom are used to confirm the conclusion of transactions relating to the movement of goods across the customs border, except as otherwise ensuing from the present Code;

30) **"customs documents"** means documents drawn up exclusively for customs purposes.

31) **"customs payment"** means a payment deemed a condition for the committal by customs bodies of actions relating to customs formalities for, the storage and escort of goods.

2. All the other terms are used in the present Code as having the meanings defined by the legislation of the Russian Federation on taxes and levies, the civil legislation of the Russian Federation, the legislation of the Russian Federation on administrative offences and other legislation of the Russian Federation.

## **Chapter 2. The Basic Principles of Movement of Goods and Vehicles across the Customs Border**

**Article 12.** The Movement of Goods (in Particular, Currency of the Russian Federation, Domestic Securities and Currency Valuables) and Vehicles across the Customs Border

1. All persons are entitled on equal terms to move goods and vehicles across the customs border in the manner established by the present Code, except for the cases stipulated by the present Code, other federal laws and international treaties of the Russian Federation.

2. Goods and vehicles shall be moved across the customs border in the procedure established by the present Code.

The procedure for moving Russian currency, domestic securities and currency valuables across the customs border shall be regulated by the currency legislation of the Russian Federation, the normative legal acts of currency regulation bodies adopted in compliance with it and by the present Code.

**Article 13.** The Observance of Bans and Restrictions in the Movement of Goods across the Customs Border

1. The goods prohibited under the legislation of the Russian Federation for import into the customs territory of the Russian Federation shall be subject to immediate shipping from the customs territory of the Russian Federation, except as otherwise envisaged by the present Code or other federal laws. The medium shall be responsible for the shipping. If the shipping is impossible or if immediate shipping is impossible the goods shall be subject to placement into temporary storage warehouses or other places deemed customs control zones (Article 362) at the expense of the persons indicated in Article 16 of the present Code. The maximum duration of temporary storage of such goods is three days, unless another term is envisaged by other federal laws for specific kinds of goods. Upon the expiry of this term the disposition of said goods shall be in compliance with Chapter 41 of the present Code.

The goods restricted for import into the customs territory of the Russian Federation shall be admitted for import (and in the cases specified by the present Code, cleared by customs bodies) in the observance of the requirements and terms established by international treaties of the Russian Federation or the legislation of the Russian Federation.

2. Goods prohibited for export shall not be taken out of the customs territory of the Russian Federation.

Goods limited for export from the customs territory of the Russian Federation shall be admitted for export in the observance of the requirements and terms established by international treaties of the Russian Federation or the legislation of the Russian Federation.

3. Expenses incurred by the persons specified in Article 16 of the present Code, declarants, media or other persons in connection with the observance of bans and restrictions on imports into the customs territory of the Russian Federation or exports from this territory shall not be refundable by customs bodies.

#### **Article 14. Customs Formalities and Customs Control**

1. All goods and vehicles moved across the customs border shall be subject to customs formalities and customs control in accordance with the procedure and on the terms set out in the present Code.

2. In the course of performance of customs formalities and customs control the customs bodies and officials thereof shall not be entitled to establish requirements and restrictions not envisaged by acts of the customs legislation or other legal acts of the Russian Federation.

3. The requirements of customs bodies as they perform customs formalities and customs control shall not serve to impede the movement of goods and vehicles across the customs border and the conduct of activity in the area of customs affairs to a degree exceeding the minimum required for ensuring the observance of the customs legislation.

#### **Article 15. The Use and Disposition of Goods and Vehicles**

1. No one is entitled to use and dispose of goods and vehicles before clearance except in the manner and on the terms envisaged by the present Code.

2. After the clearance of goods and vehicles the use and disposition thereof shall be in compliance with the customs regime declared.

#### **Article 16. The Duty to Conduct Customs Operations for Clearing Goods**

The following persons shall have the duty to conduct customs operations for clearing goods, except as otherwise established by the present Code:

1) where the movement of the goods across the customs border is done under a foreign economic transaction concluded by a Russian person: by the Russian person that concluded the foreign economic transaction or on whose behalf or instructions the transaction was concluded;

2) where the movement of the goods across the customs border is done by a Russian person without the conclusion of a foreign economic transaction:

the person having the right to possess and/or the right to use the goods in the customs territory of the Russian Federation;

other persons acting in a capacity sufficient under the civil legislation of the Russian Federation and/or the present Code for performing actions of legal significance in their own name with the goods under customs control.

#### **Article 17. Guarantees of Appropriate Performance of the Duties Established by the Present Code**

In the events envisaged by the present Code and other legal acts of the Russian Federation in respect of goods the customs bodies shall be entitled to demand the provision by persons of guarantees of appropriate performance of the duties established by the present Code, in particular, in the form of a security for customs payments under Chapter 31 of the present Code.

### **Chapter 3. Customs Operations**

#### **Article 18. Customs Operations**

Juridical persons' activity in the capacity of customs media, owners of temporary storage warehouses, owners of bonded warehouses and customs brokers (representatives) is permitted only on the condition that they are included in the Register of Customs Carriers, the Register of Owners of Temporary Storage Warehouses, the Register of Owners of Bonded Warehouses or the Register of Customs Brokers (Representatives) respectively (hereinafter in the present chapter referred to as "the registers of persons conducting customs operations").

#### **Article 19. The Registers of Persons Conducting Customs Operations**

1. The registers of persons conducting customs operations shall be kept by the federal service authorised in the sphere of customs business in the order defined by the federal ministry authorised in the sphere of customs business.

2. The federal service authorised in the sphere of customs business shall ensure a regular, at least once in three months, publication of the registers of persons conducting customs operations in its official media.

**Article 20.** The Inclusion of Juridical Persons in Registers of Persons Conducting Customs Operations

1. The inclusion of juridical persons in registers of persons conducting customs operations shall be done on the terms established by the present Code. Inclusion in the registers shall be effected free of charge.

2. For the purpose of being included in a register of persons conducting customs operations a juridical person shall file an application in writing with a customs body; the application containing the details envisaged by the present Code, and also documents to confirm the information in the application, according to the list established by the present Code.

3. The documents envisaged by Item 2 of the present article may be presented in the form of originals or copies attested in the established procedure.

Upon the completion of consideration of the application the customs body shall return the original documents filed to the applicant on the demand thereof.

4. The customs body shall consider the application within a term not exceeding 15 days after the receipt thereof and it shall adopt a decision on inclusion in the appropriate register, with the applicant being notified immediately. The applicant shall be entitled to conducting customs operations from the date of adoption of the decision. The decision whereby an applicant is included in an appropriate register shall be formalised by the issuance to the applicant of a certificate of inclusion in the register.

The customs body shall adopt a decision on refusing inclusion in a specific register only in the event of non-observance of the terms for inclusion in the register envisaged by the present Code. The decision on refusal shall be brought to the notice of the applicant in writing immediately after it is taken.

5. A customs body that is considering an application is entitled to ask third persons and also state bodies to provide documents confirming the information furnished by the applicant. These persons must provide the documents so requested within ten days of receipt of the request.

**Article 21.** The Certificate of Inclusion in One of the Registers of Persons Conducting Customs Operations

1. The certificate of inclusion in one of the registers of persons conducting customs operations (hereinafter in this chapter referred to as "certificate") shall be issued according to the form determined by the federal ministry authorised in the sphere of customs business. The certificate shall contain the details envisaged by the present Code. The certificate shall not be transferred to another person.

2. If a change occurs in the details of the application envisaged by Item 2 of Article 20 of the present Code or in the documents attached thereto, the juridical person (successor thereof) included in a register of persons conducting customs operations shall notify the customs body in writing within five days of the onset of the event or of the day when the person learned about the onset thereof.

The customs body shall, within five working days, verify the compliance of the newly furnished information with the terms established for the purposes of inclusion of the juridical person in the appropriate register, and if a change occurs in the information that must be indicated in the certificate it shall consider the matter of issuing a new certificate in keeping with the procedure established by Item 4 of Article 20 of the present Code.

3. The certificate may be revoked by the customs body only in the cases specified in Articles 98, 113, 145 and 231 of the present Code.

The decision to revoke a certificate shall be brought by the customs body to the notice of the juridical person in respect of which the decision was made, together with the reasons for such a decision, not later than on the day following the date of the decision. The said decision shall be delivered to the head or another authorised representative of the juridical person against a signature or by another method acknowledging the fact and date of receipt of said decision. If said persons decline to receive the decision it shall be sent by post as a registered letter.

A decision on revocation shall enter into force upon the expiry of 15 days after the date of the decision.

The form of a decision on revocation of a certificate shall be approved by the federal ministry authorised in the sphere of customs business.

4. The revocation of a certificate shall ensue the exclusion of the juridical person conducting customs operations from the register.

5. After the revocation of a certificate an application for inclusion in an appropriate register may be filed after the elimination of the grounds for such revocation, and in the event of revocation of a certificate due to the juridical person's having been repeatedly held accountable under administrative law, upon the expiry of the term for which the person is subject to administrative punishment.

**Article 22.** The Exclusion of a Juridical Person from a Register of Persons Conducting Customs Operations

1. A juridical person shall be subject to exclusion from a register of persons conducting customs operations:

1) if the said person so wishes, from the day following the date of receipt by the customs body of the person's application in writing asking for exclusion from the relevant register;

2) upon the expiry of the effective term of the certificate established by Item 2 of Article 96, Item 3 of Article 111 and Item 3 of Article 229 of the present Code, from the day following the date of expiry of the term;

3) when a decision to revoke the certificate is adopted, from the day following the date of entry into force of the decision;

4) in the event of liquidation of the juridical person, from the day following the date of the entry in the Comprehensive State Register of Juridical Persons by the registration body to the effect that the juridical person is being wound up in keeping with the legislation of the Russian Federation on the state registration of juridical persons;

5) in the event of termination of the juridical person's activity as the result of reorganization, except for the transformation thereof, from the day following the date when the reorganization of the juridical person is deemed completed under the legislation of the Russian Federation on the state registration of juridical persons.

2. The exclusion of a juridical person from a register of persons conducting customs operations shall not release the person (successor thereof) from the duty to complete the customs operations of carriage or storage of goods under customs control, or to commit other actions the obligation to undertake which arose prior to the juridical person's exclusion from the register, in keeping with the procedure established by the present Code.

#### **Chapter 4. The Provision of Information and Consultations**

**Article 23.** Obtaining Information on the Reasons for a Decision Made, an Action (Omission) Committed

1. A person in respect of whom a customs body or an official thereof has made a decision or has committed an action, and also a person in respect of whom no decision has been made or an action that was to be committed has not been committed within the established term shall be entitled to file an inquiry with the customs body asking for the reasons and grounds for a decision made or action committed or the reasons for non-making of a decision or non-committal of an action if it affects the said persons' rights and lawful interests directly and individually.

2. The inquiry shall be filed within six months of the date of the decision, committing of the action (omission) or the expiry of the term for making or committing them, or from the day when the person learned about the decision made or the action committed (omission).

3. The person concerned may file an inquiry asking for the provision of the necessary information, either orally or in writing. An oral inquiry shall be subject to consideration by the customs body on the day when said inquiry is received. If a written inquiry is filed the reply shall be made in writing within ten days after the receipt of said inquiry.

**Article 24.** Information on Legal Acts in the Area of Customs Affairs

1. The federal ministry authorised in the sphere of customs business, and customs bodies shall provide unfettered free-of-charge access to information on effective legal acts in the area of customs affairs, in particular, by means of information technologies.

2. The customs bodies shall provide access to information on legal acts being prepared and also on amendments to legal acts in the area of customs affairs which have not yet come into force, in particular by means of information technologies, except for cases when preliminary notice of legal acts in preparation will impede customs control or cause a reduction in the effectiveness thereof.

3. The federal ministry, authorised in the sphere of customs business, shall guarantee the issue in its official publications of normative legal acts adopted by this Ministry in the sphere of customs business.

The federal service, authorised in the sphere of customs business, shall guarantee the issue in its official publications of legal acts adopted by this service, and also of pieces of the customs legislation and other legal acts in the sphere of customs business.

**Article 25.** Consultancy on Customs Matters and Other Issues within the Competence of Customs Bodies

1. The customs bodies shall consult persons concerned on customs matters and other issues within the competence of these bodies. The chief of a customs body (deputy thereof) shall designate officials of the customs body authorised to provide consultations. Information on a concerned person's

request shall be provided as soon as possible but at least within one month after the receipt of said request.

2. Consultations shall be provided by customs bodies either orally or in writing free of charge. At the request of a person concerned the customs body must provide information in writing.

3. The information provided to persons concerned during a consultation shall not be deemed grounds for the making of a decision, action or omission of customs bodies in the course of customs operations in respect of goods and/or vehicles.

4. If information requested was provided late or in an unreliable form and so has led to losses for the person who asked for the consultation, compensation for the losses shall be made in compliance with the provisions of Item 6 of Article 6 of the present Code.

5. The customs bodies shall not be liable for losses sustained as consequence of a distortion of the text of a legal act published without their knowledge and control, and equally for damages sustained as a consequence of poor quality consultations provided by persons not authorised for such consultations.

## **Chapter 5. Customs Statistics**

### **Article 26. The Customs Statistics of the Foreign Trade of the Russian Federation**

1. For the purposes of the analysis of the state of foreign trade of the Russian Federation, the monitoring of the federal budget revenues resulting from customs levies, currency control, the analysis of the state, dynamics and development trends of foreign trade of the Russian Federation, its trade and payment balances and the economy as a whole the customs bodies shall collect and process information on the movement of goods across the customs border and provide customs statistics data on the foreign trade of the Russian Federation to the President of the Russian Federation, the Federal Assembly of the Russian Federation (to the State Duma and Federation Council), the Government of the Russian Federation and other bodies designated by the legislation of the Russian Federation.

The federal service authorised in the sphere of customs business shall provide customs statistics data on the foreign trade of the Russian Federation to international organisations in keeping with international treaties of the Russian Federation and the legislation of the Russian Federation.

The federal service authorised in the sphere of customs business shall publish customs statistics data on the foreign trade of the Russian Federation in the procedure and within the term established by the Government of the Russian Federation.

2. The customs statistics of foreign trade of the Russian Federation shall be maintained in keeping with the present Code and other legal acts of the Russian Federation.

3. The customs statistics of foreign trade of the Russian Federation shall be compiled in compliance with a methodology that ensures comparability of data of mutual trade between the Russian Federation and its foreign trade partners.

### **Article 27. Special Customs Statistics**

1. For the purposes of ensuring the fulfilment of the tasks vested in customs bodies these bodies shall keep special customs statistics in the manner established by the federal ministry authorised in the sphere of customs business and by the federal service authorised in this sphere.

2. Special customs statistics data shall be used by the customs bodies exclusively for customs purposes.

### **Article 28. The Documents and Information Used for Statistical Purposes**

1. Documents and information provided by persons under the provisions of the present Code shall be used for statistical purposes.

2. The information used for statistical purposes shall be covered by the provisions established by Article 10 of the present Code.

## **Chapter 6. The Country of Origin of Goods. The Commodity Classification for Foreign Economic Activity**

### **Paragraph 1. The Country of Origin of Goods**

#### **Article 29. The Applicability of the Present Chapter**

1. The country of origin of goods shall be determined in compliance with the provisions of the present chapter in all cases when the application of customs tariff regulation measures and bans and

restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity depends on the country of origin of the goods.

2. The rules of determining the country of origin of goods shall be established for the purposes of applying preferential treatment tariffs or non-preferential trade policy measures.

### **Article 30. Determining the Country of Origin of Goods**

1. The country of origin of goods shall be deemed the country in which the goods were completely manufactured (Article 31) or subjected to sufficient processing (Article 32) in compliance with the criteria established by the present Code or in the manner determined by the present Code. In this case, the "country of origin of goods" may be construed as a group of countries, or customs unions of countries or a region or part of a country if there is a need for discerning them for the purposes of determining the country of origin of the goods.

2. At the request of the declarant or other person concerned the customs bodies shall take a preliminary decision on determining the country of origin of goods under Paragraph 3 of the present chapter.

### **Article 31. Goods Completely Manufactured in a Given Country**

The goods completely manufactured in a given country are as follows:

1) mineral resources recovered from the sub-soil of the country, in its territorial sea or from its sea-bed;

2) vegetal-origin products grown or gathered in the country;

3) animals born and reared up in the country;

4) products obtained in the country from animals reared in it;

5) products obtained as the result of hunting or fishing in the country;

6) products of seal fishing and other sea products obtained by a vessel of the country;

7) products obtained on board a processing vessel of the country exclusively from the products specified in Subitem 6 of the present article;

8) products obtained from a sea-bed or sub-sea sub-soil outside the territorial sea of the country, provided the country has exclusive rights to development of the sea-bed or sub-sea subsoil;

9) waste and scrap (secondary raw materials) obtained as the result of production and other processing operations in the country, and also second-hand articles gathered in the country and fit only for being processed into raw material;

10) hi-tech products obtained from space facilities located in outer space if the country is the state of registration of the space facility;

11) goods manufactured in the country exclusively from the products specified in Subitems 1 - 10 of the present article.

### **Article 32. Sufficient Processing Criteria**

1. If two or more countries take part in the manufacture of goods the country of origin of goods is deemed the country where the last processing or manufacturing operations of the goods were completed as meeting the sufficient processing criteria under the provisions of the present article.

2. If for specific kinds of goods or for a certain country no specific mention is made in Item 4 of the present article as concerning the peculiarities of determination of the country of origin of goods imported into the customs territory of the Russian Federation the following general rule shall apply: the goods shall be deemed originating from a given country if as the result of completion of processing or manufacturing operations of the goods a change has occurred in the classification code of the goods according to the Commodity Classification for Foreign Economic Activity at the level of any of the first four digits.

3. Notwithstanding the provisions established by Item 2 of the present article the following is deemed not to meet the sufficient processing criteria:

1) operations ensuring the safety of goods during the storage or transportation thereof;

2) operations of preparing goods for sale and transportation (dividing up a lot, forming shipments, grading, re-packing);

3) simple gathering operations and other operations the completion of which does not significantly change the state of goods, according to the list set out by the Government of the Russian Federation;

4) the blending of goods originating from different countries if the characteristics of the end product do not significantly differ from the characteristics of the blended goods.

4. Also the following processing sufficiency criteria shall be used to determine the country of origin of goods in the manner defined by the Government of the Russian Federation:

1) the completion of specific production or technological operations sufficient for making the country where these operations occurred the country of origin of the goods;

2) a change in the value of the goods when the percentage share of value of used materials or value-added reaches a fixed share in the price of the end product (the rule of ad valorem share).

5. While establishing the procedure for application of the sufficient processing criteria for specific goods imported from countries to which the Russian Federation grants preferential tariffs the Government of the Russian Federation is entitled to determine the terms for application of the rules of direct purchase and direct shipping for the purposes of granting preferential tariffs.

#### **Article 33. Peculiarities in Determining the Country of Origin of Goods**

1. Goods in dismantled or non-assembled form shipped in several lots due to the impossibility of their being shipped in a single lot by virtue of production or transport conditions, and also goods of which the lot is divided up in several lots as the result of an error shall be deemed a single unit for the purposes of determining the country of origin of goods if the declarant so wishes.

2. Below are the terms for the application of provisions of Item 1 of the present article:

1) preliminary notification of the customs body of the goods in dismantled or non-assembled form shipped in several lots including an indication of the reasons for such delivery and the provision of specification for each of the lots complete with commodity classification codes according to the Commodity Classification for Foreign Economic Activity, the value and country of origin of the goods incorporated in each lot, or a documented acknowledgement of the fact that the goods were shipped in several lots by mistake;

2) the shipment of all lots of goods from one country by one supplier;

3) all lots of goods being declared to one customs body;

4) the import into the customs territory of the Russian Federation of all lots of goods within a term not exceeding one year after the acceptance of the customs declaration by the customs body or the expiry of the term for filing a customs declaration for the first lot of goods. The said term shall be extended by the customs body by the time required for importation of all the lots of the goods at the substantiated request of the declarant.

3. Accessories, spare parts and tools intended for use with machinery, equipment, devices or vehicles shall be deemed originating from the same country as the machinery, equipment, devices or vehicles on the condition that these accessories, spare parts and tools are imported and used together with said machinery, equipment, devices or vehicles in the sets and numbers usually supplied together with them.

4. The packaging in which goods are brought into the customs territory of the Russian Federation shall be deemed originating from the same country as the goods proper, except for cases when packaging is subject to declaration separately from the goods. In such cases the country of origin of the packaging shall be determined separately from the country of origin of the goods.

#### **Article 34. Confirmation of the Country of Origin of Goods**

1. The customs body shall be entitled to demand the provision of documents confirming the origin of goods in the cases envisaged by Article 37 of the present Code for the purpose of obtaining confirmation of origins of the good from a specific country.

2. The following documents shall be deemed documents confirming the origin of goods from a specific country: a declaration of origin of the good (Article 35) or in the cases specified by the Government of the Russian Federation, a certificate of origin of the goods (Article 36).

#### **Article 35. The Declaration of Origin of Goods**

1. Under the present Code the following may serve as a document confirming the country of origin of good: a declaration on origin of the good drawn up in an arbitrary form on the condition that it contains information allowing the country of origin of the goods to be determined. Commercial or any other documents related to the goods and containing a statement of the country of origin of the goods made by the manufacturer, seller or exporter in connection with the export of the goods may be used as such a declaration.

2. If in a declaration of origin of goods information on the country of origin of the goods is based on criteria differing from those used in the Russian Federation (Articles 31 and 32) the country of origin of the good shall be determined in compliance with the criteria used in the Russian Federation.

#### **Article 36. The Certificate of Origin of Goods**

1. The certificate of origin of goods is a document that unequivocally testifies to the country of origin of the goods and that is issued by the competent bodies or organisations of a given country or of the country of export if in the country of export the certificate is issued on the basis of information received from the country of origin of the goods.

If in the certificate of origin of goods information on the country of origin of the goods is based on criteria differing from those applicable in the Russian Federation (Articles 31 and 32) the country of origin of the goods shall be determined in compliance with the criteria applicable in the Russian Federation.

2. In the event of export of goods from the customs territory of the Russian Federation a certificate of origin of the goods shall be issued by the bodies or organisations authorised by the Government of the Russian Federation if the said certificate is required under contractual terms, the national rules of the country of import of goods or if the presence of said certificate is envisaged by international treaties of the Russian Federation.

The bodies and organisation that issue certificates of origin of goods shall preserve a copies thereof and the other documents on the basis of which the origin of the good is certified for at least a two-year term after the issuance thereof.

3. The certificate of origin of goods shall be presented simultaneously with the customs declaration and other documents when customs formalities are performed in respect of goods imported into the customs territory of the Russian Federation. If the certificate gets lost a duplicate copy thereof, formally attested, shall be acceptable.

4. If a certificate of origin of goods is not appropriately drawn up (if it has unattested erasures, errors or corrections, the necessary signatures or seals are lacking, the details in the certificate do not allow their relation to the good declared, the country of origin of the goods or the criteria on the basis of which the conclusion on the country of origin of the good are equivocally stated in the certificate to be established, if the indication of such criteria is required under international treaties of the Russian Federation or the legislation of the Russian Federation) or if the certificate is found to contain signs of unreliable information the customs body shall be entitled to ask the country's competent bodies or organisations that issued the certificate of origin of the goods to provide additional documents or more precise information.

5. The customs body shall be entitled to ask the country's competent bodies or organisations that issued a certificate of origin of goods to provide additional documents or more precise information also for the purposes of conducting verification on a selective basis. The performance of such a verification shall not impede the clearance of goods on the basis of information on the country of origin thereof declared when customs formalities were performed.

#### **Article 37.** The Presentation of Documents Confirming the Country of Origin of Goods

1. When goods are brought into the customs territory of the Russian Federation a document shall be shown to confirm the country of origin of the goods if the Russian Federation grants preferential tariffs to the country of origin of the goods under international treaties of the Russian Federation or the legislation of the Russian Federation. In this case the document confirming the country of origin of the goods shall be presented to the customs body simultaneously with the customs declaration. The granting of preferential tariffs may be conditioned by the need for the presentation of a certificate of origin of goods according to the specific form envisaged by international treaties of the Russian Federation or the legislation of the Russian Federation.

The customs bodies are entitled to demand the presentation of a document confirming the country of origin of goods in other cases only if they discover signs of unreliability of declared information on the country of origin of the goods that affects the rates of customs duty, taxes and/or bans and restrictions established in accordance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. Notwithstanding the provisions of Item 1 of the present article, there shall be no need to show a document confirming the country of origin of goods:

1) if goods brought into the customs territory of the Russian Federation are declared under the customs regime of international customs transit or the customs regime of temporary import with complete relief from customs duties and taxes, except for cases when the customs body discovers signs of the fact that the country of origin of goods is a country whose goods are prohibited for import into the Russian Federation or transit via its territory under international treaties of the Russian Federation or the legislation of the Russian Federation;

2) if the total customs value of goods carried across the customs border dispatched at one and the same time by one and the same method by one and the same consignor to one consignee is less than 20,000 roubles;

3) if goods are moved across the customs border by natural persons under Chapter 23 of the present Code;

4) in the other cases envisaged by international treaties of the Russian Federation or the legislation of the Russian Federation.

#### **Article 38.** Additional Terms for Clearance of Goods when the Country of Origin Thereof Is Determined

1. If there are no documents to confirm the country of origin of goods, where the presentation of such documents is compulsory for the provision of preferential tariffs (Article 37), customs duties shall be payable on such goods at the rates applicable to goods originating from the countries with which trade and political relations envisage most-preferred-nation treatment, except for the case mentioned in Subitem 1 of Item 2 of the present article.

2. In other cases when documents confirming the country of origin of goods are lacking or when signs are discovered of the fact that documents presented have been drawn up inappropriately and/or that they contain unreliable information the following shall be done before the filing of documents confirming the country of origin of the goods or the provision of more precise information:

1) customs duties shall be paid on the goods at the rates applicable to goods originating from the countries with which trade and political relations do not envisage most-preferred-nation treatment if the customs body discovered signs that the country of origin of the goods is a country with which trading and political relations do not envisage most-preferred-nation treatment or a security shall be provided for the payment of customs duties at said rates;

2) the goods are cleared on the condition that the declarant files documents to confirm the observance of restrictions established or provides a security for the payment of anti-dumping or compensation duty if the customs body has discovered signs of the fact that the country of origin of the goods is a country from which imports are subject to restrictions under the legislation of the Russian Federation on the state regulation of foreign trade activity or an international treaty of the Russian Federation;

3) the goods shall not be cleared only in cases when the customs body has discovered signs of the fact that the country of origin of the goods may be a country whose goods are prohibited for importation into the Russian Federation under international treaties of the Russian Federation and/or the legislation of the Russian Federation.

3. Preferential treatment or most-preferred-nation treatment shall be implemented (restored) in respect of the goods specified in Item 1 and Subitem 1 of Item 2 of the present Article on condition that the country of origin of the given goods is confirmed before the expiry of a one-year term after the acceptance of the customs declaration by the customs body. In this case the refund of customs duty or tax amounts shall be effected in compliance with Article 356 of the present Code.

## **Paragraph 2. The Commodity Classification for Foreign Economic Activity**

**Article 39.** The Commodity Classification for Foreign Economic Activity

1. The commodity classification for foreign economic activity shall be approved by the Government of the Russian Federation on the basis of the commodity classification systems accepted in international practice.

2. The commodity classification for foreign economic activity shall be used for the purpose of implementing measures of customs tariff and non-tariff regulation of foreign trade activity and other types of foreign economic activity and keeping the customs statistics of foreign trade of the Russian Federation.

**Article 40.** Classification of Commodities

1. When they are declared to customs bodies (Chapter 14), goods shall be subject to classification, i.e. a classification code (classification codes) shall be assigned to goods according to the Commodity Classification for Foreign Economic Activity.

2. At the declarant's request the customs bodies shall take a preliminary decision whereby goods are classified according to Paragraph 3 of the present chapter.

3. If a breach of the commodity classification rules is discovered at declaration of the goods the customs body shall be entitled to classify the good at its own discretion.

4. The federal service authorised in the sphere of customs business shall take decisions on the classification of specific kinds of commodities and it shall arrange for the publication of said decisions.

5. The decisions of customs bodies on the classification of commodities shall be of a binding nature. The declarant shall be entitled to appeal such decisions in keeping with Chapter 7 of the present Code.

## **Paragraph 3. The Preliminary Decision**

**Article 41.** The Making of a Preliminary Decision

1. The federal service authorised in the sphere of customs business and other customs defined by this service shall take, upon the inquiry of a person concerned a preliminary decision on the classification of goods in accordance with the Commodity Classification for foreign economic activity in respect to the concrete commodity and on the origin of goods from a specific country (the country of origin of goods).

2. The form and procedure for the making of a preliminary decision shall be determined by the federal ministry authorised in the sphere of customs business.

**Article 42.** Request for a Preliminary Decision

1. The person interested in the making of a preliminary decision shall file a request in writing with a relevant customs body for a preliminary decision.

The request shall contain all the details required for the adoption of a preliminary decision. Samples and specimens of the commodity, a description thereof, photographs, sketches, drawings, commercial, technical and other documents shall be attached to the request.

2. If the information provided by the applicant in his request for a preliminary decision is insufficient for the making thereof the customs body shall within 30 days after the receipt of the request notify the applicant of the need for additional information and set a deadline for the provision thereof. If the additional information is not provided when due the request for the preliminary decision shall be dismissed.

The dismissal of a request for a preliminary decision shall not impede the applicant's repeated filing of a request for a preliminary decision, given the elimination of the causes for the dismissal of said request.

#### **Article 43. The Legal Significance and Effective Term of a Preliminary Decision**

A preliminary decision shall be binding on all customs bodies. The preliminary decision shall remain effect for a five-year term after the date of adoption thereof, unless amended, revoked or terminated under Article 44 of the present Code.

#### **Article 44. The Termination, Amendment or Revocation of a Preliminary Decision**

1. The customs bodies may decide to terminate, amend or revoke a preliminary decision adopted by them or subordinate customs bodies (to amend or revoke a preliminary decision adopted by them or subordinate customs bodies) only in the cases established by the present article.

The decision on the termination, amendment or revocation of a preliminary decision shall be forwarded in writing to the person to whom the preliminary decision has been issued, this being done at the latest on the day following the date of the decision on termination, amendment or revocation of the preliminary decision.

2. A decision on termination of a preliminary decision shall be adopted if such a preliminary decision has been made on the basis of forged documents filed by the applicant. The decision on termination of a preliminary decision shall take effect from the date of adoption of the preliminary decision.

3. A preliminary decision on commodity classification shall be amended if the federal service authorised in the sphere of customs business adopts a decision on the classification of a specific commodity, such a decision being binding on customs bodies, and also if errors are discovered that were committed when the preliminary decision was made.

The amendment shall take effect on the date specified in the decision on the amendment of the preliminary decision but at the latest three months after the date of the decision on amending the preliminary decision.

4. A preliminary decision adopted may be revoked:

if a change occurs in the Commodity Classification for Foreign Economic Activity, if the World Customs Organisation adopts classification decisions binding on the Russian Federation;

if other standards and terms for the determination of the country of origin of goods are established by international treaties of the Russian Federation or the legislation of the Russian Federation relating to determining the country of origin of goods.

The decision of revocation of a preliminary decision shall be taken within three days after the publication of the aforesaid acts and it shall enter into force simultaneously with them.

### **Chapter 7. Appealing Decisions, Actions (Omissions) of Customs Bodies and the Officials Thereof**

#### **Article 45. Right to Appeal**

1. Any person is entitled to appeal a decision, action (omission) of a customs body or an official thereof if, in the persons' opinion, the decision, action (omission) has violated the person's rights, freedoms or lawful interests, if obstacles have been created for the materialisation thereof or if a liability has been imposed on the person without legal grounds.

2. The waiver by a person of the right to appeal a decision, action (omission) of a customs body or an official thereof is invalid.

#### **Article 46. Appellate Procedure**

1. Appeal may be made against decisions, actions (omissions) of customs bodies or officials thereof, to customs bodies and/or a court or a arbitration court.

The filing of a complaint against a decision, action (omission) of a customs body or an official thereof with customs bodies shall not preclude the possibility of simultaneous or subsequent filing of a

compliant of similar content with a court or a arbitration court. A complaint against a decision, action (omission) of a customs body or an official thereof filed with customs bodies and with a court or court of arbitration shall be considered by the court/ the court of arbitration.

2. The procedure for filing, considering and resolving complaints filed with courts and courts of arbitration shall be set out by the legislation of the Russian Federation on civil court proceedings and arbitration court proceedings.

3. The procedure for filing, considering and resolving complaints filed with customs bodies against the decisions, actions (omissions) of customs bodies or officials thereof are established by the present chapter and they shall be applicable in the case of appeal of any decisions, actions (omissions) of customs bodies or officials thereof, except for the decisions of customs bodies (officials of customs bodies) on cases of administrative offences and also other decisions, actions (omissions) of customs bodies and officials thereof subject to a special appellate procedure.

**Article 47.** The Procedure for Filing a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof

1. A complaint against a decision, action (omission) of a customs body shall be filed with a higher customs body.

A complaint against a decision, action (omission) of an official of a customs body shall be filed with the customs body where the official undergoes service (holds a state position), and that against a decision, action (omission) of the chief of a customs body shall be filed with a higher customs body.

A complaint against a decision, action (omission) of a customs body or an official thereof may be filed either directly with a higher customs body or via the customs body whose, or whose chief's, decision or action (omission) is appealed against.

2. The customs body against whose, or whose chief's, decision or action (omission) a complaint was filed shall forward the complaint to a higher customs body together with supporting materials within five days after the receipt thereof.

When the customs body that has received a complaint against a decision or action (omission) of a customs body or an official thereof is not empowered to consider it it shall forward it within three days to the customs body that shall consider it in keeping with the present article with a written notification to the person that has filed the complaint.

3. A complaint for a decision, action (inaction) of the federal service authorised in the sphere of customs business shall be filed to this service.

**Article 48.** The Term for Filing a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof

A complaint against a decision or action (omission) of a customs body or an official thereof may be filed within three months:

after the date when the person learned or should have learned of the breach of his rights, freedoms or lawful interests, the creation of obstacles for the exercise thereof or the unlawful imposition of a liability thereon;

after the date of expiry of the term set for the customs body or official thereof to take the decision or carry out the action the making or committing of which is envisaged under the present Code.

**Article 49.** The Restoration of the Term for Filing a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof

1. In the event of laches relating to appeal for justifiable reasons, the appeal term may be restored by the customs body empowered to consider complaints, on the application of the person that filed a complaint against a decision or action (inaction) of a customs body or an official thereof.

2. The restoration of an expired appeal term shall be implemented as the actual acceptance for consideration of a complaint against a decision or action (omission) of a customs body or an official thereof.

**Article 50.** The Form and Content of a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof

1. A complaint against a decision or action (omission) of a customs body or an official thereof shall be filed in writing and must be signed by the person filing the complaint.

2. A complaint against a decision or action (omission) of a customs body or an official thereof shall contain the following:

the name of the customs body or the position, full name (if known) of the official of a customs body whose decision or action (omission) is appealed against;

the full name of the person filing the complaint, his/her residential address or whereabouts;

the essence of the decision, action (omission) appealed against.

3. The person filing a complaint against a decision or action (omission) of a customs body or an official thereof need not file documents confirming the circumstances described in the complaint. If the provision of such documents is of significant importance for consideration of the complaint and if the customs body whose, or whose official's, decision or action (omission) does not have these documents the customs body that examines the complaint shall be entitled to ask for provision thereof from the person filing the complaint. In this case the term for consideration of the complaint against a decision or action (omission) of the customs body or the official thereof shall be suspended until the filing by the person of the documents so requested, this extension not exceeding three months. If the person fails to present the documents requested by the customs body a decision shall be made on said complaint without account being taken of the reasons which were to be supported by the documents that were not produced.

**Article 51.** The Consequences of Filing a Complaint against a Decision or Action of a Customs Body or an Official Thereof

1. The filing of a complaint against a decision or action of a customs body or an official thereof shall not cause suspension of the performance of the decision or action appealed.

2. If there are sufficient grounds for believing that the decision or action appealed is inconsistent with the legislation of the Russian Federation, and also when the non-suspension of performance of a decision or action would be of an irreversible nature the customs body responsible for considering the complaint shall be entitled to fully or partially suspend performance of the decision or action appealed until the taking of a decision on the merits of the complaint.

**Article 52.** Grounds for Refusing to Consider a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof on its Merits

1. The customs body shall refuse to consider a complaint against a decision or action (omission) of a customs body or an official thereof on its merits if:

1) the established appeal term has expired and the person did not file an application for restoration of the expired appeal term or if an application for restoration of the expired appeal term was dismissed;

2) the provisions of Items 1 and 2 of Article 50 of the present Code were not observed;

3) the person has filed a similar complaint with a court and the complaint was accepted by the court or court of arbitration for consideration or a decision has been adopted on the complaint;

4) the subject matter of said complaint is a decision or action (omission) of a body not being a customs body or an official of a body not being a customs body.

2. The decision whereby the consideration of a complaint against a decision or action (omission) of a customs body or an official thereof on the merits of a complaint is refused shall be taken within three days after the receipt of this complaint, and in the case envisaged by Subitem 3 of Item 1 of the present article, from the date of receipt by the customs body considering this complaint of the ruling of a court or court of arbitration whereby a complaint of similar content is accepted for consideration or of a court decision.

3. An appeal may be made against a decision of a customs body to refuse considering a complaint against a decision or action (omission) of a customs body or an official thereof on its merits to a higher customs body or a court or arbitration court.

**Article 53.** The Revocation of a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof

1. A person that has filed a complaint against a decision, action (omission) of a customs body or an official thereof may revoke it at any time before a decision is taken on the complaint.

2. A repeated complaint concerning the same matter may be filed within the term set by Article 48 of the present Code.

**Article 54.** The Customs Body Considering a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof

1. A complaint against a decision or action (omission) of a customs body shall be considered by a higher customs body.

2. A complaint against a decision or action (omission) of an official of a customs body shall be considered by the customs body with which the official undergoes service (occupies a state position), and a complaint against a decision or action (omission) of the chief of a customs body shall be considered by a higher customs body.

3. The decision on a complaint against a decision or action (omission) of a customs body or an official thereof shall be made on behalf of the customs body by the chief of the customs body or an official authorised by the chief. In doing this, the consideration of the complaint against a decision or action (omission) of a customs body or an official thereof shall not be undertaken by the official who took the

decision being appealed or committed the action (omission) being appealed or by an official occupying a position lower than his.

**Article 55.** The Term for Consideration of a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof

1. A complaint against a decision or action (omission) of a customs body or an official thereof shall be considered by the customs body within one month after the date of receipt thereof by the customs body empowered to consider said complaint.

2. If the customs body considering a complaint against a decision or action (omission) of a customs body or an official thereof deems it necessary to extend the term for consideration of said complaint this term may be extended by the chief of the customs body by a term not exceeding one month, with notice in writing being served to the person that filed the complaint including an indication of the reasons for the extension.

**Article 56.** Customs Body's Decision on a Complaint against a Decision, Action (Omission) of a Customs Body or an Official Thereof

1. The decision of a customs body on a complaint against a decision or action (omission) of a customs body or an official thereof shall be made in writing in the form designated by the federal ministry authorised in the sphere of customs business. The decision shall comprise the following:

- the name of the customs body that considered the complaint;
- the position, family name and initials of the customs body's official that took the decision;
- the family name and initials of the person who filed the complaint;
- a brief description of the content of the complaint on the merits thereof;
- the decision made on the complaint;
- the reasons and grounds for the decision made;
- information on the appellate procedure for the decision made.

2. According to the results of consideration of a complaint against a decision or action (omission) of a customs body or an official thereof the customs body shall:

- 1) recognise as lawful the decision or action (omission) of the customs body or the official thereof and dismiss the complaint;
- 2) recognise as unlawful the decision or action (omission) of the customs body or the official thereof in full or in part and take a decision to satisfy the complaint either in full or in part.

3. In the event of a full or partial satisfaction of a complaint against a decision or action (omission) of a customs body or an official thereof the customs body shall:

- fully or partially annul the decision taken by the customs body or by the official thereof;
- annul the decision taken by the customs body or the official thereof and obligate the customs body or the official thereof to take a new decision in compliance with the legislation of the Russian Federation or it shall itself take such a decision if the adoption thereof is within the scope of powers of the customs body that considered the complaint;
- recognise as unlawful the action (omission) of the customs body or the official thereof and designate the measures to be taken to eliminate the irregularities committed or it shall itself commit the necessary actions if such is within the scope of powers of the customs body that considered the complaint.

4. The implementation of a customs body's decision to satisfy a complaint against a decision or action (omission) of a customs body or an official thereof shall be undertaken by the customs body whose, or whose official's, decision or action (omission) has been recognised as unlawful, within ten days after the receipt of the decision on said complaint by this body, unless another term is set in said decision.

5. Upon discovery of signs of a fault in or inappropriate performance by a customs official of the service duties vested therein the official of a customs body who on behalf of the customs body is considering a complaint against a decision or action (omission) of a customs body or an official thereof shall take measures to hold this customs official accountable under the disciplinary rules in the established procedure.

6. A copy of the decision adopted on the results of consideration of a complaint against a decision or action (omission) of a customs body or an official thereof shall be forwarded to the person that filed the complaint within the term set by Article 55 of the present Code.

7. The decision of a customs body on a complaint against a decision or action (omission) of a customs body or an official thereof is subject to appeal to a higher customs body, a court or a court of arbitration.

**Article 57.** The Simplified Procedure for Appealing a Decision, Action (Omission) of an Official of a Customs Body

1. An appeal may be made in a simplified procedure against a decision or action (omission) of an official of a customs-house or a customs checkpoint in connection with the movement across the customs border of goods of which the value does not exceed 1.5 million roubles and/or one vehicle.

2. The simplified procedure for appealing against a decision or action (omission) of an official of a customs body is as follows: a person presents a oral complaint to a higher official of the customs-house or customs check-point respectively, and in the event of appealing a decision, action (omission) of the chief of a customs check-point, to the chief of the customs-house in whose area of activity the customs check-point is located.

3. The simplified consideration of a complaint against a decision or action (omission) of an official of a customs body shall be performed without delay and a decision on it shall be taken immediately.

4. When an appeal is made in the simplified procedure, if the person who filed the complaint against a decision or action (omission) of an official of a customs body so wishes the official of a customs body who considers the said complaint shall draw up a report on consideration of the complaint in the simplified procedure, this report comprising details of the customs official who considers the complaint, of the person who filed the complaint, a brief description of the complaint and the decision made. In the event of refusal to consider the complaint against a decision or action (omission) of an official of a customs body in the simplified procedure the reasons for such refusal shall be indicated in the report. The form of the report shall be determined by the federal ministry authorised in the sphere of customs business. The report on consideration of a complaint against a decision or action (omission) of an official of a customs body in the simplified procedure shall be signed by the customs official who considered the complaint and by the person who filed the complaint. A copy of the report on the consideration of a complaint against a decision or action (omission) of an official of a customs body in the simplified procedure shall be delivered to the person who filed the complaint.

5. The consideration of a complaint against a decision or action (omission) of an official of a customs body in the simplified procedure and the taking of a decision on it shall not be deemed to impede the filing of a complaint against the decision or action (omission) of the customs body or the official thereof in the general procedure.

## **Section II. Customs Procedures**

### **Subsection 1. Customs Formalities**

#### **Chapter 8. The Basic Provisions Relating to Customs Formalities**

##### **Article 58. The Applicability of the Present Chapter**

The provisions of the present chapter shall extend to all customs operations performed in respect of goods and vehicles moved across the customs border.

##### **Article 59. The Procedure for Performing Customs Formalities**

1. Customs formalities shall be performed in the manner established by the present Code and adopted in accordance with it normative legal acts of the federal ministry, authorised in the sphere of customs business, and by the legal acts of the federal service, authorised in the sphere of customs business, in accordance with Article 68 of the present Code.

2. During the performance of customs formalities the demands of customs bodies shall be substantiated and limited by standards established in compliance with the present Code and required for ensuring the observance of the customs legislation of the Russian Federation.

3. The procedure for, and technologies of, performance of customs formalities shall be established by the federal ministry authorised in the sphere of customs business depending on the types of goods moved across the customs border, the means of transport used for such movement (air, sea (river), rail and others) and the category of person moving the goods and vehicles.

4. Customs formalities shall be applied equally irrespective of the country of origin of goods, the country of departure and destination of the goods.

##### **Article 60. The Commencement and Completion of Customs Formalities**

1. The customs formalities in respect of goods shall be commenced:

for imports: at the time when a preliminary customs declaration or documents in compliance with Article 72 of the present Code (depending on which comes earlier), and in the cases envisaged by the present Code an oral statement, is presented to the customs body or when other actions testifying to the person's intent to perform customs operations are committed;

for exports: at the time when a customs declaration, and in the cases envisaged by the present Code an oral statement, is presented or when other actions testifying to the person's intent to perform customs operations are committed.

2. Customs formalities shall be commenced by the performance of the customs operations required under the present Code for subjecting goods to customs proceedings, placing goods under a customs regime or terminating the regime if such a customs regime has been in effect for a certain period of time, and also for calculating and collecting customs levies.

**Article 61. Customs Body's Permission to Accomplish Customs Operations**

1. If under the present Code permission is required for the accomplishment of specific customs operations from a customs body such permission shall be issued immediately after the authorised official of the customs body becomes convinced that the terms established by the present Code as prerequisites for the obtaining of the permission are complied with, but not after the expiry of the term for verification of the customs declaration, other documents and goods (Item 1 of Article 359).

If the verification of observance of the terms for granting the customs body's permission for the accomplishment of customs operations can be completed after the provision thereof without prejudice to the performance of customs control and/or if later non-observance of such terms is discovered the violation of the customs legislation can be eliminated the permission of the customs body for the accomplishment of customs operations shall be issued before such a verification.

2. If under the present Code the permission of a customs body for the accomplishment of customs transactions is issued by the customs body in writing the procedure for the issuance of such permission and the form thereof shall be established by the federal ministry authorised in the sphere of customs business. In other cases the non-making by the customs body of a decision to refuse issue of permission for the accomplishment of customs operations or the committing by the customs body of appropriate actions if a term for the making of such a decision is established or if the committing of such actions is envisaged in compliance with the present Code shall be deemed as permission of a customs body for the accomplishment of customs operations.

**Article 62. The Place and Time of Performance of Customs Formalities in Respect of Goods**

1. Customs formalities shall be performed in respect of goods at the location of the customs bodies during their working hours.

2. At the substantiated inquiry of the declarant or another person concerned as customs formalities are being performed specific customs operations may be accomplished outside the places where customs bodies are located and outside their working hours in keeping with Articles 406 and 407 of the present Code.

**Article 63. The Documents and Information Required for Customs Formalities**

1. When customs formalities are performed the persons defined by the present Code shall provide documents and information required for customs formalities to customs bodies.

As they perform customs formalities the customs bodies shall be entitled to demand the provision of only those documents and information required for ensuring the observance of the customs legislation of the Russian Federation and provision of which is envisaged in compliance with the present Code.

2. Lists of the documents and information, the standards governing information that are required for customs formalities in the context of specific customs proceedings and customs regimes shall be established by the federal ministry authorised in the sphere of customs business, in accordance with the present Code. In doing this, the federal ministry authorised in the sphere of customs business shall be entitled to cut the lists of documents and information required for customs formalities as established by the present Code with due regard to the categories of person moving goods and vehicles, types of goods, purpose of the goods, the requirements relating to customs regimes or proceeding from the means of transport used to move goods across the customs border. The term for presenting the documents and information required for customs formalities shall be established by the federal ministry authorised in the sphere of customs business, except as otherwise established by the present Code.

3. Lists of the documents and information required for customs formalities shall be subject to official publication. The regulatory legal acts of the federal ministry authorised in the sphere of customs business establishing lists of the documents and information required for customs formalities shall take effect not earlier than after the expiry of 90 days after their official publication, except for the cases envisaged by Paragraphs 2 and 3 of Item 3 of Article 5 of the present Code.

4. The forms of customs documents shall be defined by the federal ministry authorised in the sphere of customs business, except as otherwise envisaged by the present Code and other legal acts of the Russian Federation.

5. For the purposes of simplifying and accelerating the completion of customs formalities the federal service, authorised in the sphere of customs business, by agreement with the federal ministry authorised in the sphere of customs business shall conclude agreements with the customs bodies of foreign states on the mutual recognition of the documents used for customs purposes.

6. The customs bodies shall not be entitled to refuse to accept documents required for customs formalities due to vagueness in them that does not affect the assessment of payable levies, the making of

decisions by customs bodies relating to the application of bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity. If a customs body refuses to accept said documents the body shall notify the person who filed these documents about the reasons for the refusal. At this person's request the customs body shall provide said notification in writing.

7. The documents required for customs formalities may be presented as originals or copies attested to by the person that presents them, by the declarant or the authorised bodies that issued these documents, or as having been attested to by a notary. When copies of the said documents are presented as attested to by the person that presents them or by the declarant the customs body shall verify, if necessary, the compliance of the copies of such documents against the originals thereof and then return the originals to the person that presented them.

8. The documents required for customs formalities may be presented in the form of electronic documents in compliance with the present Code.

**Article 63.1. The Customs Fees Charged for Customs Formalities**

Customs fees shall be charged for the completion of customs formalities in keeping with the present Code.

**Article 64. The Presence of Persons Concerned and Representatives Thereof when Customs Formalities Are Being Performed**

At the request of the customs body, persons concerned or representatives thereof must be present when customs formalities are being performed.

**Article 65. The Language of Customs Formalities**

Customs formalities, in particular the filling in of documents required for customs formalities, shall be conducted in the Russian language, except for the cases specified by the present Code. The federal ministry authorised in the sphere of customs business shall be entitled to define other cases when customs bodies may accept and use for customs purposes documents and information in a foreign languages of which officials of the customs bodies have a command.

**Article 66. Customs Formalities and Control of Other State Bodies**

Customs formalities may be completed only after the completion of sanitary-quarantine, quarantine phyto-sanitary, veterinary and other types of state control of the import/export of goods into/from the customs territory of the Russian Federation if goods are subject to such control under federal laws and other legal acts of the Russian Federation with due regard to the provisions of Item 3 of Article 77 of the present Code.

**Article 67. The Top Priority Procedure for Customs Formalities**

In the event of importation into the customs territory of the Russian Federation and exportation from this territory of goods required for the elimination of the aftermath of natural calamities, accidents and disasters and also perishable goods, live animals, radioactive materials, international post and express cargoes, messages and other materials for the mass media and other similar goods customs formalities shall be carried out in a simplified manner as a top priority.

**Article 68. The Special Simplified Customs Procedures for Specific Persons**

1. The federal service, authorised in the sphere of customs business, in the order defined by the federal ministry authorised in the sphere of customs business shall establish special simplified customs formality procedures for the persons:

not having, as of the date of application to the customs body for use of the special simplified procedures, undischarged decisions that have become final in cases of administrative offences in customs operations and not deemed subjected to an administrative sanction for the committal of administrative offences envisaged by Articles 16.2, 16.7, Part 1 of Article 16.9, Part 3 of Article 16.12, Article 16.15 of the Code of Administrative Offences of the Russian Federation;

maintaining a system of records in the manner determined by the federal ministry authorised in the sphere of customs business, keeping their commercial documentation using a method allowing customs bodies to compare the information contained therein with the information provided to the customs bodies when customs formalities are performed in respect of goods;

that have been pursuing foreign economic activity for at least three years.

2. A person willing to have the special simplified customs formality procedures applied shall apply to the customs body with an application in writing for the application of the special simplified customs formality procedures. The application shall contain information on the applicant and his foreign economic activity. The applicant shall provide a pledge in writing stating his consent to maintain records in his

commercial organisation using a method allowing the customs bodies to compare the information contained therein with that provided to customs bodies when customs formalities were performed in respect of goods and also his consent to provide customs officials access to said records.

3. The special simplified customs formality procedures shall be established for persons importing goods into the customs territory of the Russian Federation and they may require the filing of a periodical customs declaration (Article 136), the clearance of goods at the provision of information required for goods identification (Article 150), the performance of customs formalities at the facilities of such persons, the storage of goods in own warehouses and the other simplified procedures envisaged by the present Code.

4. The special simplified customs formality procedures shall not contain provisions whereby persons are relieved from their duty to observe the requirements and terms established by the present Code and other legal acts of the Russian Federation, in as much as it concerns the completeness and proper timing in paying customs levies, the bans and restrictions established in keeping with the legislation of the Russian Federation on the state regulation of foreign trade activity and also customs regimes.

### **Chapter 9. The Arrival of Goods in the Customs Territory of the Russian Federation**

**Article 69.** The Place and Time of Arrival of Goods and Vehicles in the Customs Territory of the Russian Federation

1. The arrival of goods and vehicles in the customs territory of the Russian Federation is permitted at the check-points at the State Border of the Russian Federation instituted in compliance with the legislation of the Russian Federation during the working hours of customs bodies (Article 407). In other places goods and vehicles may arrive in the customs territory of the Russian Federation in compliance with the legislation of the Russian Federation on the State Border of the Russian Federation. The Government of the Russian Federation is entitled to institute check-points at the State Border of the Russian Federation for the arrival of specific types of goods in the customs territory of the Russian Federation.

2. Having crossed the customs border, the carrier shall deliver the goods and vehicles he brought into this country to the check-point or other place indicated in Item 1 of the present article (arrival point) and present them to the customs body. In doing this, it is prohibited to modify the state of the goods or break the packaging thereof and also to modify, remove, destroy or damage the lead seals, seals and other means of identification attached.

3. The customs bodies shall provide public information on the check-points at the State Border of the Russian Federation, on the restrictions established and on the working hours of customs bodies.

4. The provisions of the present articles shall not extend to goods carried by sea (river), air transport crossing the customs territory of the Russian Federation without a stop at a port or airport in the customs territory of the Russian Federation.

**Article 70.** The Measures Taken in the Event of an Accident, under Force Majeure or Other Circumstances

1. If the delivery of goods from the point of crossing the customs border to the point of arrival is interrupted, and also if a sea (river) vessel makes a forced stop or landing in the customs territory of the Russian Federation due to an accident, force majeure or other circumstances impeding the delivery of the goods, when stopping or landing at designated places the medium shall take all measures for ensuring the safety of the goods and vehicles, immediately notify the nearest customs body of these circumstances, of the place where the goods are located and also carry the goods or arrange for the carriage thereof (if the carrier's vehicle is damaged) to the nearest customs body or the other place designated by the customs body.

2. The expenses incurred by media or other persons in connection with the observance of the provisions of the present article shall not be refundable by customs bodies.

**Article 71.** The Preliminary Notification of Customs Bodies of the Arrival of Goods and Vehicles in the Customs Territory of the Russian Federation

The administration of a check-point at the State Border of the Russian Federation (the chief of an airport, airfield, sea, railway station, platform) shall serve a preliminary notice to customs bodies about the place and time of arrival of vehicles in the check-point at the State Border of the Russian Federation in the manner agreed upon between the administration of said check-point and the customs body in compliance with the legislation of the Russian Federation on the State Border of the Russian Federation.

**Article 72.** The Provision of Documents and Information at the Arrival of Goods and Vehicles in the Customs Territory of the Russian Federation

1. Upon the arrival of goods and vehicles in the customs territory of the Russian Federation the carrier shall present the documents and information envisaged by Articles 73 - 76 of the present Code, depending on the means of transport used to perform the international traffic, to the customs body.

The federal ministry authorised in the sphere of customs business is entitled to cut the lists of information envisaged by Articles 73 - 76 of the present Code.

The customs body shall not be not entitled to demand the provision of other information from the carrier.

If the documents envisaged by Articles 73 - 76 of the present Code do not contain all the necessary details the medium must provide the customs body with the missing items of information by means of providing the other documents he has on hand or additional documents drawn up by the medium in an arbitrary form.

2. The medium shall be entitled to present documents and information to the customs body before the actual arrival of goods and vehicles in the customs territory of the Russian Federation.

3. The medium shall be entitled to present documents (a portion of the documents) in electronic form in keeping with the present Code and in the manner established by the federal ministry authorised in the sphere of customs business.

4. When the medium presents documents drawn up in a foreign languages the customs body, if necessary, may demand translation into Russian of only those details envisaged by Articles 73 - 76 of the present Code.

5. Documents and information may be presented on behalf of the medium by any other person acting on the instructions thereof.

#### **Article 73. The Documents and Details Provided in the Event of International Motor Road Carriage**

1. In the event of international motor road carriage the carrier shall provide information on the following to the customs body:

- 1) the state registration of the vehicle;
- 2) the name and address of the medium of goods;
- 3) the name of country of departure and the country of destination of the goods;
- 4) the name and address of the consignor and consignee of the goods;
- 5) the seller and consignee of the goods according to the commercial documents held by the carrier;
- 6) the number of cargo pieces, the marking thereof and the type of packaging of the goods;
- 7) the description and codes of the goods in compliance with the Harmonised System for describing and coding goods or the Commodity Classification for Foreign Economic Activity at the level of at least the first four digits;
- 8) the gross weight of the goods (in kilograms) or the volume of the goods (in cubic metres), except for large-dimension cargoes;
- 9) the presence of goods of which the importation into the customs territory of the Russian Federation is prohibited or limited;
- 10) the place and date of drawing up the international waybill.

2. The medium shall provide the information mentioned in Item 1 of the present article by means of presenting the following documents to the customs body:

- 1) the documents for the vehicle;
- 2) the international waybill;
- 3) the commercial documents for the carried goods the medium has on hand.

#### **Article 74. The Documents and Details Provided in the Event of International Sea (River) Carriage**

1. In the event of international sea (river) carriage the carrier shall provide the customs body with information as follows:

- 1) on the registration of the vessel and its nationality;
- 2) the name and description of the vessel;
- 3) the captain's family name;
- 4) the family name and address of the ship agent;
- 5) on the number of passengers aboard the vessel, their family names and forenames, nationality (allegiance), the dates and places of birth, the port of embarkation and disembarkation;
- 6) on the number and members of the crew;
- 7) the name of port of departure and port of call of the vessel;
- 8) titles, total quantity, descriptions of goods;
- 9) on the number of cargo pieces, the marking thereof and the types of packaging of the goods;
- 10) the names of ports of loading and unloading of the goods;
- 11) the numbers of bills of lading or other documents confirming the presence of a contract of sea (river) carriage for the goods subject to unloading at the given port;
- 12) the names of ports of unloading of the goods remaining onboard;

- 13) the name of the original destination ports of the goods;
- 14) description of the vessel supplies available aboard the vessel and the quantity thereof;
- 15) a description of location of the goods aboard the vessel;
- 16) on the presence (absence) of international post aboard the vessel;
- 17) on the presence (absence) aboard the vessel of goods prohibited or restricted for import into the customs territory of the Russian Federation, including, Russian currency and currency valuables held by crew members, medicines containing narcotics, powerful substances, psychotropic and poisonous substances;

18) on the presence (absence) aboard the vessel of hazardous goods, in particular, weapons and munitions.

2. The medium shall provide the information specified in Item 1 of the present article by presenting the following documents to the customs body:

- 1) a general declaration;
- 2) a cargo declaration;
- 3) a vessel supplies declaration;
- 4) a declaration on the personal belongings of crew members;
- 5) the crew list;
- 6) a list of passengers;
- 7) a document required under the World Postal Convention;
- 8) bills of lading or other documents confirming the presence and content of a contract of sea (river) carriage.

#### **Article 75.** The Documents and Information Provided in the Event of Air Carriage

1. In the event of international air carriage the carrier shall provide the following information to the customs body:

- 1) an indication of the nationality and registration signs of the aircraft;
- 2) the flight number, flight route, departure and destination points of the aircraft;
- 3) the name of the aircraft's operator;
- 4) on the number of crew members;
- 5) on the number of passengers aboard the aircraft, the family names and forenames thereof, the names of points of embarkation and disembarkation;
- 6) an indication of the types of goods;
- 7) air cargo waybill number, the number of pieces under each cargo waybill;
- 8) the names of cargo loading and unloading points;
- 9) on the quantity of supplies on board which are loaded or unloaded;
- 10) on the presence (absence) of international post aboard the aircraft;
- 11) on the presence (absence) aboard the aircraft of goods prohibited or restricted for import into the customs territory of the Russian Federation, including, the Russian currency and currency valuables held by crew members, medicines containing narcotics, powerful substances, psychotropic and poisonous substances, weapons and munitions.

2. The medium shall provide the information specified in Item 1 of the present article by presenting the following documents to the customs body:

- 1) the standard carrier's document required under international civil aviation agreements (general declaration);
- 2) a document containing information on the goods carried aboard the aircraft (cargo sheet);
- 3) a document containing information on the supplies on board;
- 4) air cargo waybills;
- 5) a document containing information on the passengers carried on board and the luggage thereof (passenger sheet);
- 6) the document required under the World Postal Convention.

#### **Article 76.** The Documents and Information Provided in the Event of International Railway Carriage

1. In the event of international railway carriage the carrier shall provide the following information to the customs body:

- 1) the name and address of the consignor of the goods;
- 2) the name and address of the consignee of the goods;
- 3) the names of the departure station and destination station of the goods;
- 4) on the number of cargo pieces, the marking thereof and the types of packaging of the goods;
- 5) the description and codes of goods according to the Harmonised System for describing and coding goods or the Commodity Classification for Foreign Economic Activity to at least the level of the first four digits;
- 6) the gross weight of the goods (in kilograms);
- 7) containers' identification numbers.

2. The medium shall provide the information specified in Item 1 of the present article by presenting the following documents to the customs body:

- 1) the railway waybill;
- 2) the commercial documents for the goods carried the medium has on hand.

**Article 77. Actions with Goods and Vehicles at the Point of Their Arrival**

1. After the arrival of goods and the provision of appropriate documents and information to the customs body the goods may be unloaded or reloaded (Article 78), placed into a temporary storage warehouse (Chapter 12), declared for a specific customs regime or internal customs transit (Chapter 10).

2. From the time when the goods are presented at the point of their arrival such goods shall acquire the status of being in bonded storage. Upon the expiry of the bonded storage term (Article 103) the customs bodies shall dispose of the goods in compliance with Chapter 41 of the present Code.

3. If customs bodies verify goods that are subject to bans and restrictions under the legislation of the Russian Federation on the state regulation of foreign trade activity when imported into the Russian Federation, the observance thereof being ensured also by other state bodies, the customs bodies shall co-ordinate such actions and the simultaneous performance thereof.

4. Vehicles shall be subject to customs formalities in compliance with Chapter 22 of the present Code.

**Article 78. Unloading and Reloading (Transshipment) of Goods at the Point of Arrival**

1. The unloading and reloading (transshipment) of goods from a vehicle that has arrived in the customs territory of the Russian Federation shall be done at the point of arrival during the working hours of customs bodies at the places specifically designated for this purpose. The unloading and reloading (transshipment) of goods in other places and/or outside the working hours of the customs body may be done with the customs body's permission issued at the request of a person concerned in compliance with Articles 406 and 407 of the present Code.

2. The places of unloading and reloading (transshipment) of goods shall be deemed a customs control zone. Said places shall be arranged and equipped so as to ensure the safety of goods and deny access thereto to persons not taking part in cargo operations.

3. At the request of the person performing cargo operations at a sea (river) port goods may stay at the place of their unloading and reloading (transshipment) without being placed into a bonded warehouse during the term required for the completion of said operations but not exceeding the terms set in compliance with Article 103 of the present Code.

4. In the event of the loss of goods or the transfer of goods to third persons without the customs body's authorisation the person performing cargo operations shall be liable for the payment of customs duties and taxes under the present Code.

5. It is prohibited to unload goods prohibited for import into the Russian Federation under the legislation of the Russian Federation.

## **Chapter 10. Internal Customs Transit**

**Article 79. Internal Customs Transit**

1. Internal customs transit is a customs procedure in which foreign goods are carried in the customs territory of the Russian Federation without the payment of customs duties and taxes and the imposition of the bans and restrictions of an economic nature established under the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. Internal customs transit shall be used in the carriage of goods from the point of their arrival to the location of the destination customs body (Article 92), from the place where goods are located when declared to the point of exit from the customs territory of the Russian Federation, between bonded warehouses, customs warehouses and also in other cases of carriage of foreign goods in the customs territory of the Russian Federation if no security has been provided for the payment of customs levies on such goods.

3. The provisions of the present chapter shall not extend to goods carried by air if the aircraft makes an interim or forced (technical) landing during a regular international flight at the point of arrival of the goods without a partial unloading of goods and also to goods carried by pipeline and electric transmission line.

4. The carriage of goods under the internal customs transit procedure may be performed by any carrier, including, by a customs carrier.

**Article 80. Permission for Internal Customs Transit**

1. Internal customs transit shall be admissible with the written permission of the customs body in whose area of activity the carriage of goods is begun in compliance with the customs procedure of internal customs transit (the departure customs body).

2. The permission for internal customs transit shall be issued to:  
a carrier;

a forwarder if the forwarder is a Russian person;  
the persons specified in Item 6 of the present article.

3. Permission for internal customs transit shall be issued if the following conditions are observed:

1) the import of the goods into the Russian Federation is not prohibited under the legislation of the Russian Federation;

2) if border control and other types of state control have been completed in respect of the goods imported at the point of their arrival when the goods are subject to such control under the legislation of the Russian Federation at their point of arrival;

3) if permission and/or licences have been granted for the goods when under the legislation of the Russian Federation the movement of such goods in the customs territory of the Russian Federation is admissible if the said permissions and/or licences have been issued;

4) if a transit declaration has been filed in respect of the goods (Article 81);

5) if identification of the goods is ensured (Article 83);

6) if the vehicle is appropriately equipped when the goods are carried under customs lead seals and seals (Article 84);

7) if measures are taken to ensure the observance of the customs legislation of the Russian Federation (Article 86).

4. The permission for internal customs transit shall be issued after the presentation of goods to the departure customs body immediately after the customs body is assured that the conditions established by Item 3 of the present article are observed but not later than three days after the acceptance of the transit declaration (Article 81). The transit declaration shall be accepted by the departure customs body on the day when it is filed if it complies with all the established standards.

While issuing permission for internal customs transit the departure customs body shall set an internal customs transit term (Article 82) and designate the delivery point for the goods (Article 85).

5. The federal service authorised in the sphere of customs business shall be entitled to adopt decisions whereby a carrier or a forwarder is denied clearance for internal customs transit when the medium or the forwarder has repeatedly defaulted on the obligation to carry goods under internal customs transit arrangement and this has been established by decisions that have become final and impose administrative sanctions in cases of administrative offences in the area of customs affairs if at least one of said decisions is defaulted on or if such a medium or forwarder has defaulted on the duty to pay customs duties or taxes under Article 90 of the present Code. The said decisions shall be subject to annulment within five days after the payment of an administrative fine as well as customs duties and taxes in compliance with Article 90 of the present Code, with the medium or forwarder in respect of which such decisions were made being notified in writing within the said term.

6. In the event of carriage of goods under an internal customs transit arrangement to a point of delivery (Article 85) that is not the location of a customs body permission for internal customs transit shall be issued solely to the person who will be responsible for storing the goods or for performing other operations with the goods under the present Code at the point of delivery. In this case the said person shall execute the duties and be liable as defined by the present chapter for a forwarder with due regard to the provisions of Item 5 of Article 92 of the present Code.

7. If no permission for internal customs transit can be issued due to the non-observance of the conditions established by Subitems 1 - 3 of Item 3 of the present article the customs body shall be entitled to permit the carriage of the goods to a bonded warehouse or another place deemed a customs control zone, provided the vehicles carrying the goods have a customs escort.

#### **Notes.**

1. For the purposes of the present chapter a "vehicle" means among other things the vehicle that carries goods in the customs territory of the Russian Federation.

2. For the purposes of the present chapter "forwarder" means a person acting under a freight forwarding contract under the civil legislation of the Russian Federation.

#### **Article 81. The Transit Declaration**

1. In the capacity of a transit declaration the departure customs body shall accept any commercial, transport (carriage) documents and/or customs documents containing the details specified in Item 2 of the present article.

2. For the purpose of obtaining permission for internal customs transit the carrier (forwarder) shall provide the following information to the departure customs body:

- 1) on the consignor's (consignee's) name and whereabouts in compliance with the transport documents;
- 2) on the country of departure (the country of destination) of the goods;
- 3) on the name and whereabouts of the medium of the goods or the forwarder if the forwarder obtains permission for internal customs transit;
- 4) on the vehicle in which the goods are carried in the customs territory of the Russian Federation, and if the carriage is by road, also on the driver of the vehicle;
- 5) on the types or descriptions, quantity, value of the goods in compliance with the commercial, transport (carriage) documents, on the weight or volume, codes of the goods in compliance with the Harmonised System for describing and coding goods or the Commodity Classification for Foreign Economic Activity at the level of at least first four digits;
- 6) on the total number of cargo pieces;
- 7) on the point of destination of the goods;
- 8) on the planned reloading of the goods or other cargo handling operations en route;
- 9) on the planned term for completing the carriage of the goods (Article 82);
- 10) on the route if the carriage of the goods is to follow a specific route (Item 3 of Article 86).

3. The federal ministry authorised in the sphere of customs business shall be entitled to cut the list of details indicated in Item 2 of the present article with due regard to the categories of person moving goods and vehicles, the types of goods and also depending on the means of transport.

4. If the documents presented in compliance with Item 1 of the present article do not contain all the details specified in Item 2 of the present article these details shall be provided additionally by means of making missing entries in the transit declaration. The transit declaration form and the procedure for filling it in shall be established by the federal ministry authorised in the sphere of customs business.

5. The customs body is not entitled to demand the provision of other information from a medium or a forwarder, except for the details specified in Item 2 of the present article.

6. An annotation on the acceptance of the documents presented in compliance with Item 1 of the present article as a transit declaration shall be made by an official of the customs body on such documents in the form and manner defined by the federal ministry authorised in the sphere of customs business.

7. The transit declaration may be presented in the form of an electronic document. The procedure for presenting a transit declaration in the form of an electronic document and the procedure for using it in the event of internal customs transit shall be established by the federal ministry authorised in the sphere of customs business, in compliance with the present Code.

8. In the cases stipulated by international treaties of the Russian Federation documents drawn up in accordance with international treaties of the Russian Federation shall be used as a transit declaration.

#### **Article 82.** The Term of Internal Customs Transit

1. The term for completion of internal customs transit shall not exceed the term calculated on the basis of 2,000 km per month for carriage performed by road, railway, sea (river), and this term shall not exceed three days after the receipt of permission for internal customs transit for carriage performed by air.

2. When permission for internal customs transit is being obtained an internal customs transit term shall be set by the customs body within the limits of the term established by Item 1 of the present article based on the carrier's (forwarder's) application, the normal duration of carriage of goods, the means of transport and the performance of the vehicle, its route and other conditions of carriage.

3. At the substantiated request of a person concerned the customs body shall extend the internal customs transit term within the limits of the term set by Item 1 of the present article. If in the event of carriage of goods under internal customs transit procedure the carrier fails to deliver the goods within the original term due to an accident or force majeure the internal customs transit term may be extended with the written permission of the customs body for a term exceeding the maximum admissible term established by Item 1 of the present article.

#### **Article 83.** The Identification of Goods and Documents for Them

1. The departure customs body shall perform the identification of goods placed under the customs procedure of internal customs transit so as to provide the destination customs body (Item 1 of Article 92) with an opportunity for detecting evidence of the withdrawal of goods, placement of goods in the vehicle or of the accomplishment of any operations with the goods if the said actions may be committed as the goods were carried under the customs transit arrangement.

2. For the purpose of identification of goods the departure customs body shall be entitled to use the following means:

the application of customs lead seals and seals to the vehicle, container or removable vehicle body;

the application of marks in terms of figures, letters or other marking, identification signs, the application of lead seals and seals to specific cargo pieces;  
the affixing of rubber stamps;  
the taking of samples and specimens;  
the making of descriptions of the goods and vehicles;  
the use of drawings, the making of scale images, photographs, video-records, illustrations;  
the use of drawings drawn up by customs officials, the making of scale images, photographs, video-records, illustrations;

other means allowing the identification of the goods, in particular, the lead seals of the consignor of the goods.

**3.** The identification of goods shall be done by applying customs lead seals and seals to the vehicle, container or removable vehicle body, given the observance of the conditions established by Article 84 of the present Code.

In the other cases the identification of goods shall be done through the use of other means indicated in Item 2 of the present article.

**4.** The customs bodies shall use customs lead seals or other means of identification of foreign states' customs bodies, except for the following cases:

if customs lead seals or other means of identification are deemed insufficient or unreliable by the departure customs body under the criteria specified in Item 1 of Article 84 of the present Code;

if the departure customs body performs customs inspection of the goods.

If the customs bodies use customs lead seals or other means of identification of foreign states' customs bodies the modification, removal, destruction or damaging of these means of identification shall be subject to the bans envisaged by the present Code for the means of identification of the customs bodies of the Russian Federation.

**5.** The customs bodies shall perform the identification of transport (carriage) documents and also of the commercial documents for the goods the medium has on hand, for customs purposes.

The customs bodies are entitled to use the following means for identification of documents:

the affixing of rubber stamps and seals to the documents;

the application of special adhesive tabs, special protection means;

the placement of documents required for customs purposes in the cargo compartments of vehicles, containers or removable vehicle bodies which are sealed by customs lead seals and seals;

the placement of documents required for customs purposes in safekeeping packets.

#### **Article 84.** Equipping Vehicles, Containers and Removable Vehicle Bodies in the Event of Carriage of Goods under Customs Lead Seals and Seals

**1.** Vehicles, containers or removable vehicle bodies may be cleared for the carriage of goods under customs lead seals and seals on the condition that customs lead seals and seals may be applied directly to these vehicles, containers or removable vehicle bodies which are designed and equipped so that:

1) customs lead seals and seals may be applied by a simple and reliable method;

2) goods cannot be taken out of the sealed part of the vehicle's cargo compartment or put into it without visible traces of the opening of the vehicle's cargo compartment being left or without the damaging of customs lead seals and seals;

3) there are no secret places for concealment of goods in the vehicle and the cargo compartments thereof;

4) easy access to all the places where goods can be placed is available for customs inspection purposes.

**2.** The requirements for a vehicle, container or removable vehicle body established by Item 1 of the present article shall be deemed met if the vehicle, container or removable vehicle body meets the technical requirements established by the federal ministry authorised in the sphere of customs business.

**3.** The decision to clear a vehicle, container or removable vehicle body for the carriage of goods under customs lead seals and seals shall be taken by the departure customs body, unless the vehicle, container or removable vehicle body have been cleared for carriage under customs lead seals and seals.

The said decision shall be made by the departure customs body on the day when a person concerned applies for it.

**4.** The compliance of a vehicle, container or removable vehicle body with the requirements set out in Items 1 and 2 of the present article may be confirmed in advance by means of obtaining a certificate of clearance of the vehicle, container or removable vehicle body for the carriage of goods under customs lead seals and seals.

The certificate of clearance of the vehicle, container or removable vehicle body for the carriage of goods under customs lead seals and seals may be issued:

in the individual procedure;

according to the type of design (series) of vehicle, container or removable vehicle body.

The certificate of clearance of a vehicle, container or removable vehicle body for the carriage of goods under customs lead seals and seals shall be issued by a customs body at the application of a person concerned within five days after the receipt of said application. The certificate shall remain valid until such time as changes occur in the design of the vehicle, container or removable vehicle body.

When the right to possess a vehicle, container or removable vehicle body is transferred from one person to another the certificate of clearance of a vehicle, container or removable vehicle body for the carriage of goods under customs lead seals and seals shall remain valid.

The form of a certificate of clearance of a vehicle, container or removable vehicle body for the carriage of goods under customs lead seals and seals and the procedure for the issuance thereof shall be established by the federal ministry authorised in the sphere of customs business.

**5.** The customs bodies shall not demand the preliminary clearance of a vehicle, container or removable vehicle body for the carriage of goods under customs lead seals and seals, except for cases when:

- the goods are carried by a customs carrier (Chapter 11);
- international treaties of the Russian Federation have a provision for preliminary clearance.

**Article 85.** The Point of Delivery of Goods in the Event of Internal Customs Transit

**1.** In the event of internal customs transit the point of delivery of goods shall be designated by the departure customs body on the basis of the information on the destination point available in the transport (carriage) documents. The point of delivery of goods shall be a customs control zone located in the area of activity of the destination customs body (Item 1 of Article 92). Goods carried from the point of their arrival (Article 69) shall be delivered to the place where the customs body is located (Article 405).

**2.** If the destination point is changed in keeping with the legislation of the Russian Federation governing transport, in the event of internal customs transit the carrier shall be entitled to apply to a customs body asking for a change in the point of delivery of the goods. In doing this, the medium shall file an application to changing the destination point with any customs body on his route, the application being drawn up in arbitrary form, together with documents confirming the change in the destination point and also the documents envisaged by Item 3 of Article 92 of the present Code.

The decision to change the point of delivery of goods shall be made by the customs body not later than on the day following the date of receipt of the application and the documents mentioned in Paragraph 1 of the present item. The said decision shall be formalised by completing internal customs transit for the goods of which the point of delivery is changed and issuing a new permission for internal customs transit (Article 80). The new permission for internal customs transit shall be issued on the day when the decision is made to change the point of delivery of the goods.

**Article 86.** Measures for Ensuring the Observance of the Customs Legislation of the Russian Federation in the Event of Internal Customs Transit

**1.** The departure customs body shall be entitled to take the following measures (one of the following measures) for ensuring the observance of the customs legislation of the Russian Federation in the event of internal customs transit:

1) a security for the payment of customs levies on foreign goods at rates corresponding to the sum of the import customs duties and taxes which would be payable if the goods were cleared for free circulation. If the information on the goods provided for the purposes of internal customs transit is insufficient for calculating the sum of import customs duties and taxes the amount of the security for payment of customs levies shall be assessed in the manner envisaged by Article 338 of the present Code;

2) a customs escort (Article 87);

3) the designation of routes in compliance with Item 3 of the present article.

**2.** The customs bodies shall not demand the application of the measures for ensuring the observance of the customs legislation of the Russian Federation envisaged by Item 1 of the present article if the carriage of the goods is done by a customs medium (Chapter 11).

**3.** In the cases envisaged by the legislation of the Russian Federation the Government of the Russian Federation shall be entitled to designate routes for the carriage of specific types of goods under internal customs transit arrangement. In other cases routes shall be designated for the carriage of specific types of goods in respect of which it has been revealed that, as they were carried across the customs border, the customs legislation of the Russian Federation was frequently violated, or in respect of which bans and restrictions have been established in keeping with the legislation of the Russian Federation on the state regulation of foreign trade activity. In such cases, the route shall be declared by the carrier. A route declared by a medium shall be binding on this medium for the carriage of goods. The route may be changed with written permission of the customs body.

**Article 87.** The Customs Escort

1. "Customs escort" means an escort of vehicles carrying goods under internal customs transit arrangement, the escort being performed by officials of customs bodies exclusively for the purpose of ensuring the observance of the customs legislation of the Russian Federation in the event of internal customs transit.

2. The customs body shall be entitled to take a decision to implement customs escort when:

1) no security is provided for the payment of customs levies under Chapter 31 of the present Code;

2) carriage is performed of specific types of goods determined on the basis of a risk assessment and management system in keeping with the present Code;

3) a carrier had failed to deliver goods to the point of their delivery at least once in the one-year term preceding the date when application for internal customs transit was filed as confirmed by a decision, that has become final, whereby an administrative sanction was imposed relating to an administrative offence in the area of customs affairs;

4) reverse export is performed of goods delivered to the Russian Federation by mistake or goods prohibited for import into the Russian Federation if the point of actual crossing of the customs border by the goods at export does not coincide with the location of the goods;

5) goods are carried in compliance with Items 6 and 7 of Article 80 of the present Code;

6) carriage is performed of goods subject to bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

3. Customs fees shall be charged for customs escort in keeping with the present Code.

#### **Article 88. The Duties of a Carrier in the Event of Internal Customs Transit**

When goods are carried under an internal customs transit arrangement the medium shall:

1) deliver the goods and the documents relating thereto to the point of delivery of the goods within the term set by the customs body following specific routes if they are designated or declared;

2) ensure the safety of the goods, customs lead seals and seals or the other means of identification, if any;

3) avoid reloading, unloading, loading and other cargo handling operations with the goods without permission of the customs bodies, except for the reloading of the goods to another vehicle in the event described in Item 1 of Article 89 of the present Code.

#### **Article 89. The Reloading, Unloading, Loading and Other Goods Cargo Handling Operations**

1. The reloading, unloading, loading and other cargo handling operations with goods carried under internal customs transit arrangement shall be admissible with the permission of the departure customs body (Item 1 of Article 80) or the customs body in whose area of activity the specific cargo operation is performed. If goods can be reloaded from one vehicle to another without damaging the customs lead seals and seals applied such reloading shall be admissible after a preliminary notification of a customs body.

2. The customs body may refuse to permit the conduct of cargo handling operations with goods only when they can cause the loss of the goods or a change in their properties.

#### **Article 90. The Liability of a Carrier and Forwarder in the Event of Internal Customs Transit**

1. If foreign goods fail to be delivered to the destination customs body (Item 1 of Article 92) the carrier or the forwarder, if the permission for internal customs transit is granted to the forwarder, shall pay import customs duties and taxes in compliance with the present Code.

If the goods are delivered by the medium to the consignee or another person without permission of a customs body the person that received the goods into his possession shall be liable for the payment of customs duties and taxes if it is established that at the receipt of such goods the person knew or should have know of the violation of the customs legislation of the Russian Federation.

2. The medium and forwarder shall not be liable for the payment of customs duties and taxes when the goods are destroyed or irreversibly lost due to an accident, force majeure or natural loss under normal conditions of carriage (transportation).

The customs bodies shall not be entitled to demand the making of customs payment from a medium or forwarder on the ground that the carriage did not follow designated routes or that the established term of internal customs transit has expired if the other terms and conditions defined by the present chapter have been complied with.

3. In the event of reloading goods in the event of internal customs transit from one vehicle to another liability for the payment of customs duties and taxes shall be borne by the medium (forwarder) that has obtained permission for the internal customs transit.

4. In the event of carriage of goods by rail under an internal customs transit arrangement liability for the payment of customs duties and taxes shall be borne by the railway that lost the goods or released them without permission of a customs body. The demand to make customs payments shall be addressed by customs bodies to the destination railway. The provisions of the present item shall not extend to cases

when permission for internal customs transit is issued to a forwarder and also to the cases of direct mixed-carrier transportation of goods if the permission for internal customs transit is issued to a medium of another means of transport.

**Article 91.** The Measures Taken in the Event of an Accident, Force Majeure or in Other Circumstances

1. In the event of an accident, force majeure or in other circumstances impeding the carriage of goods under internal customs transit the medium shall take the measures envisaged by Article 70 of the present Code.

2. The expenses incurred by the medium in connection with the taking of said measures shall not be refundable by customs bodies.

**Article 92.** The Completion of Internal Customs Transit of Goods

1. The customs body in which internal customs transit is completed ("destination customs body") shall perform the formalities relating to the completion of goods' internal customs transit as quickly as possible but in any case within 24 hours after the recorded arrival of the vehicle, provided no breach of Russian customs legislation is discovered when documents were verified and the goods identified by this customs body, by issuing a certificate of completion of internal customs transit to the carrier in the form defined by the federal ministry authorised in the sphere of customs business.

2. The destination customs body shall record the arrival of a vehicle at the point of delivery of goods within two hours after the presentation of the documents specified in Item 3 of the present article by the medium to the customs body and shall issue a written confirmation of the arrival of the vehicle to the medium immediately after the recording in the form defined by the federal ministry authorised in the sphere of customs business.

3. For the purpose of completing internal customs transit the medium shall present to the customs body the goods, the transit declaration (Article 81) and also the other documents relating to the goods he has on hand within one hour after the arrival of the vehicle in the point of delivery of the goods and in the event of arrival outside the working hours of the customs body, within one hour after the beginning of the customs body's working hours. In the event of carriage of goods by rail the said documents shall be presented within 12 hours.

4. At the point of delivery of goods vehicles shall be kept in a customs control zone until the completion of internal customs transit.

The placement of vehicles in the customs control zone is permitted for 24 hours.

5. When goods are carried to a point of delivery other than a customs body (Item 6 of Article 80) internal customs transit may be completed without presenting the goods to the destination customs body.

A person that has received permission for internal customs transit shall accept the goods for storage, ensure that no operations are performed to change the condition of the goods, to cause a break of their packaging, use and disposition thereof until the time when the customs body confirms the placement of the goods in a bonded warehouse, customs warehouse or another place designated as the point of delivery of goods under the rules established by the present chapter. The goods shall be placed in separate premises or a perimeter-fenced outdoor area and they shall be equipped with tags allowing their identification.

For the purpose of completing internal customs transit documents confirming the acceptance of the goods shall be presented to the destination customs body together with the documents specified in Item 3 of the present article within 24 hours after the arrival of the vehicle at the point of delivery of goods. Within three days after the presentation of said documents the customs body shall confirm the delivery of the goods in the form and manner defined by the federal ministry authorised in the sphere of customs business.

## Chapter 11. The Customs Carrier

**Article 93.** The Customs Carrier

1. A customs carrier may be a Russian juridical person included in the Register of Customs Carriers.

2. A customs medium shall perform the carriage of goods placed under customs control in the cases and on the terms established by the present Code.

3. A customs medium shall be entitled to designate the area of its activity as the area of activity of one (several) customs body (customs bodies).

4. A customs carrier's relations with consignors of goods or forwarders shall be based on contracts. A customs medium shall not refuse to conclude a contract when the medium is able to deliver the goods.

**Article 94.** The Conditions for Inclusion in the Register of Customs Carriers

Below are the conditions for inclusion in the Register of Customs Carriers:

- 1) the activity of carriage of cargoes has been performed for at least two years;
- 2) the payment of customs levies is secured in compliance with Article 339 of the present Code;
- 3) a cargo carriage licence is held if this type of activity is subject to licensing under the legislation of the Russian Federation;
- 4) vehicles used to carry goods, in particular, vehicles fit for the carriage of goods under customs lead seals and seals (Article 84) are possessed (by the right of ownership, economic jurisdiction, operative management or lease);
- 5) insurance is held against the risk of civil liability due to a damage to goods entrusted to the medium under a contract of carriage or due to a breach of obligations ensuing from a contract. The insured sum shall not be below 20 million roubles.

**Note.** For the purposes of the present chapter "vehicle" means among other things a vehicle used to carry goods in the customs territory of the Russian Federation.

**Article 95.** The Application for Inclusion in the Register of Customs Carriers

1. Inclusion in the Register of Customs Carriers shall be effected on an application of a person that meets the standards set by Articles 93 and 94 of the present Code.
2. The application for inclusion in the Register of Customs Carriers shall contain the following:
  - 1) a petition addressed to a customs body for inclusion in the Register of Customs Carriers;
  - 2) information on the name, organisational legal form, location, opened bank accounts, amount of fully formed charter (contributed) capital, charter fund or share contributions of the applicant;
  - 3) information on the period of time during which cargo carriage activity has been pursued;
  - 4) information on the intent of designating the area of activity as the area of activity of one (several) customs body (customs bodies) or not limiting the area of activity;
  - 5) information on the vehicles possessed (total number, technical characteristics) and intended for use pursuing the activity of a customs carrier, in particular, on vehicles fit for the carriage of goods under customs lead seals and seals (Article 84);
  - 6) information on security for the payment of customs levies in compliance with Article 339 of the present Code;
  - 7) information on the applicant's contract(s) of civil liability risk insurance.
3. The application for inclusion in the Register of Customs Carriers shall be filed together with the cargo carriage licence if this type of activity is subject to licensing under the legislation of the Russian Federation and also the following documents confirming the information so stated:
  - the constitutive documents and a document confirming that an entry on the juridical person has been made in the Comprehensive State Register of Juridical Persons;
  - the juridical person's certificate of state registration;
  - the certificate of the applicant's being placed on record with a tax body;
  - documents confirming the right to the vehicles to be used for the pursuance of the activity of a customs carrier;
  - certificates of clearance of the vehicles for the carriage of goods under customs lead seals and seals;
  - documents confirming the amount of fully formed charter (contributed) capital, charter fund of share contributions of the applicant;
  - documents confirming that security has been provided for the making of customs payments in keeping with Article 339 of the present Code;
  - banks' acknowledgement of the opening of accounts in these banks;
  - the insurance policy.

**Article 96.** The Certificate of Inclusion in the Register of Customs Carriers

1. The certificate of inclusion in the Register of Customs Carriers shall comprise the following:
  - 1) the name of the customs carrier, an indication of the organisational legal form and location thereof;
  - 2) information on the amount and form of security for the making of customs payments under Article 339 of the present Code;
  - 3) an indication of the area of activity of the customs carrier (in the event the medium limits his activity to the region of activity of one (several) customs body (customs bodies)).
2. The certificate of inclusion in the Register of Customs Carriers shall be effective for a five-year term.

**Article 97.** The Duties of a Customs Carrier

- The customs medium shall:
- 1) observe the terms and conditions established by the present Code in respect of the carriage of goods placed under customs control;

- 2) keep a record of carried goods under customs control and file reports to customs bodies on the carriage of such goods (Article 364);
- 3) pay customs duties and taxes in the event specified by Item 1 of Article 90 of the present Code;
- 4) observe the confidential status of information received from the consignor of goods, the consignee or forwarder of goods.

**Article 98.** The Revocation of a Certificate of Inclusion in the Register of Customs Carriers

The certificate of inclusion in the Register of Customs Carriers may be revoked by a customs body in the case of:

- 1) non-observance by the customs medium of at least one of the terms and conditions for inclusion in the Register of Customs Carriers established by Article 94 of the present Code;
- 2) non-observance by the customs medium of the duties envisaged by Subitem 3 of Article 97 of the present Code;
- 3) the customs medium having been repeatedly held accountable under administrative law in connection with the carrier's default on his duties for the committal of the administrative offences in the area of customs affairs envisaged by Articles 16.1, 16.2, 16.3, 16.9, 16.11, 16.15 and Part 3 of Article 16.23 of the Code of Administrative Offences of the Russian Federation.

## **Chapter 12. Temporary Storage of Goods**

**Article 99.** Temporary Storage of Goods

The temporary storage (bonded storage) of goods is a customs procedure under which foreign goods are stored without the payment of customs duties and taxes and without being subject to the restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity until they are cleared under a certain customs regime or placed under another customs procedure.

**Article 100.** Bonded Warehouses

1. The temporary storage of goods is done in bonded warehouses, except as otherwise established by the present chapter.

Bonded warehouses are premises and/or outdoor areas which are specifically allocated and equipped for these purposes and which meet the standards established by Article 107 of the present Code.

2. Bonded warehouses are deemed customs control zones.

3. Goods may be placed in any bonded warehouse subject to the restrictions envisaged by the present Code.

**Article 101.** The Placement of Goods in Bonded Warehouses

1. Any foreign goods in particular those imported into the customs territory of the Russian Federation in breach of the bans on imports established under the legislation of the Russian Federation on the state regulation of foreign trade activity (Item 1 of Article 13) can be placed in bonded warehouses.

2. Goods that can cause harm to other goods or that require special storage conditions shall be kept in warehouses or on separate premises of bonded warehouses specifically adapted for the storage of such goods, in the observance of the mandatory requirements established in compliance with the legislation of the Russian Federation on technical regulations.

3. Bonded warehouses may be also used for the purpose of storing goods in the cases specified by Articles 377 and 391 of the present Code.

**Article 102.** The Documents Required for Placing Goods in a Bonded Warehouse

1. When goods are placed in a bonded warehouse documents shall be filed with the customs body that contain information on the name and whereabouts of the consignor (consignee) of the goods in accordance with the transport (carriage) documents, on the country of departure and the country of destination of the goods, a description of the goods, the quantity of goods, the number of cargo pieces, the nature and methods of packaging and marking the goods, invoice value, gross weight of the goods (in kilograms) or the volume of the goods (in cubic metres) and also information on the classification codes of the goods in compliance with the Harmonised System for describing and coding goods or the Commodity Classification for Foreign Economic Activity at the level of at least the first four digits.

The federal ministry authorised in the sphere of customs business is entitled to cut the list of details specified in Paragraph 1 of the present item with due regard to the means of transport, the type of goods and also the category of person carrying goods and vehicles.

2. The following documents shall be used for the purposes of placing goods in a bonded warehouse:

those envisaged by Articles 73 - 76 of the present Code when goods are placed in a bonded warehouse located at the point of arrival of the goods;

those envisaged by Article 81 of the present Code in other cases when goods are placed in a bonded warehouse.

If the documents filed do not contain the details specified in Item 1 of the present article the person placing goods in the bonded warehouse shall provide the missing details to the customs body by filing other documents he has on hand or additional documents he draws up (another person draws up on his instructions) in an arbitrary form.

3. When goods are placed in a bonded warehouse the customs body shall not be entitled to demand the provision of details which are not specified in Item 1 of the present article.

4. The person placing goods in a bonded warehouse shall be entitled to provide the necessary documents and information in the form of electronic documents in keeping with the present Code.

#### **Article 103. The Term of Bonded Storage of Goods**

1. The term of bonded storage of goods shall be two months.

At the substantiated request of the person concerned the said term may be extended by the customs body.

The maximum term of bonded storage of goods shall be four months, except as otherwise established by the present article.

2. Perishable goods may be stored in a bonded warehouse within the maximum term of preservation of the properties thereof allowing the intended use of such goods but not exceeding the term established by Item 1 of the present article.

3. In the cases envisaged by Item 1 of Article 13 and Item 8 of Article 377 of the present Code the bonded storage of goods shall be effected within the terms indicated in these articles. Extension of these terms is prohibited.

4. The term of bonded storage of goods shall be counted from the day when they are placed in a bonded warehouse or the day when the goods acquired the status of goods in bonded storage in keeping with the present Code. In the event of application of an internal customs transit arrangement to the carriage of goods from the point of arrival in the customs territory of the Russian Federation to the place where the customs body is located the counting of the bonded storage term for these goods shall start anew from the day of completion of internal customs transit.

5. The disposition of goods upon the expiry of the term envisaged by the present article shall be effected in compliance with Chapter 41 of the present Code.

#### **Article 104. Operations with Goods in Bonded Storage**

1. The persons having powers in respect of goods and representatives thereof shall be entitled to subject the goods in bonded storage to the ordinary operations required for ensuring the safety of the goods as being in unmodified condition (in particular, to inspect and measure the goods, move them within the bonded warehouse), provided these operations do not ensue a change in the condition of the goods, a damage to the packaging thereof and/or a change in the means of identification applied thereto.

2. Operations not mentioned in Item 1 of the present article (in particular the taking of samples and specimens of the goods, the mending of damaged packaging, and also operations required for preparing the goods for being taken out of the bonded warehouse and then transported) may be performed by persons empowered in respect of goods and by their representatives with the permission of the customs body. The customs body shall be entitled to refuse to grant permission for such operations only if the implementation of the operations will cause a loss of the goods or a modification of their condition.

#### **Article 105. Faulty, Spoilt or Damaged Goods**

Goods that have become faulty, spoilt or damaged as the result of an accident or force majeure during the term of their bonded storage shall be subject to placement under the customs regime designated by the declarant as if they were brought into the customs territory of the Russian Federation in faulty, spoilt or damaged condition.

#### **Article 106. The Types of Bonded Warehouses**

1. Bonded warehouses may be public or non-public.

2. Bonded warehouses shall be deemed public warehouses if they are open for the storage of any goods by any persons.

3. Bonded warehouses shall be deemed non-public warehouses if they are intended for the storage of goods of the owner of the warehouse (Article 108) or for the storage of certain goods, in particular those subject to trading restrictions and/or requiring special storage conditions.

**Article 107.** The Standards Governing Bonded Warehouses' Furnishing, Equipping and Location

1. The premises and/or outdoor areas intended for use as a bonded warehouse shall be furnished and equipped so as to ensure the safety of goods, prevent unauthorised persons' (those who are not employees of the warehouses empowered in respect of goods or who are not representatives of the persons having such powers) access to them and also provide an opportunity for exercising customs control in respect of these goods. Bonded warehouses shall be located within a reasonable proximity of transport hubs and major links.

2. The premises and/or outdoor areas intended for use as a bonded warehouse shall be adjacent to a guarded area equipped as a parking lot for the vehicles carrying goods for the period of time required for completing internal customs transit. The said area shall be deemed a customs control zone. The vehicles carrying goods being under customs control may enter the said zone for 24 hours.

3. Under Items 1 and 2 of the present article the federal ministry authorised in the sphere of customs business shall establish mandatory standards governing the furnishing, equipping and location of bonded warehouses for the purpose of ensuring customs control.

4. Under a decision of a customs body specific items of the standards governing the furnishing and equipping of non-public warehouses which are located in the areas of enterprises and which are possessed by persons pursuing production activity may be waived if the criteria established by Item 1 of the present article are met.

**Note.** For the purposes of the present chapter the "vehicle" means among other things a vehicle used to carry goods in the customs territory of the Russian Federation.

**Article 108.** The Owners of Bonded Warehouses

1. The owner of a bonded warehouse may be a Russian juridical person included in the Register of Owners of Bonded Warehouses.

2. The owner of a bonded warehouse shall be responsible for storing goods being under customs control in the cases and on the terms established by the present Code.

3. The relations of the owner of a bonded warehouse with the persons placing goods into storage shall be based on a contract. It is prohibited for the owner of a bonded warehouse (except for a non-public warehouse used for storing goods of the owner of the warehouse) to refuse to conclude a contract if the owner has the possibility to store goods.

4. The owners of bonded warehouses may be customs bodies without being included in the Register of Owners of Bonded Warehouses (Article 115). The federal service authorised in the sphere of customs business shall ensure a regular, at least once every six months, publication of lists of the bonded warehouses owned by customs bodies in its official publications as well as amendments to such lists.

**Article 109.** The Terms for Inclusion in the Register of Owners of Bonded Warehouses

1. Below are the terms for inclusion in the Register of Owners of Bonded Warehouses:

1) the possession (by the right of ownership or economic jurisdiction or lease) of premises and/or outdoor areas which are intended for use as a bonded warehouses and which meet the established standards (Article 107);

2) the presence of security for the making of customs payment in keeping with Article 339 of the present Code;

3) the presence of insurance against the risk of civil liability that can occur through the infliction of harm to other persons' goods being in storage or a breach of other terms of the storage contracts concluded with other persons. The insured sum within which the insurer undertakes to indemnify upon the onset of each insured accident causing harm to property interests shall be calculated on the basis of the useful area or useful volume and it shall be assessed as 3,500 roubles per square metre of useful area if an outdoor area is used as a customs warehouse, or as 1,000 roubles per cubic metre of useful volume if covered premises are used as a customs warehouse, but it shall not be below two million roubles.

2. If premises and/or outdoor areas are held under a lease contract such contract shall be concluded for at least a one-year term as of the date of filing the application for inclusion in the Register of Owners of Bonded Warehouses.

**Article 110.** The Application for Inclusion in the Register of Owners of Bonded Warehouses

1. Inclusion in the Register of Owners of Bonded Warehouses shall be at the application of a person meeting the criteria established by Articles 108 and 109 of the present Code.

2. The application for inclusion in the Register of Owners of Bonded Warehouses shall contain the following:

1) a petition to a customs body for inclusion in the Register of Owners of Bonded Warehouses;

2) information on the name, organisational legal form, location, opened bank accounts and also on the amount of fully formed charter (contributed) capital, charter fund of share contributions of the applicant;

3) information on the type of bonded warehouse (for a non-public warehouse also the reasons for the need and feasibility of choosing this type of warehouse);

4) information on the premises and/or outdoor areas possessed by the applicant and which are intended for use as a bonded warehouse, on the location, furnishing, equipping thereof and the material-technical accessories available therein;

5) information on the security available for the making of customs payments under Article 339 of the present Code;

6) information on the insurance contract(s) for the applicant's civil liability risk.

**3.** The following documents confirming declared details shall be attached to the application for inclusion in the Register of Owners of Bonded Warehouses:

the constitutive documents and a document confirming the fact that an entry concerning the juridical person has been made in the Comprehensive State Register of Juridical Persons;

the certificate of the juridical person's state registration;

the certificate of the applicant's having been placed on record by a customs body;

documents confirming the right to possess the premises and/or outdoor areas intended for use as a bonded warehouse;

layouts and drawings of the premises and/or outdoor areas intended for use as a bonded warehouse;

documents confirming the amount of fully formed charter (contributed) capital, charter fund or share contributions of the applicant;

documents confirming the security available for the making of customs payments under Article 339 of the present Code;

confirmations by banks concerning the accounts opened in such banks;

the insurance policy.

**4.** A separate application shall be filed for each territorially isolated premises and/or each territorially isolated outdoor area intended for use as a bonded warehouse.

#### **Article 111.** The Certificate of Inclusion in the Register of Owners of Bonded Warehouses

**1.** The inclusion of an owner of a bonded warehouse in the Register of Owners of Bonded Warehouses shall be effected for each territorially isolated premises and/or each territorially isolated outdoor area intended for use as a bonded warehouse. A separate certificate of inclusion in the Register of Owners of Bonded Warehouses shall be issued for each territorially isolated premises and/or each territorially isolated outdoor area intended for use as a bonded warehouse.

**2.** The certificate of inclusion in the Register of Owners of Bonded Warehouses shall contain the following:

1) the name of the owner of the bonded warehouse, its organisational legal form and location;

2) information on the right to possess the premises and/or outdoor area used as a bonded warehouse;

3) information on the amount and form of the security for the making of customs payments under Article 339 of the present Code;

4) an indication of the type of bonded warehouse;

5) indication of the location of the bonded warehouse.

**3.** The certificate of inclusion in the Register of Owners of Bonded Warehouses shall be effective for a five-year term.

#### **Article 112.** The Duties of the Owner of a Bonded Warehouse

**1.** The owner of a bonded warehouse shall:

1) observe the terms and conditions established by the present Code in respect of storage of goods being under customs control;

2) keep a record of stored goods under customs control and provide customs bodies with reports on the storage of such goods (Article 364);

3) ensure the safety of the goods kept in the bonded warehouse and the vehicles staying in the area deemed a customs control zone adjacent to the warehouse;

4) provide an opportunity for 24-hour placement of goods and vehicles in the bonded warehouse or in the area deemed a customs control zone adjacent to the warehouse;

5) make it impossible for unauthorised persons to gain access to the goods and vehicles placed in said warehouses and the area adjacent thereto without permission of a customs body;

6) pay customs duties and taxes in the event specified in Item 2 of the present article, and also in the event specified by Item 1 of Article 90 of the present Code if the owner of the bonded warehouse has obtained permission for internal customs transit.

2. The owner of a bonded warehouse shall be responsible for paying customs duties and taxes on the goods kept in the bonded warehouse in the case of loss or release thereof without permission of a customs body. The owner of a bonded warehouse shall not be liable for the payment of customs duties and taxes only if goods have been destroyed or irreparably lost due to an accident, force majeure or natural loss under normal conditions of storage.

**Article 113.** Revocation of a Certificate of Inclusion in the Register of Owners of Bonded Warehouses

The certificate of inclusion in the Register of Owners of Bonded Warehouses may be revoked by a customs body if:

1) the owner of the bonded warehouse fails to observe at least one of the terms and conditions for inclusion in the Register of Owners of Bonded Warehouses established by Article 109 of the present Code;

2) the owner of the bonded warehouse fails to execute the duties envisaged by Subitem 6 of Item 1 of Article 112 of the present Code;

3) the owner of the bonded warehouse has been repeatedly held accountable under administrative law for the administrative offences in the area of customs affairs envisaged by Articles 16.1, 16.9, 16.11, 16.13, 16.14, 16.15 and Part 3 of Article 16.23 of the Code of Administrative Offences of the Russian Federation.

**Article 114.** Actions with Goods in the Event of Removal of the Owner of a Bonded Warehouse from the Register of Owners of Bonded Warehouses

In the event of revocation of a certificate of inclusion in the Register of Owners of Bonded Warehouses or removal of the owner of a bonded warehouse from the Register of Owners of Bonded Warehouses on other grounds the goods kept in the bonded warehouse shall be subject to placement at the expense of the owner into another bonded warehouse within two months of the date of removal. From the day following the date of exclusion of the owner of the bonded warehouse from the Register of Owners of Bonded Warehouses no goods shall be placed into the bonded warehouse.

**Article 115.** The Storage of Goods in the Bonded Warehouses of Customs Bodies

1. Customs bodies' bonded warehouses shall be deemed public warehouses and they shall meet the standards set by Article 107 of the present Code.

2. When goods are stored in customs bodies' bonded warehouses the relations of the customs bodies with the persons that place goods in the warehouses shall be governed by the present Code and the Civil Code of the Russian Federation. The contract concluded by the customs body and a person placing goods in the bonded warehouse shall be governed by the provisions of the civil legislation of the Russian Federation established for public contracts. If it has the possibility of storing goods the customs body shall not refuse to conclude a contract.

The acceptance of goods for storage by the customs body shall be acknowledged by issuing a receipt to the person that placed the goods in the bonded warehouse in the form designated by the federal ministry authorised in the sphere of customs business.

3. The rights, duties and liability of customs bodies in connection with the storage of goods pursued by these bodies shall arise from the essence of obligations in compliance with the general provisions on storage envisaged by the civil legislation of the Russian Federation with due regard to the provisions of the present Code.

The customs body shall be responsible for paying customs duties and taxes if the goods kept in the bonded warehouse are lost, except for cases when the goods are destroyed, irreparably lost due to an accident, force majeure or natural loss under normal conditions of storage.

4. For the storage of goods at a bonded warehouse of a customs body customs fees shall be charged in keeping with the present Code.

**Article 116.** The Peculiarities of Bonded Storage of Goods Carried by Rail

1. At the request of a railway goods carried by rail may be put in bonded storage until their being unloaded directly in vehicles located on railway tracks of this railway in places that are not deemed bonded warehouses and the location of which is agreed upon with customs bodies.

Said places shall be deemed a customs control zone. The railway shall ensure the safety of the goods and prevent unauthorised persons from getting access thereto.

2. Goods kept in vehicles in a customs control zone in keeping with the present article shall be deemed for customs purposes as goods in bonded storage. The unloading of the goods and their placement in any other place shall be done with the permission of a customs body.

3. If goods stored in vehicles in a customs control zone get lost or released without the permission of customs bodies the railway shall be liable for the payment of customs duties and taxes.

**Article 117.** Bonded Storage in a Warehouse of the Consignee of Goods

1. With the permission of a customs body bonded storage may be performed in a warehouse of the consignee of goods:

in the event of application of the special simplified procedures for specific persons (Article 68);

if bonded storage is needed for goods that require special storage conditions, unless there is a bonded warehouse equipped for the storage of such goods in reasonable proximity of the place of receipt of the goods;

if the consignee of the goods is a state body or institution.

2. When permission is issued for bonded storage in a warehouse of the consignee of goods the customs body shall be entitled to demand the provision of security for the making of customs payments.

3. The consignee of goods in the event of storage of goods in his warehouse shall observe all the other provisions of the present chapter. Foreign goods belonging to third persons shall not be stored in a warehouse of the consignee of goods.

#### **Article 118.** The Placement of Goods in a Bonded Warehouse by Customs Bodies

1. In the events specified by Item 1 of Article 13, Articles 377 and 391 of the present Code goods may be placed into a bonded warehouse by customs bodies.

The payment of a fee for the storage and reimbursement of damages to the owner of the bonded warehouse in said cases shall be at the expense of the persons designated by these articles.

2. Where storage expenses are incurred at the expense of federal budget resources they shall be reimbursed to the owner of the bonded warehouse by customs bodies within the amount of expenses that are necessary and supported by documents and was incurred by the owner of the bonded warehouse when goods were stored.

### **Chapter 13. The Departure of Goods from the Customs Territory of the Russian Federation**

#### **Article 119.** The Place and Time of Departure of Goods and Vehicles from the Customs Territory of the Russian Federation

1. The departure of goods and vehicles from the customs territory of the Russian Federation (hereinafter referred to as "the departure of goods and vehicles") shall be admissible at check-points at the State Border of the Russian Federation or at other places established in compliance with the legislation of the Russian Federation on the State Border of the Russian Federation during the working hours of customs bodies (Article 407).

2. The provisions of the present article shall not extend to goods carried by sea (river) vessels, aircraft crossing the customs territory of the Russian Federation without having a stop at a port or airport located in the customs territory of the Russian Federation.

#### **Article 120.** The Provision of Documents and Information

1. The departure of goods and vehicles shall be admissible with the permission of a customs body.

2. For the purpose of obtaining permission of a customs body for the departure of goods and vehicles customs documents shall be filed with the customs body to confirm the placement of the goods under a customs regime that envisages taking the goods out of the customs territory of the Russian Federation.

3. Before the departure of goods and vehicles the carrier shall provide the customs body with the documents and information specified by Articles 73 - 76 of the present Code depending on the means of transport whereby the international carriage of the goods is performed.

If the documents so filed do not contain the details envisaged by Articles 73 - 76 of the present Code the medium shall provide the missing details to the customs body by furnishing other documents he has on hand or additional documents he draws up in an arbitrary form.

The customs body shall not be entitled to demand that the carrier provide information other than that envisaged by Articles 73 - 76 of the present Code.

Documents and information may be presented by any other person acting on behalf of the medium on the carrier's instructions.

#### **Article 121.** The Loading of Goods on a Vehicle that Leaves the Customs Territory of the Russian Federation

1. Goods may be loaded on a vehicle leaving the customs territory of the Russian Federation after the acceptance of a customs declaration, except for cases when, during the customs processing of goods, the customs body does not demand the presentation of the goods for inspection and also in the movement of the goods under the customs regime of international customs transit.

2. For the purpose of inspecting goods customs officials are entitled to be present when the goods are loaded on a vehicle leaving the customs territory of the Russian Federation. In this case the

loading of the goods shall be performed at places agreed upon with customs bodies and within the working hours of customs bodies.

At the request of a person concerned the customs body shall be entitled to permit loading outside the established working hours of the body in compliance with Article 407 of the present Code.

**Article 122.** The Provisions Governing Goods in the Event of Their Departure from the Customs Territory of the Russian Federation

1. Goods shall be actually taken out of the customs territory of the Russian Federation in the quantity and condition in which they were at the time when they were placed under a specific customs regime, except for a change in the quantity and condition of goods due to natural wear or loss or due to a change in the natural properties of goods under normal conditions of carriage, transportation and storage, and also a change in the quantity of goods due to an undrainable residue in the vehicle.

2. Persons shall not be liable for non-observance of the provisions of the present article if a loss or change in condition of goods has resulted from an accident or force majeure, and, in the cases specified by technical rules and standards effective in the Russian Federation, in the event of a change in data concerning the quantity of goods due to a measurement method error.

3. Russian goods may be exported in a smaller quantity compared to the quantity thereof declared when they were placed under a specific customs regime, no matter the cause of the decrease in the quantity of goods.

4. When goods are presented to a customs body at the point of their departure the customs body shall confirm the quantity of the actually exported goods on the declarant's request.

## Chapter 14. Declaring Goods

**Article 123.** The Goods Subject to Declaration

Goods shall be subject to declaration to customs bodies when they are carried across the customs border, when the customs regime is changed and in the other cases established by Articles 183, 184, 247, 391 of the present Code.

**Article 124.** The Declaration of Goods

1. Goods shall be declared by declaring to a customs body in a customs declaration or otherwise as envisaged by the present Code, in written, oral, electronic or conclusive form information on the goods, their customs regime and other details required for customs purposes.

The declaration of goods shall be effected by a declarant or a customs broker (representative) (Chapter 15) as the declarant chooses.

2. A list of the details subject to indication in a customs declaration shall be limited to the information required for the purposes of calculating and collecting customs levies, forming customs statistics and applying the customs legislation of the Russian Federation.

3. The following basic details (included in coded form) may be indicated in a customs declaration:

- 1) the customs regime declared;
- 2) the details of the declarant, customs broker (representative), the person specified in Article 16 of the present Code, the consignor and the consignee of the goods;
- 3) the details of the vehicles used to perform the international carriage of the goods and/or the carriage thereof in the customs territory of the Russian Federation under customs control;
- 4) the details of the goods:

titles;

description;

classification code of the goods according to the Commodity Classification for Foreign Economic Activity;

the country of origin;

the country of departure (destination);

a description of packages (quantity, type, marking and serial numbers);

quantity in kilograms (gross weight and net weight) or in other units;

customs value;

5) information on customs levies calculation:

the rates of import or export customs duties and taxes, customs fees;

entitlement to privileges on the payment of customs duties, taxes, customs fees;

entitlement to preferential tariff treatment;

the amounts of calculated customs duties and taxes, customs fees;

the currency exchange rate set by the Central Bank of the Russian Federation as of the date of filing the customs declaration for accounting and customs payment purposes;

6) information on the foreign economic transaction and the basic terms thereof;

7) information on the observance of the restrictions established in keeping with the legislation of the Russian Federation on the state regulation of foreign trade activity;

8) information on the manufacturer of the goods;

9) information confirming the observance of the terms for placing the goods under the customs regime declared;

10) information on filed documents required for declaration purposes (Article 131);

11) the details on the person who drew up the customs declaration;

12) the place and date where and when the customs declaration was drawn up.

4. When a customs declaration is used as a document for the purposes of registration of, and control over, currency transactions exercised by currency control bodies, customs bodies and other currency control agents, the data required for these purposes shall be likewise subject to inclusion into the customs declaration in compliance with the scope of authority of the customs bodies in respect of exercising currency control in keeping with the currency legislation of the Russian Federation and the normative legal acts of the currency regulation bodies adopted in conformity to it.

5. The customs declaration shall be attested to by the person that drew it up and shall be signed by an employee of this person. The attestation of the declaration shall be done by means of affixing the seal if under Russian law the person that has drawn up the declaration should have one.

6. The form of declaration shall be designated by the federal ministry authorised in the sphere of customs business in compliance with the present Code and other legal acts of the Russian Federation.

The federal ministry authorised in the sphere of customs business is entitled to cut the list of details subject to disclosure in a customs declaration with due regard to the category of persons specified in Article 16 of the present Code, type of goods, the terms of customs regimes or depending on the means of transport used to carry the goods across the customs border.

7. A list of the details to be indicated in a customs declaration and the forms in which they to be are presented shall be subject to formal publication. The regulatory legal acts of the federal ministry authorised in the sphere of customs business that establish lists of the details subject to indication in a customs declaration shall take effect not earlier than 90 days after the date of official publication thereof, except for the cases envisaged by Paragraphs 2 and 3 of Item 3 of Article 5 of the present Code.

#### **Article 125. The Place of Declaration of Goods**

1. The customs declaration may be filed with any customs body empowered to accept customs declarations.

2. For the purpose of ensuring the effectiveness of control over the observance of the customs legislation of the Russian Federation the federal ministry authorised in the sphere of customs business is entitled to designate specific customs bodies for the declaration of specific types of goods only:

1) if it is necessary to use specialised equipment and/or special knowledge for performing customs formalities in respect of such goods as cultural valuables, weaponry, military material and ammunition, radioactive and fission materials;

2) depending on the means of transport used to perform the international carriage of goods (road, sea (river), air, rail, pipeline and electric transmission line);

3) when the movement across the customs border of specific types of goods which are known to be involved in frequent cases of breach of the customs legislation or are subject to bans and restrictions established under the legislation of the Russian Federation on the state regulation of foreign trade activity;

4) when special control is needed for specific goods containing objects of intellectual property according to the list established by the Government of the Russian Federation.

3. When a customs declaration is filed with a customs body other than that designated in compliance with Item 2 of the present article the customs declaration shall be sent by the customs body with which it is filed to the appropriate customs body on the day when it is filed.

In this case the term for accepting the customs declaration (Article 132) shall be extended by the period required for the sending thereof but in any case by a term not exceeding two working days.

4. The regulatory legal acts of the federal ministry authorised in the sphere of customs business designating places for the declaration of specific types of goods shall take effect not earlier than 90 days after the formal publication thereof.

#### **Article 126. The Declarant**

1. The following may act as a declarant: the persons specified in Article 16 of the present Code, and also any other persons having the legal capacity under the civil legislation of the Russian Federation to dispose of goods in the customs territory of the Russian Federation, given the observance of the term envisaged by Item 2 of the present article.

2. Only a Russian person may be a declarant, except for cases when goods are carried across the customs border:

by natural persons for personal, family, household and other needs not relating to the pursuance of entrepreneurial activity;

foreign persons enjoying customs privileges under Chapter 25 of the present Code;

foreign organisations having representative offices registered (accredited) in the territory of the Russian Federation in the established procedure in the event of declaration of the customs regimes of temporary import, re-export, transit, and also the customs regime of clearance for internal consumption of goods imported for the representative offices' own needs;

foreign media in the event of declaration of the transit customs regime;

in other cases when a foreign person is entitled to dispose of goods in the customs territory of the Russian Federation other than within the framework of a foreign economic transaction to which one of the parties is a Russian person.

#### **Article 127. The Rights and Duties of a Declarant**

1. While declaring goods and carrying out the other customs operations required for clearance of the goods the declarant shall be entitled to:

inspect and measure the goods subject to declaration by him, in particular, before the filing of the customs declaration;

with the permission of the customs body, take samples and specimens of the goods that are subject to declaration by him and have been brought into the customs territory of the Russian Federation. No separate customs declaration shall be filed for samples and specimens if such samples and specimens are indicated in the customs declaration for the goods;

be present when the customs inspection and check is performed in respect of the goods he declares (Articles 371 and 372), when customs officials take samples and specimens of goods (Article 383);

get acquainted with the results of completed tests of samples and specimens of the goods he declares held by customs bodies;

provide the documents and information required for goods declaration purposes in the form of electronic documents in keeping with the present Code;

exercise the other powers and rights envisaged by the present Code.

2. While declaring goods and carrying out other customs operations the declarant shall:

1) file a customs declaration and provide the necessary documents and information (Article 131) to the customs body;

2) present the goods declared at the request of the customs body;

3) make customs payments or arrange for the payment thereof in keeping with Section III of the present Code.

#### **Article 128. The Peculiarities of Declaration of Goods of Various Descriptions Contained in a Single Lot of Goods**

1. If the declarant so wishes goods of various descriptions contained in one lot of goods may be declared with the indication of one classification code according to the Commodity Classification for Foreign Economic Activity, provided the highest customs duty rate corresponds to this classification code. If several classification codes correspond to the goods according to the Commodity Classification for Foreign Economic Activity with the same customs duty rates the classification code of the goods to which the highest level of excise tax shall be indicated, and if excise tax rates are the same, the highest rate of value-added tax.

2. Information on the titles and quantity of all the goods contained in one lot of goods shall be declared by the declarant by filing a list of goods. Shipping specifications, packing lists, lists of documents or other similar documents may be used as such list of goods. For customs purposes the list of goods shall be deemed an integral part of the customs declaration.

3. If specific goods contained in one lot of goods are subject to restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity the declaration of such goods with the indication of one classification code according to the Commodity Classification for Foreign Economic Activity shall not relieve the declarant from the duty to observe the said restrictions.

4. For the purposes of verifying the observance of the provisions of Item 3 of the present article the customs body is entitled to demand the provision of more precise information by the declarant on specific goods declared.

#### **Article 129. The Term for Filing a Customs Declaration**

1. A customs declaration on goods brought into the customs territory of the Russian Federation shall be filed within 15 days after the time when the goods are presented to customs bodies at their point of arrival in the customs territory of the Russian Federation or after the date of completion of internal

customs transit if the goods are declared at a place other than the point of their arrival, except for the cases envisaged by Articles 150, 286 and 293 of the present Code.

2. If the term specified in Item 1 of the present article is insufficient for the declarant to gather the necessary documents and information the customs body shall extend the term for filing a customs declaration at a declarant's substantiated application in writing. The extension of the term for filing a customs declaration shall not cause a breach of the term of bonded storage of the goods.

3. If the end of the term for filing a customs declaration falls on a customs body's day-off the customs body's working day following the day-off shall be deemed the end of the term.

4. A customs declaration on goods exported out of the customs territory of the Russian Federation shall be filed before their departure from the customs territory of the Russian Federation, except for the cases established by Article 314 of the present Code.

#### **Article 130. The Preliminary Declaration of Goods**

1. A customs declaration may be filed on foreign goods before they arrive in the customs territory of the Russian Federation or before the completion of internal customs transit.

2. If the transport (carriage) or commercial documents that accompany goods are to be used for customs purposes the customs body shall accept copies thereof when the preliminary declaration of the goods is effected, the copies having been attested by the declarant, and if necessary compare the data of the copies with the data in the original documents after the arrival of the goods in the customs territory of the Russian Federation.

3. After the completion of verification of the customs declaration and the payment of payable customs duty and tax amounts such a declaration may be used until the arrival of the goods in the customs territory of the Russian Federation as the single document required for the purposes of applying customs procedures to the goods.

4. If the goods are not presented to the customs body that accepted the customs declaration in compliance with Item 1 of the present article within 15 days after the acceptance thereof the customs declaration shall be deemed not filed.

#### **Article 131. The Filing of Documents in the Event of Declaration of Goods**

1. The filing of a customs declaration shall be accompanied by the filing of documents with the customs body to confirm the information stated in the customs declaration.

2. The following basic documents shall be filed when goods are declared:  
the contracts of international purchase/sale or other types of contracts concluded when the foreign economic deal was made, and in the event of uni-lateral foreign economic deals other documents expressing the content of such deals;

the commercial documents the declarant has on hand;

transport (carriage) documents;

permits, licences, certificates and/or other documents confirming the observance of restrictions established under the legislation of the Russian Federation on the state regulations of foreign trade activity;

documents confirming the origin of the goods in the cases envisaged by Article 37 of the present Code;

payment and settlement documents;

documents confirming information on the declarant and the persons indicated in Article 16 of the present Code.

3. If the declarant pretends to privileges in the making of customs payments, in particular when he declares a customs regime envisaging a complete or partial exemption from customs duties and taxes, from the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity, or to a tax base cut the declarant shall file documents with the customs body to confirm the specific terms and conditions so declared.

4. For the purposes of confirming a declared customs value the declarant shall file documents supporting the customs value declared and the method chosen to assess the customs value.

5. If certain documents cannot be filed simultaneously with the customs declaration the customs bodies shall at the declarant's substantiated request in writing permit the filing thereof within the term required for obtaining them but at the latest within 45 days after the acceptance of the customs declaration, unless another term is envisaged by the present Code for the provision of specific documents and information. The declarant shall provide a written obligation to file documents within the established term.

6. If the documents filed with a customs body can be used in the customs processing of other goods the customs body shall issue a confirmation of acceptance of such documents at the declarant's request, the confirmation being drawn up in the form established by the federal ministry authorised in the sphere of customs business. The confirmation shall be deemed valid until amendments are made to the documents filed or until the expiry of the effective term thereof. Said confirmation may be used by the

declarant in the customs processing of goods without the additional filing with the customs body of the accepted documents. The declarant shall be entitled to present the said documents before the filing of the customs declaration.

**Article 132. The Acceptance of a Customs Declaration**

1. The fact of filing of a customs declaration and the necessary documents shall be recorded on the day when they are received by the customs body. At the request of the person filing the customs declaration the customs body shall immediately issue a written confirmation (including, in the form of an electronic document) of receipt of the customs declaration and of the filing of the necessary documents.

2. The customs declaration filed shall be accepted by the customs body on the day when it is received, except for cases when:

the customs declaration is filed with a customs body not empowered to accept customs declarations;

the customs declaration is filed by an inappropriate person;

the necessary details (Article 124) are missing in the customs declaration;

the customs declaration is not signed or is not attested in an appropriate way or it is drawn up in a form other than the established one;

the documents required for customs processing purposes were not filed when the customs declaration was filed, except for the documents that may be presented after the acceptance of the customs declaration in keeping with Item 5 of Article 131 of the present Code;

in respect of the goods declared actions have not been committed that have to be committed before or simultaneously with the filing of a customs declaration. The non-payment of customs duties, taxes as of the time of filing of the customs declaration shall not be deemed grounds for refusing accept a customs declaration.

3. From the time of acceptance the customs declarations shall be deemed a document testifying facts having legal significance.

4. If a customs declaration has not been accepted by a customs body such a declaration shall be deemed not-filed for customs purposes.

5. A notice shall be served by the customs body to the person that has filed a customs declaration about the refusal to accept it not later than the day following the date when the declaration was filed. At the request of the person that filed the customs declaration such notice shall be made in writing.

**Article 133. Amendment to the Information Stated in a Customs Declaration**

1. At a declarant's substantiated request in writing the information stated in the customs declaration may be amended.

2. Amendments to the information stated in an accepted customs declaration shall be admissible with the permission of the customs body, provided the following conditions are observed:

if by the time of receipt of the declarant's request the customs body has not established the unreliability of the information specified in the customs declaration, except for cases of discovery of lack of precision in information that does not affect the decision on clearance of goods made;

if by the time of receipt of the declarant's request the customs body has not begun verification of goods;

if the amendments made do not affect the making of a decision on clearance of goods and do not cause the need to amend the data affecting the assessment of the amount of customs payments and the application of the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

3. The officials of customs bodies shall not be entitled to fill in a customs declaration, amend the information stated in a customs declaration at their own initiative or on the instructions or request of persons concerned, except for amending the details within the competence of customs bodies, and also amending the coded data used for machine processing if such information in uncoded form is available in the customs declaration.

**Article 134. The Revocation of a Customs Declaration**

1. At a declarant's written request a customs declaration accepted for foreign goods may be revoked by the declarant for the purpose of declaring another customs regime before the goods are cleared.

The revocation of a customs declaration shall be admissible with the permission in writing of a customs body if before the receipt of the declarant's request the customs body has not established the unreliability of the information stated in the customs declaration, except for cases of discovery of a lack of precision in information not affecting the making of a decision on clearance of goods.

When permission is issued for revocation of a customs declaration the customs body shall set a term for the filing of a new customs declaration which shall not exceed 15 days after the date when the

permission for revocation was issued. The revocation of a customs declaration shall not cause an extension of the term for paying customs duties and taxes.

2. At a declarant's written request a customs declaration accepted for Russian goods exported from the customs territory of the Russian Federation may be revoked by the declarant irrespective of the purposes of the revocation before the departure of goods from the customs territory of the Russian Federation, including, after the issuance of permission to place the goods under the customs regime declared.

The revocation of a customs declaration shall be admissible with the permission of the customs body in writing if before the receipt of the declarant's request the customs body has not established the unreliability of the information stated in the customs declaration, except for discovery of a lack of precision in information not affecting the making of a decision on placement of goods under the customs regime declared.

No specific term shall be established for the filing of a new customs declaration for these goods.

#### **Article 135. Incomplete Customs Declaration**

1. If the declarant does not possess all the information necessary for filling in a customs declaration due to reasons beyond his control the filing of an incomplete customs declaration is hereby permitted, provided such declaration contains the statements required for clearing the goods, calculating and making customs payments, statements that confirm the observance of the restrictions established under the legislation of the Russian Federation on the state regulation of foreign trade activity and that the identification of the goods by the aggregate of their quantitative and qualitative characteristics.

In the event of filing an incomplete customs declaration the declarant shall undertake in writing to provide the missing details within the term set by the customs body, which for foreign goods shall not exceed 45 days after the acceptance of the incomplete customs declaration by the customs body.

For Russian goods the term during which the declarant must provide the missing details shall be set depending on the time required for transporting the goods to the point of departure, navigation and other conditions but it shall not exceed eight months after the acceptance of the incomplete customs declaration by the customs body.

2. If the customs body accepts an incomplete customs declaration the same standards, terms and conditions of the customs legislation of the Russian Federation, in particular the procedure for calculating and making customs payments, shall be applicable as in the case of filing a complete and appropriately filled-in customs declaration.

#### **Article 136. The Periodical Customs Declaration**

1. Where goods are regularly moved across the customs border by one and the same person the customs body may permit the filing of one customs declaration for all the goods moved across the customs border during a specific period of time.

2. The use of a periodical customs declaration shall not cause a breach of the maximum term of bonded storage of goods or a breach of the term for payment of customs duties and taxes.

3. In the event of application of a periodical customs declaration to Russian goods exported from the customs territory of the Russian Federation the rules set out in Items 3 and 7 of Article 138 of the present Code shall be applicable.

4. When the same goods are regularly moved across the customs border by one person the customs body may permit the use of one periodical customs declaration for the repeated movement of such goods during one year.

#### **Article 137. The Peculiarities of Declaration of Russian Goods in the Event of Their Export from the Customs Territory of the Russian Federation**

1. When Russian goods are exported from the customs territory of the Russian Federation the simplified declaration procedure may be used if the declarant so wishes in keeping with Articles 135, 136 and 138 of the present Code. !BLOCKEND

2. The simplified procedure for declaring Russian goods shall be used if this does not impede customs control and it shall not relieve the declarant from the duty to observe the terms and conditions established by the present Code and other legal acts of the Russian Federation in as much as concerns the completeness and appropriate timing of customs payments, the observance of the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity and also the observance of customs regimes.

Where a customs body refuses to apply the simplified procedure for declaring Russian goods the customs body shall notify the declarant about it in compliance with Item 5 of Article 132 of the present Code including an indication of the conditions that must be observed for the application of the procedure.

3. Goods moved by pipeline and electric transmission line shall be declared in the manner established by Chapter 26 of the present Code.

## **Article 138. The Periodical Temporary Declaration of Russian Goods**

1. When Russian goods are exported from the customs territory of the Russian Federation for which no exact information required for customs processing purposes can be provided in accordance with the ordinary course of foreign trade their periodical temporary declaration shall be admissible by means of filing a temporary customs declaration.

2. After the departure of Russian goods from the customs territory of the Russian Federation the declarant shall file a complete customs declaration that is appropriately filled in for all the Russian goods exported over a specific period of time. The filing of a complete and appropriately filled-in customs declaration shall be effected within the term set by the customs body at the applicant's request. While setting the term one shall take into account the period of time the declarant needs for obtaining the information sufficient for the filing of a complete and appropriately filled-in customs declaration. The complete and appropriately filled-in customs declaration shall be filed within 90 days after the day following the date of expiry of the term for exportation of the goods declared.

3. The declarant shall set the term during which the Russian goods declared through the use of a temporary customs declaration are planned to be exported. For Russian goods subject to export customs duties or to bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity this term shall not exceed one calendar month and the temporary customs declaration shall be accepted by the customs body at least 15 days prior to the beginning of this term.

4. Information may be stated in a temporary customs declaration proceeding from the intent to export a tentative quantity of Russian goods during a specific period of time, a condition customs value (assessment) determined in accordance with the quantity of the Russian goods tentatively planned to be moved across the customs border, and also proceeding from the consumer properties of the Russian goods and the procedure for setting the price thereof as of the date of filing a temporary customs declaration which are envisaged by the terms of the foreign economic transaction.

The departure of Russian goods from the customs territory of the Russian Federation in a quantity exceeding that stated in the temporary customs declaration is hereby prohibited, except for the cases established by Items 1 and 2 of Article 122 of the present Code.

5. When a temporary customs declaration is used the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity shall be applicable as of the date of acceptance of the declaration by the customs body. Export customs duty rates shall be applicable as of the date of acceptance of the temporary customs declaration by the customs body, except for the cases envisaged by the present Code.

6. Export customs duties shall be paid simultaneously with the filing in of the temporary customs declaration with the customs body. If the amount of payable export duties is increased due to an update of the data specified in Item 4 of the present article the additional payment of an export customs duty amount shall be effected simultaneously with the filing in of a complete and appropriately filled in in customs declaration. No penalty shall be charged in this case. The refund of export customs duty amounts paid or collected in excess shall be effected in keeping with Article 355 of the present Code.

The peculiarities of payment of export customs duties in the event of export of goods by pipeline and electric transmission line shall be set out in Articles 312 and 314 of the present Code.

7. If, upon the expiry of four months after the acceptance of a temporary customs declaration, Russian goods are not exported out of the customs territory of the Russian Federation the customs declaration whereby these goods have been declared for export shall be deemed not filed.

At the substantiated request of a person concerned the customs body shall extend the said term by a period not exceeding four months.

## **Chapter 15. The Customs Broker**

### **Article 139. The Customs Broker (Representative)**

1. A customs broker (representative) may be a Russian juridical person included in the Register of Customs Brokers (Representatives) (Article 140). A budget-supported enterprise shall not be a customs broker (representative).

2. The customs broker (representative) shall accomplish customs operations in keeping with the present Code on behalf of a declarant or other persons concerned on their instructions.

3. The customs broker (representative) shall be entitled to limit the area of his activity to the making of customs operations in respect of a specific type of goods in compliance with the Commodity Classification for Foreign Economic Activity or in respect of goods moved across the customs border of the Russian Federation by specific means of transport, and also the accomplishment of specific customs operations or a specific area of activity within the area of activity of one (several) customs body (customs bodies).

4. The relations of a customs broker (representative) with declarants and other persons concerned shall be based on contracts. A customs broker (representative) shall not refuse to conclude a contract if he has the opportunity to provide services or perform work.

**Article 140.** The Terms for Inclusion in the Register of Customs Brokers (Representatives)

Below are the terms for inclusion in the Register of Customs Brokers (Representatives):

- 1) the presence of at least two customs formality specialists with qualification certificates (Article 146) on the staff of the applicant;
- 2) the existence of the fully formed initial charter (contributed) capital, charter fund or share contributions of the applicant;
- 3) the presence of security for the making of customs payments under Article 339 of the present Code;
- 4) the existence of a contract of civil liability insurance covering the infliction of harm to the property of represented persons or a breach of contract with these persons. The insured sum shall not be under 20 million roubles.

**Article 141.** The Application for Inclusion in the Register of Customs Brokers (Representatives)

1. Inclusion in the Register of Customs Brokers (Representatives) shall be effected on an application of a person meeting the standards set by Articles 139 and 140 of the present Code.

2. The application for inclusion in the Register of Customs Brokers (Representatives) shall contain the following:

- 1) a petition to a customs body for inclusion in the Register of Customs Brokers (Representatives);
- 2) information on the name, organisational legal form, location, opened bank accounts of the applicant, and also a list and locations of its isolated structural units through which the applicant is going to pursue its activity as a customs broker (representative) as of the date of filing of the application;
- 3) information on the amount of paid charter (contributed) capital, charter fund or share contributions of the applicant;
- 4) information on the intent to limit the area of activity to the accomplishment of customs operations in respect of specific types of goods in keeping with the Commodity Classification for Foreign Economic Activity or in respect of goods moved across the customs border by specific means of transport, and also the accomplishment of specific customs operations or an area of activity within the area of activity or one (several) customs body (customs bodies) or the intent to pursue its activity without such limitations;
- 5) information on the customs formality specialists on the staff of the applicant as of the date of filing of the application;
- 6) information on the security available for the making of customs payments under Article 339 of the present Code;
- 7) information on the contract(s) of insurance of the applicant's civil liability risk.

3. The following documents shall be attached to the application for inclusion in the Register of Customs Brokers (Representatives) to confirm the information stated:

- the constitutive documents and a document confirming the fact that an entry has been made on the juridical person in the Comprehensive State Register of Juridical Persons;
- the certificate of state registration of the juridical person;
- the certificate of placing the applicant on record with a tax body;
- the qualification certificates of the customs formality specialists employed by the applicant;
- documents confirming the amount of fully formed charter (contributed) capital, charter fund or share contributions of the applicant;
- documents confirming the presence of security for the making of customs payments under Article 339 of the present Code;
- banks' confirmation of the accounts opened in them;
- the insurance policy.

**Article 142.** The Certificate of Inclusion in the Register of Customs Brokers (Representatives)

1. The certificate of inclusion in the Register of Customs Brokers (Representatives) shall contain the following:

- 1) the name, an indication of the organisational legal form and location of the customs broker (representative) and its isolated structural units performing the functions of a customs broker (representative);
- 2) information on the amount and form of security for the making of customs payments under Article 339 of the present Code;
- 3) information on the limitation of area of activity of the customs broker (representative), if any.

2. The certificate of inclusion in the Register of Customs Brokers (Representatives) shall not be limited by a specific effective term.

**Article 143. The Rights of a Customs Broker (Representative)**

1. While performing customs operations the customs broker (representative) shall enjoy the same rights as the person that authorises the customs broker (representative) to represent the person's interests in transactions with customs bodies.

2. The customs broker (representative) shall be entitled to act as a surety before customs bodies for the discharge of the obligation to make customs payments of the person represented if under the present Code security is required for this payment.

3. The customs broker (representative) shall be entitled to demand from the person it represents the provision of the documents and information required for customs processing purposes, in particular, containing information deemed commercial, banking or another legally-protected secret, as well as other confidential information, and to receive such documents and information within a term ensuring the observance of the provisions of the present Code.

4. In the event of conclusion of a contract with a person represented the customs broker (representative) shall be entitled to:

grant price discounts and other privileges to specific categories of persons represented;

set the following as a precondition for the conclusion of a contract with a person represented: the provision of security for performance of the person's obligations under the civil legislation of the Russian Federation.

**Article 144. The Duties and Liabilities of a Customs Broker (Representative)**

1. The duties of a customs broker (representative) in the event of customs processing result from the terms and conditions established by the present Code for the customs operations required for placing goods under a customs regime or another customs procedure. The accomplishment of such operations shall not vest in the customs broker (representative) the duty to perform operations relating to the completion of a customs regime, and also other duties which under the present Code are only vested in the person indicated in Article 16 of the present Code, a carrier or another person.

2. The customs broker (representative) shall pay customs duties and taxes if the content of the customs regime designated at the declaration of goods envisages such a payment. The customs broker (representative) shall bear the same liability as the declarant for the making of customs payments payable under the present Code in the declaration of goods.

3. The customs broker (representative) and its employees shall not disclose or use for its (their) own purposes, pass to other persons, except for the cases envisaged by federal laws, the information they receive from the persons they represent which is deemed a commercial, banking or another legally-protected secret or other confidential information.

4. The customs broker (representative) shall keep record of the goods in respect of which it accomplishes customs operations and provide reports to customs bodies on the customs operations accomplished (Article 364).

5. The customs broker's (representative's) duties and liability owing to customs bodies shall not be limited by a contract of the customs broker (representative) with the person it represents.

**Article 145. The Revocation of a Certificate of Inclusion in the Register of Customs Brokers (Representatives)**

A certificate of inclusion in the Register of Customs Brokers (Representatives) may be revoked by a customs body if:

1) the customs broker (representative) did not observe at least one of the terms for inclusion in the Register of Customs Brokers (Representatives) established by Article 140 of the present Code;

2) the customs broker (representative) has been repeatedly held accountable under administrative law in connection with its defaulting on its obligations for the committal of the administrative offences in the area of customs affairs envisaged by Articles 16.1, 16.2, 16.3, 16.15, 16.22 and Part 3 of Article 16.23 of the Code of Administrative Offences of the Russian Federation.

**Article 146. The Customs Formality Specialist**

1. The customs formality specialist is a natural person who meets the qualification standards set by the federal ministry authorised in the sphere of customs business and holds a qualification certificate as customs formality specialist.

2. The customs formality specialist shall pursue his activity as an employee of a customs broker (representative).

**Article 147. Attestation for Compliance with Qualification Standards**

1. Attestation for compliance with qualification standards (hereinafter referred to as "attestation") is the verification of qualifications of the natural persons applying for a qualification certificate as a customs formality specialist according to the form approved by the federal ministry authorised in the sphere of customs business. Attestation shall be performed in the form of a qualification examination. A qualification certificate as a customs formality specialist shall be issued to a person who has passed a qualification examination. The qualification certificate as a customs formality specialist shall not be limited by a specific term.

Certificates of competence of specialists in the customs clearance shall be issued by the federal service authorised in the field of the customs business in the procedure determined by the federal ministry authorised in the field of the customs business.

2. Below are the mandatory qualifications to be met by candidates for a qualification certificate as a customs formality specialist:

the holding of a document on higher education received from a Russian institution of higher professional education having state accreditation, or a document on higher education received from an educational institution of a foreign state and a certificate of equivalency of said document to a Russian document on higher education of state design;

the presence of at least a two-year work record.

The procedure for conducting attestation, a list of the documents to be filed together with the application for admittance for attestation, qualification examination curriculum and the procedure for taking the examinations shall be determined by the federal ministry authorised in the sphere of customs business. In this case admittance to a qualification examination shall be granted to all persons meeting the criteria established for candidates, irrespective of their special training for taking the examination. Qualification examinations shall be held by the customs bodies determined by the federal service authorised in the sphere of customs business.

3. Once every two years beginning from the year of receipt of the qualification certificate as a customs formality specialist each customs formality specialist shall undergo training according to the skill upgrade curricula approved by the federal ministry authorised in the sphere of customs business, the volume thereof being equal to 40 academic hours. Training according to skill upgrade curricula shall be performed by persons holding an educational activity licence.

#### **Article 148.** The Grounds and Procedure for Annuling a Qualification Certificate as a Customs Formality Specialist

1. A qualification certificate as a customs formality specialist shall be annulled if:

1) the fact is established that forged documents have been used to obtain the qualification certificate as a customs formality specialist;

2) a court judgement has become final that envisage a punishment in the form of denial of the right to pursue activity as a customs formality specialist for a specific term;

3) the customs formality specialist is in breach of the standards set by Item 3 of Article 144 of the present Code;

4) the customs formality specialist has been repeatedly held accountable under administrative law for the administrative offences committed in the area of customs affairs which are envisaged by Articles 16.1, 16.2, 16.3, 16.15 and 16.22 of the Code of Administrative Offences of the Russian Federation;

5) the customs formality specialist is in breach of the clause whereby he/she is required to undergo training according to skill upgrade curricula established by Item 3 of Article 147 of the present Code.

2. The decision to annul a qualification certificate as a customs formality specialist shall be adopted by the federal service authorised in the sphere of customs business. The said service shall issue a substantiated decision to annul the qualification certificate of the customs formality specialist. A copy of said decision shall be forwarded to the person in respect of whom the decision has been issued within three days after the date of the decision.

3. The person whose qualification certificate as a customs formality specialist has been annulled shall be entitled to appeal the decision to annul the said qualification certificate in compliance with Chapter 7 of the present Code.

4. A person whose qualification certificate as a customs formality specialist has been annulled shall not be entitled to refile an application for said qualification certificate:

within one year after the date of the decision whereby the qualification certificate was annulled if the certificate is annulled on the grounds set out in Subitems 1 and 3 of Item 1 of the present article;

within the term set by a court judgement that has become final if the qualification certificate was annulled on the grounds set out in Subitem 2 of Item 1 of the present article;

within the term during which the person is deemed subject to an administrative sanction if the qualification certificate was annulled on the grounds set out in Subitem 4 of Item 1 of the present article.

## Chapter 16. The Clearance of Goods

### Article 149. Grounds for the Clearance of Goods

1. Goods shall be cleared by customs bodies within the term specified by Article 152 of the present Code, given the observance of the following conditions:

1) if no breach of the customs legislation of the Russian Federation has been detected when customs formalities and verification of goods were performed by customs bodies, except for cases when irregularities discovered, which were not deemed a reason for bringing an administrative offence action, have been eliminated and for the case envisaged by Article 154 of the present Code;

2) if licences, certificates, permits and/or other documents have been presented to the customs body that confirm the observance of the restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity or in keeping with international treaties of the Russian Federation, except for cases when said documents may be presented after the clearance of the goods;

3) if the declarant has observed all the necessary terms and conditions for placing the goods under a customs regime chosen or for applying an appropriate customs procedure in keeping with the present Code;

4) if customs duties and taxes have been paid in respect of the goods, or security has been provided for the making of customs payments in compliance with Chapter 31 of the present Code.

2. The clearance for free circulation of goods imported into the customs territory of the Russian Federation shall be admissible on the condition that the amounts of customs duties and taxes are received into the accounts of customs bodies. If the amounts of customs duties and taxes fail to arrive at the accounts of customs bodies the goods shall be deemed conditionally cleared. The customs bodies shall not be entitled to demand confirmation of receipt of amounts of money into accounts of customs bodies. At the request of a person that has paid customs duties and taxes the customs body shall itself provide information on the receipt of amounts of money in this customs body's account.

3. The clearance of goods may be suspended in compliance with Article 397 of the present Code.

4. Permission for placing goods exported out of the customs territory of the Russian Federation under a customs regime shall be issued by a customs body as applicable to clearance of the goods.

### Article 150. The Clearance of Goods before the Filing of a Customs Declaration

1. When the goods specified in Article 67 of the present Code are imported into the customs territory of the Russian Federation, and also when the simplified customs formality procedures are applied in compliance with Article 68 of the present code the goods may be cleared before the filing of a customs declaration on the condition that the declarant has provided commercial or other documents allowing the identification of the goods, and also that documents and information have been provided to confirm the observance of the restrictions established by the legislation of the Russian Federation on the state regulation of foreign trade activity, except for cases when such documents and information may be provided after the clearance of goods, and customs payments have been made or security has been provided for the payment thereof in the procedure set out in Chapter 31 of the present Code.

2. Goods may be cleared before the filing of a customs declaration if the declarant undertakes in writing to file a customs declaration and provide the necessary documents and information within the term set by the customs body (not to exceed 45 days after the clearance of the goods, except if another term is envisaged by the present Code for the provision of specific documents and information).

3. In the event of clearance of goods before the filing of a customs declaration the rates of customs duties and taxes, the exchange rates of foreign currencies and the restrictions established by the legislation of the Russian Federation on the regulation of foreign trade activity effective as of the date of clearance of said goods shall be applicable.

### Article 151. Conditional Clearance

1. Good shall be subject to conditional clearance if: 1) the privileges on payment of customs duties and taxes under the legislation of the Russian Federation are linked to a restriction on using and disposing of the goods;

2) the goods have been placed under customs regimes of customs warehouse, duty-free trade, processing in the customs territory, processing for internal consumption, temporary import, re-export, international customs transit, destruction, and also under special customs regimes applicable to goods imported into the customs territory of the Russian Federation;

3) the goods are cleared without the provision of documents and information confirming the observance of the restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. Conditionally cleared goods for which privileges have been established in terms of payment of customs duties and taxes under the legislation of the Russian Federation may be used only for purposes that comply with the terms on which the privileges are granted.

Goods cleared by customs bodies without the filing of documents confirming the observance of the restrictions established under the legislation of the Russian Federation on the state regulation of foreign trade activity shall not be transferred to third persons, in particular, by means of sale or alienation thereof by another method, and in cases when restrictions on the import of the said goods have been established in connection with verification of the goods' quality and safety, shall not be used (operated, consumed) in any form.

3. Conditionally cleared goods shall have the status of foreign goods.

4. Goods declared for clearance for free circulation shall be deemed conditionally cleared if a grace period or an instalment payment schedule is granted for the payment of customs duties and taxes or if no amounts of customs duties or taxes have been received into the accounts of customs bodies.

#### **Article 152. The Term for Clearance of Goods**

1. The customs bodies shall clear goods in compliance with Article 149 of the present Code within three working days after the acceptance of the customs declaration, the provision of other necessary documents and information and also after the date of declaration of the goods to the customs bodies, except for cases when the term for verification of goods is extended in accordance with Item 2 of Article 359 of the present Code.

2. If preliminary declaring is applied (Article 130) the goods shall be cleared after being presented to the customs body.

#### **Article 153. Additional Conditions for Clearance of Goods**

1. If during the verification of a customs declaration, the other documents filed at declaration and the goods declared the customs body discovers non-observance of the conditions for clearance set out in Article 149 of the present Code the goods shall not be cleared.

The customs body shall immediately notify the declarant of the specific goods clearance conditions that have not been observed and of the specific actions to be committed by the declarant that will be sufficient for the observance of conditions of clearance of goods in keeping with the provisions of the present article.

2. If the customs body discovers that unreliable information was stated at declaration of goods and affects the amount of payable customs duties and taxes in the events specified by the present Code the customs body shall immediately forward a demand to the declarant to adjust such data and recalculate the amount of payable customs duties and taxes. The customs body's demand shall indicate the specific data to be adjusted for the purposes of goods clearance.

3. If the customs body discovers indications that the information stated at the declaration of goods that affects the amount of payable customs duties and taxes may be unreliable or that information stated lacks appropriate confirmation the customs body shall perform additional verification in the procedure set out in the present Code by any of the methods envisaged by the present Code.

The goods shall be cleared by the customs body on the condition that security is provided for the making of the customs payments that may be additionally accrued according to the results of the said verification. The customs body shall notify the declarant in writing of the amount of security required for the making of customs payments.

4. If the customs body discovers that at the declaration of goods unreliable information was stated that affects the applicability to the goods of the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity in the cases envisaged by the present Code the customs body shall forward a demand to the declarant to adjust the data and provide documents to confirm the observance of the restrictions concerned. The customs body's demand shall indicate the specific information to be adjusted for the purpose of goods clearance and the specific documents to be filed to confirm the observance of the restrictions concerned.

5. If the customs body discovers indications that the information stated at the declaration of goods that affects the applicability to the goods of the bans or restrictions established under the legislation of the Russian Federation on the state regulation of foreign trade activity may be unreliable or the information stated lacks appropriate confirmation the customs body shall perform additional verification in the procedure envisaged by the present Code by any of the methods envisaged by the present Code.

The goods shall be cleared by the customs body on the condition that the declarant files documents to confirm the observance of the restrictions concerned. The customs body shall notify the declarant in writing of the specific documents to be filed for the purpose.

6. In the cases envisaged by Items 2 and 4 of the present article goods shall be cleared not later than on the day following the date when the declarant fulfils the demand of the customs body and makes

additional payment of required amounts of customs duties and taxes, if necessary, except for cases when goods are apprehended or seized under the criminal procedural legislation of the Russian Federation or the legislation of the Russian Federation on administrative offences.

In the cases envisaged by Items 3 and 5 of the present article goods shall be cleared not later than on the day following the date of provision of security for the making of customs payments and/or from the time when documents were filed to confirm the observance of restrictions concerned.

If, as the result of adjustment of the data stated at the declaration of goods, the amount of customs duties and taxes payable is reduced in comparison with that declared by the declarant these goods shall be cleared before the performance of the demands mentioned in Items 2 and 3 of the present article.

7. The actions envisaged by the present article shall be committed by the declarant within the term of bonded storage established in compliance with the present Code.

#### **Article 154.** The Clearance of Goods in the Event of a Case Being Initiated in Respect of an Administrative Offence

If a case is initiated in respect of an administrative offence goods may be cleared in keeping with Article 153 of the present Code by a decision of the chief of the customs body whose official initiated the case before the termination of case proceedings if the goods have not been seized as material evidence or apprehended in compliance with the legislation of the Russian Federation on administrative offences.

## **Subsection 2. Customs Regimes**

### **Chapter 17. General Provisions Relating to Customs Regimes**

#### **Article 155.** Types of Customs Regimes

1. The following types of customs regimes are hereby established for the purposes of customs regulation in respect of goods:

- 1) basic customs regimes:  
clearance for internal consumption;  
export;  
international customs transit;
- 2) economic customs regimes:  
processing in the customs territory;  
processing for internal consumption;  
processing outside the customs territory;  
temporary import;  
customs warehouse;  
free customs zone (free warehouse);
- 3) conclusive customs regimes:  
reimport;  
reexport;  
destruction;  
surrender in favour of the state;
- 4) special customs regimes:  
temporary export;  
duty-free trade;  
movement of supplies;  
other special customs regimes.

2. Customs regimes are established by the present Code.

The customs regime of free customs zone (free warehouse) shall be established in compliance with the legislation of the Russian Federation regulating establishing and applying the customs regime of free customs zone (free warehouse).

#### **Article 156.** Choosing and Changing a Customs Regime

1. The importation of goods into the customs territory of the Russian Federation and the exportation thereof from this territory shall entail the duty to place the goods under one of the customs regimes envisaged by the present subsection and to observe this customs regime.

2. A person shall be entitled at any time to chose any customs regime or to change it to another one in compliance with the present Code.

#### **Article 157.** Placing Goods under a Customs Regime

1. The placement of goods under a customs regime shall be done with the permission of a customs body issued in compliance with the present Code.

2. If a person observes the declared customs regime and the other conditions for clearance of goods (Article 149) the customs body shall issue permission for placing the goods under the customs regime declared.

3. The date of clearance of goods by the customs body shall be deemed the date of placement of the goods under a customs regime.

**Article 158.** The Observance of Bans and Restrictions in the Event of Placement of Goods under Customs Regimes

Bans and restrictions that do not have an economic nature and which are established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity and also the provisions of legislation of the Russian Federation established for the purposes of currency regulation and currency control shall be observed by persons, irrespective of the specific customs regime declared.

**Article 159.** The Documents and Information Confirming the Observance of a Customs Regime

1. For the purpose of obtaining permission for placing goods under a custom regime only the documents and information confirming the observance of the conditions for placing the goods under the customs regime envisaged by the present subsection shall be provided.

2. The customs body shall be entitled to demand only the documents and information required for confirming the observance of the conditions for placement of goods under a declared customs regime and the observance of this customs regime in keeping with the present Code.

**Article 160.** The Guarantees of Observance of a Customs Regime

When permission is issued for placing goods under a customs regime which envisages a full or partial exemption from customs duties and taxes or a refund of amounts of money paid and/or the non-application of the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity the customs body shall be entitled to demand the provision of security for the making of customs payments (Chapter 31), an undertaking to effect reverse export of the goods imported temporarily and other guarantees for the appropriate performance of the obligations established by the present subsection.

**Article 161.** The Duty to Confirm the Observance of the Conditions for Placing Goods under a Customs Regime

The duty to confirm the observance of the conditions for placing goods under a declared customs regime which envisages a full or partial exemption from customs duties and taxes or a refund of the amounts of money paid and/or the non-application of economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulations of foreign trade activity shall be vested in the declarant.

**Article 162.** The Consequences of Freezing of Goods in a Case of an Administrative Customs Offence

1. In the event of freezing of goods placed under a customs regime in the case of an administrative offence in the area of customs affairs the effect of the customs regime for these goods shall be suspended.

2. If a decision that has become final in the case of an administrative offence in the area of customs affairs does not envisage confiscation of goods placed under a customs regime the effect of the customs regime in respect of these goods shall be resumed.

In the event of resumption of the effect of the customs regime the interest to be accrued and paid in keeping with the present subsection shall not be accrued and paid for the period of suspension of the customs regime.

3. If a person is held accountable under administrative law due to non-observance of a customs regime and if the non-observance so committed causes the impossibility of a further application of this customs regime the customs regime shall be completed in accordance with the present subsection within 15 days after the entry into force of the specific decision in the case of an administrative offence.

## **Chapter 18. Basic Customs Regimes**

### **Paragraph 1. Clearance for Internal Consumption**

**Article 163.** The Content of the Customs Regime

Clearance for internal consumption is a customs regime under which goods imported into the customs territory of the Russian Federation remain in this territory without the obligation to export them from this territory.

**Article 164.** The Status of Goods for Customs Purposes Which Are Placed under the Customs Regime of Clearance for Internal Consumption

1. Goods shall acquire for customs purposes the status of goods in free circulation in the customs territory of the Russian Federation after the payment of customs duties and taxes and the observance of all the restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. If the said conditions are not observed the goods shall be subject to conditional clearance under Article 151 of the present Code.

### **Paragraph 2. Export**

**Article 165.** The Content of the Customs Regime

Export is a customs regime under which goods being in free circulation in the customs territory of the Russian Federation are exported from this territory without the obligation of reverse import thereof.

**Article 166.** Conditions for Placing Goods under the Customs Regime

1. The export of goods shall be effected on the condition that customs duties are paid in the procedure envisaged by the present Code, that the restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity are observed, and the other terms and conditions established by the present Code, other federal laws and other legal acts of the Russian Federation are observed.

2. In the event of export of goods the exemption from payment and the refund or compensation of internal taxes are effected in keeping with the legislation of the Russian Federation on taxes and fees.

### **Paragraph 3. International Customs Transit**

**Article 167.** The Content of the Customs Regime

International customs transit is a customs regime under which foreign goods are moved in the customs territory of the Russian Federation under customs control between the point of their arrival into the customs territory of the Russian Federation and the point of their departure from this territory (if this is a portion of their route which begins and ends outside the customs territory of the Russian Federation) without the payment of customs duties and taxes and without the goods being subjected to economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

**Article 168.** Conditions for Placing Goods under the Customs Regime

1. Any foreign goods, except for the goods prohibited for transit under federal laws, other legal acts of the Russian Federation and international treaties of the Russian Federation may be placed under the customs regime of international customs transit.

2. Additional conditions for placing goods under the customs regime of international customs transit may be established by federal laws, other legal acts of the Russian Federation and international treaties of the Russian Federation.

**Article 169.** The Applicability of the Present Code's Rules of Internal Customs Transit to International Customs Transit

1. In the event of international customs transit the procedure for the customs body to issue permission for international customs transit and the procedure for setting the term of international customs transit, the identification of goods, the measures for ensuring the observance of the customs legislation of the Russian Federation shall be implemented according to the rules established by Articles 80 - 86 of the present Code in respect of internal customs transit and applicable to international customs transit.

2. A carrier's or forwarder's rights, duties and liabilities in international customs transit shall be subject to the provisions of Subitems 1 and 2 of Article 88, and also Articles 90 and 91 of the present Code.

**Article 170.** Reloading of Transit Goods and Other Operations with Transit Goods

1. The reloading of transit goods from the vehicle in which the goods were brought into the customs territory of the Russian Federation to the vehicle in which the goods will be taken out of the territory shall be admissible with the permission of the customs body in whose area of activity this cargo

handling operation occurs. If transit goods can be reloaded from one vehicle to another without damaging the customs lead seals and seals attached such reloading shall be admissible with preliminary notification of the customs body.

2. Warehousing (storage, lot splitting or accumulating and other similar operations) in respect of transit goods in the customs territory of the Russian Federation shall be admissible with the observance of the terms and conditions established by the present Code.

3. Operations not envisaged by Items 1 and 2 of the present article may be performed with transit goods if the performance thereof is due to a real menace of destruction, peril, irreversible loss or significant damage of the goods and/or vehicles.

#### **Article 171. Completion of the Customs Regime**

1. International customs transit shall be completed by the export of the transit goods from the customs territory of the Russian Federation.

The medium shall present the transit goods, file a transit declaration and other documents relating to the transit goods used for international customs transit purposes to/with the destination customs body (Item 1 of Article 92). The destination customs body shall perform the necessary customs operations to complete international customs transit and issue permission for the departure of the goods and vehicles (Article 120) on the day when the transit goods were presented and the documents were filed.

When transit goods are exported in separate lots international customs transit shall be deemed completed after the departure of the last lot of goods from the customs territory of the Russian Federation.

2. Also international customs transit may be completed by placement of the goods under various customs regimes, given the observance of the terms and conditions established by the present Code.

#### **Article 172. The Peculiarities of Application of the Customs Regime**

1. If the point of arrival of transit goods in the customs territory of the Russian Federation and the point of departure thereof from this territory coincide international customs transit shall be admissible in a simplified procedure. The carrier or forwarder shall provide only those documents and information that are required in the event of arrival of goods and vehicles (Article 72) and permission for transit shall be issued on the day when the goods are presented and the documents and information are provided to the customs body.

2. If transit goods are reloaded at the place indicated in Item 1 of the present article from the vehicle used at the arrival of the goods to the vehicle used at the departure thereof the reloading of the goods shall be admissible with the permission of a customs body. Such permission shall be issued to the medium or forwarder when the documents and information specified by Article 72 of the present Code are being provided.

The customs body may refuse to issue permission for the performance of cargo handling operations with transit goods only if the performance thereof will imperil the goods or cause a change in the consumer properties of the goods.

### **Chapter 19. Economic Customs Regimes**

#### **Paragraph 1. Processing in the Customs Territory**

##### **Article 173. The Content of the Customs Regime**

1. Processing in the customs territory is a customs regime under which imported goods are used in the customs territory of the Russian Federation during a preset term (term of processing of the goods) for the purpose of performing operations of processing the goods with a full conditional relief from the duty to pay customs duties and taxes on the condition that the processed products are exported from the customs territory of the Russian Federation within a set term.

2. All the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity are applicable to imported goods placed under the customs regime of processing in the customs territory.

##### **Article 174. Conditions for Placing Goods under the Customs Regime**

1. Processing in the customs territory shall be admissible with the permission of a customs body (Article 179).

2. Processing in the customs territory shall be admissible if customs bodies can identify the imported goods in the processed product (Article 175) except for cases when the customs regime is completed by the export of the processed product obtained as the result of processing of goods equivalent to those imported, in compliance with Article 186 of the present Code.

3. Goods that have been earlier placed under other customs regimes may be placed under the customs regime of processing in the customs territory, given the observance of the terms and conditions envisaged by the present Code.

4. The Government of the Russian Federation shall be entitled to determine cases when processing in the customs territory is prohibited in respect of specific types of imported goods if identical goods in terms of description, quality and technical specifications are manufactured in the Russian Federation and also to establish quantitative or value limits on clearing imported goods for the operations of processing of goods under the customs regime of processing in the customs territory proceeding from the need to protect the interests of Russian manufacturers. Said bans and restrictions shall be put in force no sooner than 90 days after the date of the formal publication of the acts of the Government of the Russian Federation relating thereto.

#### **Article 175. The Identification of Goods in the Processed Products**

1. The following methods may be used to identify imported goods in the processed product if the methods are applicable depending on the nature of the goods and the goods processing operations used:

- 1) the application of seals, rubber stamps, digital or other marks to the imported goods by the applicant, the processor or a customs official;
- 2) a detail description of the imported goods, the taking of photographic pictures, scaled images of the goods;
- 3) the comparison of results of study of samples or specimens of the imported goods and the processed product;
- 4) the use of serial numbers or other manufacturer's marking of the imported goods.

2. The admissibility of a declared method of identification of imported goods for processing in the customs territory in the processed product shall be established by a customs body with due regard to the nature of the goods and the processing operations of the goods implemented.

3. At the request of the applicant and with the permission of a customs body said identification for customs purposes may be provided by means of a study of detailed information on the raw materials, materials and components used in manufacture and also on the technology of manufacturing the processed product or by means of exercising customs control during the processing of the goods.

#### **Article 176. Operations of Processing Goods**

The goods processing operations under the customs regime of processing in the customs territory shall include the following:

- 1) the processing or treatment of the goods;
- 2) the manufacture of new goods, in particular, erection/installation, assembly or disassembly of the goods;
- 3) the repair of the goods, in particular, the restoration thereof, replacement of components, restoration of their consumer properties;
- 4) the processing of goods which assist in the manufacture of a commercial product or facilitates it even if these goods are fully or partially consumed during the processing.

#### **Article 177. The Term for Processing Goods**

1. The term for processing goods shall be set by the applicant in agreement with the customs body and it shall not exceed two years.

The periods of the processing of goods exceeding two years shall be established in the procedure determined by the Government of the Russian Federation.

2. The term for processing goods in the customs territory shall be determined on the basis of duration of the processing process of the goods and the period of time required for disposing of the product of processing.

3. If a person, who has obtained permission for processing of goods in accordance with paragraph one of Item 1 of this Article without a breach of the terms and conditions established by the present paragraph, cannot complete the customs regime within the term set due to reasons beyond the person's control the original term for processing the goods shall be extended at a substantiated application of the person that has obtained the permission for processing, within the term established by paragraph 1 of Item 1 of the present Article.

4. The term for processing goods begins from the day when the goods are placed under the customs regime of processing in the customs territory, and in the event of import of goods in separate lots of goods, from the day of placement of the first lot of goods.

#### **Article 178. The Processing Output Rate**

1. The processing output rate (the quantity or content in percentage point of the processed products produced as the result of processing a specific quantity of imported goods) shall be set by the

applicant in agreement with a customs body on the basis of the actual conditions in which the goods are processed, except for the case specified in Item 3 of the present article.

2. While granting approval to a processing output rate the customs bodies shall take into accounts statements of expert organisations (in particular, customs laboratories) based on a specific technological processing process.

3. If goods processing operations that have permanent characteristics in practice are normally carried out under certain specifications and lead to the manufacture of a processed product that has an unchanged quality the competent bodies empowered by the Government of the Russian Federation shall set standard processing output rates for customs purposes.

4. The description, quality and quantity of a processed product shall be finally determined after the approval of processing output rate.

#### **Article 179. Permission for Processing Goods in the Customs Territory**

1. Permission for processing goods in the customs territory may be obtained by any Russian person concerned, including a person not directly carrying out the goods processing operations.

2. The permission for processing goods shall be issued by the customs body at the application of a person concerned.

3. The following shall be indicated in the permission for processing of goods:  
a description, the quality and quantity of the goods intended for processing and of the processed product;

the goods processing operations and the methods whereby they are implemented;

processing output rate;

the methods of identification of imported goods in the processed product;

the term for processing the goods;

the other details designated by the federal ministry authorised in the sphere of customs business as required for customs purposes.

The form of permission for processing goods shall be established by the federal ministry authorised in the sphere of customs business.

4. The permission for processing goods shall be effective during the established term for processing the goods.

5. The person that has obtained permission for processing goods shall be entitled to assign it within the effective term thereof to another Russian person with the written permission of the customs body (Article 61) on the condition that that person undertakes to further observe the terms and conditions established by the present paragraph. In doing this, the person that has obtained the permission for processing the goods shall provide a report to the customs body on compliance with the terms and conditions established by the present chapter for the period of time during which the goods were used under the custom regime of processing in the customs territory, and also shall pay customs duties and taxes if during this period of time events occur that caused the emergence of the duty to pay customs duties and taxes under the present Code.

The person to which a permission for processing goods is assigned shall undertake to further observe the terms and conditions established by the present chapter, and also shall have appropriate documents drawn up in the person's name if the observance of the customs regime is supported by guarantees (Article 160). Said person shall enjoy the rights and have the duties established by the present Code for a person receiving permission for processing goods from the date of a customs body's decision on the assignment of the permission for processing goods.

6. Permission for processing goods may be granted either before or after the importation of the goods into the customs territory of the Russian Federation on the condition that the applicant observes the terms and conditions established by the present paragraph.

7. The person that has obtained permission for processing goods shall be liable for the payment of customs duties and taxes in keeping with Item 2 of Article 320 of the present Code.

#### **Article 180. The Procedure for Issuing Permission for Processing Goods**

1. To obtain permission for processing goods one shall file an application containing the following information with a customs body:

on the applicant;

on the person(s) directly carrying out the goods processing operations;

on the goods intended for processing, the processed products and also on waste and remaining stock;

on the goods processing operations, the methods and term for the completion thereof;

on the location of the production facilities used to perform the goods processing operations;

on the processing output rate;

on the methods of identification of the imported goods in the processed products;

on the replacement of the imported goods by equivalent goods;

on the term for processing the goods.

2. The application form and the form for presenting the data contained therein shall be established by the federal ministry authorised in the sphere of customs business.

Documents confirming the information declared shall be attached to the application.

3. The customs body shall consider an application and the documents attached thereto within 30 days after the receipt thereof. Within the said term the customs body shall verify the observance of the established terms and conditions and shall also take a decision on the approval of the declared processing output rate and goods processing term.

The customs body shall be entitled to request the provision of documents by third persons and also by state bodies to confirm the information indicated in Item 1 of the present article. Within ten days after the receipt of the request the said persons shall provide the documents so requested. For this the customs body shall be entitled to extend the term of consideration of the application to up to two months after the date of receipt thereof.

4. The customs declaration for placing the goods under the customs regime of processing in the customs territory shall be used as an application for processing the goods on the condition that when the goods are imported and later the processed product is exported they shall be presented simultaneously and declared to one and the same customs body if:

1) the purpose of placing the goods under the customs regime of processing in the customs territory is their repair, in particular, that performed on a basis implying compensation;

2) the customs value of the goods placed under the customs regime of processing in the customs territory does not exceed 500,000 roubles;

3) the remaining stock of goods imported earlier is placed under the customs regime of processing in the customs territory in keeping with Item 1 of Article 184 of the present Code.

5. If a customs declaration is used as an application for processing goods the term for consideration thereof shall not exceed the term for verification of the customs declaration set by Item 1 of Article 359 of the present Code.

6. The customs body shall refuse to issue permission for processing goods only if the terms and conditions established by the present paragraph have not been observed at the filing of the application, and also if the customs body takes the decision to refuse approval for the declared processing output rate and goods processing term.

The customs body's refusal to issue permission for processing goods shall contain the grounds and reasons for the refusal. The applicant shall be notified in writing of the refusal to grant said permission.

#### **Article 181. The Revocation of a Decision for Processing Goods**

1. The permission issued for processing goods shall be revoked by the customs body if, under an act of the Government of the Russian Federation adopted pursuant to Item 4 of Article 174 of the present Code, the placement of the goods under the customs regime of processing in the customs territory is prohibited.

2. The decision on revocation shall take effect as of the date of entry into force of the relevant act of the Government of the Russian Federation.

3. In the event of revocation of permission for processing goods the goods shall not be placed under the customs regime of processing in the customs territory under the revoked permission, and in respect of goods placed under the customs regime in the customs territory before the revocation of the permission said customs regime may be completed in compliance with the present paragraph.

4. The form of revocation of permission for processing goods shall be established by the federal ministry authorised in the sphere of customs business.

#### **Article 182. Granting Exemption from Export Customs Duties on Processed Products. Subjecting Processed Products to Bans and Restrictions Established in Accordance with the Legislation of the Russian Federation on the State Regulation of Foreign Trade Activity**

1. No export customs duties shall be payable in the event of processed products being exported from the customs territory of the Russian Federation.

2. Exported processed products shall be subject to all the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

#### **Article 183. Waste**

1. Customs duties and taxes shall be payable on the waste produced as the result of processing goods in the customs territory if said waste was imported into the customs territory of the Russian Federation in this state, except for cases when said waste was exported from the customs territory of the Russian Federation or processed into a state unfit for further commercial use in the customs territory of the Russian Federation and cannot be restored to the original state by a cost-effective method.

Dutiable and taxable waste shall be subject to declaration.

2. For the purposes of customs duty and tax assessment waste shall be deemed goods brought into the customs territory of the Russian Federation.

The customs value of waste shall be determined in accordance with the legislation of the Russian Federation on taxes and fees with due regard to the peculiarities established by Item 3 of the present article.

3. If the customs value of waste cannot be determined by one of the following methods - at the price of the transaction in imported goods, at the price of transactions in identical goods or at the price of transaction with a fungible commodity - in compliance with the legislation of the Russian Federation the customs value of the waste shall be assessed as one of the below values:

the selling price of the waste assessed at its first sale in the customs territory of the Russian Federation to a buyer not being related to either of the parties to the transaction for processing goods;

the selling price of goods being identical to the waste assessed or fungible with the waste assessed if said goods are produced as the result of similar processing through the use of the customs regime of processing in the customs territory and if it is the selling price at its first sale in the customs territory of the Russian Federation to a buyer not being related to either of the parties to the transaction for processing goods;

the prices of transactions in goods being identical to the waste assessed or fungible with the waste assessed sold for export to the Russian Federation and imported into the Russian Federation at the same time or almost at the same time as the declaration of the waste assessed;

selling price in the domestic market of the Russian Federation between non-interdependent sellers and buyers of goods identical to the waste assessed or fungible with the waste assessed less the taxes payable in the Russian Federation at the sale of goods.

#### **Article 184. Remaining Stock**

1. The remaining stock of goods placed under the customs regime of processing in the customs territory may be exported from the customs territory of the Russian Federation without the payment of customs duties or placed under the customs regime of processing in the customs territory.

2. In respect of non-exported stock the amounts of import customs duties and taxes shall be payable as if they were imported into the customs territory of the Russian Federation in this state.

Stock on which customs duties and taxes are payable shall be subject to declaration.

The amount of customs duties and taxes shall be assessed on the basis of the amount of the quantitative or value part of the stock pro rata to the amount of customs duties and taxes that would have been payable if the goods the processing of which produced the remaining stock were cleared for free circulation on the day of placement under the customs regime of processing in the customs territory.

#### **Article 185. Completing and Suspending the Customs Regime**

1. Not later than on the day of expiry of the term of processing (Article 177) the customs regime of processing in the customs territory shall be completed by means of exporting the processed product from the customs territory of the Russian Federation or placing the imported goods and the processed products thereof under other customs regimes.

2. If processed products are exported from the customs territory of the Russian Federation in several lots the final verification of the quantity of the processed products specified in the permission for processing the goods (Article 179) may be effected periodically after the export of the processed products but at least once every three months and within 30 days after the date of export of the last lot of the processed products. If as the result of such verification the person that obtained the permission for processing in the customs territory must pay customs duties and taxes no penalty shall be accrued on the amounts of these customs payments on condition that the payment thereof is effected within ten working days after the date of the customs body's decision in writing stating the need for payment of said amounts. The customs body shall forward a notice to the person that obtained the permission for processing the goods about the need to make customs payments not later than on the day following the date of the decision.

3. The customs regime of processing in the customs territory may be completed by clearing for free circulation the imported goods and/or the processed products thereof or placing them under another customs regime in the observance of the terms and conditions established by the present Code.

4. In the event of clearance for free circulation of imported goods and/or the processed products thereof payment shall be made of the amounts of customs duties and taxes which would have been payable if the imported goods were declared for clearance for free circulation on the day when the goods were placed under the customs regime of processing in the customs territory, and also interest on said amounts at the refinancing rates of the Central Bank of the Russian Federation as if a grace period were granted on said amounts from the date of placement of the goods under the customs regime of processing in the customs territory.

5. At the request of a person concerned the customs regime of processing in the customs territory may be suspended:

at the placement of the processed products into a customs warehouse in compliance with Item 3 of Article 217 of the present Code;

at the placement of the processed products under other customs regimes which do not envisage the clearance of goods for free circulation.

**6.** The suspension of the customs regime of processing in the customs territory shall cause the suspension of the term for processing the goods (Article 177). The interest to be accrued and paid in compliance with the present article shall not be accrued or paid for the period of suspension of the customs regime of processing in the customs territory.

No goods processing operations (Article 176) shall be admissible during the period of suspension of the customs regime of processing in the customs territory.

**7.** The customs regime of processing in the customs territory may also be completed by means of export of the imported goods in an unchanged state (re-export).

#### **Article 186. Equivalent Compensation**

**1.** With the permission of customs body imported goods placed under the customs regime of processing in the customs territory may be replaced with other goods, including Russian goods if they comply in terms of description, qualify and specifications with the imported goods (equivalent compensation).

**2.** The products produced as the result of processing equivalent goods shall be deemed the processed products the imported goods in keeping with the provisions of the present chapter.

**3.** For customs purposes the equivalent goods shall have the status of the imported goods, and the imported goods shall have the status of goods which the equivalent goods had.

**4.** If equivalent compensation is permitted the export of the processed products shall be admissible before the import of the goods for processing in the customs territory on the condition that permission for processing is available. The customs bodies shall set a term for importing such goods.

### **Paragraph 2. Processing for Internal Consumption**

#### **Article 187. The Content of the Customs Regime**

**1.** Processing for internal consumption is a customs regime under which imported goods are used in the customs territory of the Russian Federation during a set term (term for processing goods) for the purpose of accomplishing the operations of processing the goods with full conditional exemption from customs duties as involving a subsequent clearance of the processed products for free circulation with the payment of customs duties at the rates applicable to the processed products.

**2.** All the bans and restrictions established under the legislation of the Russian Federation on the state regulation of foreign trade activity shall be applicable to imported goods placed under the customs regime of processing for internal consumption.

#### **Article 188. Conditions for Placing Goods under the Customs Regime**

**1.** Processing for internal consumption shall be admissible if permission of the customs body is available (Article 192).

**2.** Processing for internal consumption shall be admissible for the goods included in a list set out by the Government of the Russian Federation.

**3.** Processing for internal consumption shall be admissible if:

1) the amounts of customs duties payable on the processed products are below those that would have been payable as of the date of placement of the imported goods under the customs regime of processing for internal consumption if they were cleared for free circulation;

2) customs bodies can identify the imported goods in the processed products (Article 189);

3) the processed products cannot be restored to their original state by a cost-effective method.

**4.** Foreign goods that have been earlier placed under other customs regimes may be placed under the customs regime of processing for internal consumption, given the observance of the terms and conditions envisaged by the present Code.

#### **Article 189. The Identification of Goods in the Processed Products Thereof**

**1.** The following methods may be used to identify imported goods in the processed products thereof if these methods are applicable with due regard to the nature of the goods and the goods processing operations performed:

1) the application of seals, rubber stamps, digital or other markings to the imported goods by the applicant, processor or customs official;

2) a detailed description of the imported goods, the making of photographic pictures, scaled images thereof;

3) the comparison of results of study of samples or specimens of the imported goods and the processed products;

4) the use of serial numbers or other manufacturer's making of the imported goods.

2. The admissibility of the method declared for identification of goods imported for processing for internal consumption in the processed products shall be established by a customs body with due regard for the nature of the goods and the the goods processing operations performed.

3. At the applicant's request and with the customs body's consent the said identification for customs purposes may be ensured by means of studying the detailed information provided on the raw materials, materials and components used in the manufacture, and also on the technology of manufacture of the processed products or by means of exercising customs control during the goods processing operations.

#### **Article 190. The Goods Processing Operations**

Below are the goods processing operations in the customs regime of processing for internal consumption:

1) processing proper or treatment of the goods;

2) the manufacture of new goods, in particular, erection/installation, assembly or disassembly of goods.

#### **Article 191. The Term for Processing Goods**

1. The term for processing goods shall be set by the applicant in agreement with the customs body and it shall not exceed one year.

2. The term for processing goods for internal consumption shall be set on the basis of the duration of the goods processing process.

3. If a person has obtained permission for processing and is not in breach of the terms and conditions established by the present paragraph cannot complete the customs regime with the term set due to circumstances beyond the person's control the original term for processing the goods shall be extended at the substantiated application of the person who obtained the permission for processing, but not exceeding the term established by Item 1 of the present article.

4. The term for processing goods shall begin on the day when the goods are placed under the customs regime of processing for internal consumption, and if the goods are imported in separate lots, from the date of placement of the first lot of the goods.

#### **Article 192. The Permission for Processing Goods for Internal Consumption**

1. Permission for processing goods for internal consumption shall be issued by a customs body on the basis of an application of the declarant (Item 1 of Article 193).

2. The permission shall comprise the following:

a description, the quality and quantity of the imported goods and the products to be processed therefrom;

the goods processing operations and the methods whereby they are accomplished;

processing output rate;

the methods of identification of the imported goods in the processed products;

the term for processing the goods;

the other details specified by the federal ministry authorised in the sphere of customs business and required for customs purposes.

The form of permission for processing goods shall be established by the federal ministry authorised in the sphere of customs business.

3. Permission for processing goods shall be effective for the term set for processing the goods.

4. Permission for processing goods shall be issued before the goods are placed under the customs regime of processing for internal consumption.

5. Permission issued shall not be assigned to another person.

6. The person that has obtained permission for processing goods shall be liable for the payment of customs duties and taxes in compliance with Item 2 of Article 320 of the present Code.

#### **Article 193. The Procedure for Issuing Permission for Processing Goods**

1. An application containing the below information shall be filed with a customs body for the purpose of obtaining permission for processing goods:

on the applicant;

on the person(s) directly accomplishing the operations of processing the goods;

on the goods intended for processing, the processed products, and also on waste and remaining stock;

on the goods processing operations, the methods and term for completion thereof;

on the location of the production facilities used to perform the goods processing operations;

on the processing output rate;  
on the methods of identification of the imported goods in the processed product;  
on the term for processing the goods.

2. The form of the application and the form of presentation of information therein shall be established by the federal ministry authorised in the sphere of customs business.

Documents shall be attached to the application to confirm the information declared.

3. The customs body shall consider the application and the documents attached thereto within 30 days of the acceptance thereof. During said term the customs body shall verify the observance of established terms and conditions, and also make a decision approving the term for processing the goods and the processing output rate which shall be set according to the rules established by Article 178 of the present Code.

The customs body shall be entitled to request the provision of the information specified in Item 1 of the present article from third persons and also from state bodies. Within ten days after the receipt of the request the said persons shall provide the documents so requested. In such cases, the customs body shall be entitled to extend the term of consideration of the application to a term not exceeding two months from the acceptance thereof.

4. The customs body shall refuse to grant permission for processing goods only if the terms and conditions established by the present paragraph were not observed at the filing of the application, and also if the customs body decides to refuse to grant approval based on the information declared. The customs body's refusal to grant permission for processing goods shall contain the grounds and reasons for the refusal. The applicant shall be notified in writing of the refusal to issue said permission.

#### **Article 194. Waste and Remaining Stock**

The waste produced as the result of processing goods, and also the remaining stock of goods placed under the customs regime of processing for internal consumption shall be subject to the rules set out in Articles 183 and 184 of the present Code.

#### **Article 195. The Completion of the Customs Regime**

1. The customs regime of processing for internal consumption shall be completed by means of clearance for free circulation of the processed products. When the processed products are cleared for free circulation customs duties shall be calculated at the rates applicable to processed products. The customs value and quantity of the products of processing shall be determined as of the date of their declaration for clearance for free circulation.

2. For the purpose of developing branches of the Russian economy and stimulating import replacement in the territory of the Russian Federation for investment goods the Government of the Russian Federation shall be entitled to designate specific types of goods and/or products processed from them for which the customs value and/or quantity of foreign goods may be applicable for the purposes of calculating customs duties when they are placed under the customs regime of processing for internal consumption.

#### **Article 196. The Peculiarities of Application of Customs Duty Rates to Processed Products**

Processed products shall be subject to customs duty rates according to the country of origin of the goods imported for processing. In cases when foreign goods originating from various countries are used during processing the application of customs duty rates shall be effected with the account being taken of the following peculiarities:

1) if as the result of processing a change has occurred in the classification code of the goods according to the Commodity Classification for Foreign Economic Activity at the level of any of the first four digits the processed products shall be subject to customs duty rates as goods imported from countries to which the Russian Federation provides most-favoured-nation treatment in its trading and political relations;

2) in the other cases customs duty rates shall be applicable according to the country of origin of the foreign goods with the largest customs value.

### **Paragraph 3. Processing outside the Customs Territory**

#### **Article 197. The Content of the Customs Regime**

1. Processing outside the customs territory is a customs regime under which goods are exported from the customs territory of the Russian Federation for the purpose of accomplishing operations of processing the goods during a set term (term for processing the goods) with a subsequent import of the processed products with full or partial exemption from import customs duties and taxes.

2. Goods shall be exported from the customs territory of the Russian Federation under the customs regime of processing outside of the customs territory with a full conditional exemption from

export customs duties. The exported goods shall not be subject to the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

3. In the event of export of goods under the customs regime of processing outside the customs territory no exemption from or refund of domestic taxes shall be provided.

**Article 198. Conditions for Placing Goods under the Customs Regime**

1. Processing outside the customs territory shall be admissible if the permission of a customs body (Article 203) is granted.

2. Processing outside the customs territory shall be admissible if customs bodies can identify the imported goods in the processed products (Article 199), except for case when the processed products are replaced with foreign goods in compliance with Article 206 of the present Code.

3. For the purpose of placing goods under the customs regime of processing outside the customs territory the goods shall have the status of goods in free circulation for customs purposes. Placement under the customs regime of processing outside the customs territory shall be admissible in respect of goods on which privileges have been granted as regards the payment of customs duties and taxes under the legislation of the Russian Federation when the transaction of processing of the goods is repair.

4. The Government of the Russian Federation shall be entitled to designate the cases in which processing outside the customs territory is inadmissible in respect of specific types of goods, and also to establish quantitative or value limits on the admittance of goods for goods processing operations under the customs regime of processing outside the customs territory proceeding from the need to protect the interests of Russian manufacturers. Said bans and restrictions shall take effect at the earliest 90 days after the date of formal publication of the relevant acts of the Government of the Russian Federation.

**Article 199. The Identification of Goods in the Processed Products**

1. The following methods shall be used to identify goods in the processed products, if they are applicable with regard to the nature of the goods and the goods processing operations performed:

1) the application of seals, rubber stamps, digital or other marks to the exported goods by the applicant or a customs official;

2) a detail description of the exported goods, the taking of photographic pictures, scaled images of the goods;

3) the comparison of results of study of preliminarily taken samples or specimens of the exported goods and the processed product;

4) the use of serial numbers or other manufacturer's marking of the exported goods;

5) documentary confirmation testifying to the fact that the exported goods have been subjected to the goods processing operations;

6) other identification methods based on up-to-date technologies.

2. The customs body shall assess the admissibility of the declared method of identification of exported goods for processing outside the customs territory in the processed products with due regard to the nature of the goods and of the goods processing operations performed.

3. At the applicant's request and with the customs body's consent the said identification for customs purposes may be provided by means of studying the detailed information provided on the raw materials, materials and components used in the manufacture and also the production technology of the processed products.

territory: **Article 200. The Goods Processing Operations**

Below are the goods processing operations in the event of application of the customs regime of processing outside of the customs

1) the processing and treatment of the goods;

2) the manufacture of new goods, in particular, the erection/installation, assembly or disassembly of the goods;

3) the repair of the goods, in particular, the restoration, replacement of components, the restoration of consumer properties.

**Article 201. The Term for Processing Goods**

1. The term for processing goods shall be set by the declarant in agreement with the customs body and it shall not exceed two years.

2. The term for processing goods outside the customs territory shall be set depending on the duration of the goods processing process and the period of time required for transporting the processed products but shall not exceed the term set by Item 1 of the present article.

3. At the substantiated application of the person that has obtained permission for processing goods the original term for processing shall be extended within the limits of the term set by Item 1 of the present article.

4. The term for processing goods shall begin from the date of their placement under the customs regime of processing outside the customs territory, and in the event of export of the goods in separate lots, from the date of placement of the first lot of the goods.

**Article 202.** The Processing Output Rate for Customs Purposes

1. The processing output rate (the quantity or content in percentage points of the processed products produced as the result of the processing of a certain quantity of exported goods) shall be assessed by the declarant in agreement with the customs body depending on the actual conditions in which the goods are processed, except for the cases specified in Item 4 of the present article, if it is deemed necessary for customs control purposes. The processing output rate shall be set before the import of the processed products into the customs territory of the Russian Federation.

2. The customs body's approval of a processing output rate shall be done on the basis of documents filed by the declarant containing information on the technological process of the processing. While granting approval of to processing output rates customs bodies shall take into account the statements of expert organisations (in particular, customs laboratories) based on a specific technological process of processing.

3. The description, quality and quantity of processed products shall be finally determined after the processing output rate is agreed upon.

4. If the operations of processing goods that have permanent characteristics are normally carried out under certain specifications and lead to the manufacture of a processed product that has an unchanged quality the competent bodies empowered by the Government of the Russian Federation shall set standard processing output rates for customs purposes.

If standard processing output rates are used for customs purposes the import of processed products in a quantity exceeding the processing output rates set with a full or partial exemption from customs duties and taxes shall not be admissible.

**Article 203.** Permission for Processing Goods

1. The export of goods for processing outside the customs territory shall be admissible if permission is granted for processing the goods outside the customs territory.

2. Permission for processing goods outside of the customs territory shall be issued to the declarant.

3. The permission shall comprise the following details:

a description, the quality and quantity of the goods intended for processing and the processed products;

the goods processing operations and the methods whereby the operations are accomplished;

the processing output rate, if set (Item 4 of Article 202) or agreed upon on the date of issuance of the permission;

the methods used to identify the exported goods in the processed products;

the term for processing the goods;

the other details specified by the federal ministry authorised in the sphere of customs business and required for customs purposes.

The form of the permission for processing goods shall be established by the federal ministry authorised in the sphere of customs business.

4. The permission for processing goods shall be effective during the term set for processing the goods.

5. The person that has obtained permission for processing goods shall be liable for the payment of customs duties and taxes under Item 2 of Article 320 of the present Code.

**Article 204.** The Procedure for Issuing Permission for Processing Goods

1. An application containing the following information shall be filed with the customs body for the purpose of obtaining permission for processing goods:

on the applicant;

on the person(s) directly accomplishing the goods processing operations and the whereabouts thereof;

on the goods intended for processing;

on the goods processing operations, the methods and term of accomplishment thereof;

the processing output rate if set (Item 4 of Article 202) or if as of the date of filing the application by the declarant the rate is set;

on the products processed from the goods and on the intended quantity thereof;

on the methods of identification of the exported goods in the processed products;

on the replacement of the processed products with foreign goods;

on the term for processing the goods.

2. The form of the application and the form of presentation of information shall be established by the federal ministry authorised in the sphere of customs business. Documents confirming the information so declared shall be attached to the application.

3. The customs body shall consider the application and the documents attached thereto within 30 days after the acceptance thereof. During said term the customs body shall verify the information stated in the application and it shall also take a decision on the granting approval of the declared processing output rate and term for processing the goods.

The customs body shall be entitled to request the provision of documents confirming the information declared from third persons, and also from state bodies. In this case the customs body shall be entitled to extend the term of consideration of the application to a term not exceeding two months after the acceptance thereof.

4. The customs declaration for goods exported from the customs territory shall be used as an application for processing the goods in compliance with the customs regime of processing outside the customs territory on the condition that the goods are exported in a single lot if:

1) the purpose of placement of the goods under the customs regime of processing outside the customs territory is the repair thereof, in particular, that performed on a basis implying compensation;;

2) the customs value of the goods placed under the customs regime of processing outside the customs territory does not exceed 500,000 roubles.

5. If a customs declaration is used as an application for processing goods the term for consideration thereof shall not exceed the term for verification of a customs declaration set by Item 1 of Article 359 of the present Code. In such a case the processed products at the importation thereof shall be declared to the customs body that issued the permission for processing the goods.

6. The customs body shall refuse to grant permission for processing goods only in cases when at the filing of the application by the applicant the terms and conditions established by the present paragraph were not observed, and also in cases when the customs body decides to refuse to grant approval to the declared processing output rate and term for processing the goods.

The customs body's refusal to grant permission for processing goods shall contain the grounds and reasons for the refusal. The declarant shall be notified in writing of the refusal to issue said permission.

#### **Article 205. The Revocation of Permission for Processing Goods**

1. An issued permission for processing goods shall be revoked by the customs body if, according to an act of the Government of the Russian Federation adopted pursuant to Item 4 of Article 198 of the present Code, the placement of the goods under the customs regime of processing outside the customs territory is prohibited.

2. The decision on revocation shall take effect as of the date of entry into force of the relevant act of the Government of the Russian Federation.

3. In the event of revocation of permission for processing goods the goods shall not be placed under the customs regime of processing outside the customs territory under the permission so revoked, and the customs regime may be completed in keeping with the present paragraph in respect of the goods placed under the customs regime of processing outside the customs territory before the revocation of permission.

4. The form of revocation of permission for processing goods shall be established by the federal ministry authorised in the sphere of customs business.

#### **Article 206. The Replacement of Processed Products with Foreign Goods**

The replacement of processed products with foreign goods on the condition that they coincide in terms of description, quality and specifications with the processed products shall be admissible if the operation of processing outside the customs territory is repair, and also in cases when customs bodies do not identify goods in compliance with the present Code. If the replacement of processed products with foreign goods is admissible the foreign goods may be imported before the export of the Russian goods for processing.

#### **Article 207. The Application of Full or Partial Exemption from Customs Duties and Taxes to Processed Products**

1. Full exemption from customs duties and taxes shall be granted on processed products if the purpose of the processing was a warranty (gratuitous) repair of the imported goods. In respect of goods cleared earlier for free circulation in the customs territory of the Russian Federation no full exemption from customs duties and taxes shall be granted if the defect being the reason for the repair was taken into account at the clearance of the goods for free circulation.

2. In all other cases a partial exemption from customs duties and taxes shall be granted in respect of processed products as follows, with the exception of excise taxes:

1) the amount of customs duties payable shall be assessed as the difference between the sum of import customs duty applied to the processed products and the sum of import customs duty that would have been applicable to the goods exported as if they were cleared for free circulation if the processed products are subject to specific customs duty rates and the processing operation is not repair, or proceeding from the value of the goods processing operations, which in the absence of documents confirming the value of such operations may be calculated as the difference between the customs value of the processed products and the customs value of the goods exported for processing;

2) the amount of payable value-added tax shall be assessed proceeding from the value of the goods processing operations, which in the absence of documents confirming the value of these operations may be calculated as the difference between the customs value of the processed products imported into the customs territory of the Russian Federation and the customs value of the goods exported for processing.

3. Excise taxes shall be payable on the processed products in full, except for cases when the goods processing operation is the repair of the goods exported.

4. If the processed products are imported after the expiry of the term for processing (Article 201), and also if the other terms and conditions of the present paragraph are not observed or if they are confirmed in an inappropriate way no full or partial exemption from customs duties and taxes shall be granted.

#### **Article 208.** The Completion of the Customs Regime

1. The customs regime of processing outside the customs territory shall be completed by means importing the processed products into the customs territory of the Russian Federation or by another means as envisaged by the present article.

2. If the processed products are imported into the customs territory of the Russian Federation in several lots the final verification of the quantity of the processed products indicated in the permission for processing the goods (Article 203) may be performed periodically after the import of the processed products but at least once every three months and in any case within 30 days after the date of import of the last lot of the processed products. If as the result of such a verification the person that obtained the permission for processing outside the customs territory must pay customs duties and taxes no penalty shall be accrued on the amounts of these customs payments on the condition that the payment thereof is effected within ten working days of the date of the customs body's written decision on the need for the payment of said amounts. The customs body shall forward a notice to the declarant of the need to make the customs payments not later than on the day following the date of the decision.

3. The customs regime of processing outside the customs territory may be completed by means of reverse import (reimport) of the goods exported from the customs territory of the Russian Federation or the placement of said goods under a customs regime applicable to exported goods in the observance of the terms and conditions established by the present Code. The customs regime of processing outside the customs territory shall not be changed to the customs regime of export if under the legislation of the Russian Federation the exported goods or the processed products thereof are subject to mandatory reverse import. The customs regime of processing outside the customs territory may be changed to a customs regime applicable to exported goods without the actual presentation of the goods to a customs body.

When the customs regime of processing outside the customs territory is changed to the customs regime of export the amounts of export customs duties shall be payable on the exported goods, if established, and also interest on said amounts, as if a grace period on the payment of export customs duty were granted as of the date of acceptance of the customs declaration for export.

4. If processed products are placed under a customs regime that does not envisage clearance of goods for free circulation the amounts of customs duties and taxes on these goods shall not exceed the amounts calculated in compliance with Items 2 and 3 of Article 207 of the present code without account being taken of penalties and interest, except for the case envisaged by Item 5 of the present article.

5. In the event of import of products processed from goods for which privileges have been granted on the payment of customs duties and taxes before the export thereof (Item 3 of Article 198) the amounts of import customs duties and taxes for which the privileges had been granted before the export of the goods for processing shall be charged at the clearance of such goods for free circulation together with the amounts of customs duties and taxes payable under Article 207 of the present Code.

### **Paragraph 4. Temporary Import**

#### **Article 209.** The Content of the Customs Regime

Temporary import is a customs regime under which foreign goods are used for a certain period of time (temporary import term) in the customs territory of the Russian Federation with a full or partial conditional exemption from the payment of customs duties and taxes and without the application to these

goods of the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

**Article 210.** The Conditions for Placing Goods under the Customs Regime

1. Temporary import shall be admissible on the condition that the goods can be identified by a customs body at their reverse export (re-export), except for cases when under international treaties of the Russian Federation temporarily imported goods may be replaced with goods of the same type.

2. The customs body shall be entitled to demand the provision of guarantees from the person declaring the customs regime of temporary import for the performance of the obligations established by the present Code (Article 160), in particular, the provision of an undertaking to effect the reverse export of the temporarily imported goods.

3. Foreign goods earlier placed under other customs regimes may be placed under the customs regime of temporary import, given the observance of the terms and conditions envisaged by the present Code.

**Article 211.** Restrictions on the Use and Disposition of Temporarily Imported Goods

1. Temporarily imported goods may be used by the person that obtained permission for temporary import.

2. With the permission of a customs body temporarily imported goods may be transferred for use to another person that may act as a declarant in compliance with Article 126 of the present Code.

The transfer of temporarily imported goods to another person shall be effected with the permission of a customs body if this person undertakes before the customs bodies to observe the terms of the customs regime of temporary import. In doing this, the person that originally obtained the permission for temporary import shall pay customs duties and taxes for the period of time during which the person used the goods in accordance with the customs regime of temporary import if the goods are subjected to a partial conditional exemption from customs duties and taxes in compliance with Item 2 of Article 212 of the present Code. If the observance of the customs regime of temporary import is secured by means of guarantees (Article 160) the person to which the temporarily imported goods are transferred shall have appropriate documents drawn up in that person's name. The said person shall enjoy the rights and execute the duties established by the present Code for a person obtaining permission for temporary import from the day when the customs body issued permission for the transfer of the temporarily imported goods.

3. Temporarily imported goods shall remain in an unchanged state, except for changes due to natural wear or natural loss under normal conditions of carriage (transportation), storage and use (operation). Temporarily imported goods may be the subject matter of operations required for ensuring the preservation thereof, in particular, repair (except for major overhaul and upgrade), maintenance and other operations required for preserving the goods' consumer properties and for maintaining the goods in the same state as that of the day when they were placed under the customs regime of temporary import.

4. Temporarily imported goods shall not be disposed of by methods not envisaged by the present article.

5. The transfer of goods to another person under Item 2 of the present article shall not cause a suspension or prolongation of the temporary import term.

**Article 212.** The Application of Customs Duties and Taxes

1. The list of categories of goods temporarily imported with full conditional exemption from customs duties and taxes, and also the terms for such exemption, in particular, the maximum temporary import term shall be determined by the Government of the Russian Federation.

Full conditional exemption from customs duties and taxes shall be admissible unless the temporary import of goods inflicts significant economic damage to the Russian Federation, in particular:

in the event of the temporary import of containers, pallets, other types of multiple-use tare and packaging;

if the temporary import of goods is carried out within the framework of development of foreign trade relations, international relations in the area of science, culture, cinema, sport and tourism;

if the purpose of the temporary import is the provision of international aid.

2. Other categories of goods, and also for goods in the event of non-observance of the conditions for full conditional exemption from customs duties and taxes established in compliance with Item 1 of the present article shall be subject to a partial conditional exemption from customs duties and taxes. In the event of a partial conditional exemption from customs duties and taxes three per cent shall be payable of the amount of customs duties and taxes that would have been payable if the goods were cleared for free circulation per each complete or incomplete calendar month of the good's stay in the customs territory of the Russian Federation.

3. In the event of partial conditional exemption from customs duties and taxes the amounts of customs duties and taxes shall be paid at the placement of the goods under the customs regime of

temporary import or periodically as the person that obtained the permission for temporary import may choose. Intervals between customs duty and tax payment due dates shall be set by the person that obtained the permission for temporary import with the consent of the customs body. Here, the specific customs duty and tax due dates shall be set on the basis of the need for payment of these amounts being made before the beginning of the period concerned.

4. The sum total of the customs duties and taxes levied at temporary import with partial conditional exemption from customs duties and taxes shall not exceed the sum of customs duties and taxes that would have been payable if on the date of placement under the customs regime of temporary import the goods were cleared for free circulation without account being taken of the penalties for late payment of customs duties and taxes and interest that might be accrued under Paragraph 4 of Item 2 of Article 214 of the present Code.

5. If the sum of customs duties and taxes paid in the event of partial conditional exemption from customs duties and taxes becomes equal to the sum that would have been payable if on the date of placement under the customs regime of temporary import the goods were cleared for free circulation the goods shall be deemed cleared for free circulation on the condition that the goods are not subject to the economic restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity or in the event of lifting the restrictions applied on the day when the goods were placed under the customs regime of temporary import.

6. In the event of re-export of temporarily imported goods or the placement thereof under other customs regimes the amounts of customs duties and taxes paid at a partial conditional exemption from customs duties and taxes shall not be refundable.

7. Liability for the payment of customs duties and taxes under Item 2 of Article 320 of the present Code shall be borne by the person that obtained the permission for temporary import.

#### **Article 213. The Term of Temporary Import of Goods**

1. The term of temporary import of goods is two years.

For some types of goods the Government of the Russian Federation may establish shorter terms or longer maximum terms of temporary import in comparison with that envisaged by Paragraph 1 of the present item.

Temporary import with the application of partial exemption from customs duties and taxes for a 34-month term shall be admissible in respect of goods classified as main production assets (means) on the condition that such goods are not owned by the Russian persons using them in the customs territory of the Russian Federation.

2. The term of temporary import of goods shall be set by a customs body within the term specified in Item 1 of the present article proceeding from an application of the person that applied for the permission for temporary import, with due regard to the purpose and circumstances of such import.

3. At the substantiated request of the person that obtained the permission for temporary import, provided there is no breach of the terms and conditions envisaged by the present chapter, the set term of temporary import of goods shall be extended by a decision of a customs body within the term specified in Item 1 of the present article.

#### **Article 214. The Completion and Suspension of the Customs Regime**

1. Not later than on the date of expiry of the term of temporary import of goods set by a customs body (Article 213) the goods shall be exported from the customs territory of the Russian Federation or declared for another customs regime in keeping with the present Code.

2. The customs regime of temporary import may be completed by means of clearing the goods for free circulation.

In the event of completion of the customs regime of temporary import by means of clearance of the goods for free circulation the customs value and quantity of the goods shall be determined as of the date of placement of the goods under the customs regime of temporary import and the rates of customs duties and taxes as of the date of clearance of the goods for free circulation, except for the case envisaged by Item 5 of Article 212 of the present Code. The declarant shall be entitled to indicate a decrease in the customs value of the goods and/or in the quantity thereof due to natural wear or natural loss under normal conditions of carriage (transportation), storage and use (operation), and also due to an accident or force majeure. The customs value of the goods and/or the quantity thereof may be adjusted if the declarant provides the customs body with reliable and documented information.

When the amounts of customs duties and taxes payable at the clearance of the goods for free circulation are being assessed an offset shall be effected of the amounts of customs payments paid at the partial exemption from customs duties and taxes under Items 2 and 3 of Article 212 of the present Code.

In the event of clearance for free circulation of goods subjected to partial conditional exemption from customs duties and taxes for the period in which such an exemption was applied interest shall be payable on the amounts of customs duties and taxes which would have been payable if a grace period

were granted in respect of these amounts from the date of application of the partial exemption from customs duties and taxes, except for the case envisaged by Item 5 of Article 212 of the present Code.

**3.** The customs regime of temporary import shall be suspended:

if the temporarily imported goods are seized or apprehended under the legislation of the Russian Federation;

if the temporarily imported goods are placed in a customs warehouse in keeping with Item 3 of Article 217 of the present Code;

at the request of the person that has obtained the permission for temporary import when the temporarily imported goods that have been subjected to partial exemption from customs duties and taxes are placed under other regimes that do not envisage clearance of the goods for free circulation.

After the expiry of the term of suspension the customs regime of temporary import shall be resumed.

In the event of resumption of the customs regime of temporary import the interest of which the accrual and payment are required in compliance with the present chapter shall not be accrued and paid for the term of suspension of the customs regime of temporary import.

## **Paragraph 5. Customs Warehouse**

### **Article 215.** The Content of the Customs Regime

Customs warehouse is a customs regime under which goods imported into the customs territory of the Russian Federation are stored under customs control without the payment of customs duties and taxes and without the application of the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity and goods intended for export are stored under customs control on the conditions set out in the present paragraph.

### **Article 216.** Customs Warehouses

**1.** Customs warehouses are premises and/or outdoor areas that are specifically allocated and furnished for these purposes and that meet the standards established by Article 225 of the present Code.

Goods placed under the customs regime of customs warehouse shall be stored in customs warehouses, except for the goods specified in Item 4 of Article 217 of the present Code.

**2.** A customs warehouse is a customs control zone.

**3.** Goods may be placed in any customs warehouse with due regard to the restrictions envisaged by the present Code.

### **Article 217.** The Conditions for Placing Goods under the Customs Regime

**1.** Any goods may be placed under the customs regime of customs warehouse, except for goods prohibited by the legislation of the Russian Federation from import into the Russian Federation and export out of the Russian Federation respectively, other goods subject to restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity the list of which may be determined by the Government of the Russian Federation, and also the goods with a service life as of the date of their declaration for the customs regime of customs warehouse shorter than the term set in compliance with Item 2 of Article 218 of the present Code.

**2.** Goods that can cause harm to other goods or that require special storage conditions shall be stored in customs warehouses or on separate premises of a customs warehouse that are specifically adapted for the purpose of storing such goods, in the observance of the mandatory standards established in compliance with the legislation of the Russian Federation on technical regulations.

**3.** Goods that have been earlier placed under other customs regimes may be placed under the customs regime of customs warehouse. In the cases envisaged by the present Code foreign goods may be placed in a customs warehouse for the purpose of suspending customs regimes that do not envisage clearance of the goods for free circulation.

**4.** Good which due to their dimensions cannot be placed in a customs warehouse located in reasonable proximity may be placed under the customs regime of customs warehouse without being actually placed in a customs warehouse, provided there is a customs body's permission in writing for this. In this case the person that has declared the customs regime of customs warehouse shall provide a security to the customs body for the making of the customs payments which would have been payable in the event of clearance of the goods for free circulation, and also observes all the other terms and conditions envisaged by the present paragraph. In this case it shall be prohibited from transferring the goods for use and disposition to other persons by any means, in particular, by means of alienation during their stay under the customs regime of customs warehouse.

### **Article 218.** The Term of Storage of Goods in a Customs Warehouse

**1.** Goods may be stored in a customs warehouse for a three-year term.

2. Goods with limited service life and/or sale term shall be declared for a customs regime other than that of customs warehouse and they shall be taken from the customs warehouse at least 180 days prior to the expiry of the said limited term, except for the perishable goods for which the said period of time may be reduced by the customs agency in the order established by the federal ministry authorised in the sphere of customs business.

3. The term of storage of goods shall be indicated by the person placing goods in a customs warehouse in the customs declaration within the term envisaged by the present article.

4. At the substantiated request of the person that has placed goods in a customs warehouse the customs body shall extend the term of storage of the goods within the term envisaged by the present article.

#### **Article 219. Operations with Goods Stored in a Customs Warehouse**

1. The persons having powers in respect of goods and their representatives shall be entitled to accomplish the ordinary operations with goods required for preserving the goods in an unchanged state, to inspect and measure goods, move them within the customs warehouse on condition that these operations do not cause a change in the state of the goods, damage to the packaging thereof and/or a change in the means of identification attached thereto.

2. Operations not indicated in Item 1 of the present article, in particular, the taking of samples and specimens of goods, simple assembly operations, and also operations required for preparing goods for sale and transportation, in particular, the splitting up of lots, arrangement of parcels, grading, packing, repacking, marking, the operations required for improving merchantability may be accomplished by the persons having powers in respect of the goods and by their representative with the permission of a customs body.

The customs body shall be entitled to refuse permission for the accomplishment of such operations only if the accomplishment thereof is going to cause a loss of goods or a change in the significant properties thereof.

3. Import customs duties and taxes shall be payable on samples and specimens of foreign goods as if the said goods were cleared for free circulation, except for cases when a specimen of goods is returned to a customs warehouse within one month.

4. It shall be admissible to alienate goods located in a customs warehouse, to transfer the right of possession, use or disposition to them, provided the customs body is notified in advance in writing, with the exception of the goods specified in Item 4 of Article 217 of the present Code. When doing this, the person that has acquired property rights to goods shall file an undertaking in writing with the customs body to further observe the terms and conditions established by the present paragraph in respect of these goods. From the day following the date of receipt of said undertaking by the customs body the person that has acquired property rights to the goods shall enjoy the rights and execute the duties established by the present Code for a person placing goods in a customs warehouse.

5. With the written permission of a customs body goods may be moved from one customs warehouse to another customs warehouse before the expiry of the term indicated in Article 218 of the present Code. Here, the term of storage of the goods in a customs warehouse shall not be interrupted or suspended.

#### **Article 220. The Exemption of Goods Intended for Export from Customs Duties and Taxes or the Refund of Customs Duty and Tax Amounts Paid**

1. When foreign goods which have earlier been placed under other customs regimes and which are intended for export from the customs territory of the Russian Federation are placed in a customs warehouse no import customs duties or taxes shall be paid or the amounts of the said customs duties and taxes shall be refunded by customs bodies if such an exemption or refund is envisaged at the actual export of the goods from the customs territory of the Russian Federation. If the export of the goods from the customs territory of the Russian Federation does not materialise payment shall be made of the amounts of import customs duties and taxes for which the exemption was granted or the refund effected, and also of interest thereon. Payable import customs duty and tax amounts and interest thereon shall be calculated according to the rules of completing the preceding customs regime and in keeping with the conditions for implementing the newly chosen customs regime determined by the declarant for the purpose of using the goods in the customs territory of the Russian Federation.

2. When Russian goods intended for export from the customs territory of the Russian Federation under the customs regime of export are placed in a customs warehouse exemption from domestic taxes, compensation or refund of amounts thereof shall be granted, if such an exemption, compensation or refund are envisaged at the actual export of said goods from the customs territory of the Russian Federation in accordance with the legislation of the Russian Federation on taxes and fees. If the actual export of such goods does not materialise within six months after the placement in the customs warehouse said amounts shall be levied with the accrual of interest thereon at the refinancing rates of the

Central Bank of the Russian Federation effective during the storage of the goods in the customs warehouse, in the procedure envisaged by the present Code for customs levies.

**Article 221. Faulty, Spoilt or Damaged Goods**

Goods that have become faulty, spoilt or damaged as the result of an accident or force majeure during their storage in a customs warehouse shall be subject to placement under a customs regime as if they were imported into the customs territory of the Russian Federation in a faulty, spoilt or damaged state.

**Article 222. Assessing the Customs Value at the Clearance of Goods for Free Circulation**

If the customs value of goods and/or quantity thereof after the storage of the goods in a customs warehouse is used for the purposes of calculating customs duties and taxes in compliance with the present Code then as the goods are cleared for free circulation the customs value and/or quantity thereof shall be assessed as of the date of clearance of the goods for free circulation.

**Article 223. The Completion of the Customs Regime**

1. Not later than on the day of expiry of the term of storage of goods in a customs warehouse (Article 218) the goods shall be declared for another customs regime with the observance of the terms and conditions established by the present Code.

The disposition of said goods after the expiry of the term shall be effected in compliance with Chapter 41 of the present Code.

2. Any person that can act as a declarant under Article 126 of the present Code shall be entitled to accomplish the customs operations required for completing the customs regime of customs warehouse under the present Code.

3. When goods that have been earlier under the customs regime of temporary import are released from a customs warehouse to be further used in the customs territory of the Russian Federation in compliance with this regime the term of temporary import of the goods shall be resumed. When the said goods are cleared for free circulation the payable amounts of customs duties and taxes shall be calculated in accordance with Article 214 of the present Code.

4. The customs regime of destruction may be declared in respect of the goods stored in a customs warehouse by the owner of the customs warehouse.

**Article 224. Types of Customs Warehouses**

1. Customs warehouses may be public or non-public. A customs warehouse shall be deemed a public type warehouse if it is open for the storage of any goods by any person.

A customs warehouse shall be deemed a non-public warehouse if it is intended for storing the goods of the owner of the warehouse (Article 226).

2. The Government of the Russian Federation shall be entitled to designate the types of goods that may be stored in a non-public customs warehouse.

3. Public and non-public customs warehouses may be used for storing specific types of goods that require special storage conditions or that are capable of inflicting harm to other goods (specialised customs warehouses).

**Article 225. The Standards Governing the Furnishing, Equipping and Locating of Customs Warehouses**

1. The premises and/or areas intended for use as a customs warehouse shall be furnished and equipped so as to ensure the safety of goods, deny access thereto to unauthorised persons (persons not being employees of the warehouse, not empowered in respect of goods or not being representatives of the person having such powers) and also provide an opportunity for performing customs control in respect of these goods. The place where a customs warehouse is located shall be determined with due regard to the interests of trading organisations and other persons concerned.

2. According to Item 1 of the present article the federal ministry authorised in the sphere of customs business shall establish mandatory standards governing the furnishing, equipping and locating the premises and/or outdoor areas intended for use as a customs warehouse.

**Article 226. The Owner of a Customs Warehouse**

1. The owner of a customs warehouse may be a Russian juridical person included in the Register of Owners of Customs Warehouses.

2. The owner of a customs warehouse shall perform the storage of goods under customs control in the cases and on the terms established by the present Code.

3. Relations of the owner of a customs warehouse with the persons placing goods for storage in the customs warehouse shall be based on contracts. The owner of a public customs warehouse is hereby prohibited from refusing conclude a contract if goods can be stored.

4. Customs bodies may be the owners of customs warehouses without being included in the Register of Owners of Customs Warehouses. The federal service authorised in the sphere of customs business shall ensure the regular, at least once every six months, publication of lists of the customs warehouses owned by customs bodies in its official media, as well as of amendments thereto.

**Article 227.** The Conditions for Inclusion in the Register of Owners of Customs Warehouses

1. Below are the conditions for inclusion in the Register of Owners of Customs Warehouses:

1) the possession (by the right of ownership, economic jurisdiction or lease) of premises and/or outdoor areas that are fit for use as a customs warehouse and meet the established standards (Article 225);

2) the presence of security for customs payments in keeping with Article 339 of the present Code;

3) the presence of a civil liability insurance contract covering the infliction of harm to other persons' goods stored or a breach of the other terms and conditions of a contract of storage concluded with other persons. The insured sum within which the insurer undertakes to provide indemnity upon the onset of every insured accident to the persons whose property interests are harmed shall be assessed on the basis of 3,500 roubles per square metre of useful area if an outdoor area is used as a customs warehouse, or 1,000 roubles per cubic metre of useful volume if indoor premises are used as a customs warehouse, but it shall not be below 2,000,000 roubles.

2. If premises and/or outdoor areas are possessed under a contract of lease such a contract shall be concluded for at least a three-year term as of the date of filing of the application for inclusion in the Register of Owners of Customs Warehouses.

**Article 228.** The Application for Inclusion in the Register of Owners of Customs Warehouses

1. Inclusion in the Register of Owners of Customs Warehouses shall be effected at the application of a person meeting the criteria set in Article 226 of the present Code.

2. The application for inclusion in the Register of Owners of Customs Warehouses shall include the following:

1) a petition to a customs body for inclusion in the Register of Owners of Customs Warehouses;

2) information on the name, organisational legal form, location, opened bank accounts and the amount of fully formed charter (contributed) capital, charter fund or share contributions of the applicant;

3) information on the type of the customs warehouse (for a non-public warehouse also the need and feasibility of this type being chosen);

4) information on the premises and/or outdoor areas possessed by the applicant and intended for use as a customs warehouse, the location, furnishing, equipping and facilities thereof;

5) information on the presence of security for customs payments under Article 339 of the present Code;

6) information on the applicant's civil liability of insurance contract(s).

3. The following documents shall be attached to the application for inclusion in the Register of Owners of Customs Warehouses to confirm the information stated:

the constitutive documents and a document confirming the fact that an entry on the juridical person has been made in the Comprehensive State Register of Juridical Persons;

the certificate of state registration of the juridical person;

the certificate of placement of the applicant on record with a tax body;

documents confirming the right of possession to the premises and/or outdoor areas intended for use as a customs warehouse;

layouts and drawings of the premises and/or outdoor areas intended for being used as a customs warehouse;

documents confirming the amount of the fully formed charter (contributed) capital, charter fund or share contributions of the applicant;

documents confirming the presence of security for customs payments under Article 339 of the present Code;

banks' acknowledgement concerning the accounts opened in them;

the insurance policy.

4. A separate application shall be filed for each territorially isolated premises and/or each territorially isolated outdoor area intended for use as a customs warehouse.

**Article 229.** The Certificate of Inclusion in the Register of Owners of Customs Warehouses

1. The inclusion of the owner of a customs warehouse in the Register of Owners of Customs Warehouses shall be effected in respect of each territorially isolated premises and/or each territorially isolated outdoor area used as a customs warehouse. A separate certificate of inclusion in the Register of Owners of Customs Warehouses shall be issued for each territorially isolated premises and/or each territorially isolated outdoor area.

2. The certificate of inclusion in the Register of Owners of Customs Warehouses shall contain the following:

- 1) the name of the owner of the customs warehouse, the owner's organisational legal form and location;
- 2) information on the right of possession of the premises and/or outdoor area used as the customs warehouse;
- 3) information on the amount and form of security available for customs payments under Article 339 of the present Code;
- 4) an indication of the type of the customs warehouse;
- 5) an indication of the whereabouts of the customs warehouse.

3. The effective term of a certificate of inclusion in the Register of Owners of Customs Warehouses shall be five years.

**Article 230.** The Duties and Liabilities of the Owner of a Customs Warehouse

1. The owner of a customs warehouse shall:

- 1) observe the terms and conditions established by the present Code in respect of the storage of goods in a customs warehouse;
- 2) keep a record of the goods stored and provide reports to customs bodies on the storage of such goods (Article 364);
- 3) ensure the safety of the goods located in the customs warehouse;
- 4) make sure no unauthorised persons obtain access to the goods stored without permission of a customs body;
- 5) pay customs duties and taxes in the event envisaged by Item 2 of the present article, and also in the event envisaged by Item 1 of Article 90 of the present Code if the owner of the customs warehouse has obtained permission for internal customs transit.

2. The owner of a customs warehouse shall be liable for the payment of customs duties and taxes on the goods stored in the customs warehouse if when they are lost or released without the permission of a customs body. The owner of a customs warehouse shall not be liable for the payment of customs duties and taxes only if the goods are destroyed or irreversibly lost as the result of an accident, force majeure or natural loss under normal conditions of storage.

**Article 231.** The Revocation of a Certificate of Inclusion in the Register of Owners of Customs Warehouses

The certificate of inclusion in the Register of Owners of Customs Warehouses may be revoked by a customs body in the event of:

- 1) non-observance by the owner of the customs warehouse of at least one of the terms and conditions for inclusion in the Register of Owners of Customs Warehouses established by Article 227 of the present Code;
- 2) non-observance by the owner of the customs warehouse of the duties envisaged by Subitem 5 of Item 1 of Article 230 of the present Code;
- 3) the owner of the customs warehouse having been repeatedly held accountable under administrative law for the committal of administrative offences in the area of customs affairs envisaged by Articles 16.1, 16.9, 16.11, 16.13, 16.14, 16.15 and Part 3 of Article 16.23 of the Code of Administrative Offences of the Russian Federation.

**Article 232.** Actions with Goods in the Event of Exclusion of the Owner of a Customs Warehouse from the Register of Owners of Customs Warehouses

In the event of revocation of a certificate of inclusion in the Register of Owners of Customs Warehouses or exclusion of the owner of a customs warehouse from the Register of Owners of Customs Warehouses on other grounds the goods stored in the customs warehouse shall be subject to placement at the expense thereof to another customs warehouse within two months after the day following the date of exclusion. The owner of the customs warehouse shall notify the persons that have placed goods in the customs warehouse within three days after the owner's exclusion from the Register of Owners of Customs Warehouses. No goods shall be placed in a customs warehouse beginning from the day following the date when the owner of the customs warehouse was excluded from the Register of Owners of Customs Warehouses.

**Article 233.** The Storage of Goods in Customs Warehouses of Customs Bodies

1. The customs warehouses of customs bodies are public-type warehouses and they shall comply with the standards established by Article 225 of the present Code.

2. In the event of storage of goods in customs warehouses the relations of customs bodies with the persons placing goods in the customs warehouses shall be exercised in compliance with the present Code and the Civil Code of the Russian Federation. The contract concluded by a customs body with a

person placing goods in a customs warehouse shall be subject to the provisions of the civil legislation of the Russian Federation established for a public contract. The customs body shall not refuse to conclude a contract if goods can be stored.

The acceptance of goods for storage by a customs body shall be acknowledged by a receipt issued to the person that has placed the goods in the customs warehouse, the receipt being drawn up in the form defined by the federal ministry authorised in the sphere of customs business.

**3.** The customs bodies' rights, duties and liabilities relating to these bodies' pursuing the storage of goods shall ensue from the essence of obligations in keeping with the general provisions governing storage in the civil legislation of the Russian Federation with due regard to the provisions of the present Code.

The customs body shall be liable for the payment of customs duties and taxes in the event of loss of goods stored in a customs warehouse, except for cases when goods are destroyed or irreversibly lost due to an accident, force majeure or natural loss under normal conditions of storage.

**4.** For the storage of goods in a customs warehouse of a customs body customs fees shall be charged in keeping with the present Code.

## **Chapter 20. Final Customs Regimes**

### **Paragraph 1. Reimport**

#### **Article 234. The Content of the Customs Regime**

**1.** Reimport is a customs regime under which goods that have been earlier exported from the customs territory of the Russian Federation are imported into the customs territory of the Russian Federation within a set term (Subitem 2 of Item 1 of Article 235) without the payment of customs duties and taxes and without being subject to the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

**2.** For customs purposes goods placed under the customs regime of reimport shall be deemed as cleared for free circulation.

#### **Article 235. The Conditions for Placing Goods under the Customs Regime**

**1.** Goods may be placed under the customs regime of reimport if:

1) when they were exported from the customs territory of the Russian Federation they had the status of goods in free circulation or were processed products foreign goods (Paragraph 1 of Chapter 19);

2) the goods are declared for the customs regime of reimport within three years after the day following the date when the goods crossed the customs border while being exported from the customs territory of the Russian Federation. At the substantiated request of a person concerned the federal service authorised in the sphere of customs business shall extend said term in respect of equipment used for construction, industrial production, mining and for other similar purposes, given the observance of all other provisions of the present paragraph;

3) the goods are in the same state as when they were exported from the customs territory of the Russian Federation, with the exception of changes that have occurred due to natural wear or natural loss under normal conditions of transportation, storage or use (operation);

4) the amounts of import customs duties and taxes are paid, as well as the subsidies and the other amounts of money refundable for the benefit of the federal budget in the event of reimport of goods (Article 236).

**2.** The use of goods outside the customs territory of the Russian Federation for the purpose of gaining a profit, and also the completion of operations with them as required for preserving them, in particular, repair operations (except for overhaul and upgrade), maintenance and the other operations required for preserving the consumer properties of goods and maintaining goods in the same state as on the day when they were exported from the customs territory of the Russian Federation shall not impede the placement of the goods under the customs regime of reimport, except for cases when the repair operations have lead to an increase in the value of the goods in comparison with their value as of the date of export.

**3.** Goods that have been earlier placed under other customs regimes may be placed under the customs regime of reimport.

#### **Article 236. The Refund of Amounts of Import Customs Duties, Taxes, Subsidies and Other Amounts of Money in the Event of Reimport of Goods**

**1.** The following shall be subject to refund in favour of the federal budget in the event of reimport of goods:

the amounts of import customs duties and taxes and/or interest thereon, if the amounts of such duties and taxes and/or interest have not been levied or have been refunded in connection with the export of the goods from the customs territory of the Russian Federation;

the amounts of domestic taxes, subsidies and the other amounts of money that have not been paid or that have been received directly or indirectly as disbursements, privileges or compensations in connection with the export of the goods from the customs territory of the Russian Federation.

2. The amounts of import customs duties and taxes shall be calculated according to the rules established by Item 4 of Article 185 of the present Code for assessing the amounts of customs duties and taxes payable in the event of clearance of processed products for free circulation.

The amounts of internal taxes shall be calculated on the basis of the rates effective as of the date when the customs declaration is accepted at the export of goods from the customs territory of the Russian Federation and/or the quantity thereof determined at the export of the goods from the customs territory of the Russian Federation.

3. The procedure for calculating the amounts of subsidy and other amounts of money not specified in Item 2 of the present article shall be determined by the Government of the Russian Federation. The Government of the Russian Federation is entitled to designate cases when interest is charged together with the said amounts at the refinancing rates of the Central Bank of the Russian Federation.

4. The amounts of customs duties and taxes, subsidies and other amounts of money and interest thereon envisaged by the present article shall be levied by the customs bodies in the procedure established by the present Code for customs levies.

**Article 237.** The Documents and Information Required for Placing Goods under the Customs Regime of Reimport

1. For the purpose of obtaining permission for placing goods under the customs regime of reimport the declarant shall provide information to the customs body on the circumstances of export of the goods from the customs territory of the Russian Federation, and also information on the operations for repair of the goods, if such operations have been performed with the goods outside the customs territory of the Russian Federation.

2. For the purpose of confirming the information indicated in Item 1 of the present article the declarant shall file the following with the customs body: the customs declaration accepted at the export of the goods from the customs territory of the Russian Federation, documents confirming the date when the goods crossed the customs border while being exported, documents confirming the observance of provisions of Article 236 of the present Code and other documents confirming the information declared.

**Article 238.** The Refund of Export Customs Duties in the Event of Reimport of Goods

1. The amounts of export customs duty paid shall be refunded if the goods are imported into the customs territory of the Russian Federation under the customs regime of reimport within six months after the day following the date when the goods crossed the customs border while being exported from the customs territory of the Russian Federation.

2. The amounts of customs duty paid shall be refunded by customs bodies in keeping with the present Code.

## Paragraph 2. Reexport

**Article 239.** The Content of the Customs Regime

Reexport is a customs regime under which goods that have been earlier imported into the customs territory of the Russian Federation are exported from this territory without the payment or with the refund of the amounts of import customs duties and taxes paid and without being subjected to the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

**Article 240.** The Conditions for Placing Goods under the Customs Regime

1. The following shall be placed under the customs regime of reexport: foreign goods, in particular, those imported into the customs territory of the Russian Federation in breach of the import bans (Item 1 of Article 13) established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

Goods cleared for free circulation may be placed under the customs regime of reexport with the observance of the conditions envisaged by Article 242 of the present Code.

2. Goods that have been earlier placed under another customs regime may be placed under the customs regime of reexport for the purposes of completing such a customs regime in the procedure established by the present Code.

3. Additional conditions for placing goods under the customs regime of reexport may be established by federal laws, other regulatory legal acts of the Russian Federation and/or international treaties of the Russian Federation.

**Article 241.** The Application of Customs Duties and Taxes in the Event of Reexport of Goods

1. In the event of reexport of goods exemption from import customs duties and taxes shall be granted or the refund of amounts of money paid shall be effected if such an exemption or refunds are envisaged in the event of completion of the customs regime under which the goods stayed in the customs territory of the Russian Federation.

2. In the event of reexport of goods no export customs duties shall be paid.

**Article 242.** The Application of the Customs Regime of Reexport to Goods Cleared for Free Circulation

1. Goods that have been cleared for free circulation and in respect of which it has been established that they had defects or otherwise failed to comply with the terms of the foreign economic transaction in terms of quantity, quality, description or packaging as of the date of crossing the customs border and which for these reasons are being returned to the supplier or another person indicated by the supplier may be placed under the customs regime of reexport if said goods:

have not been used and have not been repaired in the Russian Federation, except for cases when the use of the goods was required for detecting the defects or other circumstances that have caused the return of the goods;

can be identified by the customs bodies;

are exported within six months after the date of their clearance for free circulation.

2. In the event of reexport of goods under Item 1 of the present article the amounts of customs duties and taxes paid shall be refunded in compliance with Article 356 of the present Article.

### Paragraph 3. Destruction

**Article 243.** The Content of the Customs Regime

Destruction is a customs regime under which foreign goods are destroyed under customs control without the payment of customs duties and taxes, and also without the goods being subjected to the economic nature bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

**Article 244.** The Conditions for Placing Goods under the Customs Regime

1. The destruction of goods shall be admissible if the goods destroyed cannot be restored to their original state by a cost effective method.

2. The destruction of the following categories of goods is hereby prohibited:

1) cultural valuables;

2) endangered species of animals and plants, parts and derivatives thereof, except for cases when they have to be destroyed to stop epidemics and epizootics;

3) goods accepted by customs bodies in pledge, until the termination of the pledge relations;

4) goods seized or apprehended in compliance with the legislation of the Russian Federation;

5) other goods, the list of which may be established by the Government of the Russian Federation.

3. The destruction of goods is prohibited if:

it can inflict significant harm on the environment or pose a direct or potential threat to human life and health;

it is performed by means of consumption of the goods according to their ordinary intended purpose;

it can cause expenses to be incurred by state bodies of the Russian Federation.

**Article 245.** The Term and Place of Destruction

1. The term of destruction shall be set by the customs body at the declarant's application proceeding from the reasonable period of time required for completing the operations of destruction of a given type of goods by the method declared and the period of time required for transporting the goods from the place where they are to the place where they will be destroyed.

2. The place of destruction of goods shall be designated by the declarant with due regard of the provisions of the legislation of the Russian Federation on environmental protection.

**Article 246.** The Application of the Customs Regime of Destruction to Goods Destroyed as the Result of an Accident or Force Majeure

1. The customs regime of destruction may be applied to goods that have been destroyed, irreversibly lost or damaged as the result of an accident or force majeure.

2. In the event of placement of destroyed or damaged goods under the customs regime of destruction the provisions of Item 1 of Article 244 and Article 247 of the present Code shall be applicable.

#### **Article 247. Waste**

1. The waste produced as the result of destruction of foreign goods is dutiable and taxable as if said waste were imported into the customs territory of the Russian Federation in such state, except for cases when said waste is exported from the customs territory of the Russian Federation or processed into a state unfit for further commercial use in the customs territory of the Russian Federation and cannot be restored to the original state by a cost effective method.

A dutiable and taxable waste is subject to declaration.

2. For the purposes of levying customs duties and taxes the waste shall be deemed goods imported into the customs territory of the Russian Federation.

3. The customs value of waste shall be assessed according to the rules set out in Article 183 of the present Code.

4. The declarant shall be liable for the payment of customs duties and taxes on a waste.

### **Paragraph 4. Waiver in Favour of the State**

#### **Article 248. The Content of the Customs Regime**

Waiver in favour of the state is a customs regime under which goods are transferred into federal ownership gratuitously without the payment of customs duties and taxes, customs fees for the completion of customs formalities, and also without being subjected to the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

#### **Article 249. The Conditions for Placing Goods under the Customs Regime**

1. A waiver of goods in favour of the state shall not cause the incurring by state bodies of the Russian Federation of any expenses that cannot be compensated at the expense of proceeds from the sale of the goods.

2. Goods prohibited for circulation under the legislation of the Russian Federation shall not be placed under the customs regime of waiver in favour of the state.

3. A specific list of the goods that cannot be placed under the customs regime of waiver in favour of the state shall be established by the Government of the Russian Federation.

#### **Article 250. The Status of the Goods Waived by a Person in Favour of the State**

1. Goods placed under the customs regime of waiver for the benefit of the state shall be converted into federal ownership in keeping with the present Code.

2. From the time when the goods waived by a person for the benefit of the state are transferred to customs bodies the said goods shall have the status of goods in free circulation in the customs territory of the Russian Federation for customs purposes.

#### **Article 251. Liability for the Application of the Customs Regime**

The declarant shall be liable for the lawfulness of disposition of goods by means of placing them under the customs regime of waiver in favour benefit of the state. Customs bodies shall not pay compensation for any property claims of the persons having powers in relation to goods waived by the declarant in favour of the state.

## **Chapter 21. Special Customs Regimes**

### **Paragraph 1. Temporary Export**

#### **Article 252. The Content of the Customs Regime**

1. Temporary export is a customs regime under which goods being in free circulation in the customs territory of the Russian Federation may be temporarily used outside of the customs territory of the Russian Federation with full conditional exemption from the payment of export customs duties and without being subjected to the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. No exemption from, refund or compensation of domestic taxes shall be effected in the event of temporary import of goods.

**Article 253. The Conditions for Placing Goods under the Customs Regime**

Temporary export shall be admissible on the condition that the goods temporarily exported can be identified by a customs body at their reverse import (reimport), except for cases when under international treaties of the Russian Federation the goods temporarily imported may be replaced with goods of the same type.

**Article 254. The Temporary Export Term**

1. The term of temporary export shall be set by the customs body at the application of the declarant proceeding from the purpose and circumstances of such export and with due regard to the provisions of Item 2 of the present article.

At the substantiated request of said person the temporary export term declared shall be extended with account taken of the provisions of Item 2 of the present article.

2. For some types of goods for which reverse import in the event of temporary export is compulsory under the legislation of the Russian Federation the Government of the Russian Federation is entitled to set a maximum temporary export term.

**Article 255. The Application of Export Customs Duties**

1. In the event of temporary export of goods a full conditional exemption from export customs duties shall be granted.

2. If goods temporarily exported are not returned payment shall be effected of the amounts of export customs duties calculated on the basis of the customs value of the goods and/or the quantity thereof at their export, and also the customs duty rates effective as of the date of declaration of the goods for the customs regime of temporary export. Interest shall be paid on said amounts at the refinancing rates of the Central Bank of the Russian Federation as if a grace period were granted for these amounts on the date when the goods were placed under the customs regime of temporary export. When the customs regime of export is declared in respect of natural gas temporarily exported by pipeline for the purpose of being placed in underground gas storage facilities located outside the customs territory of the Russian Federation no interest shall be charged on the amounts of export customs duties.

**Article 256. The Completion of the Customs Regime**

1. Goods temporarily exported shall be subject to reverse import into the customs territory of the Russian Federation not later than on the date of expiry of the temporary export term (Article 254) or they shall be declared for another customs regime in keeping with the present Code.

2. At a request of the person that has placed goods under the customs regime of temporary export the customs body shall grant its permission for changing the customs regime of temporary export to the customs regime of export, given the observance of the terms and conditions envisaged by the present Code, except for cases when under the legislation of the Russian Federation goods temporarily exported are subject to compulsory reverse import into the customs territory of the Russian Federation.

3. In the event of transfer to a foreign person of the right of ownership to goods temporarily exported the person that has placed the goods under the customs regime of temporary export shall change the customs regime of temporary export to the customs regime of export, except for the case envisaged by Item 2 of the present article.

4. The customs regime of temporary export may be changed to another customs regime applicable to the goods exported without the actual presentation of the goods to a customs body.

**Article 257. Liability for the Payment of Customs Duties**

The person that has placed goods under the customs regime of temporary export shall be liable for the payment of customs duties in compliance with Item 2 of Article 320 of the present Code.

**Paragraph 2. Duty-Free Trade**

**Article 258. The Content of the Customs Regime**

1. Duty-free trade is a customs regime under which foreign goods imported into the customs territory of the Russian Federation or Russian goods are sold through retail trading to natural persons leaving the customs territory of the Russian Federation directly in duty-free shops without the payment of customs duties and taxes and also without being subjected to the economic bans and restrictions

established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. The goods indicated in Item 1 of the present article shall be sold in duty-free shops under customs control in the customs territory of the Russian Federation at check-points at the state border of the Russian Federation.

3. When Russian goods are placed under the customs regime of duty-free trade the exemption from, refund or compensation of, domestic taxes shall be effected in compliance with the legislation of the Russian Federation on taxes and fees.

4. When foreign goods are placed under the customs regime of duty-free trade the refund of customs duty and tax amounts paid earlier shall be effected if such a refund is envisaged at the actual export of the goods from the customs territory of the Russian Federation in compliance with the present Code.

#### **Article 259.** The Conditions for Placing Goods under the Customs Regime

1. Any goods may be placed under the customs regime of duty-free trade, except for goods prohibited from import into the Russian Federation, export from the Russian Federation, circulation in the territory of the Russian Federation, and also other goods a list of which is determined by the Government of the Russian Federation.

2. The declarant of goods placed under the customs regime of duty-free trade may only be the owner of a duty-free shop. Only a Russian juridical person may be the owner of a duty-free shop.

3. Goods may be placed under the customs regime of duty-free shop if:

1) the goods are intended for sale in a duty-free shop opened in compliance with Article 261 of the present Code;

2) a security has been provided for customs payments in compliance with Chapter 31 of the present Code.

4. The goods used to support the operation of a duty-free shop shall not be subject to placement under the customs regime of duty-free trade.

#### **Article 260.** The Standards for Furnishing and Equipping a Duty-Free Shop

1. The premises of a duty-free shop may include trading halls, auxiliary premises and warehouses.

Said premises shall be equipped so as to ensure the sale of goods exclusively in the trading halls of the duty-free shop, and also the safety of goods and the opportunity for the conduct of customs control in respect of goods.

2. The federal ministry authorised in the customs business shall establish compulsory standards for furnishing the warehouses of a duty-free shop if such warehouses are located outside the boundary of a check-point at the State Border of the Russian Federation taking into account the procedure set out in Article 107 of the present Code.

3. The trading halls of a duty-free shop shall be located so as to preclude the leaving of goods acquired in the duty-free shop in the customs territory of the Russian Federation, in particular, by means of handing them over to natural persons remaining in this territory.

4. The premises of a duty-free shop are customs control zones.

#### **Article 261.** The Opening of Duty-Free Shops

1. Duty-free shops shall be opened in compliance with the procedure for instituting a regime at a check-point on the State Border of the Russian Federation, given the presence of registration or permit documents for retail trade in goods if such are compulsory under the legislation of the Russian Federation, the legislation of Russian regions, regulatory legal acts of local government bodies.

2. The owner of a duty-free shop shall notify in advance a customs body of the date of opening of the duty-free shop. Clearance of goods under the customs regime of duty-free trade shall only be admissible after the receipt of such a notice.

#### **Article 262.** The Duties and Liabilities of the Owner of a Duty-Free Trade

1. The owner of a duty-free shop shall:

1) observe the terms and conditions of the customs regime of duty-free trade;

2) observe the standards governing the furnishing and equipping of a duty-free shop (Article 260);

3) preclude the possibility of goods received by the duty-free shop for the purpose of sale being used otherwise than intended;

4) keep a record of the goods received and sold by the duty-free shop and provide reports to customs bodies (Article 364);

5) store goods placed under the customs regime of duty-free trade only on the auxiliary premises and in the warehouses of the duty-free shop;

6) pay customs duties and taxes in the cases specified by Item 2 of the present article and Item 2 of Article 263 of the present Code, and also in the case envisaged by Item 1 of Article 90 of the present Code if the owner of the duty-free shop has obtained permission for internal customs transit;

7) observe the regulations established by the legislation of the Russian Federation in the area of trade with due regard to the peculiarities established by the present Code;

8) notify a customs body if the duty-free shop is closed down.

2. The owner of a duty-free shop shall be liable for the payment of customs duties and taxes on goods placed under the customs regime of duty-free trade if foreign goods are lost or used for purposes other than retail sale in the duty-free shop to natural persons leaving the customs territory of the Russian Federation in keeping with the terms and conditions established by the present chapter. The owner of a duty-free shop shall not be liable for the payment of customs duties and taxes only in cases when goods are destroyed or irreversibly lost as the result of an accident, force majeure or natural loss under normal conditions of storage and sale.

#### **Article 263. Actions with Goods when a Duty-Free Shop Is Closed Down**

1. If a duty-free shop is closed down the foreign goods placed under the customs regime of duty-free trade shall be subject to placement under another customs regime within 15 days after the day following the date of closure of the duty-free shop.

2. If a duty-free shop is closed down the domestic taxes refunded in relation to the Russian goods that have been placed under the customs regime of duty-free trade and which are located in the duty-free shop shall be levied in keeping with the legislation of the Russian Federation on taxes and fees with the accrual of interest thereon at the refinancing rate of the Central Bank of the Russian Federation for the term of the goods' stay in the duty-free shop, in the manner envisaged by the present Code for customs levies.

3. From the day following the date of closure of the duty-free shop the goods placed under the customs regime of duty-free trade shall be deemed for customs purposes as goods in bonded storage. It is prohibited to sell such goods and to place other goods in the duty-free shop.

4. The closure of a duty-free shop shall not relieve the owner of the shop from his duty to observe the terms and conditions and fulfil the duties established by the present Code.

### **Paragraph 3. The Carriage of Supplies**

#### **Article 264. The Content of the Customs Regime**

1. The carriage of supplies is a customs regime under which goods intended for use in sea (river) vessels, aircraft and railway trains used in international carriage of passengers performed for a fee or international industrial or commercial carriage performed for a fee or free of charge, and also goods intended for sale to members of the crews and the passengers of such sea (river) vessels, aircraft shall be moved across the customs border without the payment of customs duties and taxes and without being subjected to the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. In the event of export of goods placed under the customs regime of carriage of supplies no exemption from, refund or compensation of, domestic taxes shall be effected, except as otherwise established by the legislation of the Russian Federation on taxes and fees.

#### **Article 265. The Placement of Goods under the Customs Regime**

1. The following goods (hereinafter in this chapter referred to as "supplies") may be placed under the customs regime of carriage of supplies:

those required for ensuring the normal operation and maintenance of sea (river) vessels, aircraft and trains en route or at interim stopovers or moorage (in particular, fuels and lubricants);

those intended for consumption by passengers and crew members aboard sea (river) vessels, aircraft or by passengers and train crew members on trains, irrespective of whether these supplies are sold or not);

those intended for sale to passengers and crew members of sea (river) vessels, aircraft without the purpose of being consumed aboard these vessels/craft.

2. Supplies shall be placed under the customs regime of carriage of supplies irregardless of the country of registration or nationality of the sea (river) vessels, aircraft or trains.

3. Placing the following under the customs regime of carriage of supplies is prohibited: spare parts and equipment required for ensuring the normal operation and maintenance of sea (river) vessels, aircraft and trains en route or at points of interim stopovers or moorage.

4. The customs regime of carriage of supplies shall be applicable to supplies in the event of use of sea (river) vessels for the purposes of merchant navigation, the aircraft of civil, state and experimental aviation, except for cases when vehicles are used by natural persons for personal use (Chapter 23).

**Article 266.** The Conditions for Granting Exemption from Customs Duties, Taxes

1. In the event of import into the customs territory of the Russian Federation of supplies located on board sea (river) vessels, aircraft no import customs duties and taxes shall be payable on the condition that these supplies remain located aboard these vessels/craft during their stay in the customs territory of the Russian Federation.

2. In the event of import into the customs territory of the Russian Federation of supplies located on trains and required for ensuring the normal operation and maintenance of trains, and also intended for consumption by passengers of trains and train crew members no import customs duties and taxes shall be payable if these supplies remain on the trains during their stay in the customs territory of the Russian Federation.

3. In the event of placement under the customs regime of carriage of supplies of foreign goods intended for sale to the passengers and crew members of sea (river) vessels, aircraft without the purpose of their being consumed aboard these vessels/craft exemption from import customs duties and taxes shall be granted on the condition that said goods are sold outside of the customs territory of the Russian Federation with due regard to Item 3 of Article 267 of the present Code.

4. In the event of export from the customs territory of the Russian Federation of supplies located aboard sea (river) vessels and aircraft no export customs duties shall be payable if said supplies are exported in a quantity corresponding to the numbers of passengers and crew members, the duration of the trip and sufficient for ensuring the normal operation and maintenance of said vessels/craft taking account of the supplies available aboard these vessels/craft.

5. In the event of export from the customs territory of the Russian Federation of supplies required for ensuring the normal operation and maintenance of trains, and also of supplies intended for consumption by the passengers and trains and train crew members no customs duties shall be payable if said supplies are exported in a quantity sufficient for ensuring the normal operation and maintenance of trains and required for consumption by passengers and train crew members en route taking account of the supplies available on these trains.

6. With the permission of a customs body supplies may be temporarily unloaded or handed over to other vessels/craft or trains respectively performing international carriage of goods and passengers, given the observance of the terms and conditions envisaged by the present paragraph.

**Article 267.** The Use of Supplies

1. Supplies intended for consumption by the passengers and crew members of sea (river) vessels and supplies required for ensuring the normal operation and maintenance of these vessels may be consumed and used aboard these vessels during their stay in the customs territory of the Russian Federation in a quantity corresponding to the numbers of passengers and crew members, and also the duration of moorage, in particular during repair of sea (river) vessels in a dock, shipyard or vessel repair plant if the crew do not leave the vessels for this period of time.

2. In the event of a scheduled landing of aircraft in one airport or several airports located in the customs territory of the Russian Federation the supplies intended for ensuring the normal operation and maintenance of these aircraft and the supplies intended for consumption by crew members and passengers during the aircraft's stay at the landing points and during flights between them may be used during the aircraft's stay at the landing points and during flights between them.

3. Supplies intended for sale to the passengers and crew members of aircraft other than for the purpose of being consumed aboard the aircraft may be sold during the aircraft's stay in the customs territory of the Russian Federation on condition that they are sold aboard the aircraft.

4. Supplies intended for consumption by the passengers of trains and train crew members and supplies intended for ensuring the normal operation and maintenance of these trains may be consumed and used on these trains en route or at interim stopovers or when parked in the customs territory of the Russian Federation in a quantity corresponding to the numbers of passengers and train crew members and also the duration of parking and trip duration.

5. The customs bodies shall be entitled to obligate a carrier to take measures required for ensuring the observance of the conditions for the use of supplies envisaged by the present paragraph during the stay of sea (river) vessels, aircraft or trains in the customs territory of the Russian Federation. At a decision of a customs body customs lead seals and seals may be attached to premises where supplies are stored.

**Paragraph 4. Other Special Regimes**

**Article 268. Other Special Customs Regimes**

Other special customs regimes shall be established in respect of the following goods moved across the customs border:

- 1) goods exported from the customs territory of the Russian Federation and intended for supporting the operation of embassies, consulates, missions with international organisations and other official representative offices of the Russian Federation abroad;
- 2) goods moved across the customs border between military units of the Russian Federation deployed in the customs territory of the Russian Federation and outside this territory;
- 3) goods moved across the customs border and intended for natural disaster and other emergency prevention and relief, in particular, goods intended for being dispensed free of charge to victims of emergencies and goods required for rescue and relief operations and other expedient work and the functioning of rescue formations;
- 4) goods exported to states being former USSR republics intended for supporting the operation of medical treatment, sport rehabilitation and other social-sphere institutions whose assets are owned by the Russian Federation or Russian regions, and also intended for the performance of scientific research work in the interests of the Russian Federation on a non-commercial basis in the territories of said states;
- 5) Russian goods moved between customs bodies across the territory of a foreign state.

**Article 269. The Content of the Special Customs Regimes, the Procedure and Conditions for Placing Goods under Special Customs Regimes**

1. Special customs regimes envisage full exemption of goods from customs duties and taxes and also from the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. No refund of paid amounts of customs duties and taxes, and also no exemption from, refund or compensation of, domestic taxes in cases when goods are placed under special customs regimes shall be effected, except for cases when the special customs regime chosen is changed to the customs regime of export.

3. The other terms and conditions for placing goods under special customs regimes, and also restrictions on the use and disposal of goods placed under said customs regimes shall be determined by the Government of the Russian Federation.

**Subsection 3. Special Customs Procedures****Chapter 22. The Movement of Vehicles****Article 270. The Customs Regimes Applicable to Vehicles**

Vehicles shall be moved across the customs border under the customs regimes of temporary import and temporary export in the procedure envisaged by the present chapter.

**Article 271. The Temporary Import of Vehicles**

1. The temporary import of a vehicle into the customs territory of the Russian Federation with full exemption from customs duties and taxes shall be admissible if the following conditions are observed:

- 1) if the vehicle is registered in the name of a foreign person and/or in the territory of a foreign state;
- 2) if the vehicle is imported into the customs territory of the Russian Federation and used by a foreign person, except for cases when the vehicle is used by a Russian person appropriately empowered to do so by a foreign person;
- 3) if the vehicle is not used in the customs territory of the Russian Federation in domestic traffic;
- 4) if after being imported into the customs territory of the Russian Federation the vehicle is not leased out (subleased if the vehicle is imported as being already leased), except for cases when the contract of lease (contract of sublease) is concluded for the purposes of completing a transport operation by means of immediate export of the vehicle.

2. The Government of the Russian Federation is entitled to establish cases of temporary import of vehicles into the customs territory of the Russian Federation with full exemption from customs duties and taxes if the vehicle temporarily imported is used by a Russian person or is registered in the name of a Russian person, and also if the other conditions set out in Subitems 1 - 4 of Item 1 of the present article are not observed, provided the right of ownership to the vehicle is not transferred to a Russian person during the term of the vehicle's temporary import.

3. Where full exemption from customs duties and taxes is not applicable under Items 1 and 2 of the present article, and also if the conditions for a full exemption from customs duties and taxes are not observed vehicles shall be subjected to a partial exemption from customs duties and taxes in the procedure established by the present Code in respect of temporarily imported goods (Article 212).

4. For vehicles the customs regime of temporary import shall be completed by means of their reverse export within the term set by Article 272 of the present Code. With permission of a customs body the regime of temporary import for temporarily imported vehicles may also be completed according to the rules established by Article 214 of the present Code for completion of the customs regime of temporary import of goods.

**Article 272. The Term of Temporary Import of Vehicles**

1. The reverse export of a temporarily imported vehicle shall be effected immediately after the completion of the transport operation for the accomplishment of which the vehicle has been temporarily imported.

2. In exceptional cases for customs control purposes the customs body shall be entitled to set the term of temporary import of a vehicle proceeding from an application filed by the carrier and with due regard to all the circumstances relating to the accomplishment of the intended transport operation.

At the substantiated request of a person concerned the customs body shall extend the original temporary import term.

**Article 273. Operations with Temporarily Imported Vehicles**

Ordinary maintenance and repair operations are hereby permitted with imported vehicles as may be required when the vehicles travel in the customs territory of the Russian Federation or are used in said territory.

**Article 274. The Temporary Export of Vehicles**

1. The temporary export of a vehicle shall be admissible on the condition that the vehicle is in free circulation in the customs territory of the Russian Federation and it is registered in the name of a Russian person, except for the case envisaged by Item 3 of the present article.

2. No customs duties shall be levied in the event of temporary export of vehicles.

3. Vehicles that have been earlier temporarily imported into the customs territory of the Russian Federation with a partial exemption from customs duties and taxes may be temporarily exported if the temporary export is effected by a Russian person who does not own the vehicle, irrespective of the vehicle's having been registered in the name of a Russian person or not. Here, the customs regime of temporary import in respect of these vehicles shall be applicable in as much as it concerns the payment of customs duties and taxes until the completion of this regime according to the rules established by Article 214 of the present Code.

4. The temporary export of a vehicle shall be admissible, no matter by which person and for what purpose it is going to be used outside the customs territory of the Russian Federation.

**Article 275. The Term of Temporary Export of Vehicles**

The term of temporary export of a vehicle is not limited.

**Article 276. The Reverse Import of Temporarily Exported Vehicles**

1. When a temporarily exported vehicle is taken back into the customs territory of the Russian Federation no customs duties and taxes shall be payable if the vehicle has not been subjected to processing operations outside the customs territory of the Russian Federation, except for:

the repair operations, maintenance and other similar operations required for ensuring its safety and operation and maintaining it in the same state as on the day when it was placed under the customs regime of temporary export;

repair operations performed free of charge by virtue of law or contract;

repair operations, in particular, overhaul performed for the purpose of restoring the vehicle after damage sustained by it as the result of an accident or force majeure occurring outside the customs territory of the Russian Federation.

2. If a vehicle subjected to repair operations and/or other operations outside the customs territory of the Russian Federation is not subject to exemption from customs duties and taxes under Item 1 of the present article a partial exemption from customs duties and taxes shall be granted to it as applicable under the procedure envisaged by Article 207 of the present Code concerning the levying of customs duties and taxes in the event of import of processed products under the customs regime of processing outside the customs territory. When the value of processing operations is being assessed the expenses incurred to move the vehicle to the place of processing and back shall not be taken into account if such movement relates to the performance of international carriage of goods or passengers.

**Article 277. Changing the Customs Regime of Temporary Export**

1. For temporarily exported vehicles it is permitted to change the customs regime of temporary export to the customs regime of export or to another customs regime with the observance of the terms and conditions established by the present Code.

2. When the right of ownership to a temporarily exported vehicle is transferred to a foreign person the person that placed the vehicle under the customs regime of temporary export shall change the customs regime of temporary export to the customs regime of export.

3. The customs regime of temporary export may be changed without the vehicle being actually presented to a customs body.

**Article 278.** The Temporary Import and Temporary Export of Equipment and Spare Parts

1. Special equipment intended for cargo loading, unloading, processing and protection that is temporarily imported together with a vehicle, no matter if it can be used separately from the vehicle or not, shall be subject to a full conditional exemption from customs duties and taxes.

2. Temporarily imported spare parts and equipment intended for repair, maintenance or operation of a vehicle shall be subject to a full conditional exemption from customs duties and taxes.

3. Temporarily exported spare parts intended for use in the repair or maintenance of a temporarily exported vehicle for the purpose of replacing parts and equipment built into a temporarily exported vehicle shall be subject to full conditional exemption from export customs duties in the event of their temporary export from the customs territory of the Russian Federation.

Replaced parts and equipment may be imported into the customs territory of the Russian Federation with full exemption from import customs duties and taxes as applicable under the customs regime of reimport.

**Article 279.** The Customs Formalities Relating to Vehicles, Spare Parts and Equipment

1. The customs formalities in respect of vehicles, spare parts and equipment shall be performed in a simplified procedure at the point of their arrival in the customs territory of the Russian Federation or at the point of departure from this territory.

The customs formalities relating to vehicles shall be performed at the places where customs bodies are located during their working hours.

2. When customs formalities are performed in respect of vehicles the customs body shall accept the carrier's standard documents envisaged by international treaties of the Russian Federation in the area of transport as an entry or exit declaration respectively if these documents contain information on the vehicle, its route, cargo, supplies, crew and passengers, information on the purpose of import (export) of the vehicle and/or description of the spare parts, equipment moved for the purpose of repairing or operating the vehicle.

If the carrier's standard documents so presented do not contain all the necessary details the missing details shall be provided to the customs body by means filing an entry or exit declaration respectively in the form determined by the federal ministry authorised in the sphere of customs business. In doing this, the carrier's standard documents presented shall be deemed an integral part of the entry and exit declaration respectively.

The customs body shall not be entitled to demand the provision of other details.

The entry or exit declaration shall be filed by the medium with the customs body at the entry of the vehicle into the customs territory of the Russian Federation or at the exit thereof from this territory respectively.

3. In the events envisaged by Item 1 of Article 271, Article 274 and Item 1 of Article 276 of the present Code the placement of vehicles under the customs regimes of temporary import or temporary export shall be effected at the presentation of the entry and exit declaration respectively.

In all other cases the declaration of vehicles shall be effected according to the rules established by the present Code for declaration of goods (Chapter 14).

If spare parts and equipment are moved across the customs border simultaneously with the vehicle under Article 278 of the present Code, information concerning them may be declared in the entry or exit declaration filed for the vehicle.

4. If standards governing the documents filed with a customs body at the entry or exit of a vehicle are defined by international treaties of the Russian Federation in the area of transport the documents envisaged by these treaties of the Russian Federation shall be used for customs purposes.

5. If a vehicle is not declared for any customs regime as goods it shall be deemed to have been placed under the customs regime of temporary import or temporary export respectively from the time of completion of customs formalities in respect of the vehicle, thus obliging persons to observe these customs regimes.

6. The customs formalities relating to replaced spare parts and equipment imported into the customs territory of the Russian Federation shall be performed according to the rules for performing customs formalities in respect of goods imported under the customs regime of reimport.

7. Spare parts and equipment used and not exported back shall be subject to clearance for free circulation or placement under another customs regime in the observance of the terms and conditions established by the present Code.

**Article 280.** The Movement across the Customs Border of Sea (River) Vessels and Aircraft Not Used in International Cargo and Passenger Traffic

1. Sea (river) vessels temporarily exported from the customs territory of the Russian Federation for the purposes of being used for procuring aquatic biological resources, prospecting and developing mineral and other non-biological sea-bed and sub-soil resources, performing pilot and ice-breaking operations, search, rescue and towing operations, raising property sunk at sea, performing hydroengineering, underwater technical and other similar works, exercising sanitary, quarantine and other control, protection and conservation of the marine environment, performing marine scientific research, for educational, sports and cultural purposes, and also for other purposes relating to merchant navigation, shall be moved across the customs border in the event of temporary export and reverse import thereof according to the rules established by the present chapter, except for vehicles moved by natural persons for personal, family, household and other needs not relating to the pursuance of entrepreneurial activity.

2. Civil, state and experimental aircraft not used in international cargo and passenger traffic shall be moved across the customs border in the event of temporary export and reverse import thereof according to the rules established by the present chapter.

### **Chapter 23. The Movement of Goods by Natural Persons**

**Article 281.** The Movement of Goods by Natural Persons for Personal, Family, Household and Other Needs Not Relating to the Pursuance of Entrepreneurial Activity

1. Goods intended for natural persons' personal, family, household and other needs not relating to the pursuance of entrepreneurial activity (hereinafter referred to as "for personal use") shall be moved by these persons across the customs border in compliance with the provisions of the present chapter, and as concerns the areas not regulated by the present chapter, in compliance with the general procedure established by the present Code.

2. The intended purpose of goods shall be assessed by the customs body proceeding from the natural person's statement on the goods moved across the customs border, the nature and quantity of the goods, and also on the frequency of the goods' movement across the customs border.

3. The procedure for natural persons to move goods across the customs border for personal use shall include a full exemption from customs duties and taxes, the application of uniform customs duty and tax rates, the collection of customs levies in the form of an aggregate customs levy, and also exemption of the goods from economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity, compulsory confirmation of conformity of the goods and a simplified procedure for performing customs formalities.

**Article 282.** The Import and Export of Goods and Vehicles for Personal Use and the Application of Customs Duties and Taxes to Such Goods and Vehicles

1. A full exemption from customs duties and taxes shall be granted, unless the value of goods imported into the customs territory of the Russian Federation, with the exception of vehicles, exceeds 65,000 roubles.

For vehicles and also goods the value of which exceeds 65,000 roubles but does not exceed 650,000 roubles, uniform rates of customs duties and taxes shall be applicable in as much as this surplus is concerned. The procedure for applying uniform rates of customs duties and taxes shall be determined by the Government of the Russian Federation on the basis of the average established rates of customs duties and taxes applicable to the goods and vehicles of which category the largest quantity is moved across the customs border by natural persons.

A full exemption from customs duties and taxes or uniform rates of customs duties and taxes shall be applicable within the quantitative limits set by the Government of the Russian Federation.

2. The Government of the Russian Federation shall be entitled to set quantitative or value limits on the import of goods by natural persons with full exemption from customs duties and taxes or with the application of uniform rates of customs duties and taxes to excisable goods, the goods subject to quantitative limits on import into the Russian Federation in compliance with the legislation of the Russian Federation on measures for protecting the economic interests of the Russian Federation in foreign trade in goods.

3. The Government of the Russian Federation shall be entitled to determine cases when no full exemption from customs duties and taxes is granted or when it is granted within smaller limits in respect of goods imported into the customs territory of the Russian Federation by natural persons under a certain age limit, and also by natural persons who frequently cross the customs border.

4. The Government of the Russian Federation shall be entitled to determine cases when a full exemption from customs duties and taxes or uniform rates of customs duties and taxes are applicable within limits exceeding the ones established by Item 1 of the present article in respect of goods imported

by natural persons when the persons relocate to a permanent place of residence, in respect of goods imported by refugees and forced migrants, and also in respect of inherited property.

5. A full exemption from customs duties and taxes shall be granted for cultural valuables imported by natural persons on the condition that they are declared in writing, and also placed on record in the special way envisaged by the legislation of the Russian Federation on the export and import of cultural valuables.

6. Goods imported into the customs territory of the Russian Federation and exported from this territory in keeping with the present article shall be deemed for customs purposes as cleared for free circulation or exported under the customs regime of export respectively.

7. Exemption from, refund or compensation of the domestic taxes relating to goods exported by natural persons shall be provided in the procedure established by the legislation of the Russian Federation on taxes and fees.

8. The provisions of the present article shall not extend to goods temporarily imported (exported) and reexported (reimported) by natural persons.

**Note.** For the purposes of application of the present chapter "vehicles" means motor road vehicles and trailers, sea (river) vessels and aircraft together with spare parts for them and their ordinary accessories and equipment imported or exported by natural persons exclusively for personal use.

#### **Article 283.** The Temporary Import of Goods by Natural Persons

1. A full exemption from customs duties and taxes shall be granted for goods temporarily imported into the customs territory of the Russian Federation by foreign natural persons if these goods are imported exclusively for personal use by these persons for the term of their temporary stay in the customs territory of the Russian Federation.

2. The exemption from customs duties and taxes envisaged by Item 1 of the present article shall extend to the vehicles that belong to foreign natural persons and that are leased by them or taken otherwise for temporary use, such vehicles having been imported into the customs territory of the Russian Federation simultaneously with the entry of the foreign person or before or after the entry.

Vehicles moved by natural persons for the purpose of transportation of people for a fee or industrial or commercial transportation of goods shall be moved across the customs border in compliance with the rules established by Chapter 22 of the present Code.

3. In cases when temporarily imported goods are subject to declaration in writing under Item 2 of Article 286 of the present Code the temporary import term shall be set by the customs body proceeding from the foreign natural person's application with due regard to the duration of the person's stay in the Russian Federation within the term set by the Government of the Russian Federation in compliance with Item 4 of the present article.

At the substantiated request of the foreign natural person the temporary import term set by the customs body may be extended within the term set by the Government of the Russian Federation in compliance with Item 4 of the present article.

4. The Government of the Russian Federation shall be entitled to set a maximum temporary import term for specific types of goods, in particular, for vehicles temporarily imported into the customs territory of the Russian Federation by foreign natural persons.

5. Temporarily imported goods, in particular vehicles, may be re-exported from the customs territory of the Russian Federation through any customs body. In the event of re-export of temporarily imported goods no customs duties or taxes shall be levied, and no economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity shall be applicable.

6. The re-export of temporarily imported goods, in particular vehicles, need not be effected if the said goods, in particular, vehicles are seriously damaged as the result of an accident or force majeure.

7. Russian natural persons may temporarily import vehicles on the condition that these vehicles have been registered in the territory of a foreign state and in their aggregate the terms of temporary import do not exceed six months in one calendar year for each vehicle temporarily imported.

#### **Article 284.** The Temporary Export of Goods by Natural Persons

1. Russian natural persons shall be entitled to temporarily export goods for personal use from the customs territory of the Russian Federation for the term of their temporary stay in the territory of a foreign state and import them back with a full exemption from customs duties and taxes.

2. At the application of the natural person the customs body shall identify (Article 390) the temporarily exported goods if such identification is going to help the reverse importation thereof with a full exemption from import customs duties and taxes. An entry on the identification of the goods shall be made in the customs declaration, one copy thereof going to the natural person who exports the goods. The lack of such an identification shall not impede the reverse import of the goods by natural persons with a full exemption from import customs duties and taxes.

**Article 285.** The Customs Formalities Relating to Goods Moved by Natural Persons for Personal Use

1. The customs formalities relating to goods moved by natural persons for personal use shall be performed in the procedure determined by the Government of the Russian Federation in compliance with the present Code.

2. Natural persons who cross the customs border in their motor road vehicles, and also in a commercial motor road vehicle or in a train may as a rule perform customs transactions without leaving the vehicles.

3. Goods, in particular vehicles, moved by natural persons for personal use shall be subject to placement in a bonded warehouse in the following cases:

1) at the said persons' request;  
2) if customs formalities for the goods and/or payment of customs duties taxes cannot be immediately completed due to causes beyond the control of customs bodies.

4. The bonded storage of the goods shall be performed in the procedure envisaged by Chapter 12 of the present Code and at the expense of the person whose goods have been placed in the bonded warehouse.

5. For the purpose of simplifying the customs formalities relating to goods moved by natural persons by road and rail the federal service authorised in the sphere of customs business shall conclude agreements with the customs services of adjacent states on joint customs formalities and customs control in respect of such goods.

**Article 286.** The Declaration of Goods by Natural Persons

1. The declaration of goods moved by natural persons as hand luggage and accompanied luggage shall be effected by these persons as they travel across the State Border of the Russian Federation.

2. The following goods, in particular vehicles, shall be declared in writing:

1) those moved by natural persons as unaccompanied luggage;  
2) those dispatched as addressed to natural persons for personal use, except for goods dispatched by international post;  
3) those subject to import limitations in compliance with the legislation of the Russian Federation or those of which the value and/or quantity exceeds the limits set for movement across the customs border of the Russian Federation with full exemption from customs duties and taxes (Article 282);  
4) those subject to export limitations in compliance with the legislation of the Russian Federation;  
5) those subject to compulsory declaration in writing in keeping with the legislation of the Russian Federation in the event of export;  
6) vehicles.

3. In cases not mentioned in Item 2 of the present article goods shall be declared orally.

If he/she so wishes the natural person is entitled to declare in writing goods which he/she moves across the customs border and which are not subject to compulsory declaration in writing.

4. In the events and in the procedure determined by the federal ministry authorised in the sphere of customs business the declaration of goods subject to oral declaration shall be effected by means of committing actions that testify to the fact that the natural person's hand luggage and accompanied luggage do not contain goods subject to declaration in writing (declaration in a conclusive form). For this purpose places shall be arranged at check-points intended for the passage of natural persons and marked so as to provide the persons with an opportunity for choosing the way they declare goods. The passage of a natural person via a specially-marked place intended for persons without goods subject to declaration in writing in their hand luggage or accompanied luggage shall be deemed an application to the customs body to the effect that this person does not have goods subject to declaration in writing.

5. The goods of a minor aged under 16 shall be declared by one of the parents, a step-parent, trustee or guardian, the person who escorts the minor and in the event of an organised exit (entry) and reverse entry (exit) of a group of minors without the escort of parents, step-parents, trustees or guardians - by the head of the group.

6. In respect of goods moved across the customs border in unaccompanied luggage a customs declaration shall be filed at the import of the goods into the customs territory of the Russian Federation within the term specified in Article 129 of the present Code, and at export simultaneously with the goods being presented to the customs body.

Goods moved across the customs border in unaccompanied luggage may be declared by the person moving the goods or by another person acting under a power of attorney issued by the person moving the goods.

Goods in the unaccompanied luggage of a minor aged under 16 shall be subject to declaration by one of the parents, a step-parent, trustee or guardian or by persons acting under a power of attorney of the said persons.

#### **Article 287. The Payment of Customs Duties and Taxes by Natural Persons**

1. Customs duties and taxes shall be paid by natural persons at the declaration in writing of goods under a customs cash receipt slip, the form of which is defined by the federal ministry authorised in the sphere of customs business. One copy of the customs cash receipt slip shall be handed over to the person who made the customs payments.

2. Customs duties and taxes on goods moved across the customs border for personal use shall be paid by natural persons in the form of an aggregate customs payment (payment in the form of the sum total of customs duties and taxes without separation into component customs duties and taxes) or at uniform rates of customs duties and taxes (Article 282).

#### **Article 288. The Customs Value of Goods Moved by Natural Persons**

1. The customs value of goods shall be declared by the natural person who moves the goods, when such goods are declared. To confirm the declared value the natural person may show receipts, bills and other documents confirming the acquisition of the goods so declared and the value thereof.

2. In the event of import of goods by natural persons into the customs territory of the Russian Federation the customs value shall incorporate the expenses incurred when the goods were delivered to the airport, sea port or the other point of arrival of the goods in the customs territory of the Russian Federation.

3. If there are no documents and information to confirm the correctness of assessment of the customs value declared by the natural person the customs body may assess the customs value of the goods on the basis of data available in the price-lists of foreign organisations selling the goods or on the basis of other pricing information that the customs body has on hand in respect of similar goods.

While using said pricing information the customs body shall adjust the customs value depending on the quality of goods, their reputation in the market, the country of origin, date of manufacture and other factors affecting the price.

#### **Article 289. Spare Parts and Fuel for Vehicles Moved by Natural Persons**

1. Spare parts required for repairing the vehicles temporarily imported by natural persons into the customs territory of the Russian Federation may be temporarily imported with full exemption from customs duties and taxes for a term not exceeding the term of temporary import of the vehicle.

2. Fuel for vehicles in the tanks envisaged by the design of the vehicles which are moved across the customs border by natural persons may be imported into the customs territory of the Russian Federation or exported from this territory respectively without the payment of customs duties and taxes.

#### **Article 290. Information on the Rules of Movement of Goods across the Customs Border by Natural Persons**

The federal ministry authorised in the sphere of customs business and customs bodies shall ensure the presence of information on the rules of movement of goods by natural persons, in particular, by distributing information reference materials to transport and tourism organisations in Russian and in foreign languages, and also by means of arranging information boards at the places where customs formalities are performed in respect of goods moved by natural persons.

### **Chapter 24. The Movement of Goods in International Postal Communication**

#### **Article 291. International Post**

1. For the purposes of application of the present chapter the "international post" means post being accepted for dispatch to territories outside the customs territory of the Russian Federation, arriving in the customs territory of the Russian Federation or going in transit via this territory. International post is as follows:

- 1) letters (ordinary, registered, with declared value);
- 2) post cards (ordinary, registered);
- 3) "printed matter" post and special pouches M (ordinary, registered);
- 4) telegrammes in braille (ordinary, registered);
- 5) small parcels (registered);
- 6) parcels (ordinary, with declared value);
- 7) international express post.

2. International post shall not be released by postal communication organisations to the recipients thereof or dispatched to territories outside of the customs territory of the Russian Federation without the permission of a customs body.

#### **Article 292. Bans and Restrictions on the Import of Goods into the Customs Territory of the Russian Federation and the Export of Goods from This Territory in International Postal Communication**

1. It is hereby prohibited to dispatch the following in international postal communication:
  - 1) goods prohibited by the legislation of the Russian Federation for import into the customs territory of the Russian Federation or export from this territory respectively;
  - 2) the goods prohibited for dispatch in compliance with acts of the Universal Postal Union;
  - 3) goods subject to the restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity, and of which the list may be determined by the Government of the Russian Federation.
2. As concerns the goods limited for import into the customs territory of the Russian Federation or for export from this territory in compliance with the legislation of the Russian Federation or international treaties of the Russian Federation, the consignees or consignors of the said goods or the persons acting on behalf thereof shall when customs formalities are being performed, show all the necessary permits, licences, certificates and other documents confirming the observance of the said limits.
3. Goods dispatched in international postal communication shall not be subject to the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity in the following cases:
  - if the value of said goods does not exceed the limits envisaged by Subitem 2 of Item 2 of Article 319 of the present Code;
  - if the goods are sent to the address of a natural person and are intended for personal use;
  - in other cases defined by the Government of the Russian Federation.
4. The withdrawal of the goods prohibited and/or limited for dispatching in international postal communication, and also the disposition of the goods shall be effected by customs bodies in compliance with the present Code, and in as much as it concerns the areas not regulated by the Code, in the procedure determined by the Government of the Russian Federation.

**Article 293.** The Customs Formalities Relating to Goods Dispatched in International Postal Communication

1. The customs formalities relating to goods dispatched in international postal communication accompanied by the documents required under acts of the Universal Postal Union shall be performed in compliance with the present Code with due regard to the peculiarities set out in the present chapter.
2. The customs formalities relating to goods dispatched in international postal communication shall be performed as a top priority within the shortest term possible and not exceeding three days. The specific term for completing the customs formalities shall be set by the federal ministry authorised in the sphere of customs business jointly with the federal executive governmental body responsible for the administration of activities in the area of postal communication.
3. The customs formalities relating to goods dispatched in international postal communication shall be performed at the places of international postal exchange, except for the case envisaged by Item 6 of the present article. The postal communication facilities deemed places of international postal exchange shall be designated by the federal ministry authorised in the sphere of customs business jointly with the federal executive governmental body responsible for the administration of activities in the area of postal communication.
4. If all the details required by customs bodies for customs purposes are contained in documents envisaged by acts of the Universal Postal Union and which accompany international post there shall be no need for filing a separate customs declaration, except for the cases envisaged by Item 5 of the present article.
5. Goods shall be declared by means of filing a separate customs declaration if:
  - 1) the value of the goods imported into the customs territory of the Russian Federation exceeds the limits set by Item 1 of Article 295 of the present Code for movement of goods in international postal communication without the payment of customs duties and taxes, with the exception of cases when goods intended for personal, family, household and other use not connected with the pursuance of entrepreneurial activity are dispatched as addressed to natural persons;
  - 2) the export of goods from the customs territory of the Russian Federation must be confirmed by the consignor of the goods to a customs and/or tax bodies;
  - 3) it is intended to place the goods imported into the customs territory of the Russian Federation under a customs regime that does not imply clearance of the goods for free circulation.
6. The customs formalities relating to goods which require a separate customs declaration in keeping with Item 5 of the present article may be performed by the customs bodies in whose area of activity the consignees or the consignors are located in the manner determined by the federal ministry authorised in the sphere of customs business in agreement with the federal executive governmental body responsible for the administration of activities in the area of postal communication.
7. The customs formalities relating to goods which are exported from the customs territory of the Russian Federation in international postal communication and which require a separate customs declaration in keeping with Item 5 of the present article shall be performed by the consignor or by persons acting on behalf thereof before the delivery of said goods to a post office for dispatch.

**Article 294.** The Customs Inspection and Customs Examination of International Post

1. At the request of customs bodies postal organisations shall present international post for customs inspection and customs examination. The methods for such presentation shall be determined by the customs bodies.

2. The customs bodies shall not demand that the following post be presented to them when brought into this country:

- post cards and letters;
- printed matter for blind persons.

Where sufficient reasons exist for believing that said post contains goods prohibited or limited for import into the customs territory of the Russian Federation or where customs inspection or customs examination is performed on the basis of selective or random verification the customs bodies shall be entitled to demand that said post be presented to them.

3. The customs bodies shall be entitled to demand that postal communication organisations present international post leaving this country, and to subject it to customs inspection or customs examination on the basis of selective or random verification.

4. Technical means of customs control shall be used to the maximum degree when customs inspection or customs examination is performed.

**Article 295.** Customs Duties and Taxes on Goods Dispatched in International Postal Communication

1. Customs duties and taxes on goods dispatched in international postal communication shall not be payable if the value of such goods dispatched during one week to the address of one consignee does not exceed 10,000 roubles.

2. Goods dispatched to the address of a natural person and intended for personal use shall be fully or partially exempt from customs duties and taxes. In compliance with Article 282 of the present Code the Government of the Russian Federation shall establish uniform rates of customs duties and taxes on goods the value of which exceeds the value of goods dispatched as exempt from customs duties and taxes, in as much as the surplus is concerned.

3. Customs duties and taxes on goods for which no separate customs declaration is required shall be calculated and accrued by the customs bodies performing customs formalities at places of international postal exchange through the use of a customs cash receipt slip (Item 1 of Article 287). The calculation of amounts of customs duties and taxes shall be carried out on the basis of data concerning the value of the goods specified in the documents envisaged by acts of the Universal Postal Union and used for customs purposes. The amounts of customs duties and taxes on international post with declared value shall be calculated on the basis of this declared value only if it exceeds the value indicated in the documents used for customs purposes.

4. International post containing goods on which customs payments have been levied by a customs body shall be released to the consignees at places of international postal exchange only after the receipt in full of the amount of customs payments by the postal communication organisation. Customs levies shall be collected on the basis of a money order form drawn up by a customs official. The amounts of customs levies paid shall be remitted to the account of the customs body that levied them after the release of the international post to the consignee. The payment of a money order shall be effected at the expense of the person making customs payments and it shall not exceed one per cent of the amount of payment. Money order forms shall be provided to customs bodies free of charge.

5. In the event of the loss of international post or release thereof without permission of a customs body the postal communication organisation that has lost or released said post shall be liable for the making of customs payments.

6. Customs levies shall be calculated and paid on the goods indicated in Item 5 of Article 293 of the present Code in the manner established by Section III of the present Code.

**Article 296.** The Internal Customs Transit of International Post

The internal customs transit procedure (Chapter 10) shall be applicable to international postal communication in the procedure determined by the federal ministry authorised in the sphere of customs business in agreement with the federal executive governmental body responsible for the administration of activities in the area of postal communication on the basis of the terms and conditions established by the present Code.

**Article 297.** The Transit of International Post

No customs formalities shall be performed in respect of international post moved through transit in the territory of the Russian Federation.

**Chapter 25. The Movement of Goods by Specific Categories of Foreign Persons**

**Article 298.** The Applicability of the Present Chapter

1. The provisions of the present chapter shall be applicable to goods moved across the customs border by diplomatic, consular and other official missions of foreign state, by international organisations, by the staff of these missions and organisations, and also in respect of goods intended for the personal and family use of the specific categories of foreign persons enjoying advantages, privileges and/or immunity in the customs territory of the Russian Federation in accordance with international treaties of the Russian Federation.

2. Customs formalities for the goods indicated in Item 1 of the present article shall be performed in a simplified procedure.

**Article 299.** The Movement of Goods by the Diplomatic Missions of Foreign States

The diplomatic missions of foreign states located in the territory of the Russian Federation may bring into the customs territory of the Russian Federation and take out of this territory goods intended for the official use of the missions exempt from customs duties and taxes, and from the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

**Article 300.** The Movement of Goods by the Head of a Diplomatic Mission of a Foreign State and Members of Diplomatic Staff of a Mission of a Foreign State

1. The head of a diplomatic mission of a foreign state and members of the diplomatic staff of a mission of a foreign state, and also the members of the family thereof residing together with them may bring into the customs territory of the Russian Federation goods intended for their personal and family use, in particular initial household start-up goods, and take out of the customs territory of the Russian Federation goods intended for their personal and family use exempt from customs duties and taxes, and from the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

2. The personal luggage of the head of a diplomatic mission of a foreign state, of members of the diplomatic staff of a mission of a foreign state, and also of the family members thereof residing together with them shall be exempt from customs examination if there are no serious reasons for believing that it contains goods not intended for personal and family use or goods prohibited for import into the Russian Federation or export from the Russian Federation under the legislation of the Russian Federation, international treaties of the Russian Federation or is governed by quarantine regulations. Customs examination shall only be performed in the presence of the persons specified in the present article or authorised representatives thereof.

**Article 301.** The Movement of Goods by Members of the Administrative-Technical Staff of a Diplomatic Mission of a Foreign State

Members of the administrative-technical staff of a diplomatic mission of a foreign state and the family members thereof residing together with them, if the said persons and family members thereof do not permanently reside in the Russian Federation and are not Russian Federation citizens may bring into the customs territory of the Russian Federation initial household start-up goods exempt from customs duties and taxes, and from the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

**Article 302.** Extending the Customs Privileges of Members of the Diplomatic Staff of a Foreign State's Mission to Members of Administrative-Technical and Service Staff

Under a special agreement with a foreign state the customs privileges granted by the present Code to members of the diplomatic staff of a foreign state's mission may be extended to members of the administrative-technical and service staff of the mission, as well as to family members thereof who do not permanently reside in the Russian Federation and who are not Russian Federation citizens, proceeding from the principle of reciprocity in respect of each specific foreign state.

**Article 303.** The Movement of Goods by the Consular Institutions of Foreign States and Members of Their Staff

1. Consular institutions of foreign states, consular officials of foreign states, in particular, the head of a consular institution of a foreign state and consular employees of foreign states, and also the family members thereof are granted the customs privileges envisaged by the present Code for the diplomatic missions of foreign states or for similar personnel of diplomatic missions of foreign states.

2. The customs privileges granted by the present Code to similar members of personnel of diplomatic mission of a foreign state may be extended under a special agreement with the foreign state to service staff employees of a consular institution of the foreign state, as well as to the family members

thereof who do not permanently reside in the Russian Federation proceeding from the principle of reciprocity in respect of each specific foreign state.

**Article 304.** The Movement of the Diplomatic Pouch and Consular Valise of a Foreign States across the Customs Border

1. The diplomatic pouch and consular valise of a foreign state moved across the customs border shall not be subject to opening or arrest. Where serious reasons exist for believing that a consular valise contains documents and/or goods not indicated in Item 3 of the present article the customs body shall be entitled to demand that the consular valise be opened by authorised persons of the represented foreign state in the presence of an employee of the customs body. In the event of a refusal to open it the consular valise shall be returned to the point of departure.

2. All pieces of luggage making up a diplomatic pouch and consular valise shall bear visible external signs indicating the character of these pieces.

3. The diplomatic pouch may only contain diplomatic documents and goods intended for official use, and the consular valise only official correspondence and documents or goods intended exclusively for official use.

**Article 305.** Customs Privileges for Foreign Diplomatic and Consular Couriers

Foreign diplomatic and consular couriers may bring into the customs territory of the Russian Federation and take out of this territory goods intended for their personal and family use, proceeding from the principle of reciprocity in respect of each specific foreign state, exempt from customs examination, customs duties and taxes, and the economic bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

**Article 306.** Customs Privileges for Representatives and the Members of Delegations of Foreign States

Representatives of foreign states, the members of parliamentary and governmental delegations, and also, on the basis of reciprocity, members of foreign states' delegations visiting the Russian Federation to attend international talks, international conferences and meetings or on other official missions shall be granted the customs privileges envisaged by the present Code for members of the diplomatic staff of mission of a foreign state. The same privileges shall be granted to the family members who accompany said persons.

**Article 307.** The Movement of Goods by Members of Diplomatic Staff, Consular Officials, Representatives and Members of Delegations of Foreign States Who Travel in Transit via the Territory of the Russian Federation

Members of the diplomatic staff of a mission of a foreign state and the consular officials of a consular institution of a foreign state, the family members thereof and the persons indicated in Article 306 of the present Code who travel in transit via the territory of the Russian Federation shall be granted the customs privileges envisaged by the present Code for members of the diplomatic staff of a mission.

**Article 308.** Customs Privileges for International Inter-State and Inter-Governmental Organisations, Foreign States' Missions with Them, and Also for the Staff of These Organisations and Missions

Customs privileges for international inter-state and intergovernmental organisations, foreign states' missions with them, and also for the staff of these organisations and missions and the family members thereof shall be determined by relevant international treaties of the Russian Federation.

## **Chapter 26. The Movement of Goods by Means of Pipelines and Electrical Transmission Lines**

**Article 309.** The Applicability of This Chapter

The movement of goods across the customs border by means of pipelines and electrical transmission lines shall be effected in compliance with the provisions of the present chapter, and in as much as it concerns areas not regulated by the present chapter, in compliance with the general procedure established by the present Code.

**Article 310.** The Import and Export of Goods Moved by Means of Pipelines

1. The import into the customs territory of the Russian Federation and the export from this territory of goods moved by means of pipelines shall be admissible after the acceptance of a customs declaration and the clearance of the goods by a customs body in compliance with the terms of the customs regime declared in it.

2. When the customs declaration is filed the goods need not be actually presented.

3. When goods moved by means of pipelines are imported into the customs territory of the Russian Federation or exported from this territory the blending of goods, and also changes in the quantity and state (quality) of goods due to the technological peculiarities of transport and the specific

characteristics of goods in accordance with technical rules and national standards effective in the Russian Federation shall be admissible.

4. The customs procedures of bonded storage and internal customs transit shall not be applicable to goods moved by means of pipelines.

**Article 311.** The Procedure for Declaring Goods Moved by Means of Pipelines

1. When goods are moved across the customs border of the Russian Federation by means of pipelines the periodical temporary declaration thereof shall be admissible according to the rules established by Article 138 of the present Code with due regard to the peculiarities envisaged by the present article.

The periodical temporary declaration shall be effected by filing a temporary customs declaration.

Information may be declared in the temporary customs declaration proceeding from the intent to import or export a tentative quantity of goods over a certain period of time not exceeding the effective term of the foreign trade contract, conditional customs value (assessed value) determined according to the quantity of goods intended for movement across the customs border, and/or the procedure for assessing the price of said goods envisaged by the terms of the foreign trade contract.

One temporary customs declaration may be filed for goods imported or exported by one and the same person that moves the goods in compliance with the terms of one customs regime to set-off the performance of obligations under several foreign trade contracts (in particular, under various terms of delivery, pricing and payment).

2. The temporary customs declaration shall be filed by the declarant for a period of time not exceeding one quarter, and for natural gas, one calendar year, not later than the 20th day of the month preceding this period.

If in the calendar month of delivery a change occurs in the terms of delivery and/or the quantity of goods specified in the temporary customs declaration accepted by the customs body an additional temporary customs declaration may be filed within the delivery month.

3. The declarant shall file one or several appropriately filled-in complete customs declarations for goods imported or exported for each calendar month of delivery of the goods. The complete customs declaration shall be filed not later than the 20th day of the month following the calendar month of delivery of the goods. At the declarant's substantiated application the customs body shall extend the term for filing a complete customs declaration for exported goods to up to 90 days. The extension of the term for filing a complete customs declaration shall not cause the extension of the term of payment of payable customs duty and tax amounts.

4. If during a calendar month the goods declared for import or export in a temporary customs declaration are not imported or are not actually exported the declarant shall notify the customs body accordingly in writing before the expiry of the term for filing a complete customs declaration.

**Article 312.** The Application of Rates of Customs Duties and Taxes and the Procedure for the Payment Thereof in the Event of Movement of Goods by Means of Pipelines

1. Customs duties shall be paid for goods exported from the customs territory of the Russian Federation for each calendar month of delivery at the rates of export customs duties effective as of the 15th day of the month of delivery of the goods.

At least 50 per cent of the amount of export customs duties calculated on the basis of the information indicated in the temporary customs declaration shall be paid not later than the 20th day of the month preceding each calendar month of delivery. To do this, the amounts of export customs duties shall be calculated on the basis of quantity of goods pro rata to one month of delivery if a term of delivery exceeding one calendar month is indicated in the temporary customs declaration.

If an additional temporary declaration is filed in keeping with Paragraph 2 of Item 2 of Article 311 of the present Code export customs duties shall be paid in full not later than on the date of acceptance of such a declaration.

Not later than the 20th day of the month following each calendar month of delivery the outstanding portion of export customs duty amounts shall be paid as having been calculated on the basis of updated data on the goods exported and the export customs duty rate effective as of the 15th day of the month of delivery.

2. Where goods are imported by pipeline import customs duties and taxes shall be paid not later than the 20th day of the month preceding each calendar month of delivery proceeding from the information indicated in the temporary customs declaration. For the purposes of calculating and making customs payments one shall use the rates of customs duties and taxes effective as of the 15th day of the month preceding the month of delivery.

Updated information on the goods imported in each calendar month of delivery shall be provided to the customs body not later than the 20th day of the month following each calendar month of delivery. If the amounts of payable customs duties and taxes increase due to updated information the payment of

additional amounts shall be effected simultaneously with the provision of updated information. In this case no penalty shall be accrued.

The refund of amounts paid in excess shall be effected in accordance with Article 355 of the present Code.

**Article 313.** The Application of the Bans and Restrictions Established in Accordance with the Legislation of the Russian Federation on the State Regulation of Foreign Trade Activity

When goods are moved by pipeline the bans and restrictions established in accordance with the legislation of the Russian Federation on the state regulation of foreign trade activity shall be applicable as of the date of acceptance of the temporary customs declaration.

**Article 314.** The Peculiarities of the Import, Export and Declaration of Goods Moved by Means of Electrical Transmission Lines

1. The import into the customs territory of the Russian Federation and export from this territory of goods moved by means of electrical transmission lines shall be admissible without preliminary permission of a customs body, provided declaration is later effected and customs payments are made according to the rules established by the present article.

2. The customs procedures of bonded storage and internal customs transit shall not be applicable to goods moved by means of electrical transmission lines.

3. The declaration of electrical energy across the customs border shall be effected by means of filing a customs declaration not later than the 20th day of the month following each calendar month of actual delivery of goods. At the declarant's substantiated application the customs body shall extend the term for filing a customs declaration by up to five days.

4. The following shall be subject to declaration: the actual quantity of electrical energy established according to the readings of metering instruments installed at technologically-suitable places and indicating the movement of electrical energy.

The quantity of electrical energy moved between two states shall be assessed as a flow balance (algebraic sum of electrical energy flows in opposite directions via operable inter-state electrical transmission lines of all classes of voltage) for each calendar month.

The calculated value of flow balance shall be adjusted by the value of the electrical loss in networks occurring when electrical energy is moved.

The declaration shall be effected under certificates of actual delivery of electrical energy relating to the specific foreign trade contract concerned.

5. Customs duties and taxes shall be paid not later than on the date of filing of the customs declaration for the goods moved across the customs border during one calendar month.

**Article 315.** Security for Customs Payments

The customs body shall be entitled to demand the provision of security for customs payments, in particular, in cases when the declarant has been pursuing his foreign economic activity for less than one year. The amount of security shall be determined in accordance with Article 338 of the present Code.

**Article 316.** The Non-Applicability of Provisions Concerning Identification of Goods Moved by Means of Pipelines and Electrical Transmission Lines

No identification of goods moved by means of pipelines and electrical transmission lines shall be effected, this not being an obstacle for customs bodies to establishing for customs purposes the quantity, quality and other characteristics of goods through the use of the data contained in documents, the readings of counters and other metering instruments.

**Article 317.** The Movement of Russian Goods between Two Points Located in the Customs Territory of the Russian Federation via the Territory of a Foreign State

The movement of Russian goods by means of pipelines and electrical transmission lines between two points located in the customs territory of the Russian Federation via the territory of a foreign state shall be performed according to the rules established by Paragraph 4 of Chapter 21 of the present Code in respect of the special customs regime of movement of Russian goods between customs bodies via the territory of a foreign state.

### **Section III. Customs Payments**

#### **Chapter 27. The General Provisions Relating to Customs Payments. The Types of Customs Payment**

**Article 318.** Customs Payments and the Types Thereof

1. Customs payments shall be as follows:
  - 1) import customs duty;
  - 2) export customs duty;
  - 3) the value-added tax levied at the import of goods into the customs territory of the Russian Federation;
  - 4) the excise tax levied at the import of goods into the customs territory of the Russian Federation;
  - 5) customs fees.

2. Customs payments shall be levied if they are established in compliance with the legislation of the Russian Federation.

3. The special, anti-dumping and compensation duties established in compliance with the legislation of the Russian Federation on the special protective, anti-dumping and compensatory measures applicable when goods are imported shall be levied according to the rules envisaged by the present Code for the levying of import customs duty.

The preliminary special duty, preliminary anti-dumping duty and preliminary compensatory duty established in accordance with the legislation of the Russian Federation on the special protective, antidumping and compensatory measures applicable when goods are imported shall be levied according to the rules envisaged in Article 331 of the present Code.

4. In cases envisaged under the federal law regulating legal relations associated with establishment and application of customs regime of free customs zone, the customs regime of free customs zone, the customs bodies shall collect a value added tax and excise duties payable in connection with the removal of goods outside a special economic zone.

**Article 319.** The Emergence and Termination of the Duty to Pay Customs Duties and Taxes. Cases when Customs Duties and Taxes Are Not Payable

1. In the event of movement of goods across the customs border the duty to pay customs duties and taxes shall emerge:

- 1) for imports: when the customs border is crossed;
- 2) for exports: when the customs declaration is filed or when actions directly aimed at exporting the goods out of the customs territory of the Russian Federation are committed.

2. No customs duties and taxes shall be payable if:

- 1) under the legislation of the Russian Federation or the present Code: the goods are not dutiable in as much as customs duties and taxes are concerned; a full conditional exemption from customs duties and taxes has been granted to the goods - during the effective term of such an exemption, given the observance of the conditions under which the exemption has been granted;

2) the total customs value of the goods imported into the customs territory of the Russian Federation in one week addressed to one consignee does not exceed 5,000 roubles;

3) before the clearance of the goods for free circulation, and in the absence of breach by persons of the terms and conditions established by the present Code, the goods had been destroyed or irreversibly lost due to an accident or force majeure or as the result of natural wear or loss under normal conditions of transportation, storage or use (operation);

4) the goods are transferred to federal ownership under the present code or other federal laws.

3. In respect of goods cleared for free circulation in the customs territory of the Russian Federation or exported from this territory the duty to pay customs duties and taxes shall be terminated in the cases envisaged by the Tax Code of the Russian Federation.

**Article 320.** The Persons Liable for the Payment of Customs Duties and Taxes

1. The declarant is the person liable for the payment of customs duties and taxes. If declaration is effected by a customs broker (representative) he shall be liable for the payment of customs duties and taxes in keeping with Item 2 of Article 144 of the present Code.

2. In the event of a breach of the present Code's provision on the use and disposition of goods or on the observance of the other terms and conditions established by the present Code for application of customs procedures and customs regimes which envisage a full or partial exemption from customs duties and taxes the persons liable for the payment of customs duties and taxes in the cases expressly covered by the present Code shall be the owner of a bonded warehouse, the owner of a customs warehouse, the carrier, the persons vested with the duty to observe a customs regime.

3. In the event of a default on payment of customs duties and taxes, including, in the event of incorrect calculation and/or late payment thereof, the person liable for the payment of customs duties and taxes shall be accountable before the customs bodies.

4. In the event of unlawful movement of goods and vehicles across the customs border liability for the payment of customs duties and taxes shall be borne by the persons that unlawfully move the goods and vehicles, the persons taking part in the unlawful movement if they knew or should have known about

the unlawfulness of such a movement, and in the event of import, also the persons that have acquired ownership or possession of the unlawfully imported goods and vehicles, if at the time of the acquisition they knew or should have known about the unlawfulness of the import, this being appropriately confirmed in the manner established by the legislation of the Russian Federation. Said persons shall also be liable for the payment of customs duties and taxes as if they acted as the declarant of the unlawfully exported or unlawfully imported goods.

**Article 321.** Limitation on the Sum Total of Customs Duties and Taxes on Goods Imported into the Customs Territory of the Russian Federation

The sum total of import customs duties and taxes on goods imported into the customs territory of the Russian Federation shall not exceed the sum of customs duties and taxes payable if the goods were cleared for free circulation while imported into the customs territory of the Russian Federation, less penalties and interest, with the exception of cases when the sum of customs duties and taxes is increased due to a change in the rates of customs duties and taxes effective as of the date of acceptance of the customs declaration by the customs body when a changed customs regime was declared. In such cases the sums of customs duties and taxes paid under the preceding customs regime shall be subject to set-off at the payment of the amounts of customs duties and taxes in compliance with the terms of the newly chosen customs regime.

## **Chapter 28. The Calculation of Customs Duties and Taxes**

**Article 322.** The Dutiable Object of Customs Duties, Taxes

The dutiable object for the purposes of customs duties and taxes shall be goods moved across the customs border. The base for the purposes of calculating customs duties and taxes shall be the customs value of goods and/or the quantity thereof.

**Article 323.** The Procedure for Assessing and Declaring the Customs Value of Goods

1. The customs value of goods shall be assessed by the declarant according to the methods of assessment of customs value established by the legislation of the Russian Federation and it shall be declared to the customs body at the declaration of the goods.

2. The customs value of goods declared by the declarant and the data relating to the assessment thereof provided by the declarant shall be based on a reliable and documented information.

3. The customs value of goods shall be controlled by customs bodies in the manner established by the federal ministry authorised in the sphere of customs business, in compliance with the present Code.

Acting on the basis of the documents and information provided by the declarant, and also on the basis of the information it has on hand to assess the customs value of goods, the customs body shall adopt its decision on whether to agree with the method of assessment of customs value of goods chosen by the declarant and with the correctness of the way the customs value of goods declared by the declarant has been assessed.

4. If the documents and information provided by the declarant are not sufficient for making a decision on the declared customs value of goods the customs body shall request in writing the provision of additional documents and information from the declarant and shall set a sufficient term for the provision thereof.

For the purpose of confirming the declared customs value of goods the declarant shall provide, at the request of the customs body, the necessary additional documents and information or provide an explanation in writing of the reasons for which the documents and information requested by the customs body cannot be provided.

The declarant shall be entitled to demonstrate the legal grounds for the use of the method of assessment of the customs value of goods the declarant has chosen and the reliability of the information the declarant provided.

5. If there are no data confirming the correctness of assessment of the customs value of goods declared by the declarant or if evidence has been found of the fact that the documents and information provided by the declarant are not reliable and/or sufficient the customs body shall be entitled to adopt a decision stating its disagreement with the use of the method of assessment of the customs value of goods chosen and to propose that the declarant assess the customs value of the goods by means of another method. In this case the customs body and the declarant may hold consultations concerning the choosing of a method of assessment of the customs value of the goods.

6. If within the term of clearance of goods (Article 152) the procedure for assessing the customs value of goods has not been completed the clearance shall be effected on the condition that security is provided for the making of the customs payments that might be additionally accrued. The customs body shall notify the declarant in writing of the amount of required security for the making of customs

payments. No additional security shall be provided for the payment of export customs duties and taxes in the event of export of exchange commodities of which the selling price is not known as of the time of completion of customs formalities.

7. Where the declarant has not provided additional documents and information within the term set by the customs body or if the customs body has discovered evidence of the fact that the information provided by the declarant may be unreliable and/or insufficient and if the declarant in this case has refused to assess the customs value of the goods by another method at the customs body's proposal then the customs body shall itself assess the customs value of the goods by means of consecutive application of methods of assessment of the customs value of goods. The customs body shall notify the declarant of the decision made in writing not later than on the day following the date of the decision. If the customs body assesses the customs value of goods after the goods have been cleared the customs body shall demand the making of customs payments (Article 350) if additional payment of customs duties and taxes is needed. The payment of additionally calculated amounts of customs duties and taxes shall be effected within ten working days after the date of receipt of the demand. No penalty shall be accrued on the additional amount of customs duties and taxes paid within the said term.

**Article 324.** The Procedure for Calculating Customs Duties and Taxes

1. Customs duties and taxes shall be calculated by the declarant or the other persons liable for the payment of customs duties and taxes on their own, with the exception of the cases envisaged by Item 3 of Article 295 of the present Code and Item 2 of the present article.

2. If a demand is made to make customs payments in compliance with Article 350 of the present Code the calculation of payable customs duties and taxes shall be made by the customs body.

3. The calculation of amounts of payable customs duties and taxes shall be effected in the Russian currency.

**Article 325.** The Application of Rates of Customs Duties and Taxes

1. For the purposes of calculating customs duties and taxes one shall apply the rates effective as of the date of acceptance of the customs declaration by the customs body, except for the cases envisaged by Articles 150, 312 and Item 1 of Article 327 of the present Code.

2. For the purposes of calculating customs duties and taxes one shall apply the rates corresponding to the title and classification of goods in compliance with the Customs Tariff of the Russian Federation and the Tax Code of the Russian Federation, except for the case envisaged by Paragraph 2 of the present item, and also envisaged by Article 282 of the present Code in the event of application of uniform rates of customs duties and taxes to goods moved across the custom border by natural persons for personal use.

Where goods of several titles are declared by indicating one classification code according to the Commodity Classification for Foreign Economic Activity the rates of customs duties and taxes corresponding to this classification code shall be applied to all such goods in compliance with Article 128 of the present Code.

**Article 326.** The Conversion of Foreign Currency for the Purposes of Calculating Customs Duties and Taxes

Where for the purposes of calculating customs duties and taxes, in particular, assessing the customs value of goods, conversion of a foreign currency is needed it shall be necessary to apply the exchange rate of the foreign currency to the Russian currency set by the Central Bank of the Russian Federation for the purposes of record-keeping and customs payments and effective as of the date of acceptance of the customs declaration by the customs body.

**Article 327.** The Calculation of Customs Duties and Taxes in the Event of Illegal Movement of Goods across the Customs Border or the Use of Goods in Breach of Established Restrictions

1. In respect of goods imported into the customs territory of the Russian Federation in breach of the terms and conditions established by the present Code on which no customs duties and taxes have been paid the amounts of payable customs duties and taxes shall be calculated on the basis of the customs duty, tax rates effective as of the date of crossing of the customs border, or if this date cannot be established, as of the date of discovery of such goods by customs bodies. In the event of a loss, non-delivery or release without a permission of a customs body of goods carried or stored under the customs procedures of internal customs transit and bonded storage respectively the amounts of payable customs duties and taxes shall be calculated on the basis of the rates effective as of the date of placement of the goods under the customs procedure.

In the event of illegal export of goods from the customs territory of the Russian Federation the amounts of payable customs duties shall be calculated on the basis of the customs duty rates effective as of the date of crossing of the customs border, or if this date cannot be established as of the first day of the month or as of the first day of the first month of the year in which the goods were exported.

2. For the purposes of calculating customs duties and taxes on goods imported into the customs territory of the Russian Federation the customs value of the goods, the quantity or other characteristics thereof used to assess the tax base shall be used as of the date of application of customs duty and tax rates in compliance with Item 1 of the present article. If the amount of payable customs levies cannot be determined because no exact data on the nature of the goods, the description, quantity, country of origin and customs value thereof have been provided to the customs body the amount of customs levies shall be assessed on the basis of the largest customs duty, tax rate, the largest quantity or value of the goods that can be assessed on the basis of the information available. If exact data on the goods are established within one year after the date of payment or clearance the amounts of customs duties and taxes paid in excess shall be refunded, or the amounts underpaid shall be collected in compliance with the present section.

The amount of value-added tax paid in the turnover of the goods and confirmed by documents used for the purposes of value-added tax calculation under the Russian Federation legislation on taxes and Fees shall be subtracted from the sum of customs duties and taxes on the goods imported into the customs territory of the Russian Federation.

3. If conditionally cleared goods are used for purposes other than the purpose for which the full or partial exemption from customs duties and taxes has been granted the customs duty and tax rates effective as of the date of acceptance of the customs declaration by the customs body shall be applicable. The customs value of the goods, the quantity or other characteristics thereof used for tax base assessment shall be determined as of the date of application of customs duty and tax rates.

## **Chapter 29. The Procedure and Term for the Payment of Customs Duties and Taxes**

### **Article 328. The Payers of Customs Duties and Taxes**

1. The payers of customs duties and taxes shall be declarants and the other persons in which the duty to pay customs duties and taxes is vested by the present Code.

2. Any person is entitled to pay customs duties and taxes for goods moved across the customs border.

### **Article 329. The Term for the Payment of Customs Duties, Taxes**

1. In the event of import of goods customs duties and taxes shall be paid within 15 days after the date when the goods were presented to the customs body at the point of their arrival in the customs territory of the Russian Federation or from the date of completion of internal customs transit if the declaration of the goods occurs at a place other than their point of arrival.

2. In the event of export of goods customs duties shall be paid not later than on the day when the customs declaration is filed, except as otherwise established by the present Code.

3. In the event of a change of customs regime customs duties and taxes shall be paid not later than on the date established by the present Code for completion of the changed customs regime.

4. If conditionally cleared goods are used for purposes other than those in connection with which customs privileges granted the due date of payment of customs duties and taxes for the purposes of penalty calculation (Article 349) shall be deemed the first day when the person violated restrictions on the use and disposition of the goods. If this day cannot be established the due date for the payment of customs duties and taxes shall be deemed the date of acceptance of the customs declaration for the goods by the customs body.

5. In the event of a breach of the terms and conditions of customs procedures that under the present Code causes the emergence of a duty to pay customs duties and taxes the due date for the payment of customs levies for the purposes of penalty calculation shall be deemed the day when the breach occurred. If this date cannot be established the due date of payment of customs duties and taxes shall be deemed the date of commencement of the customs procedure.

6. The due dates of customs payments on goods moved by natural persons for personal use, by international post, by pipeline and electrical transmission line, temporarily imported goods with a partial exemption from customs duties and taxes, illegally imported goods discovered at their acquirers' (organisations pursuing wholesale or retail trade in imported goods) in the territory of the Russian Federation shall be determined by the present Code.

### **Article 330. Advance Payments**

1. Advance payments are amounts of money paid into an account of a customs body to set-off forthcoming customs payments and not identified by the payer as specific types and sums of customs payments in respect of specific goods.

2. Advance payments may be paid at the cash counter or into an account of a customs body in Russian currency and also in a foreign currency in accordance with the currency legislation of the Russian Federation.

3. Amounts of money received by a customs body as advance payments shall be deemed the property of the person that has made the advance payments and they shall not be deemed customs payments until the time when this person provides instructions to this effect to the customs body or until the customs body levies execution on the advance payments in keeping with Article 353 of the present Code. The following shall be deemed the instructions of the person who made advance payments: the filing of a customs declaration by him or on his behalf or the committing of other actions testifying to his intention to use his amounts of money as customs payments.

4. At the request of the payer the customs body shall provide him with a report on the spending of the amount of money paid as advance payments, in writing within 30 days of receipt of the request. If the payer disagrees with the results of the customs body's report a joint reconciliation shall be carried out. The results of the reconciliation shall be recorded in a certificate in the form established by the federal ministry authorised in the sphere of customs business. The certificate shall be drawn up in duplicate, signed by the customs body and the payer. After the signing of the certificate one copy thereof shall be subject to delivery to the payer.

5. The refund of advance payments shall be effected according to the rules envisaged by the present Code for the refund of customs duties and taxes (Chapter 33) if an application for the refund thereof is filed within three years after the date of their being paid at the cash counter or paid into an account of a customs body.

#### **Article 331.** The Procedure for and the Form of Payment of Customs Duties and Taxes

1. Customs duties and taxes shall be paid at the cash counter, or into an account of a customs body opened for these purposes in compliance with the legislation of the Russian Federation, except for the case envisaged by Item 4 of Article 295 of the present Code.

The preliminary special duty, preliminary anti-dumping duty and preliminary compensatory duty shall be levied according to the rules established by the present Code for the levy of import customs duty. The amounts of the said duties shall not be subject to remittance to the federal budget until a final decision is taken as to the introduction of the special measure, anti-dumping measure or compensatory measure respectively in keeping with the legislation of the Russian Federation on the special protective, anti-dumping and compensatory measures applicable when goods are imported.

2. At the payer's choice, customs duties and taxes shall be paid either in Russian currency or in a foreign currency listed by the Central Bank of the Russian Federation, in accordance with the currency legislation of the Russian Federation.

3. Conversion of Russian currency into a foreign currency for the purposes of payment of customs duties and taxes calculated in the Russian currency shall be effected at the exchange rate effective as of the date of acceptance of the customs declaration by the customs body, and where the duty to pay customs duties and taxes is not relating to the filing of a customs declaration, as of the date of actual payment.

4. Customs duties and taxes may be paid in any form in compliance with the legislation of the Russian Federation.

5. At the request of the payer the customs bodies shall issue an acknowledgement in writing of the fact that customs duty and tax has been paid.

#### **Article 332.** The Execution of the Duty to Pay Customs Duties and Taxes

The duty to pay customs duties and taxes shall be deemed executed with due regard to the peculiarities established by the present Code:

1) as of the time when the amount of money is written off the payer's bank account;  
2) as of the time when the amount of money in cash is paid at the cash counter of the customs body;

3) as of the time of set-off of customs duties and taxes paid in excess or collected in excess if such a set-off is effected on the payer's initiative, as of the time of acceptance of the application for set-off;

4) as of the time of set-off of payment of customs duties and taxes by advance payments or pledge of money, and if such a set-off is effected at the payer's initiative, as of the time of receipt of the set-off instructions by the customs body;

5) as of the time of set-off of payment of customs duties and taxes by the amounts of money paid by a bank or another credit organisation or insurance organisations under a bank guarantee or contract of insurance, and also by a surety under a contract of suretyship;

6) as of the time of levy of execution on goods on which no customs payments have been made or on the subject matter of a pledge or another asset of the payer if the sum of the said funds is not below the amount of debt owing as customs duties and taxes.

## Chapter 30. Changing the Term for the Payment of Customs Duties and Taxes

### **Article 333.** The General Conditions for Changing the Term for the Payment of Customs Duties and Taxes

1. If the grounds established by Article 334 of the present Code exist the federal service authorised in the sphere of customs business, or the bodies defined by it may change the due date of customs duties and taxes at an application in writing of the payer of customs duties and taxes.

2. The change of term for payment of customs duties and taxes shall be effected in the form of granting a grace period or instalment payment schedule.

3. The granting of a grace period or instalment payment schedule for the payment of customs duties and taxes may be refused exclusively on the grounds envisaged by Article 335 of the present Code.

4. A grace period or instalment payment schedule for customs duties and taxes may be granted in respect of one or several types of customs duty and tax and also in respect of the whole sum payable or a portion of this sum.

5. A grace period or instalment payment schedule for customs duties and taxes shall be granted if security is provided for the making of customs payments in the manner envisaged by Chapter 31 of the present Code. The decision to grant a grace period or instalment payment schedule shall be made within 15 days after the filing of the application for it.

6. A grace period or instalment payment schedule for customs duties and taxes shall be granted for a term of one to six months.

7. The decision in writing to grant a grace period or instalment payment schedule for customs duties and taxes or to refuse to grant such shall be made available to the person who has applied for it. The decision shall contain the term for which the grace period or instalment payment schedule for customs duties and taxes is granted, or in the case of a refusal to grant a grace period or instalment payment schedule for customs duties and taxes - the reasons for this decision.

### **Article 334.** The Grounds for Granting a Grace Period or Instalment Payment Schedule for Customs Duties and Taxes

A grace period or instalment payment schedule for customs duties and taxes shall be granted to a payer of customs duties and taxes if at least one of the below grounds exist:

1) this person has sustained damage as the result of a natural disaster, man-made disaster or other force majeure circumstances;

2) a delay has occurred in the provision of funds to this person from the federal budget or in payment for a state order completed by this person;

3) the goods being moved across the customs border are perishable goods;

4) the person performs deliveries under inter-governmental agreements.

### **Article 335.** The Circumstances Precluding the Granting of a Grace Period or Instalment Payment Schedule

1. No grace period or instalment payment schedule for customs duties and taxes shall be granted to the person requesting it:

1) if criminal action is brought against this person on evidence of a crime relating to a breach of the customs legislation of the Russian Federation;

2) bankruptcy proceedings have been instituted in respect of the person.

2. If the circumstances mentioned in Item 1 of the present article exist a decision to grant a grace period or instalment payment schedule for customs duties and taxes shall not be issued, or if it has been issued it shall be cancelled, and the person that filed the application for it shall be notified in writing within three working days.

### **Article 336.** Interest for the Provision of a Grace Period or Instalment Payment Schedule for Customs Duties and Taxes

1. Interest shall be charged for the granting of a grace period or instalment payment schedule for customs duties and taxes, and also in the other cases envisaged by Subsection 2 of Section II of the present Code, accruing on the sum of debt relating to the payment of customs duties and taxes on the basis of the refinancing rate of the Central Bank of the Russian Federation effective during the grace period or the term of instalment payment schedule for customs duties and taxes.

2. Interest shall be paid before or simultaneously with the payment of the sum of debt relating to the payment of customs duties and taxes but in any case not later than on the day following the date of expiry of the grace period or the term of the instalment payment schedule for customs duties and taxes.

3. The payment, collection and refund of interest shall be effected in the procedure envisaged by the present Code as applicable to the payment, collection and refund of customs duties and taxes.

## Chapter 31. Securing the Making of Customs Payments

**Article 337.** The General Conditions for Providing Security for the Payment of Customs Duties and Taxes

1. Security shall be provided for the execution of the duty to pay customs duties and taxes if:

- 1) a grace period or instalment payment schedule is provided for the customs duties and taxes;
- 2) the goods are cleared conditionally;
- 3) foreign goods are carried and/or stored;
- 4) customs operations is pursued;

5) conducting activity as the resident of the by-port special economic zone when that is established by the federal law<sup>3</sup> regulating legal relations associated with establishment and application of the customs regime of free customs zone.

2. No security shall be required for the payment of customs duties and taxes if the sum of customs duties and taxes, penalties and interest payable is less than 20,000 roubles, and also if the customs body has reasons to believe that the obligations assumed are going to be honoured.

3. If several customs operations are performed within a certain term by one and the same person the customs body shall accept security for the payment of customs duties and taxes for all such operations (general security). The customs bodies shall accept general security for the payment of customs duties and taxes for the purposes of performing customs operations at several customs bodies if such a security can be used by any of the customs bodies if a breach of the obligations secured under the present Code occurs.

4. Security for the payment of customs duties and taxes shall be provided by the person liable for the payment thereof or by any other person in favour of the person liable for the payment of customs duties and taxes.

5. The refund of security for the payment of customs duties and taxes shall be effected within three days of the time when it becomes clear to the customs body that the obligations secured have been discharged, or after the termination of the activity for which the provision of the security for customs payments is a condition, with the exception of a pledge of money for which refund shall be effected in keeping with Article 357 of the present Code.

**Article 338.** The Amount of Security for Customs Payments

1. The amount of security for customs payment shall be assessed by the customs body proceeding from the amounts of customs payments and interest payable at the clearance of goods for free circulation or at the import thereof under the customs regime of export, and it shall not exceed the said amounts.

2. If the sum of payable customs duties and taxes cannot be exactly calculated when the amount of security for customs payments is assessed due to the non-provision to the customs body of exact information on the nature of the goods, the description, quantity, country of origin and customs value thereof, the amount of the security shall be set on the basis of the largest rates of customs duties and taxes, the largest value of goods and/or quantity thereof that can be assessed on the basis of information available.

3. In the case envisaged by Item 3 of Article 153 of the present Code the amount of security for customs payments shall be assessed by the customs body as the difference between the sum of customs duties and taxes that can be additionally accrued with due regard to the requirements established by Items 1 and 2 of the present article and the sum of paid customs duties and taxes.

4. The federal service, authorised in the sphere of customs business, by agreement with the federal ministry authorised in the sphere of customs business shall be entitled to set a fixed rate of security for customs payments in respect of specific types of goods with due regard to the requirements established by Items 1 and 2 of the present article.

**Article 339.** Security for the Customs Payments of Persons Pursuing Activity in the Area of Customs Affairs

1. The pursuance of activity in the capacity of a customs broker, the owner of a bonded warehouse, the owner of a customs warehouse and a customs medium is based on the condition that security is provided for customs payments.

2. The amount of security for customs payments in the event of pursuance of these types of activity shall not be below:

50 million roubles for a customs broker;

2.5 million roubles and additionally 1,000 roubles per square metre of useful area if an outdoor area is used as a warehouse, or 300 roubles per cubic metre of the useful volume of premises if premises are used as warehouses, for the owners of public bonded warehouses and customs warehouses;

2.5 million roubles for the owners of non-public bonded warehouses and customs warehouses;

20 million roubles for a customs carrier.

**Article 340.** The Methods of Providing Security for Customs Payments

1. Security shall be provided for customs payments as follows:
  - 1) by the pledge of goods and other property;
  - 2) bank guarantee;
  - 3) by payment at the cash counter or into the customs body's account in federal treasury (pledge of money);
  - 4) suretyship.
2. Security for customs payments may be provided by any of the methods envisaged by Item 1 of the present article at the payer's choice.
3. Apart from the methods envisaged by Item 1 of the present article the federal ministry authorised in the sphere of customs business shall establish cases when the payment of customs levies may be secured by means of an insurance contract (Article 347). Other methods of providing security for customs payments may be envisaged by legal acts of the Russian Federation.

**Article 341.** The Pledge of Goods and Other Property

1. The subject matter of a pledge may be goods imported into the customs territory of the Russian Federation, and also other property that can be the subject matter of a pledge under the civil legislation of the Russian Federation.
2. The pledge shall be formalised by a contract between the customs body and the pledgor. The pledgor may be the person liable for the payment of customs duties and taxes or any other person.
3. In the event of a default on secured obligations owed to customs bodies the amounts of debt relating to customs payments shall be remitted by the customs bodies to the federal budget from the value of the property pledged.
4. If the subject matter of a pledge is goods which are under customs control and which have been transferred to customs bodies the claims of customs bodies shall be satisfied at the expense of these goods without applying to a court in the manner envisaged by Chapter 41 of the present Code. Execution on other pledged property shall be levied in the manner established by the Civil Code of the Russian Federation.

**Article 342.** Bank Guarantees

1. Guarantees issued by banks, credit organisations or insurance organisations included in the Register of Banks and Other Credit Organisations kept by the federal service, authorised in the sphere of customs business (hereinafter in the present Chapter referred to as the register), in the order defined by the federal ministry authorised in the sphere of customs business shall be accepted by customs bodies as security for customs payments.
2. The federal service authorised in the sphere of customs business shall ensure the regular publication in its official media of lists of the banks, credit organisations or insurance organisations included in the register.
3. The legal relations connected with the issuance of a bank guarantee, the filing of claims relating to a bank guarantee, the performance of obligations by the guarantor and the termination of a bank guarantee shall be governed by the provisions of the legislation of the Russian Federation on banks and banking activity and the civil legislation of the Russian Federation.
4. For the banks, credit organisations and insurance organisations included in the register the federal ministry authorised in the sphere of customs business shall set a maximum amount for a single bank guarantee and a maximum amount for all simultaneously effective bank guarantees issued by one bank or by one organisation for acceptance of bank guarantees by customs bodies for the purposes of providing security for customs payment.

**Article 343.** The Procedure for Including Banks, Credit Organisations or Insurance Organisations in the Register

1. Banks, credit organisations or insurance organisations shall be included in the register with the observance of the conditions set out in the present article. A bank shall be included in the register free of charge.
2. Below are the conditions for including a bank in the register:
  - 1) the presence of a banking transactions licence issued by the Central Bank of the Russian Federation, and the fact that bank activity has been pursued for at least five years;
  - 2) the lack of debt owed to customs bodies;
  - 3) the fact that the bank's registered charter capital is at least 200 million roubles;
  - 4) the presence of the bank's own resources (capital) in an amount equal at least to one billion roubles;
  - 5) the observance of mandatory economic indicators as of all the accounting dates over the last calendar year.

**3.** Below are the conditions for including a branch of a bank in the register:  
1) the registration of the branch in the State Register of Credit Organisations;  
2) the branch having the right to issue bank guarantees as written in the regulations on the branch;  
3) the head bank's compliance with the conditions for inclusion in the register or its having been included in the register.

**4.** Below are the conditions for including an insurance organisation in the register:  
1) the presence of an effective permanent insurance activity licence issued by the federal executive governmental body in charge of supervision over insurance activity for the types of liability insurance applicable in customs affairs;  
2) the lack of a debt owed to customs bodies;  
3) the presence of a registered charter capital of at least 500 million roubles;  
4) the fact that activity as an insurance organisation has been pursued at least for five years;  
5) the lack of losses in the last calendar year;  
6) the presence of free assets as of the last accounting date in an amount not below the rated level;

7) the presence of net assets upon the expiry of the last accounting period, with the value of the assets being at least equal to the paid-up charter capital.

**5.** For the purpose of being included in the register a bank, credit organisation or insurance organisation shall file an application in writing with a customs body containing information confirming the conditions for inclusion in the register as well as the following documents:

1) the bank shall file:  
the constitutive documents;  
the certificate of registration as a juridical person;  
the certificate of registration of the credit organisation by the Central Bank of the Russian Federation;  
the banking transactions licence issued by the Central Bank of the Russian Federation;  
a card attested to in the established manner bearing specimens of the signatures of the bank's officials who enjoy the right to sign bank guarantees, as well as an imprint of the bank's seal;  
a document containing the calculation of own resources (capital) as of each accounting date over the last calendar year signed by the head and chief accountant with the seal affixed thereto;  
the balance sheet as of the last accounting date signed by the head and chief accountant with the seal being affixed thereto;  
the statement of profits and losses as of the last accounting date signed by the head and chief accountant with the seal affixed thereto;  
a statement confirming compliance with the mandatory economic indicators and stating the values of the indicators for the purpose of their calculation as of each accounting date over the last calendar year signed by the head and chief accountant with the seal being affixed thereto;  
a copy of an auditor's report on the reliability of the financial statements for the past year signed by the head and the chief accountant with the seal being affixed thereto;

2) the branch of a bank shall additionally file:  
the regulations on the branch;  
the information letter of the Central Bank of the Russian Federation on entering the branch in the State Register of Credit Organisations;  
a card attested to in the established manner which bears specimens of the signatures of the branch's officials who enjoy the right to sign bank guarantees, as well as an imprint of the branch's seal;

3) an insurance organisation shall file:  
the constitutive documents;  
the certificate of state registration as a juridical person;  
the permanent insurance activity licence (with appendices) issued by the federal executive governmental body charged with supervision over the insurance activity;  
a card attested to in the established manner which bears specimens of the signatures of the insurance organisation's officials who enjoy the right to sign bank guarantees, as well as an imprint of the insurance organisation's seal;  
the balance sheets for the last two quarters signed by the head and chief accountant with the seal being affixed thereto;  
the statements of profits and losses for each quarter over the last calendar year signed by the head and chief accountant with the seal being affixed thereto;  
the calculation of the assets-to-liabilities ratio for each quarter over the last calendar year signed by the head and chief accountant with the seal being affixed thereto;  
a document containing information on the basic indicators of activity for the last two quarters signed by the head and chief accountant with the seal being affixed thereto;

a copy of an auditor's report on the reliability of financial statements for the past year signed by the head and chief accountant with the seal being affixed thereto.

6. The documents envisaged by Item 5 of the present article may be filed as originals or copies attested in the established procedure.

Having considered the application, the federal service authorised in the sphere of customs business shall return the originals of documents filed to the applicant at his request.

7. The federal service authorised in the sphere of customs business shall consider an application for inclusion in the register within 30 days after the receipt thereof and shall adopt a decision on inclusion of the bank, credit organisation or insurance organisation in the register. The federal service authorised in the sphere of customs business shall decide to refuse inclusion in the register only if the conditions for inclusion in the register set out in Item 2 of the present article are not observed.

The applicant shall be notified in writing of the decision made within three days of the date of the decision.

8. The federal service authorised in the sphere of customs business that considers an application for inclusion in the register is entitled to request the provision of documents from third persons and also state bodies containing information required for confirming the documents and information provided by the applicant. Within ten days after the receipt of the request the said persons shall provide the documents so requested.

9. A decision to refuse inclusion in the register may only be adopted if the conditions envisaged by the present article are not observed.

A notice of refusal of inclusion in the register shall be forwarded to the applicant giving the reasons for such a decision within three days of the date of the decision.

10. A bank, credit organisation or insurance organisation shall be included in the register as of the first day of the month following the month in which the decision to include it in the register is adopted.

#### **Article 344. Striking Banks, Credit Organisations or Insurance Organisations from the Register**

1. A bank, credit organisation or insurance organisation shall be stricken from the register by a decision of the federal service authorised in the sphere of customs business in the following cases:

the liquidation or reconstruction of the bank, credit organisation or insurance organisation;

the revocation by the Central Bank of the Russian Federation of the bank's banking transactions licence or by the federal executive governmental body charged with supervision over insurance activity of the insurance organisation's insurance activity licence;

the non-compliance with at least one of the conditions for inclusion in the register;

the non-compliance of obligations under a bank guarantee;

the expiry of one year after the date of inclusion in the register if no application for repeated inclusion in the register had been filed before the expiry of said term.

2. The fact that a bank, credit organisation or insurance organisation has been struck from the register shall not terminate the bank guarantees issued by them and accepted by customs bodies and shall not relieve them from their liability for a default on or improper performance of the terms of such bank guarantees.

3. A bank, credit organisation or insurance organisation deleted from the register may be included in the register again upon the expiry of a one-year term, provided the causes of the deletion from the register have been eliminated.

#### **Article 345. Paying an Amount of Money into a Customs Body's Account (Pledge of Money)**

1. The payment of an amount of money at the cash counter or into an account of a customs body as security for customs payments (pledge of money) shall be effected in Russian currency or in a foreign currency listed by the Central Bank of the Russian Federation.

2. No interest shall be paid on the amount of money pledged.

3. In the event of a default on an obligation secured by means of a pledge of money the amounts of customs payments, penalties, interest payable shall be remitted to the federal budget out of the pledge of money.

4. In the event of discharge of an obligation secured by a pledge of money the amounts of money paid shall be refundable under Article 357 of the present Code, or if the payer so wishes, shall be subject to use for the payment of customs payments, set-off of future customs payments or as security for customs payments under another obligation before customs bodies.

5. The paying-in of a pledge of money shall be acknowledged by issuing a customs receipt to the person that paid the money at the cash counter or into the account of the customs body, the form and procedure for use of the receipt being determined by the federal ministry authorised in the sphere of customs business in agreement with the federal executive governmental body charged with finances, in

compliance with Article 357 of the present Code. The customs receipt shall not be subject to transfer to another person.

#### **Article 346. Suretyship**

A suretyship shall be formalised in accordance with the civil legislation of the Russian Federation by means of concluding a contract between the customs body and the surety. The surety may be a customs broker, the owner of a bonded warehouse, the owner of a customs warehouse, the owner of a duty-free shop and also another person.

#### **Article 347. The Use of an Insurance Contract as Security for Customs Payments**

1. In the cases established by the federal ministry authorised in the sphere of customs business a contract of insurance concluded in compliance with the civil legislation of the Russian Federation may be used as security for the discharge of an obligation to make customs payments.

2. For the purpose of obtaining security for customs payments customs bodies shall accept contracts of insurance concluded with an insurance organisation that is included in the register of the insurance organisations whose insurance contracts may be accepted as security for customs payments. The procedure and conditions for including insurance organisations in said register, striking them from this register, and also the procedure for keeping the register shall be determined by the federal ministry authorised in the sphere of customs business. The federal service authorised in the sphere of customs business shall keep a register of insurance companies.

### **Chapter 32. The Collection of Customs Payments**

#### **Article 348. The General Rules for Enforced Collection of Customs Duties and Taxes**

1. If customs duties and taxes are not paid or are not paid in full when due the customs bodies shall collect the customs duties and taxes in a compulsory procedure as set out in the present chapter.

2. The compulsory collection of customs duties and taxes shall be effected in respect of the persons liable for the payment of the customs duties and taxes (Article 320) or from the value of the goods on which the customs duties and taxes are not paid (Article 352).

3. The compulsory collection of customs duties and taxes from juridical persons shall be effected by means of collecting the customs duties, taxes from the funds available in the payer's bank accounts (Article 351) or the other property of the payer (Article 353), and also through court proceedings.

Compulsory collection from natural persons shall be effected through court proceedings.

4. Before the application of measures for compulsory collection of customs duties and taxes the customs body shall demand that the person liable for the payment thereof make the customs payments (Article 350), except for the cases envisaged by Item 2 of Article 352 of the present Code.

5. No compulsory collection of customs payments shall be effected:

if no demand for the making of the customs payments (Article 350) was made during the three-year term after the expiry of the term for the payment thereof or after the onset of the event causing the emergence of persons' duty to pay customs duties and taxes in keeping with the present Code;

if the outstanding amount of customs duties and taxes on the goods indicated in one customs declaration or the goods shipped at the same time by one and the same consignor as addressed to one consignee is below 150 roubles.

#### **Article 349. Penalty**

1. A penalty shall be paid if customs duties and taxes are not paid when due (delayed).

2. With the exception of the cases envisaged by Items 3 - 5 of the present article a penalty shall be accrued for each calendar day of the delay of payment of customs duties and taxes beginning from the day following the date of expiry of the term for payment of the customs duties and taxes through the day of discharge of the duty to pay the customs duties and taxes or through the day when the decision is made to grant a grace period or an instalment payment schedule for the purposes of payment of the customs duties and taxes, as a percentage corresponding to one three hundredth of the refinancing rate of the Central Bank of the Russian Federation of the outstanding amount of the customs duties and taxes (arrears). For the purposes of penalty calculation one shall use the refinancing rate of the Central Bank of the Russian Federation effective during the period of delay.

3. Where a demand for making the payment of customs duties and taxes is presented to a surety or guarantor penalty shall be accrued for a term not exceeding three months after the day following the date of expiry of the term of discharge of the obligations secured by the suretyship or bank guarantee.

4. Where a demand for making the payment of customs duties and taxes is presented to the person liable for the payment thereof the penalty shall be accrued through the date when the demand was made. If the customs duties and taxes are not paid within the term indicated in the demand a penalty shall be accrued in compliance with Item 2 of the present article.

5. In the event of a breach of the term for filing a customs declaration when goods are located in a bonded warehouse (Chapter 12) no penalty shall be accrued and be payable for the term of bonded storage.

6. A penalty shall be payable as well as the sum of arrears, irrespective of the application of other sanctions for a breach of the customs legislation of the Russian Federation.

7. A penalty shall be paid simultaneously with the payment of the amounts of customs duties and taxes or after such amounts have been paid but within one month after the day when the customs duties and taxes were paid.

8. The filing of an application for a grace period or an instalment payment schedule relating to the payment of customs duties and taxes shall not cause a suspension of penalty accrual on the amount of arrears.

9. The payment, collection and refund of a penalty shall be effected according to the rules established by the present Code in respect of the payment, collection and refund of customs duties and taxes.

#### **Article 350. Demand to Make Customs Payments**

1. The demand to make customs payments is a customs body's notice in writing stating the sum of customs payments not paid when due and the duty to pay the outstanding sum of customs payments, penalties and/or interest within the term set in this demand.

2. The demand to make customs payments shall contain information on the sum of payable customs payments, the rate of the penalty and/or interest accrued as of date of the demand, the term for making customs payments in keeping with the present Code, the term for performing the demand, and also the measures for compulsory collection of the customs payments and the security for the collection thereof applicable if the payer defaults on the demand and the grounds for the demand. The form of a demand to make customs payments shall be established by the ministry authorised in the sphere of customs business.

3. The demand to make customs payments shall be forwarded to the payer within ten days after the discovery of the fact of default on or incomplete payment of customs payments.

4. The term for fulfilling a demand to make customs payments shall be at least ten working days and within 20 days after the date of receipt of the demand. In the event of a default on performance of said demand the customs bodies shall take measures for compulsory collection of customs payments in keeping with the present chapter.

5. The demand to make customs payments may be passed to the head of another authorised representative of the organisation or to the natural person in person against a signature or otherwise as involving a confirmation of the receipt and the date thereof. If the said persons decline to accept said demand it shall be sent by post as a registered letter. The demand to make customs payments shall be deemed received upon the expiry of six days after the sending of the registered letter.

6. In the event of a default on performance of a demand to make customs payment within the term envisaged by Item 4 of the present article the customs bodies shall take measures for compulsory collection of customs payments in keeping with the present chapter.

7. The demand to make customs payments shall be forwarded to the payer, irrespective of the payer's being held accountable under criminal or administrative law.

#### **Article 351. Collecting Customs Payment Amounts From the Funds Available in the Payer's Bank Accounts (Collection in by Confiscation)**

1. Where a demand to make customs payments is defaulted on within the set term the customs body shall adopt a decision whereby amounts of money are confiscated from the payer's bank accounts.

The form of the decision on collecting amounts of money by confiscated (hereinafter referred to as "decision on collection by confiscation") shall be established by the federal ministry authorised in the sphere of customs business.

2. The decision on collection by confiscation shall be taken by the customs body within 30 days after the expiry of the term for performance of the demand to make customs payments.

A decision on collection by confiscation taken after the expiry of the said term shall be deemed invalid and inapplicable. In this case the customs body shall file a complaint with a court claiming collection of the amounts of customs payments from the payer.

3. The decision on collection by confiscation shall be deemed a ground for dispatching cash collection instructions (order) to the bank in which the payer's accounts are opened in order to debit the necessary amounts of money from the payer's accounts and to remit them to an account of a customs body.

4. The collection of customs payments by confiscation shall be effected from the payer's bank accounts, except for loan accounts, except as otherwise envisaged by the legislation of the Russian Federation on taxes and fees. The collection of customs payments from foreign currency bank accounts

shall be effected in an amount equivalent to the payable customs payment amount in Russian currency at the exchange rate of the Central Bank of the Russian Federation effective as of the date of actual collection. Where collection is undertaken in respect of amounts of money in foreign currency bank accounts the chief of the customs body or a deputy thereof shall forward instructions to the payer's bank for the sale of the payer's foreign currency not later than on the following day, such instructions being forwarded simultaneously with the cash collection instructions (order).

5. The cash collection instructions (order) of the customs body shall be performed by the bank in the procedure and within the term established by the legislation of the Russian Federation on taxes and fees for the performance of the cash collection instructions (order) of a tax body.

**Article 352. Collecting Customs Duties and Taxes at the Expense of Goods on Which Customs Duties and Taxes Have Not Been Paid**

1. In the cases envisaged by the present Code, and also when funds are lacking in the payer's accounts or when no information is available on the payer's accounts the customs bodies shall be entitled to collect customs duties and taxes at the expense of goods on which customs duties and taxes have not been paid, unless the goods were cleared for free circulation in the procedure established by the present Code.

2. Only in the following cases may execution on goods on which customs duties and taxes have not been paid be levied without a demand to make customs payments being forwarded:

if the maximum term for storage of the goods in a bonded warehouse or customs warehouse has expired (Articles 103 and 218);

if the person liable for the payment of customs duties and taxes has not been identified by the customs bodies.

3. Execution shall be levied on goods to set-off the payment of customs duties and taxes under a court decision if the person liable for the payment of customs duties and taxes has not been identified by customs bodies or of a arbitration court if the person liable for the payment of customs duties and taxes is a juridical person or an individual entrepreneur, except for cases when such goods are transferred to customs bodies as the subject matter of a pledge (Article 341), and also when execution is levied on goods of which the maximum term of storage in a bonded warehouse or a customs warehouse has expired.

4. Execution shall be levied only on goods on which customs duties and taxes have not been paid or have been partially paid, in the procedure and within the term envisaged by the present Code.

5. Execution shall be levied on goods to set-off the payment of customs duties and taxes, no matter who the owner of the goods is.

6. The disposition of the proceeds from the sale of goods is governed by Article 432 of the present Code.

**Article 353. Collecting Customs Payments at the Expense of Other Property of the Payer**

1. In the event of a default on a demand to make customs payments and lack of funds in the payer's accounts or lack of information about the payer's accounts the customs bodies shall be entitled to collect payable customs payment amounts at the expense account of the unspent balance of unclaimed advance payment amounts or a pledge of money or from of other property of the payer, in particular, cash on hand.

2. The levy of execution on advance payment amounts or a pledge of money shall be effected within the term of storage of these funds in the customs body's account under a decision of the chief of the customs body or a deputy thereof if the payer has been notified about such in a customs payment collection demand (Article 350). A notice of collection of customs payment amounts from advance payments or a pledge of money shall be served in writing by the customs body to the person that paid the said amounts into the account of the customs body, within a day following the date of collection.

3. The collection of customs payment amounts at the expense of other property of the payer shall be effected by forwarding an appropriate decision to a bailiff in the procedure envisaged by the Tax Code of the Russian Federation within three days after the date of adoption thereof by the chief of the customs body or the deputy thereof. The bailiff shall execute the decision of the customs body in accordance with the Tax Code of the Russian Federation and the legislation of the Russian Federation on execution proceedings.

**Article 354. Banks' and Other Credit Organisations' Duty to Execute a Customs Body's Decision on Collection of Customs Payments**

1. Banks and other credit organisations shall execute a customs body's decision on collection of customs payments by confiscation proceeding.

2. The decision of a customs body on collection of customs payments by confiscation shall be executed by the bank and other credit organisation within one operational day following the date of receipt of this decision.

3. If funds are available in the payer's account the banks and other credit organisations shall not be entitled to delay the execution of customs bodies' decisions on collection of customs payments by confiscation.

4. Banks and other credit organisations shall be accountable under Russian law for a default on or improper execution of the duties envisaged by the present article.

5. The provisions of the present article shall also be applicable to the banks' and other credit organisations' duty to execute customs bodies' decisions on collection of penalty and interest amounts by confiscation.

### **Chapter 33. The Refund of Customs Duties and Taxes and Other Amounts of Money**

#### **Article 355. The Refund of Excessively Paid or Collected Customs Duties and Taxes**

1. An excessively paid or collected customs duty or tax amount paid or collected is an amount of money actually paid or collected as customs duties or taxes which exceeds the amount payable under the legislation of the Russian Federation and the present code.

2. Excessively paid or collected customs duty, tax amounts shall be subject to refund by the customs body at the application of the payer. The application shall be filed with the customs body into whose account said amounts have been paid or which has collected them, within three years after the date of payment or collection.

3. Where the fact of excessive payment or excessive collection of customs duties and taxes is discovered the customs body shall notify the payer of the amounts of customs duties and taxes excessively paid or excessively collected within one month after the discovery of the fact.

4. The refund of excessively paid or excessively collected customs duties and taxes shall be effected under a decision of the customs body into whose account the amounts of customs payments have been received. The total term for considering a refund application, making a decision to refund, and refunding the amounts of customs duties and taxes excessively paid or excessively collected shall not exceed one month from the date of filing the refund application and all the necessary documents. In the event of a breach of said term interest shall be charged for each day of refund delay on the amount of excessively paid or excessively collected customs duties and taxes not refunded when due. The interest rate shall be equal to the refinancing rate of the Central Bank of the Russian Federation effective during the breach of the term of refund. If the payment and collection of customs duties and taxes was effected in a foreign currency the interest established by the present item shall accrue on the amount of excessively paid or excessively collected customs duties and taxes translated at the exchange rate of the Central Bank of the Russian Federation into Russian currency as of the date when the excessive payment or excessive collection occurred.

5. The refund of excessively paid or excessively collected customs duties and taxes shall be effected into the account specified in the refund application.

6. The refund of excessively paid or excessively collected customs duties and taxes shall be effected in Russian currency. If the payment or collection of customs duties and taxes took place in a foreign currency the refund of the excessively paid or excessively collected customs payments shall be done at the exchange rate of the Central Bank of the Russian Federation effective as of the date when the excessive payment or excessive collection occurred.

7. In the event of a refund of excessively paid or excessively collected customs duties and taxes the penalty and interest amounts paid or collected on the sum of refundable customs duties and taxes refunded shall also be, with the exception of the refund of customs payments in compliance with Article 356 of the present Code.

8. If the payer so wishes, the refund of excessively paid or excessively collected customs duties and taxes may be effected in the form of a set-off relating to the performance of the duty to pay other customs payments, penalties or fines. The set-off of excessively paid or excessively collected customs payments shall be effected in compliance with the present article as applicable to the refund procedure with due regard to the provisions of Item 9 of the present article.

9. No refund of excessively paid or excessively collected customs duties and taxes shall be effected:

if the payer has a debt owing as customs payments in the amount of the said debt. In this case a set-off may only be effected in respect of the excessively paid or excessively collected customs duties and taxes;

if the sum of customs payments refundable is below 150 roubles, except for the cases of excessive payment of customs payments by natural persons or excessive collection of them from said persons;

if the refund application for customs duties and taxes was filed after the expiry of the established term.

**10.** If a debt exists owing as payment of customs payments, penalties and interest the customs body shall be entitled to effect its repayment on its own at the expense of customs payment amounts excessively paid or excessively collected. The customs body shall notify the payer of the set-off so effected within three days after the set-off.

**11.** In the event of a refund of customs payments no interest shall be payable thereon, except for the case envisaged by Item 4 of the present article, and no indexing of the amounts shall be applicable.

**Article 356.** Other Cases of Refund of Customs Duties and Taxes

**1.** The refund of customs duties and taxes shall also be effected:

1) if the customs declaration filed with the customs body is deemed non-filed under the present Code;

2) the customs declaration has been revoked;

3) tariff privileges were granted in the form of refund of a customs duty amount paid;

4) most favoured nation treatment or preferential tariff treatment has been restored;

5) if the present Code envisage the refund of customs duties and taxes paid at the export of foreign goods from the customs territory of the Russian Federation or at the destruction thereof or the waiver thereof in favour of the state or at the reimport of the goods;

6) the customs regime declared earlier has been changed with the permission of a customs body if the amounts of customs duties and taxes payable at the placement of the goods under the newly chosen customs regime are below the amounts of customs duties and taxes paid under the initial customs regime, with the exception of the case envisaged by Item 6 of Article 212 of the present Code;

7) of the refund (in full or in part) of a preliminary special duty, preliminary anti-dumping duty and preliminary compensatory duty in accordance with the legislation of the Russian Federation on the special protective, anti-dumping and compensatory measures applicable when goods are imported.

**2.** The refund of customs duties and taxes in the cases specified in Item 1 of the present article shall be effected at an application to this effect filed within one year after the day following the date of onset of the circumstances causing the refund of the customs duties and taxes paid, under Article 355 of the present Code as applicable to the refund of excessively paid or excessively collected customs payments. In this case, the provisions of Item 7 of Article 355 of the present Code are not applicable.

**Article 357.** The Refund of an Amount of Money Pledged

**1.** The refund of an amount of money pledged shall be effected, on the condition that the obligation secured by the pledge has been discharged, if the application for the refund thereof was filed with a customs body within three years after the day following the date of discharge of the obligation. Upon the expiry of said term the unclaimed amounts of the pledge of money shall be remitted to the federal budget and they shall not be refundable.

**2.** An amount of money pledged shall be refunded by the customs body into whose account or at whose cash counter the amount was paid or by the customs body in which the customs procedure or customs regime under which the performance of obligations was secured by the pledge of money is completed.

**3.** An amount of money pledged shall be refunded on presentation of the customs receipt (Item 5 of Article 345) in the currency of payment. Where the amount pledged was paid in a foreign currency the customs body, in the event it does not have the amount in this currency, shall be entitled to refund the pledged amount in another foreign currency listed by the Central Bank of the Russian Federation or if the payer so wishes in Russian currency. To convert foreign currencies one shall apply the exchange rate of the Central Bank of the Russian Federation as of the date of refund of the amount of money pledged.

**4.** If amounts of money pledged were paid in cash at the cash counter of the customs body the refund of the amounts of money pledged, if the payer so wishes, may be effected in a non-cash settlement procedure into an account indicated by the payer.

**5.** No refund of an amount of money pledged shall be effected if the payer has a debt owing as customs payments, penalties or interest, in the amount of the debt. In accordance with Article 353 of the present Code the customs body shall be entitled to levy execution on an amount of money pledged.

**6.** When an amount of money pledged is refunded no interest shall be disburseable on it, the amount shall not be indexed and no commission on banking transactions shall be disburseable at the expense of the amount remitted.

## **Chapter 33.1. Customs Fees**

**Article 357.1.** The Types of Customs Fee

The following shall be deemed customs fees:

1) customs fees for the completion of customs formalities;

2) customs fees for customs escort;

3) customs fees for storage.

**Article 357.2. The Persons Responsible for the Payment of Customs Fees**

1. Persons responsible for the payment of customs fees for customs formalities shall be the persons defined by Item 1 of Article 320 of the present Code.

2. Persons responsible for the payment of customs fees for customs escort shall be persons that have obtained a permission for internal customs transit or for international customs transit.

3. Persons responsible for the payment of customs fees for storage shall be persons that have placed goods in a bonded warehouse or a customs warehouse of a customs body, and in the cases specified in Item 4 of Article 219 of the present Code, persons that have acquired rights in rem to goods stored in a customs warehouse of a customs body.

4. The duty to pay customs fees shall be executed by persons responsible for the payment of customs fees in accordance with the rules envisaged by the present Code for the execution of duty to pay customs duties, taxes.

**Article 357.3. Customs Fee Calculation Procedure**

1. Customs fees shall be calculated by persons responsible for the payment of customs fees, on their own, and also by customs bodies when claims are presented for customs payments under Article 350 of the present Code.

2. The amounts of customs fee payable shall be calculated in the currency of the Russian Federation. If for the purposes of calculation of a customs fee charged for customs formalities it is necessary to translate a foreign currency the exchange rate of the foreign currency to the currency of the Russian Federation set by the Central Bank of the Russian Federation for the purposes of bookkeeping and customs payments that is effective as of the date of acceptance of the customs declaration by a customs body.

**Article 357.4. The Application of Customs Fee Rates**

1. For the purposes of calculation of amounts of customs fees charged for customs formalities one shall apply the rates effective as of the date of acceptance of the customs declaration by a customs body.

2. For the purposes of calculation of amounts of customs fees for customs escort one shall apply the rates effective as of the date of acceptance of the customs declaration by a customs body.

3. For the purposes of calculation of amounts of customs fees for storage one shall apply the rates effective during the period of storage of goods in a bonded warehouse or a customs warehouse of a customs body.

**Article 357.5. Payers of Customs Fees**

1. Payers of customs fees shall be declarants and the other persons vested with the duty to pay customs fees under the present Code.

2. Any person is entitled to pay customs fees.

**Article 357.6. The Term for Payment of Customs Fees**

1. Customs fees for customs formalities shall be paid before the filing of a customs declaration or simultaneously with the filing thereof.

2. Customs fees for customs escort shall be paid before the actual start of customs escort.

3. Customs fees for storage shall be paid before the actual handing out of goods from a bonded warehouse or a customs warehouse.

**Article 357.7. The Procedure for, and Forms of, Payment of Customs Fees**

1. Customs fees shall be paid:

1) for customs formalities: in the event of declaration of goods;

2) for customs escort: in the event of escorting vehicles that carry goods under internal customs transit procedure or the customs regime of international customs transit;

3) for storage: in the event of storage of goods in a bonded warehouse or a customs warehouse of a customs body.

2. The payment of customs fees shall be effected according to the rules and in the forms established by the present Code for the payment of customs duties, taxes.

**Article 357.8. The Collection and Refund of Customs Fees**

1. The collection and refund of customs fees shall be effected in compliance with the procedure set out in the present Code for collection (Chapter 32) and refund (Chapter 33) of customs fees, taxes, except for the cases specified in Item 2 of the present article.

2. If after the acceptance of a customs declaration during the verification thereof an adjustment is made to the information contained therein affecting the amount of fee for customs formalities then the sum of customs fee for customs formalities stated at the declaration of goods need not be reviewed, and no additional collection and refund of customs fee amounts for customs formalities shall be effected.

In the cases established by Subitems 1 and 2 of Item 1 of Article 356 of the present Code no refund of customs fees for customs formalities shall be effected.

**Article 357.9. Relief from the Duty to Pay Customs Fees**

1. No customs fee shall be charged for customs formalities on:

1) goods shipped into the customs territory of the Russian Federation and out of this territory that are classified under the legislation of the Russian Federation as gratuitous aid (assistance);

2) goods moved across the customs border of the Russian Federation by diplomatic, consular and other official missions of foreign states, by international organisations, by the personnel of these missions and organisations, and also goods intended for personal and family use of specific categories of foreign person that enjoy privileges and/or immunity in the customs territory of the Russian Federation in accordance with international treaties of the Russian Federation;

3) cultural valuables placed under the customs regime of temporary import or the customs regime of temporary export by state or municipal museums, archives, libraries, other state preservation facilities for cultural valuables, for the purpose of being exhibited;

4) goods carried across the customs border of the Russian Federation to be exhibited at exhibitions, aviation and space shows and other similar events under a decision of the Government of the Russian Federation;

5) currency of the Russian Federation in cash that is brought into this country or taken out of this country by the Central Bank of the Russian Federation, except for commemorative coins;

6) goods with total customs value of up to 5,000 roubles shipped into the customs territory of the Russian Federation within one week and addressed to one consignee;

7) goods placed under the customs regime of international customs transit in case when the departure customs body is the same as destination customs body;

8) TIR carnet forms moved between the Association of Unions of International Motor-Vehicle Carriers and the International Motor-Vehicle Transport Union as well as ATA carnet forms or parts thereof intended for handing out in the customs territory of the Russian Federation and forwarded at the address of the Chamber of Industry and Commerce of the Russian Federation;

9) excise stamps moved across the customs border of the Russian Federation;

10) the goods moved by natural persons for personal, family, household and other needs not relating to entrepreneurial activity fully exempt from customs duties, taxes;

11) goods dispatched by international post, except for cases when said goods are declared by means of filing a separate customs declaration;

12) the goods specified in Item 1 of Article 265 of the present Code that are moved across the customs border of the Russian Federation under the customs regime of carriage of supplies, except for goods intended for sale to passengers and members of crew of sea, river vessels or aircraft without the purpose of such supplies being consumed aboard these vessels/aircraft;

13) the goods specified in Subitems 1, 2, 4 and 5 of Article 268 of the present Code and placed under other special customs regimes;

14) the goods specified in Subitem 3 of Article 268 of the present Code in the cases envisaged by the Government of the Russian Federation;

15) the waste (remnants) produced as the result of destruction of foreign goods under the customs regime of destruction that is not subject to customs duties, taxes;

16) goods that have been destroyed, irreparably lost or damaged due to an accident or force majeure and placed under the customs regime of destruction;

17) goods that have arrived in the customs territory of the Russian Federation and are located at a check-point at the State Border of the Russian Federation or in another customs control zone located in the vicinity of a check-point, such goods not having been placed under any customs regime or special customs procedure but being placed under the customs regime of reexport and leaving the customs territory of the Russian Federation at said check-point;

18) other goods in the cases specified by the Government of the Russian Federation;

19) goods temporarily imported by means of using ATA carnets when the terms of ATA carnet temporary goods import are observed;

20) spare parts and equipment moved across the customs border of the Russian Federation simultaneously with a vehicle in accordance with Article 278 of the present Code;

21) goods that have been brought into the customs territory of the Russian Federation, placed under the customs regime of temporary import or customs regime of free customs zone and later used as vehicles in international traffic;

22) professional equipment when customs formalities are completed in accordance with the customs regime of temporary export for the purpose of production and distribution of mass media and in the event of reimport thereof. A list of the professional equipment not subject to the present subitem shall be established by the Government of the Russian Federation in accordance with the norms of international law and accepted international practices;

23) goods intended for film shooting, shows, plays and similar events (theatre, circus, cinema actors' toggerly, stage equipment, scores, musical instruments and other theatre property, circus property, cinema property) placed under the customs regime of temporary import or customs regime of temporary export if such goods are fully conditionally exempt from customs duties, taxes;

24) goods intended for sport competition, sport display or training placed under the customs regime of temporary import or customs regime of temporary export if such goods are fully conditionally exempt from customs duties, taxes.

25) goods imported into the territory of the Kaliningrad Region in compliance with the customs treatment of free customs zone and products of processed from them placed under the customs treatment of release for domestic consumption.

2. No customs fee shall be charged for storage:

1) when customs bodies place goods in a bonded warehouse or a customs warehouse of a customs body;

2) in the other cases specified by the Government of the Russian Federation.

3. The Government of the Russian Federation shall be entitled to determine cases when relief is granted on the payment of customs fee for customs escort.

#### **Article 357.10. Customs Fee Rates**

1. The rates of customs fee for customs formalities shall be set by the Government of the Russian Federation.

The rate of customs fee for customs formalities shall be limited by the approximate value of said services and it shall not exceed 100,000 roubles.

2. Customs fees for customs escort shall be payable at the following rates:

1) for the customs escort of each motor vehicle and each railway rolling stock unit for a distance of:

up to 50 km: 2,000 roubles;

from 51 to 100 km: 3,000 roubles;

from 101 to 200 km: 4,000 roubles;

over 200 km: 1,000 roubles per 100 km distance, but not less than 6,000 roubles;

2) for the customs escort of each sea, river vessel or aircraft: 20,000 roubles, no matter the distance.

3. Customs fees for storage in a bonded warehouse or customs warehouse of a customs body shall be payable at the rate of one rouble per 100 kg of goods weight per day, and on premises specifically adapted (furnished and equipped) for the storage of certain types of good, 2 roubles per 100 kg of goods weight per day. An incomplete one hundred kilograms of goods weight shall be counted as complete one hundred kilograms, and an incomplete day as a full day.

### **Section IV. Customs Control**

#### **Chapter 34. General Provisions Relating to Customs Control**

##### **Article 358. The Principles of Exercising Customs Control**

1. While performing customs control the customs bodies shall proceed from the principle of selectivity and as a rule they shall be limited to only those forms of customs control that are sufficient for ensuring the observance of the customs legislation of the Russian Federation.

2. A risk management system shall be used to select customs control methods. Here, "risk" means the probability of nonobservance of the customs legislation of the Russian Federation.

The risk management system is based on an effective use of customs bodies' resources for the purpose of preventing violations of the customs legislation of the Russian Federation which:

have a stable character;

are connected to customs duty and tax evasion on a significant scale;

undermine the competitiveness of Russian manufacturers;

affect other important interests of the state of which the observance is ensured by the customs bodies.

3. The customs bodies shall apply risk analysis methods to pick the goods, vehicles, documents and persons subject to verification and the degree to which the verification is to be performed.

4. The federal service authorised in the sphere of customs business shall set out customs control strategy proceeding from the risk assessment measures system.

5. For the purpose of improving customs control the federal service authorised in the sphere of customs business shall cooperate with the customs bodies of foreign states and conclude agreements on mutual assistance with them.

6. For the purpose of enhancing the effectiveness of customs control the federal service authorised in the sphere of customs business and other customs bodies shall strive to interact with participants in foreign economic activity, media and other organisations whose activities relate to the pursuance of foreign trade in goods, and with professional associations thereof.

7. Customs control shall be conducted exclusively by customs bodies in compliance with the present Code.

**Article 359.** The Term of Verification of a Customs Declaration, Other Documents and Goods when Customs Formalities Are Performed

1. When customs formalities are performed in respect of goods the verification of the customs declaration, other documents filed with the customs body and also the verification of the goods for the purpose of establishing compliance of the details specified in the customs declaration, other documents with the description, origin, quantity and value of the goods shall be completed within three working days after the date of acceptance of the customs declaration by the customs body, filing documents and presentation of the goods, except for cases when a shorter term is established by the present Code.

2. The customs body shall be entitled to extend the term of verification of goods if the goods presented for verification are not divided up into package pieces by merchandise type and/or item, and/or no information on the package and on the marking is provided in the commercial and/or transport documents available for the goods. The extension of the term of verification of the goods shall be effected on the condition that the said circumstances do not allow the customs bodies to perform the necessary operations to establish the goods' compliance with the information concerning the goods. The term of verification of goods shall be extended by the period of time required for the person empowered in respect of the goods to divide up the lot of goods into separate items.

**Article 360.** Goods and Vehicles under Customs Control

1. Goods and vehicles brought into the customs territory of the Russian Federation shall be deemed to be under customs control from the time they cross the customs border at their arrival in the customs territory of the Russian Federation until the time they are:

cleared for free circulation;

destroyed;

waived in favour of the state;

transferred into federal ownership or disposed of in another way in keeping with Chapter 41 of the present Code;

actually exported from the customs territory of the Russian Federation.

The use and disposition of imported goods and vehicles under customs control shall be admissible in the procedure and on the conditions set out in the present Code.

2. Russian goods and vehicles shall be deemed under customs control at the export thereof from the customs territory of the Russian Federation from the acceptance of the customs declaration or from the committing of actions directly aimed at taking the goods out the customs territory of the Russian Federation until the crossing of the customs border.

3. The customs bodies shall monitor the performance of persons' obligations to effect reimport of the Russian goods and vehicles exported earlier from the customs territory of the Russian Federation or reimport of processed products thereof in keeping with the terms of customs regimes in the manner envisaged by the present section if such goods (processed products) are subject to compulsory reimport under the legislation of the Russian Federation.

**Article 361.** The Verification of the Reliability of Information after the Clearance of Goods and/or Vehicles

1. After the clearance of goods and/or vehicles the customs bodies shall be entitled to verify the reliability of the information declared when customs formalities were performed, in the procedure envisaged by Chapter 35 of the present Code.

2. The verification of the reliability of information after the clearance of goods and/or vehicles may be performed by the customs bodies within one year after the date when the goods lost their status of goods/vehicles under customs control.

3. In the cases and in the procedure envisaged by the present Code and other legal acts of the Russian Federation the customs bodies shall perform customs control at the circulation of goods imported into the customs territory of the Russian Federation, by verifying the information confirming such goods' having been cleared by customs bodies in accordance with the terms and conditions established by the present Code, and also by verifying the presence on the goods of the marks or other identification signs

used to confirm the legality of importation of the goods into the customs territory of the Russian Federation.

**Article 362. Customs Control Zones**

1. Customs control zones shall be instituted for the purpose of performing customs control in the form of the customs inspection and customs examination of goods and vehicles and the storage and movement thereof under customs observation.

Customs control zones may be instituted along the customs border at the places where customs formalities are performed, customs operations are accomplished, at the places of bonded storage, at the places of parking/moorage of vehicles carrying goods which are under customs control and at other places designated in compliance with the present Code.

2. Customs control zones may be permanent if they regularly have goods subject to customs control, or temporary. Temporary customs control zones may be instituted:

for the purpose of performing customs formalities in respect of goods and vehicles outside the places where customs operations are accomplished (Article 406), for the term of accomplishment thereof, if a customs control zone needs to be designated in the performance of such operations proceeding from the need for allowing customs bodies to freely carry out their functions;

if an inspection or examination is to be performed in respect of goods and vehicles discovered by customs bodies outside permanent customs control zones.

The decision to institute a temporary customs control zone shall be made in writing by the chief of a customs body or deputy thereof.

3. The procedure for instituting and marking customs control zones, and also the requirements applicable thereto shall be established by the federal ministry authorised in the sphere of customs business, except for the institution of customs control zones along the customs border. Customs control zones along the customs border shall be instituted in the procedure determined by the Government of the Russian Federation.

Zones of customs control in the crossing points across the State Border of the Russian Federation shall be set up in the order prescribed by the Government of the Russian Federation.

4. The pursuance of production activity or another commercial activity, the movement of goods, vehicles, persons, in particular, officials of other state bodies across the boundaries of customs control zones and within them shall be admissible with the permission of customs bodies and under their supervision, except for the cases established by the present Code and other federal laws. In said cases access to customs control zones shall be permitted with the preliminary notification of customs bodies.

5. The verification of goods may only be performed in customs control zones and in crossing points across the State Border of the Russian Federation.

**Article 363. The Provision of the Documents and Information Required for Customs Control Purposes**

1. For customs control purposes the persons moving goods and vehicles across the customs border, customs brokers (representatives), the owners of bonded warehouses, the owners of customs warehouses and customs media shall provide the documents and information required under the present Code to customs bodies.

2. The customs body shall request in writing the provision of documents and information required for customs control purposes and it shall set a term for the provision thereof, the term being sufficient for this. At a substantiated request of the person concerned the said term shall be extended by the customs body by a period of time required for the provision of these documents and information.

3. For customs control purposes the customs bodies shall be entitled to obtain statements from banks and other credit organisations on transactions relating to foreign economic activity and to the customs payments of the persons specified in Article 16 of the present Code, and also statements on the transactions of customs brokers, the owners of bonded warehouses, the owners of customs warehouses and customs media.

4. For the purpose of verifying the reliability of information after the clearance of goods the customs bodies shall be entitled to request and obtain commercial documents, accounting and reporting documents and other information, in particular, in the form of electronic documents relating to foreign economic transactions in these goods, and also to subsequent transactions in these goods, when it concerns goods imported into the customs territory of the Russian Federation, from the declarant or another person involved in the transactions in the goods.

5. The customs bodies shall be entitled to obtain information they need for customs control purposes from the bodies charged with registration of juridical persons and from other bodies.

6. The documents required for customs control purposes shall be stored by persons for at least three years after the year in which the goods lost their status of goods under customs control. Customs brokers (representatives), the owners of bonded warehouses, the owners of customs warehouses and customs media shall store the documents for five calendar years after the year in which customs operations occurred.

**Article 364. Reporting for Customs Control Purposes**

On customs bodies' request customs brokers (representatives), the owners of bonded warehouses, the owners of customs warehouses and customs media, the persons using the special simplified procedures (Article 68) and also the persons using and/or possessing conditionally cleared goods shall file reports with the customs bodies on the goods stored, carried, sold, processed and/or used according to the forms defined by the federal ministry authorised in the sphere of customs business.

**Article 365. The Inadmissibility of Inflicting Unlawful Harm in the Event of Conduct of Customs Control**

1. When customs control is being conducted it shall be inadmissible to inflict harm to a carrier, declarant, representatives thereof, the owners of bonded warehouses, the owners of customs warehouses, other persons concerned, and also to goods and vehicles.

2. The losses caused by unlawful decisions, actions (omissions) of customs bodies or officials thereof in the course of customs control shall be subject to compensation in full, including lost advantage (non-received income).

3. Customs bodies or officials thereof shall be accountable under federal law for the infliction of damage to persons.

4. The damages caused to persons by lawful decisions, actions of customs bodies' officials shall not be subject to compensation, except for the cases envisaged by federal laws.

**Chapter 35. The Forms of and Procedure for the Conduct of Customs Control****Article 366. The Forms of Customs Control**

Below are the forms of customs control:

- 1) verification of documents and information;
- 2) oral questioning;
- 3) the obtaining of explanations;
- 4) customs observation;
- 5) the customs inspection of goods and vehicles;
- 6) the customs examination of goods and vehicles;
- 7) personal examination;
- 8) the verification of goods' being marked by means of special stamps, the presence of identification signs thereon;
- 9) the inspection of premises and territories for customs control purposes;
- 10) customs auditing.

**Article 367. Verification of Documents and Information**

1. The customs bodies shall verify the documents and information provided at the customs processing of goods and vehicles in keeping with the present Code in order to establish the authenticity of the documents and the reliability of the information contained therein, as well as the correctness of their form.

2. The verification of the reliability of the information provided to customs bodies at customs processing shall be done by comparing it with information received from other sources, in particular, according to the results of other forms of customs control, the analysis of special customs statistical data, data processing through the use of software, and also by other methods not prohibited by the legislation of the Russian Federation.

3. While exercising customs control the customs body shall be entitled to put forward a substantiated request for the provision of additional documents and information exclusively for the purpose of verifying the information contained in the customs declaration and other customs documents. The customs body shall request such documents and information in writing, set a term for the provision thereof, this term being sufficient for the purpose.

4. A request for additional documents and information and the verification of them shall not impede the clearance of the goods (Article 149), except as otherwise expressly stated by the present Code.

**Article 368. Oral Questioning**

During the performance of customs formalities for goods and vehicles moved across the customs border the officials of customs bodies shall be entitled to put oral questions to the natural persons and also to the representatives of organisations who have powers in respect of such goods and vehicles without formalising their explanations in writing.

**Article 369. Obtaining Explanations**

1. The obtaining of explanations is the receipt of information by an official of a customs body on circumstances of significance for customs control purposes from the persons specified in Article 16 of the present Code, declarants and other persons involved in the movement of goods and vehicles across the customs border and possessing such information.

2. The explanation shall be made in writing. The form of an explanation shall be established by the federal ministry authorised in the sphere of customs business.

#### **Article 370. Customs Observation**

Customs observation is an overt, intentional, systematic or one-off, direct or indirect (involving the use of technical facilities) visual observation by authorised officials of customs bodies over the transportation of goods and vehicles being under customs control, over the performance of cargo-handling and other operations with them.

#### **Article 371. The Customs Inspection of Goods and Vehicles**

1. The customs inspection of goods and vehicles is an external visual inspection of goods, luggage of natural persons, vehicles, cargo compartments, customs lead seals, seals and other means of merchandise identification for customs control purposes conducted by authorised officials of a customs body if such an inspection does not involve the opening up of a vehicle or cargo compartments thereof and the breaking of goods' packaging.

2. In a customs control zone the customs inspection of goods and vehicles may be conducted in the absence of the declarant, other persons having powers in respect of the goods and vehicles and representatives thereof, except for cases when the said persons express their intention to attend the customs inspection.

3. If during the customs inspection of goods and vehicles it is discovered that the quantity of the goods were incorrectly stated when the goods were declared the customs body shall assess the quantity of the goods for customs purposes on its own.

4. According to the results of customs inspection of goods and vehicles the officials of customs bodies may draw up a report according to the form endorsed by the federal ministry authorised in the sphere of customs business if the results of such an inspection might be needed later. At the request of a person having powers in respect of the goods and/or vehicles officials of the customs body shall draw up a report or enter an annotation on the fact of customs inspection having been completed in the transport (carriage) document the person has. The second copy of the report on customs inspection shall be delivered to the person having powers in respect of the goods and/or vehicles.

#### **Article 372. The Customs Examination of Goods and Vehicles**

1. Customs examination is an inspection of goods and vehicles by officials of a customs body involving the removal of lead seals, seals and other means of identification of merchandise, the opening up of the packaging of goods or a cargo compartment of a vehicle or tanks, containers and other places where goods are or can be located.

The customs examination of goods shall be performed after the acceptance of a customs declaration for the goods. Before the filing of a customs declaration for goods imported into the customs territory of the Russian Federation customs examination may be performed to identify the goods for customs purposes, or if information is available about a breach of the customs legislation of the Russian Federation, to verify this information, and also to perform customs control on the basis of a selective check-up.

2. Having adopted a decision to perform customs examination, an authorised official of a customs body shall notify the declarant or another person having powers in respect of the goods and/or vehicles, if such a person is known. The said persons or their representatives may be in attendance when the customs examination of the goods and vehicles is being performed, or they must be in attendance at the demand of an authorised official of the customs body. If no representative who is specifically authorised by the carrier is present the natural person driving the vehicle shall be deemed such a representative.

3. The customs body shall be entitled to carry out customs examination of goods and vehicles in the absence of the declarant, other persons having powers in respect of the goods and/or vehicles, and their representatives in the following cases:

1) said persons' failure to report upon the expiry of the term specified in Item 1 of Article 129 of the present Code;

2) a threat exists to state security, public order, human life and health, animals, plants, the environment, the preservation of cultural valuables and under other circumstances of emergency (in particular, if indications are that the goods are inflammable substances, explosion-prone, explosives, poisons, hazardous chemical and biological substances, narcotics, psychotropic, intoxicating, poisonous, toxic, radioactive substances, nuclear materials and other similar goods, if the goods are odious);

3) the goods being dispatched as international post (Chapter 24);

4) the goods and vehicles have been left in the customs territory of the Russian Federation in breach of a customs regime that envisaged the export of the goods and vehicles from this territory.

In said cases customs examination shall be performed in respect of the goods and vehicles with witnesses in attendance.

4. If customs examination has covered a portion of the goods indicated in a customs declaration as goods of one item the results of such an examination shall extend to all such goods indicated in the customs declaration. The declarant or another person having powers in respect of the goods shall be entitled to demand that an additional customs examination be performed in respect of the remaining portion of the goods if in his opinion the results of the examination completed cannot be extended to all the goods.

5. If during a customs examination of goods and vehicles it is established that the quantity of the goods was incorrectly indicated at their declaration the customs body shall assess the quantity of the goods for customs purposes on its own.

6. According to the result of a customs examination a report shall be drawn up in duplicate. The following shall be indicated in the report on customs examination:

information on the officials of the customs body who performed the customs examination and on the persons who were in attendance during it;

the reasons for conducting the customs examination in the absence of the declarant or other person having powers in respect of the goods and/or vehicles;

the results of the customs examination.

The form of the report shall be endorsed by the federal ministry authorised in the sphere of customs business.

The second copy of the report shall be delivered to the person having powers in respect of the goods and/or vehicles or a representative thereof, if this person is not identified.

#### **Article 373. Personal Examination**

1. Personal examination as an exclusive form of customs control may be performed at the decision of the chief of the customs body or a deputy thereof if grounds exist for believing that the natural person who is travelling across the State Border of the Russian Federation or who is located in the customs control zone or transit zone of an airport opened for international traffic is concealing about their person and does not voluntarily release goods prohibited for import into the customs territory of the Russian Federation or export from this territory respectively or goods moved in breach of the procedure established by the present Code.

The decision to perform a personal examination shall be made in writing by the chief of a customs body or a deputy thereof by means of entering his decision in a report of an official of the customs body or it shall be drawn up as a separate report.

2. Before the beginning of a personal examination an official of the customs body shall announce to the natural person the decision to perform the personal examination, inform the natural person with his rights and duties in the course of such an examination and propose the voluntarily release of any goods concealed.

The fact that the natural person has familiarised himself with the decision to perform a personal examination shall be attested to by the said person by means of entering an appropriate annotation in the decision on the performance of the examination. If such actions are refused an annotation to this effect shall be entered in the decision on the performance of the personal examination as attested to by the signature of the official of the customs body who announced the decision on the performance of the personal examination.

3. Personal examination shall be performed by an official of a customs body of the same sex as the person to be examined, with two witnesses of the same sex being in attendance in isolated premises that comply with sanitary-hygienic standards.

Access for other natural persons to the premises and the possibility for observing the personal examination by such persons shall be precluded. The body of the person subjected to examination shall be examined only by medical personnel who shall not be entitled to decline to fulfil the decision of the chief of the customs body or a deputy thereof on the performance of the personal examination.

When personal examination is performed in respect of a minor or a natural person lacking dispositive capacity the legal representatives thereof (parents, step-parents, trustees, guardians) or the persons who accompany him/her shall be entitled to be in attendance.

4. The personal examination shall be carried out in a correct form precluding the denigration of the person's dignity and the infliction of unlawful harm to the health and property of the person subjected to the examination, within the limits required for discovering the goods concealed by the natural person on him/her.

5. During the personal examination the person subjected to examination (a legal representative thereof) shall comply with lawful demands of the customs body's official who carries out the personal examination and he/she shall be entitled to:

demand the announcement to him/her of the decision of the chief of the customs body or a deputy thereof on the performance of the personal examination;  
familiarise himself/herself with his/her rights and duties;  
provide explanations, declare petitions;  
familiarise himself/herself with the report on personal examination upon the completion thereof and make statements subject to entry in the report;  
use his/her mother tongue and also to use the services of an interpreter;  
appeal in compliance with the present Code against the actions of officials of the customs body upon the termination of the personal examination if the said person deems his/her rights and lawful interest infringed upon during the personal examination.

**6.** A report shall be drawn up in duplicate on the performance of a personal examination according to the form determined by the federal ministry authorised in the sphere of customs business.

The report shall be signed by the customs body's official who carried out the personal examination, the natural person subjected to the personal examination (a legal representative thereof), the witnesses, and in the case of examination of the body of the person subjected to the examination, by the medical personnel member. The second copy of the report shall be subject to delivery to the person who was subjected to the personal examination (a legal representative thereof).

**Article 374.** The Verification of Goods' Having Been Marked with Special Stamps, of the Presence of Identification Signs on Goods

**1.** In the cases envisaged by federal laws and other legal acts of the Russian Federation the customs bodies shall check the presence of special stamps, identification signs and other means of merchandise identification used to confirm the legality of import thereof into the customs territory of the Russian Federation on goods or the package thereof.

**2.** The lack of the special stamps, identification signs or other means of merchandise identification on the goods specified in Item 1 of the present article shall be deemed confirmation of the fact that the goods have been brought into the customs territory of the Russian Federation without undergoing customs processing and without clearance, unless the person with which such goods were discovered proves the contrary.

**Article 375.** The Inspection of Premises and Territories

**1.** The inspection of premises and territories shall be performed for the purpose of confirming the presence of goods and vehicles being under customs control, in particular, those cleared conditionally, in bonded warehouses, customs warehouses, on the premises of a duty-free shop, and also with the persons with which the goods must be kept under the conditions of the customs procedures or customs regimes envisaged by the present Code. The inspection of premises and territories shall be carried out if information is available about a loss of goods and/or vehicles, alienation thereof or other disposition or use thereof in breach of the terms and conditions established by the present Code for the purpose of verifying such information, and also on the basis of selective verification.

**2.** The inspection of premises and territories not mentioned in Item 1 of the present article may be carried out by customs bodies at a check-point at the State Border of the Russian Federation, in the customs control zones set up along the customs border and also with persons pursuing wholesale or retail trade in imported goods if information is available that goods and vehicles imported into the customs territory of the Russian Federation in breach of the procedure envisaged by the present Code are present on the premises or in the territories of such persons, this being done to verify such information.

**3.** It is hereby prohibited to carry out an inspection of living quarters.

**4.** The inspection of premises and territories shall be carried out with the presentation of a warrant signed by the chief of a customs body or by a person acting in his capacity, and the service identity card. The list of the customs officials who have access to said premises and territories shall be determined by the federal service authorised in the sphere of customs business, and the form of prescription shall be determined by the federal ministry authorised in the sphere of customs business.

If another procedure is established by federal laws for the officials of state bodies to gain access to specific facilities the officials of customs bodies shall be entitled to have access to said facilities in the procedure determined by these federal laws.

**5.** In the event of a refusal to grant access to officials of customs bodies to premises and territories they shall be entitled to enter the premises and territories involving the overcoming of resistance and the opening up of locked premises with two witnesses in attendance, except when federal laws have established another procedure for officials of state bodies to gain access to specific facilities. The customs bodies shall notify the prosecutor within 24 hours of all cases of entry of premises and territories involving the overcoming of resistance and the opening up of locked premises.

**6.** The inspection of premises and territories shall be completed within the minimum period of time required for the completion thereof, and it shall not last more than one day.

7. According to the results of an inspection a report shall be drawn up in the form endorsed by the federal ministry authorised in the sphere of customs business. The second copy of the said report shall be delivered to the person whose premises or territories have been inspected.

**Article 376. Customs Auditing**

1. Customs bodies shall carry out customs auditing, i.e. the verification of the fact that goods have been cleared, and also the reliability of the information indicated in a customs declaration and the other documents filed for customs formality purposes, by means of comparing the information with accounting and reporting data, invoices, other information of the persons mentioned in the present article.

The customs auditing shall be performed in a general form and a special form.

2. General customs auditing may be carried out by customs bodies in respect of declarants and the persons indicated in Article 16 of the present Code and not acting as a declarant.

General customs auditing shall be carried out by a decision of the chief of a customs body or a deputy thereof. Before the commencement of the auditing a copy of the decision shall be delivered to the person to be audited.

When general customs auditing is performed the customs bodies are entitled to gain access within their competence to the databases and databanks of automated information systems of the person subjected to the auditing, with due regard to the provisions of the legislation of the Russian Federation on information protection.

The verification shall be completed within the minimum period of time required for the completion thereof not exceeding three working days. The conduct of the verification shall not impede the pursuance of the commercial activity of the person being audited.

No repeated general auditing shall be performed in respect of the same goods.

3. Special customs auditing may be performed by customs bodies:

in respect of the persons indicated in Item 2 of the present article in cases when according to the results of general customs auditing or when other forms of customs control were implemented as envisaged by the present chapter data have been discovered that can be evidence of unreliability of the information provided when customs formalities were performed or of the fact that the goods have been used and disposed of in breach of the established requirements and restrictions;

in respect of customs brokers (representatives), the owners of bonded warehouses, the owners of customs warehouses and customs media, if information is discovered that is an evidence of irregularities in the record-keeping of and reporting on goods moved across the customs border or the non-observance of other terms and conditions for the pursuance of the type of activity concerned as established by the present Code;

in respect of persons pursuing wholesale or retail trade in imported goods if information is discovered that can be evidence of the fact that the goods have been imported into the customs territory in breach of the terms and conditions established by the present Code thus causing a breach of the procedure for payment of customs duties and taxes or non-observance of bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

The performance of special customs auditing shall be ordered by the chief of a customs-house or a higher customs body or by the person acting in his capacity. The decision to conduct special customs auditing shall be made in writing. Before the commencement of special customs auditing a copy of the decision shall be delivered to the person to be audited.

4. While carrying out special customs auditing the customs bodies shall be entitled to:

demand the provision free of charge of any documentation and information (including banking), in particular in the form of electronic documents relating to the accomplishment of production, commercial or other operations/transactions in goods imported into the customs territory of the Russian Federation and familiarise themselves with such;

inspect the premises and territories of the person being audited and also to inspect and examine goods in keeping with the present Code in the presence of authorised representatives of the person being audited, and in the event of customs auditing of an individual entrepreneur, with two witnesses being in attendance;

perform stock-taking in respect of the goods in the procedure established for tax bodies' stock-taking under the Tax Code of the Russian Federation;

take or seize goods in compliance with Article 377 of the present Code.

5. Special customs auditing shall be completed within the minimum period of time required for the completion thereof not exceeding two months after the date of the decision to perform the special customs auditing. The said period of time shall not include the interval between the delivery to the person of the demand for provision of documents and information and the provision of said documents and information. In exceptional cases the auditing term may be extended by a higher customs body by one month.

No repeated special customs auditing of the same person and the same goods shall be admissible.

6. The performance of customs auditing (in general and special forms) shall be admissible only in respect of juridical persons and individual entrepreneurs.

7. For the purpose of conducting customs auditing (in general and special forms) the customs bodies may use the results of a stock-taking accomplished by a person having powers in respect of goods or responsible for the storage of goods or by controlling bodies, audit reports as well as reports and statements drawn up by state bodies.

8. The results of customs auditing (in general and special forms) shall be formalised by means of a report in the form defined by the federal ministry authorised in the sphere of customs business. The said report shall be drawn up:

on the day following the date of termination of general customs auditing;

within ten days after the termination of special customs auditing.

The second copy of the report shall be delivered to the person that has been audited.

9. If during customs auditing (in general and special forms) no indications have been discovered of a crime or administrative offence in the area of customs affairs the verification in respect of the established direct objects of the offence shall be completed. In this case a report on the results of the customs auditing shall be drawn up immediately. Further actions shall be committed by the customs body in compliance with the criminal procedural legislation of the Russian Federation or the legislation of the Russian Federation on administrative offences.

#### **Article 377. The Imposition of Arrest on Goods or Withdrawal of Goods in the Event of Special Customs Auditing**

1. The imposition of arrest on goods in the event of special customs auditing shall be effected:

1) when goods are discovered as lacking the special stamps, identification signs or the other means of merchandise identification the application of which is envisaged by the present Code, other federal laws and other legal acts of the Russian Federation to confirm the legality of import into the customs territory of the Russian Federation or goods with counterfeit stamps or signs are discovered;

2) when the commercial documents of the person audited are lacking information on the clearance of the goods by customs bodies if under legal acts of the Russian Federation such details must be contained in the commercial documents in the case of circulation of goods in the territory of the Russian Federation, and also when such information is found to be unreliable or when the commercial documents in which such details were to be indicated are lacking;

3) if it is discovered that conditionally cleared goods have been used or disposed of for purposes other than those in connection with which a full or partial exemption from import customs duties and taxes was granted.

2. Goods on which arrest has been imposed shall be handed over to the possessor thereof or another person having powers in respect of these goods for storage. The place of storage of such goods shall be declared a customs control zone (Article 362). The use of goods placed under arrest may be permitted by the customs body's chief who ordered the customs audit or by a person authorised by him. In such a case the transfer of goods under arrest to other persons, the squandering, alienation of the goods or the disposition of the goods in another way is prohibited.

3. If goods are prohibited for import into the Russian Federation or for circulation under the legislation of the Russian Federation, and also if there are sufficient grounds to believe that the arrest of the goods is not a sufficient measure for ensuring the safety thereof the customs bodies shall withdraw the goods.

Withdrawn goods shall be placed in a bonded warehouse or another place deemed a customs control zone.

4. The withdrawal of goods and the arrest of goods need not be effected if the person with whom they have been discovered provides security for the customs payments that can be collected, except for cases when the goods are prohibited for import into the Russian Federation or for circulation under the legislation of the Russian Federation or if quantitative restrictions are established in respect of the goods at the import thereof under the legislation of the Russian Federation on measures for protecting the economic interests of the Russian Federation in the pursuance of foreign trade in goods.

The calculation of customs duties and taxes for the purposes of assessing the amount of security required for the payment thereof shall be effected in compliance with Article 327 of the present Code.

5. The withdrawal of goods and the imposition of arrest thereon shall be effected on the basis of a substantiated decision of the customs body official performing the special customs auditing in the presence of the person with whom the goods have been discovered or a representative thereof, and also with at least two witnesses in attendance.

Where necessary, a specialist shall be invited for the purpose of conducting a withdrawal or imposition of arrest (Article 384).

Before the commencement of the withdrawal of goods or the imposition of arrest thereon the customs body official shall show the decision on the withdrawal or imposition of arrest to the person in respect of which the withdrawal or the arrest is effected.

6. A report shall be drawn up on the withdrawal of goods or the imposition of arrest thereon. The goods withdrawn or the goods subjected to arrest shall be described in detail, including the titles, quantity and individual features thereof in the report or in lists attached thereto. The said report shall be signed by the customs body official who performed the withdrawal or arrest, the person with which the goods withdrawn or the goods subjected to arrest were discovered or by a representative thereof, as well as the witnesses. A copy of the report shall be delivered to the person with which the goods were discovered or to a representative thereof.

7. The return of goods withdrawn and the lifting of an arrest imposed shall be effected not later than on the day of termination of the special customs auditing, except for cases when they may be confiscated, required as a material evidence or collected for debts owing on customs payments. The bonded storage of withdrawn goods shall be done at the expense of the person from which the goods were withdrawn. Unless it is established during the verification that the customs legislation of the Russian Federation has been violated in relation to these goods, the goods shall be subject to return to their possessor or the arrest imposed shall be lifted immediately and the costs relating to the bonded storage shall be borne by the federal budget.

8. An indication shall be made of the disposition of goods withdrawn and goods subjected to arrest in the report reflecting the results of the auditing (Item 8 of Article 376).

9. The disposition of unclaimed withdrawn goods upon the expiry of two months after the termination of special customs auditing shall be performed in the procedure envisaged by Chapter 41 of the present Code.

## **Chapter 36. Expert Examinations and Studies in Customs Control**

### **Article 378. Ordering an Expert Examination in the Event of Performance of Customs Control**

1. The expert examination of goods, vehicles or documents containing information on goods and vehicles or on the accomplishment of transactions (actions) in respect thereof shall be ordered if special knowledge is required to explain the questions occurring in the course of customs control.

2. The expert examination shall be performed by experts of customs laboratories and also of other appropriate organisations or by other experts appointed by customs bodies. Any person having the necessary special knowledge for the purposes of issuing a statement may be appointed as an expert. The expert shall be recruited to perform an expert examination under a contract. Where an expert examination is ordered at the initiative of a declarant or another person concerned these persons shall be entitled to propose their expert nominees to the customs bodies.

3. A decision shall be issued on the ordering of an expert examination by a customs body official with the consent of the chief of this body or a deputy thereof comprising the grounds for the expert examination, the full name of the expert, the name of the organisation in which the expert examination is to be performed, the questions put to the expert, a list of the materials and documents presented to the expert and the completion term for the expert examination and for the provision of a report to the customs body.

Also the decision shall contain an indication of the experts' being warned of administrative accountability for a deliberately false report.

4. The completion term of an expert examination shall not exceed:  
the bonded storage term (Article 103) if the goods are not cleared until the receipt of the results of the expert examination;

six months if the expert examination is conducted in respect of vehicles;  
one year in other cases.

5. The customs body's official shall have the declarant or another person having powers in respect of the goods, if this person is known, familiarise themselves with the decision ordering the expert examination and shall explain his rights envisaged by Article 382 of the present Code, with an annotation to this effect being entered in the decision as attested to by said person or by a representative thereof.

6. The expenses incurred in the conduct of expert examinations by customs bodies, customs laboratories and other experts and organisations performing expert examinations shall be compensated from the federal budget, except for cases when an expert examination is conducted other than at customs bodies' initiative.

### **Article 379. The Report of an Expert**

1. On the basis of studies completed and with due regard to the results thereof the expert shall draw up a report in writing in his own name.

2. The report of the expert shall comprise the time and place of the studies, the persons who conducted the studies and the grounds for such studies, the questions put to the expert, the subject matter of the studies, the materials and documents provided to the expert, the content and results of the studies including an indication of the methods applied, an assessment of the results of the studies, conclusions on the questions put and the grounds for such conclusions.

The materials and documents illustrating the report of an expert or several experts shall be attached to the report and shall be deemed an integral part thereof.

If during an expert examination the expert establishes circumstances of significance in the case in respect of which no questions have been put to him he shall be entitled to include conclusions on these circumstances in his report.

3. If an expert examination has been conducted with the participation of several experts it shall be signed by all of them. If disagreement arises between the experts each of them shall draw up his conclusions separately.

4. The customs body that has ordered an expert examination shall deliver to the declarant or another person having powers in respect of goods and/or vehicles, if such persons are known, a copy of the expert's report or of the expert's announcement of the impossibility of drawing up a report.

5. While making their decisions the customs bodies shall consider experts' reports on the results of expert examinations, in particular, those that were conducted on the initiative of a declarant or another person concerned.

#### **Article 380.** Additional and Repeated Expert Examinations

1. If the report is insufficiently clear or complete an additional expert examination may be ordered which shall be carried out either by the same expert or organisation or another.

2. If the expert's report lacks grounds or if doubts exist as to its correctness a repeated expert examination may be ordered which shall be carried out by another expert.

3. The additional and repeated expert examinations shall be ordered and conducted in compliance with Articles 378 and 379 of the present Code.

#### **Article 381.** The Rights and Liabilities of an Expert

1. The expert shall be entitled to:

1) familiarise himself with materials related to the subject matter of the expert examination;  
2) recruit other experts to take part in the expert examination with the consent of the customs body;

3) request the provision of additional materials required for the purposes of the expert examination;

4) refuse to issue a report if the materials he has been provided with are insufficient or if he lacks the knowledge required for the purposes of the expert examination. A notice of the impossibility of issuance of a report shall be presented in writing to the customs body that ordered the expert examination;

5) take part, with the customs body's permission, in the performance of specific actions during customs control.

2. The information which has been obtained by the expert during an expert examination or during preparation for the conduct thereof and which is deemed a commercial, banking or other legally-protected secret, and also another confidential information shall not be disclosed by him for other purposes or be passed to third persons, with the exception of the cases envisaged by federal laws.

#### **Article 382.** The Rights of a Declarant, Another Person Having Powers in Respect of Goods and/or Vehicles and the Representatives Thereof in the Event of Ordering and Conducting an Expert Examination

1. When an expert examination is ordered and conducted the declarant, the other person having powers in respect of the goods and/or vehicles and the representatives thereof shall be entitled to:

1) declare a substantiated objection against an expert;  
2) petition for the appointment of a specific expert;  
3) petition for additional questions to be put to the expert for the purpose of obtaining a report on them;

4) be in attendance, with the permission of the customs body that has ordered the expert examination, when the expert examination is conducted and to provide explanations to the expert;

5) take samples and specimens of the goods (Article 383);

6) familiarise himself with the expert's report or the expert's notice of the impossibility of issuing a report and to obtain a copy of the report or notice;

7) petition for an additional or repeated expert examination.

2. If the petition of a declarant, another person having powers in respect of goods and/or vehicles or a representative thereof is satisfied an appropriate decision shall be issued by the customs body's official who has ordered the expert examination.

If the petition is dismissed the customs body's official shall notify in writing the person who filed the petition and provide the reasons for the dismissal.

#### **Article 383. Samples and Specimens**

1. While performing customs control the customs body's official shall be entitled to take samples or specimens of goods as required for a study. A report shall be drawn up on the taking of the samples or specimens in the form defined by the federal ministry authorised in the sphere of customs business.

The second copy of said report shall be subject to delivery to the person having powers in respect of the goods, if this person is known, or to a representative thereof.

Where necessary, the taking of samples or specimens shall be done with the participation of an expert or specialist.

2. With the written permission of the customs body samples or specimens of goods which are under customs control may also be taken by the declarant, the person having powers in respect of the good, the representatives thereof, the persons indicated in Item 1 of Article 398 of the present Code and employees of other state bodies.

3. Samples or specimens shall be taken in minimal quantities that ensure the possibility of the study thereof.

Permission to take samples and specimens shall be issued to the persons indicated in Item 2 of the present article if such a taking:

does not impede the conduct of customs control;

does not change the characteristics of the goods;

does not cause customs duty and tax evasion or the non-observance of the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity.

4. When samples or specimens are taken by the declarant no separate customs declaration shall be filed for the samples and specimens on the condition that they will be indicated in the customs declaration for the goods.

The declarant shall be entitled to cut the customs value of the goods declared by the customs value of the samples and specimens if such samples and specimens were taken by a customs body and not returned when due.

5. Declarants, the persons having powers in respect of goods, the representatives thereof shall be entitled to be in attendance when samples or specimens of the goods are taken by customs bodies' officials and by the personnel of other state bodies.

6. Customs bodies' officials shall be entitled to be in attendance when goods or specimens of goods are taken by the personnel of other state bodies and also by the other persons indicated in Item 2 of the present article.

7. Declarants and representatives thereof shall provide assistance to customs bodies' officials when they take samples or specimens of goods, in particular, to perform at their own expense cargo handling and other necessary operations with the goods.

8. Customs bodies' officials shall be entitled to take samples or specimens of goods in the absence of declarants and representatives thereof in the cases envisaged by Item 3 of Article 372 of the present Code. The taking of samples or specimens of goods in the said cases shall be done with at least two witnesses in attendance.

9. The customs bodies shall be notified of the results of a completed study of samples or specimens of goods taken by other state bodies and they shall notify the persons indicated in Item 2 of the present article about them.

10. The procedure for taking samples or specimens of goods and also the procedure for studying them shall be established by the federal ministry authorised in the sphere of customs business in compliance with the present Code and other legal acts of the Russian Federation.

11. Upon the completion of the study the samples or specimens of goods shall be returned to their owner, except for cases when such samples or specimens are subject to destruction or disposal under Russian law, and also when expenses for the return of the samples or specimens exceed the value of the samples or specimens.

#### **Article 384. The Participation of a Specialist in Customs Control**

1. Where necessary, when specific actions are committed during customs control a specialist may be recruited to take part in such actions who is not interested in the results of such actions and who has the special knowledge and skills required for assisting customs bodies, in particular, in the use of technical facilities.

2. A person shall be recruited in the capacity of a specialist under a contract.

**3.** The specialist shall be entitled to:

1) familiarise himself with the materials related to the subject matter of the actions committed with his participation;

2) put questions to participants in such actions, with the permission of an official of the customs body, relating to the subject matter of the actions;

3) familiarise himself with the documents drawn up on the results of the actions which were completed during customs control and in which he took part, and to make statements or remarks concerning the actions he committed which shall be subject to inclusion in such documents.

**4.** The specialist shall:

1) take part in committing actions requiring special knowledge, provide explanations concerning the actions he commits;

2) attest to the fact of committing of said actions, the content and results thereof.

**5.** Information deemed commercial, banking or other legally protected secret or other confidential information obtained by the specialist in the event of his being recruited to commit customs control actions shall not be disclosed by him, used for other purposes, passed to third persons, except for the cases envisaged by federal laws.

**6.** Expenses incurred by customs bodies in connection with the recruitment of a specialist shall be compensated from the federal budget, except for the cases when a specialist is recruited at the initiative of a person other than a customs body.

#### **Article 385.** Recruiting Specialists of Other State Bodies for Providing Assistance in Customs Control

**1.** Under Russian law customs bodies shall be entitled to recruit specialists of other law-enforcement or controlling bodies to provide assistance in the conduct of customs control.

**2.** Expenses relating to the recruitment of specialists of other state bodies, unless this work is within the scope of their service duties, shall be compensable in the procedure defined by the Government of the Russian Federation.

### **Chapter 37. The Additional Provisions Relating to Customs Control**

#### **Article 386.** Relief from Specific Forms of Customs Control

**1.** Relief from the application of specific forms of customs control by customs bodies is established exclusively by the present Code.

**2.** The personal luggage of the President of the Russian Federation, in particular, after the termination of the term of office thereof, and that of the accompanying members of the family thereof shall be relieved from customs examination.

**3.** The personal luggage of the members of the Federation Council of the Federal Assembly of the Russian Federation, the deputies of the State Duma of the Federal Assembly of the Russian Federation, judges who are immune under Russian law shall not be subject to customs examination if said persons cross the State Border of the Russian Federation in connection with their execution of their deputy's or service duties.

**4.** Foreign navy ships (vessels), combat aircraft and military self-propelled machinery shall be relieved from customs examination.

**5.** Relief from specific forms of customs control shall be granted under international treaties of the Russian Federation after the ratification of the treaties.

**6.** The chief of the federal service authorised in the sphere of customs business or a person acting in the capacity thereof shall be entitled to relieve specific persons, specific goods and vehicles from certain forms of customs control in cases when this relates to ensuring the security of the Russian Federation.

#### **Article 387.** Information Concerning Persons

**1.** The gathering of information on the persons pursuing an activity relating to the movement of goods and vehicles across the customs border or on the persons pursuing activity in the area of customs affairs (Chapter 3) shall be done by the customs bodies when customs control and customs formalities are performed in respect of goods and vehicles moved across the customs border in the cases and in accordance with the procedure envisaged by the present Code.

**2.** For the purposes of exercising customs control and collecting customs levies the customs bodies shall be entitled to accumulate information, in particular, as follows:

on the promoters of the organisation;

on the state registration as a juridical person or as an individual entrepreneur;

on the composition of the assets used to pursue entrepreneurial activity;

on the opened bank accounts;

on the activity in the area of foreign economic activity;

on the organisation's location;  
on the placement on record with a tax body as a taxpayer and on the taxpayer identification number;

on the solvency of the persons included in registers of the persons pursuing customs operations;  
for natural persons: on the personal details of citizens (full name, date and place of birth, sex, residential address, taxpayer identification number (if any)), and also on the frequency of movement of goods by them across the customs border.

3. The persons mentioned in Item 1 of the present article are entitled to have access to the documented information about them the customs bodies have on hand and to update this information for the purposes of ensuring its completeness and reliability. The customs bodies shall provide information they have to persons free of charge.

#### **Article 388.** The Use of Technical Facilities in Customs Control. The Use of Vessels in Customs Control

1. For the purpose of cutting the duration of customs control and improving the optimisation and effectiveness thereof the customs bodies may use technical facilities of which the list and application procedure shall be established by the federal service authorised in the sphere of customs business. These technical facilities shall be safe for human life and health.

The ensuring of the unity and the required precision of measurements and the metrological control and supervision in the conduct of customs operations with the use of technical facilities shall be carried out in the procedure established by legislation of the Russian Federation by the metrological units created at the federal service authorised in the field of the customs business and at the customs bodies subordinate thereto.

2. Customs control in respect of goods and vehicles within the boundaries of the territorial sea and inland water-bodies of the Russian Federation, and also in a territory adjacent to the customs border shall be exercised with the use of customs bodies' sea (river) vessels and aircraft.

3. The procedure for using customs bodies' sea (river) vessels and aircraft for the purposes of customs control shall be established by the Government of the Russian Federation in compliance with the present Code.

#### **Article 389.** Cargo-Handling and Other Operations with Goods and Vehicles Required for Customs Control Purposes

1. If the customs body so demands, the declarant, the owner of a bonded warehouse, the owner of a customs warehouse, a customs broker or another person having powers in respect of goods shall perform transportation, weighing or another assessment of the quantity of the goods, loading, unloading, re-loading, the mending of damaged packaging, the opening up of a package, packing or re-packing in respect of goods under customs control, and also the opening up of premises, tanks and other places where such goods are or can be located.

2. The carrier shall assist in the performance of cargo-handling and other operations with the goods he carries and/or with vehicles moved across the customs border.

#### **Article 390.** The Identification of Goods and Vehicles

1. The following may be used for the purpose of identifying goods and vehicles under customs control: lead seals, seals, letter marking and other marking, identification signs, transport (carriage), commercial and other documents, rubber stamps, the taking of samples and specimens of the goods, a detailed description of the goods and vehicles, drawings, scale images, photographs, illustrations, other means of identification.

2. Means of identification may be destroyed or changed (replaced) only by customs bodies or with the permission thereof, except for cases when there is a real menace of destruction, loss or significant damage of goods and vehicles. The customs body shall be immediately notified of a change, deletion, destruction or damage of means of identification and provided with a proof of the existence of said menace. A report shall be drawn up by the customs body on the change, deletion, destruction or replacement of means of identification in to the form endorsed by the federal ministry authorised in the sphere of customs business.

3. The provisions of Item 2 of the present article shall be extended to cases when lead seals, seals or other means of identification applied by the customs bodies of foreign states are used as means of identification.

4. at the declarant's request the customs bodies shall identify Russian goods declared at the place of declaration thereof for export from the customs territory of the Russian Federation.

#### **Article 391.** Additional Powers of Customs Bodies in the Event of Discovery of Goods Illegally Imported into the Customs Territory of the Russian Federation

1. Where customs bodies discover goods illegally moved across the customs border, this having caused the non-payment of customs duties and taxes or the non-observance of the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity, in the possession of persons that have acquired the goods in the customs territory of the Russian Federation in connection with the pursuance of entrepreneurial activity such goods shall be subjected to arrest or withdrawal and placement in bonded storage in the manner envisaged by Article 377 of the present Code as applicable to the withdrawal of goods and arrest of goods in the event of customs auditing. For customs purposes said goods shall be deemed goods under customs control.

2. The persons mentioned in Item 1 of the present article shall be entitled to make customs payments in compliance with Article 327 of the present Code and comply with the other terms and conditions for the performance of customs formalities relating to goods in the simplified procedure established by the federal ministry authorised in the sphere of customs business. In this case the goods shall not be withdrawn if the persons make customs payments within five days after the date when they were found to have the goods or provide security for the payment in keeping with Chapter 31 of the present Code. No penalty shall be charged on said customs payment amounts.

3. The provisions of Item 2 of the present article in as much as they concern the provision of a person with the right to make customs payments and perform customs formalities in respect of the goods illegally imported into the customs territory of the Russian Federation shall not extend to goods prohibited for import into the Russian Federation, goods prohibited for circulation under Russian law, and also the goods subject to quantitative import restrictions under the legislation of the Russian Federation on measures for the protection of economic interests of the Russian Federation in the pursuance of foreign trade in goods.

4. When customs payments and made and customs formalities are performed by the persons mentioned in Item 1 of the present article the goods shall be deemed for customs purposes as goods cleared for free circulation, this not precluding the customs bodies' committing the necessary actions aimed at finding the persons that have taken part in the illegal movement of the goods across the customs border.

5. If the persons that have acquired goods illegally imported into the customs territory of the Russian Federation refuse to make customs payments and perform customs operations the goods shall be disposed of in keeping with Article 352 of the present Code. The goods specified in Item 3 of the present article shall be converted into federal ownership under a decision of a court, arbitration court at a customs body's application.

**Article 392.** The Use of Results of Customs Control in Proceedings Relating to a Case on an Administrative Offence, in the Hearing of a Civil or Criminal Case

The results of customs control formalised in keeping with the provisions of the present section may be recognised as evidence in criminal, civil cases and cases of administrative offences and they shall be subject to assessment by a court, a court of arbitration or an official when said cases are heard, or complaints are considered relating to decisions, actions (omissions) of customs bodies or customs bodies' officials or cases of economic disputes resolved by a court of arbitration together with other proof in keeping with the criminal procedural legislation of the Russian Federation, the legislation of the Russian Federation on civil judicial proceedings and arbitration proceedings or the legislation of the Russian Federation on administrative offences.

### **Chapter 38. The Measures Taken by Customs Bodies in Respect of Specific Goods**

**Article 393.** Grounds for Suspending the Clearance of Goods

1. The customs bodies shall take measures in the manner set out in the present chapter relating to the suspension of clearance of goods at the application of a holder of exclusive rights (intellectual property) to objects of copyright and adjacent rights to trademarks, service marks and a holder of the right to use the name of the place of origin of goods (hereinafter referred to as a "right-possessor"). The measures envisaged by the present chapter shall be taken in the event of goods being moved across the customs border or other actions being committed with goods under customs control.

2. The measures being taken by customs bodies under the present chapter shall not impede the right-possessor's resorting to any remedies in compliance with the legislation of the Russian Federation.

**Article 394.** The Filing of an Application by a Right-Possessor and the Procedure for Considering It

1. A right-possessor that has sufficient grounds for believing that a breach of his rights may occur in accordance with the legislation of the Russian Federation on intellectual property in connection with the movement across the customs border of goods which are in his opinion counterfeit goods or when other actions are committed with goods under customs control shall be entitled to file an application with the federal service authorised in the sphere of customs business asking for the taking of measures relating to

the suspension of clearance of such goods. The application may be filed on behalf of the right-possessor by a representative thereof.

2. The application for the taking of measures relating to the suspension of clearance of goods shall contain information on:

the right-possessor, and also on the representative thereof if the application is filed by a representative;

the object of intellectual property;

the goods which are in the right-possessor's opinion counterfeit goods, this information being sufficient for the customs bodies to discern such goods;

the term during which the customs bodies will be taking the measures in compliance with the present chapter.

The application for the taking of measures relating to the suspension of clearance of goods shall be filed together with documents confirming the right to the object of intellectual property (certificate, contract (in particular, a licence contract) whereby exclusive rights are transferred, other documents that can be filed by the right-possessor to confirm his rights to the objects of intellectual property), and if the application is filed by a representative, also a power of attorney issued by to this person by the right-possessor.

The right-possessor (a representative thereof) may attach to the application specimens of goods that can serve as a confirmation of the fact of violation of his rights that in his opinion occurs.

3. The procedure for filing the application and the standards governing the information declared depending on the type of object of intellectual property shall be established by the federal ministry authorised in the customs business.

4. The application shall be filed together with the right possessor's obligation in writing to compensate for the material harm that may be caused to the declarant, owner, consignee of the goods or to the person specified in Article 16 of the present Code in connection with the suspension of clearance of the goods.

5. The federal service authorised in the sphere of customs business shall consider the application within a term not exceeding one month after the date of receipt of the application, and it shall adopt a decision to take measures in compliance with the present chapter or to refuse to take such measures.

For the purpose of verifying the reliability of information provided by the right-possessor (a representative thereof) the federal service authorised in the sphere of customs business shall be entitled to demand that third persons, and also state bodies, provide documents confirming the information declared. The said persons shall provide the documents so requested within ten days after the receipt of the demand. The federal service authorised in the sphere of customs business shall be entitled to extend the term of consideration of the application by up to two months.

The decision to refuse to take measures in compliance with the present chapter shall be adopted if the right-possessor (a representative thereof) have provided unreliable information, and also if he has failed to observe the requirement established by Item 2 of Article 395 of the present Code.

A written notice of the decision made shall be served to the right-possessor (a representative thereof) within three days after the date of the decision.

6. If a change occurs in the information specified in the application or in the documents attached thereto the right-possessor (a representative thereof) shall immediately notify the federal service authorised in the sphere of customs business.

#### **Article 395. The Customs Register of Objects of Intellectual Property**

1. Objects of intellectual property in respect of which by the federal service authorised in the sphere of customs business has decided to take measures in compliance with the present chapter shall be entered in a customs register of objects of intellectual property (hereinafter referred to in this chapter as "the register"). Entry in the register shall be made free of charge.

The register shall be kept by the federal service, authorised in the sphere of customs business, in the order defined by the federal ministry authorised in the sphere of customs business.

2. An object of intellectual property shall be included in the register on condition that the right-possessor provides security for the performance of the obligation specified in Item 4 of Article 394 of the present Code by the methods envisaged by the civil legislation of the Russian Federation. In place of security for the performance of the obligation the right-possessor may present a contract of insurance of the risk of liability for infliction of harm in favour of the persons specified in Item 4 of Article 394 of the present Code. In this case the amount of security or the insured amount shall be at least 500,000 roubles.

3. The object of intellectual property shall be subject to deletion from the register in the following cases:

if the right-possessor (a representative thereof) so wishes;

if the right-possessor does not comply with the conditions set out in Item 2 of the present article;

upon the expiry of the term of legal protection of the object of intellectual property;

if within the term of suspension of clearance of the goods (Article 397) the right-possessor has not applied to the body empowered under the legislation of the Russian Federation for protection of his rights.

4. The federal service authorised in the sphere of customs business shall arrange for the publication in its official media of a list of the objects of intellectual property included in the register.

**Article 396.** The Term for Customs Bodies to Take Measures Relating to the Suspension of Clearance of Goods

The term during which the customs bodies are to take measures relating to the suspension of clearance of goods shall be suspended at an application of the right-possessor (a representative thereof) for a term not exceeding five years after the entry of the object of intellectual property in the register. The said term may be extended at an application of the right-possessor (a representative thereof) on the condition that the conditions set out in Article 394 and Item 2 of Article 395 of the present Code are observed. The term for the customs bodies to take measures relating to the suspension of clearance of goods shall not exceed the term of legal protection of the object of intellectual property.

**Article 397.** The Suspension of Clearance of Goods

1. If during the performance of customs formalities and customs control the customs body discovers goods indicated by the right-possessor (a representative thereof) as counterfeit the clearance of such goods shall be suspended for ten working days. At the right-possessor's (his representative's) substantiated request in writing said term may be extended by up to ten working days if said person has applied to the bodies empowered under the legislation of the Russian Federation for protection of the right-possessor's rights.

The decision to suspend the clearance of goods and extend the term of suspension of clearance of goods shall be made in writing by the chief of a customs body or a person acting in the capacity thereof.

2. Not later than on the day following the date of suspension of clearance of goods the customs body shall notify the declarant and the right-possessor (a representative thereof) of the suspension of clearance of the goods and of the term of such a suspension, and it shall also inform the declarant of the name (full name) and address of the right-possessor (his representative) and to inform the right possessor (his representative) of the name (full name) and address of the declarant.

3. Under the civil legislation of the Russian Federation the right-possessor shall be liable for the material harm caused to the declarant, owner, consignee of goods or to the person specified in Article 16 of the present Code as the result of suspension of clearance of the goods in keeping with the present chapter unless the goods (including the packaging and label thereof) are classified as counterfeit in the procedure established by the legislation of the Russian Federation.

**Article 398.** The Provision of Information. The Taking of Samples and Specimens

1. With the written permission of the customs body the right-possessor and the declarant (representatives thereof) may, under customs control, take samples and specimens of the goods in respect of which a decision has been made to suspend clearance, may study them, and also inspect, take photographic pictures or otherwise record such goods.

2. At the request of the right-possessor (a representative thereof) the customs body may provide additional information that may be needed by the right-possessor to prove that his rights have been violated, except for the cases envisaged by federal laws.

3. The information obtained by the right-possessor (a representative thereof) or by the declarant in keeping with the present article shall be deemed confidential and it shall not be disclosed, passed to third persons or state bodies, except for the cases envisaged by federal laws.

**Article 399.** The Revocation of a Decision on Suspending Clearance of Goods

1. Unless a decision to withdraw the goods, to arrest or confiscate them is received from the body empowered under the legislation of the Russian Federation before the expiry of the term of suspension of clearance of the goods, the decision on suspending clearance of the goods shall be subject to revocation on the day following the date of expiry of the term of suspension of clearance of the goods.

2. The decision on suspending the clearance of goods shall be subject to revocation before the expiry of the term of suspension of clearance of the goods if:

1) the right-possessor (a representative thereof) has asked the customs body to revoke the decision on suspending the clearance of the goods;

2) the object of intellectual property has been deleted from the register.

3. The decision on suspending the clearance of goods shall be subject to revocation on the day when it became known that the grounds envisaged by Item 2 of the present article exist.

4. The revocation of a decision on suspending the clearance of goods shall be effected in writing by the chief of the customs body who has taken such a decision or a deputy thereof. After the revocation

of such a decision the clearance of the goods shall be effected in the procedure established by the present Code (Chapter 16).

**Article 400.** The Goods Not Subject to the Application by Customs Bodies of the Measures Relating to Suspension of the Clearance of Goods

The measures relating to suspension of the clearance of goods in keeping with the present chapter shall not be applied by the customs bodies to the goods containing objects of intellectual property and moved across the customs border by natural persons or sent by international post in insignificant quantity if such goods are intended for personal, family, household and other needs not relating to the pursuance of entrepreneurial activity.

## **Section V. Customs Bodies**

### **Chapter 39. Customs Bodies and the Arrangements for Pursuance of the Activities Thereof**

#### **Paragraph 1. Customs Bodies**

**Article 401.** Customs Bodies and Their Place within the System of State Bodies of the Russian Federation

1. The customs bodies make up a single federal centralised system.
2. The governmental bodies of Russian regions, local government bodies, public associations shall not interfere in the activity of customs bodies as they perform their functions.

**Article 402.** The System of Customs Bodies

1. The customs bodies are as follows:
  - 1) the federal service authorised in the sphere of customs business;
  - 2) regional customs administrations;
  - 3) customs-houses;
  - 4) customs check-points.
2. The creation, reorganisation and liquidation of regional customs administrations and custom-houses shall be carried out by the federal ministry authorised in the sphere of customs business and of customs posts shall be carried out by the federal service, authorised in the sphere of customs business, by agreement with the federal ministry authorised in the sphere of customs business.

The competence of specific customs bodies in as much as it concerns the performance of specific functions, accomplishment of specific customs operations, and also the region of activity of thereof shall be established by the federal service, authorised in the sphere of customs business, by agreement with the federal ministry authorised in the sphere of customs business. The federal service, authorised in the sphere of customs business, by agreement with the federal ministry authorised in the sphere of customs business is entitled to form specialised customs bodies of which the competence is limited to certain powers to perform certain functions vested in the customs bodies or for the purpose of accomplishing customs operations in respect of certain types of goods.

3. Regional customs administrations, customs-houses and customs check-points shall operate on the basis of common or individual regulations approved by the federal service, authorised in the sphere of customs business, by agreement with the federal ministry authorised in the sphere of customs business. Customs check-points need not possess the status of a juridical person.

4. The system of customs also includes establishments which are not law-enforcement bodies but which are under the authority of the federal service, authorised in the sphere of customs business, for the guaranteed functioning of customs.

**Article 403.** The Functions of Customs Bodies

- The customs bodies shall perform the following basic functions:
- 1) perform customs formalities and customs control, create conditions conducive for accelerating the turnover of goods across the customs border;
  - 2) levy customs duties, taxes, anti-dumping, special and compensation duties, customs fees, monitor the correctness of calculation and proper timing of the payment of the said duties and taxes and fees, take measures for the compulsory collection thereof;
  - 3) ensure the observance of the procedure for moving goods and vehicles across the customs border;
  - 4) ensure the observance of the bans and restrictions in respect of goods moved across the customs border established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity and international treaties of the Russian Federation;

- 5) ensure, within the limits of their competence, the protection of intellectual property rights;
- 6) combat contraband and other crimes, administrative offences in the area of customs affair, stop the illegal traffic across the customs border of narcotics, weapons, cultural valuables, radioactive substances, species of fauna and flora under the threat of extinction, parts and derivatives thereof, objects of intellectual property, other merchandise, and also provide assistance in combating international terrorism and stopping illegal interference in the operation of international civil aviation at the airports of the Russian Federation;
- 7) carry out, within the scope of their competence, control over currency transactions of residents and non-residents relating to the movement of goods and vehicles across the customs border, in keeping with the currency legislation of the Russian Federation and the normative legal acts of the currency regulation bodies adopted in compliance with it;
- 8) keep customs statistics on foreign trade;
- 9) ensure the observance of the international obligations of the Russian Federation in as much as customs affairs are concerned, maintain cooperation with customs and other competent bodies of foreign states, the international organisations dedicated to customs affairs;
- 10) provide information and consultations in the area of customs affairs, provide information on customs matters in the established manner to state bodies, organisations and citizens;
- 11) perform scientific research in the area of customs affairs.

**Article 404.** The Flag, Pendant and Emblem of the Customs Bodies

The customs bodies shall have a flag and an emblem. The sea and river vessels of customs bodies shall have a pendant. The emblem shall be placed in the motor road vehicles and aircraft of customs bodies. The description and design of the flag and emblem of customs bodies, as well as those of the pendant of the sea and river vessels of customs bodies shall be endorsed by the President of the Russian Federation.

**Article 405.** The Whereabouts of Customs Bodies

1. Customs bodies shall be located on check-points at the State Border of the Russian Federation. Other places of location of customs bodies shall be designated by the federal service, authorised in the sphere of customs business, by agreement with the federal ministry authorised in the sphere of customs business with due regard to the scope of passenger and merchandise traffic, the intensity of development of foreign economic relations of specific regions, the needs of transport organisations, exporters, importers, other participants in foreign economic activity.

2. Customs bodies shall be located on premises directly possessed by customs bodies. Customs check-points and the structural units of customs-houses may be located on premises possessed by the owners of bonded warehouses, customs warehouses, duty-free shops in agreement with the possessors thereof, and also on the premises of participants in foreign economic activity which accomplish regular export-import shipments of goods.

**Article 406.** The Places where Customs Operations Are Accomplished by Customs Bodies

The customs operations of performing customs formalities in respect of goods and vehicles shall be directly performed at the places where customs bodies and the structural units thereof are located. At the substantiated request of a person concerned and with the written permission of the chief of a customs body or a person authorised by him customs operations may be accomplished in other places. The customs bodies shall not impede the accomplishment of customs operations at the places where goods and vehicles are, unless it reduces the effectiveness of customs control.

**Article 407.** The Working Hours of Customs Bodies

1. The working hours of customs bodies shall be established by the chief of the customs body in keeping with the legislation of the Russian Federation.

The working hours of customs bodies at ports, airports and other check-points at the State Border of the Russian Federation shall correspond to the working hours of the controlling bodies and services at these check-points. The working hours of customs bodies at other places where customs formalities are performed shall be established with due regard to the needs of transport organisations and participants in foreign economic activity.

The working hours of customs bodies at check-points at the State Border of the Russian Federation which are combined in as much as their whereabouts are concerned with check-points of adjacent states shall coincide, where possible, with the working hours of the customs bodies of these adjacent states.

2. At the substantiated request of a person concerned and if customs bodies are capable of it specific customs operations may be accomplished outside of the working hours of the customs body.

## Paragraph 2. The Duties, Powers and Liability of Customs Bodies

### Article 408. The Powers of Customs Bodies

For the purpose of performing the functions vested in them the customs bodies are empowered to:

- 1) take the measures envisaged by the present Code in order to ensure the observance of the customs legislation of the Russian Federation;
- 2) demand the documents, information of which the provision is envisaged by the present Code;
- 3) check the personal identity documents of the citizens and officials taking part in customs operations;
- 4) demand confirmation from natural and juridical persons of their powers to commit certain actions or pursue certain activity in the area of customs affairs;
- 5) pursue, in accordance with the legislation of the Russian Federation, operational investigation activity aimed at revealing, preventing, stopping and detecting the crimes for which expedient investigative actions and inquiry is within the cognisance of customs bodies according to the criminal procedural legislation of the Russian Federation, at revealing and establishing the persons who are preparing, committing or who have committed them, and also at ensuring own security;
- 6) commit expedient investigative actions and inquiries within the competence thereof and in the manner set out by the criminal procedural legislation of the Russian Federation;
- 7) carry out proceedings in cases of administrative offences and hold persons accountable for a breach of administrative law in compliance with the legislation of the Russian Federation on administrative offences;
- 8) use, in cases of emergency, the communication or transport facilities belonging to organisations or public associations (except for the communication and transport facilities of diplomatic missions, consular and other institutions of foreign states, and also of international organisations) to prevent crimes in the area of customs affairs, pursue and detain perpetrators suspected of such crimes. The property harm sustained in such cases by the possessors of the communication or transport facilities shall be compensated by the customs bodies at the demand of the possessors of the communication or transport facilities in the manner established by the Government of the Russian Federation;
- 9) detain and bring to the service premises of the customs body or to bodies of internal affairs of the Russian Federation persons suspected of having committed crimes, persons who have committed or are committing crimes or administrative offences in the area of customs affairs, in keeping with the legislation of the Russian Federation;
- 10) record on paper, video and audio media, cinematic and photographic media facts and events relating to the movement of goods across the customs border and to the carriage, storage of goods under customs control, and the accomplishment of other cargo-handling operations with them;
- 11) obtain information from state bodies, organisations and natural persons as required for the performance of its functions, in keeping with the present Code;
- 12) issue warnings in writing to the heads of state bodies, organisations, enterprises, public associations, as well as citizens containing a demand to eliminate breaches of the customs legislation of the Russian Federation and to monitor the execution of the demand;
- 13) file complaints and applications with courts or courts of arbitration for compulsory collection of customs duties and taxes; for levy of execution on goods for collection of customs duties and taxes; in the other cases envisaged by the present Code and other federal laws;
- 14) establish and maintain formal relations of a consultative nature with participants in foreign economic activity, other persons whose activity relates to the pursuance of foreign economic activity and the professional amalgamations (associations) thereof for the purpose of cooperating and interacting on the matters of implementing the most effective customs formality and customs control methods;
- 15) exercise the other powers envisaged by the present Code and other federal laws.

### Article 409. The Rights of Customs Bodies in Customs Control Exercised with the Use of Customs Bodies' Vessels

1. When customs control is exercised with the use of sea (river) vessels and aircraft of customs bodies these bodies shall be entitled to:

- 1) halt a vehicle and subject it to customs examination (Article 372) if indications exist of the fact that the vehicle is used to illegally move goods subject to customs control;
- 2) detain persons in the vehicle and who are suspected of committing the crimes for which expedient investigative actions and inquiry is within the cognisance of customs bodies according to the criminal procedural legislation of the Russian Federation, except as otherwise envisaged by international treaties of the Russian Federation;
- 3) pursue and apprehend sea (river) vessels that have left the customs territory of the Russian Federation without permission of customs bodies outside the territorial sea of the Russian Federation, in the adjacent zone of the Russian Federation before their entry in the territorial sea of a foreign state if the

pursuit was commenced in the inland waters or territorial sea of the Russian Federation after a visual or sound signal demanding halt from a distance allowing this signal to be seen or heard, provided the pursuit was continuous;

4) apprehend vehicles for the purpose of withdrawal under the legislation of the Russian Federation on administrative offences if indications of an administrative offence in the area of customs affairs exist;

5) escort vehicles, in particular, involving the placement of customs officials in them in the cases envisaged by the present Code.

**2.** The crews of sea (river) vessels and aircraft of customs bodies are entitled to:

1) use free of charge water and air space of the Russian Federation, the water areas of sea and river ports, and also airports, airfields (landing grounds) in the territory of the Russian Federation, irrespective of the ownership and intended purpose thereof;

2) use free of charge the priority right of entering and leaving a port in the manner agreed upon with the federal executive governmental bodies concerned;

3) obtain free of charge navigational, hydro-meteorologic, hydrographic data and other data;

4) enjoy free of charge flight and navigation support.

**Article 410.** The Rights of Customs Bodies in Respect of Motor Road Vehicles Carrying Goods Which Are under Customs Control

1. The customs bodies are entitled to halt motor road vehicles, in particular, those which do not perform the international carriage of goods if these vehicles are used to carry goods under customs control, to verify the goods and the documents relating thereto. By themselves customs bodies may halt motor road vehicles exclusively in customs control zones arranged along the customs border. In other places motor road vehicles are halted by the internal affairs bodies empowered in the area of road traffic safety, as they interact with customs bodies.

2. When a vehicle is halted outside of a customs control zone the customs bodies shall complete verification of goods and the documents relating thereto within two hours. A report shall be drawn up on the verification of the goods and the documents relating thereto in the form defined by the federal ministry authorised in the sphere of customs business, one copy of which shall be subject to delivery to the carrier. The compulsory placement of vehicles into the territory of a bonded warehouse or into another place deemed a permanent customs control zone (Article 362) shall be admissible only if action is brought in a case of an administrative offence with the delivery of a copy of the appropriate decision or minutes to the medium or to the person driving the vehicle. In this case the vehicle may be located in the territory of a bonded warehouse or another place deemed a customs control zone during the period of time required for the unloading thereof, with the exception of cases when the vehicle is subject to withdrawal under the legislation of the Russian Federation.

**Article 411.** Customs Bodies' Interaction and Cooperation with Other State Bodies

1. The customs bodies shall carry out their functions by themselves and in interaction with other state bodies.

2. Under the present Code and other federal laws the customs bodies are entitled to allow other state bodies to perform some actions within the competence of customs bodies.

3. If customs bodies discover indications of administrative offences (crimes) for which case proceedings are within the competence of other state bodies in compliance with the legislation of the Russian Federation the customs bodies shall immediately pass information about them to the appropriate state bodies.

**Article 412.** Departmental Control over the Activities of Customs Bodies

Except as otherwise envisaged by the present Code and other federal laws, a higher customs body or a higher official of a customs body is entitled at any time, in the departmental control procedure, to revoke or amend a decision of a lower customs body or a lower official of a customs body which does not comply with the provisions of the legislation of the Russian Federation, and also to take any measures envisaged by the legislation of the Russian Federation in respect of wrongful actions (omissions) of lower customs bodies or lower officials of customs bodies. The federal ministry authorised in the sphere of customs business shall have the right to repeal the decision by the federal service, which is inconsistent with the requirements of the Russian Federation, unless a different procedure for the repeal of the decision is established by a federal law.

**Article 413.** The Liabilities of Customs Bodies and of the Officials Thereof

1. The officials of customs bodies shall be accountable under disciplinary rules, administrative, criminal law and otherwise in keeping with the legislation of the Russian Federation for wrongful decisions, actions (omissions).

2. Customs bodies shall compensate for the harm inflicted to persons and to property of persons as the result of their officials' and other employees' wrongful decisions, actions (omissions) when they execute their service or labour duties, in accordance with the civil and budget legislation of the Russian Federation.

3. The harm caused by lawful actions of customs bodies and officials thereof shall not be subject to compensation, except as otherwise envisaged by the present Code and other federal laws.

### **Paragraph 3. The Use of Physical Force, Special Means and Weapons by Customs Officials**

#### **Article 414. The Use of Physical Force, Special Means and Weapons by Customs Officials**

1. The officials of customs bodies are entitled to apply physical force, special means and weapons in the procedure envisaged by the present Code.

2. The use of physical force, special means and weapons shall be preceded by a clearly expressed warning of the intent to use them and in the event of use of weapons-warning shots. In this case customs officials of customs bodies shall:

1) allow sufficient time for complying with their lawful demands, except for cases when a delay in the use of physical force, special means and weapons creates a direct threat to their life and health, can cause grave consequences - in the event of a surprise or armed attack, an attack with the use of combat machinery, vessels and vehicles or under other circumstances when a warning is inappropriate or impossible in the prevailing situation;

2) ensure the provision of first aid assistance to persons who have sustained bodily harm and shall immediately notify the chief of the customs body about this, who shall notify the prosecutor within 24 hours.

3. In the event of the use of physical force, special means or weapons depending on the nature and degree of danger of the offence, and also the degree of resistance offered the officials of customs bodies shall bear in mind that the damage inflicted as the menace is being eliminated must be minimal.

4. In the event of the use of physical force, special means and weapons in breach of the established procedure officials of customs bodies shall be accountable under the legislation of the Russian Federation.

#### **Article 415. The Use of Physical Force by Officials of Customs Bodies**

1. The officials of customs bodies are entitled to use physical force, in particular, hand-to-hand combat techniques only when non-violent methods cannot ensure the execution of the duties vested in the customs bodies.

2. Physical force shall be used to:

1) stop an offence;

2) detain persons who have committed an offence;

3) overpower resistance to lawful demands of customs officials;

4) deny access to premises, territory, goods or vehicles under customs control.

#### **Article 416. The Use of Special Means by Officials of Customs Bodies**

1. The officials of customs bodies are entitled to use handcuffs, rubber batons, tear gas, devices intended for opening up premises, means of halting vehicles, other special means in the following cases:

1) for countering an attack against customs officials or other persons;

2) for countering an attack against buildings, structures or vehicles belonging to customs bodies or used by them, goods and vehicles under customs control, and also for liberating said facilities if they have been captured;

3) for detaining wrongdoers, bringing them to service premises of a customs body or a body of internal affairs if such persons show disobedience or resistance or can cause harm to people nearby or to themselves;

4) for stopping physical resistance offered to a customs official;

5) for halting a vehicle whose driver has not complied with a customs official's demand to halt.

2. It is prohibited to apply special means to women with apparent features of pregnancy, persons with apparent features of disability and minors, except for cases when they offer armed resistance, commit a group or another attack that threatens human life and health, the safety of goods and vehicles under customs control.

3. The list of the special means used by customs bodies shall be established by the Government of the Russian Federation.

#### **Article 417. The Use of Weapons by Officials of Customs Bodies**

1. In the case of necessary defence or extreme need the officials of customs bodies are entitled to use weapons or to use any means on hand if special means are lacking.

2. When they execute their service duties the officials of customs bodies are entitled to use weapons in the following cases for:

1) countering an attack against customs officials when their life or health is exposed to direct danger if the attack cannot be countered by other methods and means;

2) stopping an attempt at capturing the weapons of customs officials, in particular, an attempt by a person who is being detained by a customs official to approach by reducing the distance indicated by the customs official or to touch the weapon of the customs official;

3) countering a group or armed attack against buildings, structures, vehicles, aircraft, sea or river vessels belonging to customs bodies or used by them, goods and vehicles under customs control or facilities where such goods and vehicles are located;

4) detaining a person (persons) offering armed resistance and also an armed person (persons) refusing to comply with a lawful demand to surrender weapons;

5) halting vehicles, sea and river vessels by means of damaging them if they create a real threat to the life and health of customs officials or do not comply with their repeated demands to stop moving after warning shots;

6) neutralising animals posing a threat to customs officials' life and health;

7) warning of the intent to use weapons, for producing a signal of alarm or call for help.

3. Weapons are prohibited for use against women with apparent features of pregnancy, persons with apparent features of disability, minors, except for cases when they offer armed resistance, commit an armed, group attack that threatens human life.

4. The official of a customs body shall notify in writing as soon as possible the chief of the customs body about each case of the use of weapons who shall notify the prosecutor within 24 hours from the time when the weapons were used.

5. The list of the types of weapons and ammunition for them used by the customs bodies shall be established by the Government of the Russian Federation.

6. A official of a customs body shall be entitled to prepare the weapon for use if he believes that under prevailing circumstances the reasons for the use thereof may occur as envisaged by Item 2 of the present article.

#### **Paragraph 4. The Arrangement for the Pursuance of Activities of the Customs Bodies**

##### **Article 418. Logistic Support for the Activity of Customs Bodies and Social Guarantees for Officials of Customs Bodies**

1. Logistic support for the activity of customs bodies shall be provided from the federal budget and other sources envisaged by the legislation of the Russian Federation.

2. Where, for the purpose of accomplishing customs operations, structural units of customs-houses and customs check-points are located in the facilities belonging to the owners of bonded warehouses, customs warehouses and the other facilities envisaged by the present Code logistic support for the activity of the customs bodies in as much as it concerns the provision of means of communication and office appliances shall be provided by the owners of said facilities under a contract.

3. In the event of death of an official of a customs body in the line of duty a lump-sum allowance shall be payable to the family of the deceased and to the dependents thereof in the amount of 10-fold the annual monetar allowance of the deceased according to the last position he held with the customs bodies. The minor dependents of the deceased shall be additionally entitled to a monthly allowance at the rate of the deceased's average monthly salary in the last position he occupied, until the coming of age or until the emergence of an independent source of income, and students of day-time branches of secondary vocational, higher professional education institutions until the end of studies. Other dependents shall be entitled to a pension relating to the loss of bread-winner at the rate of the deceased's average monthly salary.

When an official of a customs body sustains bodily harm in line of duty precluding his further pursuance of his professional activity he shall be entitled to a lump-sum allowance in the amount of 5-fold the annual monetar allowance in the last position he occupied with the customs bodies, and also for ten years the difference between the amount of his average monthly salary in the last position occupied and the amount of pension.

When an official of a customs body sustains other bodily harm he shall be entitled to a lump-sum allowance in the amount of 5-fold the average monthly salary.

Damage inflicted to property of an official of a customs body or a close relative thereof relating to the person's executing his service duty shall be compensated in full.

The disbursement of allowances and compensation for damage inflicted to property shall be effected from the federal budget with a subsequent collection of these amounts of money from the guilty persons.

The decision to disburse allowances shall be made by the chief of the customs body with which the victim worked on the basis of a court judgement or a decision of investigation bodies on terminating a criminal case or suspending a preliminary investigation.

Investigation bodies' refusal to open a criminal case is subject to appeal by the customs body to a prosecutor or a court on the basis of a service investigation completed as well as other evidence.

The compensation for damage inflicted to property shall be effected under a court decision (judgement).

The annual monetar allowance of an official of a customs body used for the purposes of calculating lump-sum allowances shall incorporate all types of pecuniary disbursements to which the said person was entitled in the year of his death or in the year in which his health was harmed.

The average salary amount shall be calculated in the procedure established by the legislation of the Russian Federation on compulsory social insurance against accidents at work and occupational diseases.

For the purposes of the present article the position salary of an official of a customs body shall among other things include the special rank salary, service record, foreign language bonuses and other bonuses.

Allowances and the amounts of compensation for property damage shall be paid out by the customs body with which the victim was employed prior to death, bodily harm or property damage, and if this body has been reorganised or liquidated, by the successor thereof or by a higher body.

The procedure for the payment of the sums of money indicated in the present Article shall be determined by the federal executive body, authorised in the sphere of finance, by agreement with the federal service authorised in the sphere of customs business.

**4.** The officials of customs bodies shall be subject to compulsory state personal insurance at the expense of the federal budget.

The insured amount shall be paid out:

if the insured customs official dies during his period of service with customs bodies or within one year after his discharge from customs bodies as the result of a wound (concussion), other bodily harm, disease sustained in line of duty, to his heirs (on the presentation of a certificate of right to inheritance) in the amount of 12.5-fold the annual monetar allowance;

if the insured's disability has been established as being in connection with his executing service duties during the period of service or within one year after his discharge from customs bodies:

for a disabled person, Disability Group 1: in the amount of 7.5-fold the annual monetar allowance;

for a disabled person, Disability Group 2: in the amount of 5-fold the annual monetar allowance;

for a disabled person, Disability Group 3: in the amount of 2.5-fold the annual monetar allowance;

if the insured has sustained grave bodily harm in line of duty: in the amount of the annual monetar allowance, and if he has sustained less serious bodily harm, in the amount of a half-year's monetar allowance.

**5.** The insured amount for the given type of insurance shall be disbursable irrespective of disbursements relating to other types of insurance and disbursements in accordance with the procedure for compensating harm.

The annual monetar allowance of an official of a customs body shall be calculated for the last position this person occupied with a customs body and it shall incorporate all types of pecuniary disbursements to which the person was entitled in the year in which the insured accident occurred.

The other conditions and procedure for effecting compulsory state personal insurance of officials of customs bodies shall be established by a contract between the federal service authorised in the sphere of customs business and the insurance organisation.

#### **Article 419.** The Location of Customs Body Facilities

**1.** The land plots intended for accommodating customs body facilities shall be provided in accordance with the procedure for allocating land for state needs in keeping with the land legislation of the Russian Federation.

The land plots allocated for the purpose of placing facilities of customs bodies on them shall be provided to these bodies for permanent (perpetual) use.

**2.** If structural units of customs-houses and customs check-points are located in facilities of the organisations specified in Item 2 of Article 405 of the present Code these organisations shall provide the customs bodies with the necessary service premises under a contract of gratuitous use.

#### **Article 420.** The Protection of Information on the Activities of Customs Bodies

1. Documents and materials containing information on the personnel of customs bodies, on the organisation, tactics, methods and means of operative investigation activity shall be subject to storage in customs bodies' archives in compliance with the legislation of the Russian Federation.

2. The materials of customs bodies' archives having historic or scientific value no longer deemed classified matter under the legislation of the Russian Federation shall be handed over for storage to the archives of the Federal Archives Service of Russian in the manner established by the legislation of the Russian Federation.

3. The protection of state, banking and tax secrets and confidential information in the customs bodies shall be ensured in compliance with the legislation of the Russian Federation.

#### **Article 421.** The Institutions and State Unitary Enterprises of Customs Bodies

1. The federal service authorised in the sphere of customs business is in charge of customs laboratories, scientific-research institutions, educational establishments of higher professional and additional education, printed publications, information computer centres and other establishments, and also state unitary enterprises whose activity facilitates the solution of the tasks of the customs.

2. The functions of the institutions and state unitary enterprises of customs bodies shall be defined in accordance with the provisions of the anti-monopoly legislation of the Russian Federation.

#### **Article 422.** The Property of Customs Bodies and Customs Bodies' Organisations

The property of customs bodies, of the institutions and state unitary enterprises of customs bodies shall be in federal ownership. The disposition of said property shall be effected in accordance with the legislation of the Russian Federation.

### **Chapter 40. Information Systems and Information Technologies in Customs Affairs**

#### **Article 423.** The Information Systems, Information Technologies and Means of Supporting Them Used by Customs Bodies

1. The development, creation and use of information systems and information technologies, in particular, those based on electronic data exchange methods and the means of supporting them shall be done by customs bodies in keeping with the present Code and other federal laws.

2. The introduction in everyday use of information systems and information technologies involving the use of computers and communication facilities shall be done in accordance with the standards effective in the Russian Federation as well as international standards.

3. The information systems, information technologies and means of supporting them developed and manufactured by customs bodies or acquired by them shall be in federal ownership.

4. Information systems, information technologies and means of supporting them which are not in federal ownership shall be used by customs bodies under a contract.

5. The conditions and procedure for the use for customs purposes of information systems, information technologies and means of supporting them shall be established by the federal ministry authorised in the sphere of customs business.

#### **Article 424.** The Certification of Information Systems, Information Technologies, of Means of Supporting and Protecting Them

The information systems, information technologies, means of supporting them, as well as data protection software/hardware used in customs affairs shall be subject to certification in the cases and in the procedure envisaged by the legislation of the Russian Federation.

#### **Article 425.** The Information Resources of Customs Bodies

1. The information resources of customs bodies shall be made up of the documents and information provided by persons as they accomplish customs operations under the present Code, and also the other documents and information the customs bodies possess in compliance with the present Code and other federal laws.

2. The information resources of customs bodies shall be deemed federal property.

3. The procedure for arranging and using the information resources of customs bodies, the standards governing information recording shall be established by the federal ministry authorised in the sphere of customs business, in accordance with the legislation of the Russian Federation.

4. The documents supposed to be filed under the present Code or in the manner set out by the Code, in particular customs declarations, may be filed by means of electronic data exchange techniques in the observance of the standards governing information recording established by the federal ministry authorised in the sphere of customs business, and also the other standards established by the legislation of the Russian Federation.

5. The procedure for persons to obtain information contained in the information resources under customs bodies' jurisdiction shall be established by the federal ministry authorised in the sphere of customs business, in accordance with the present Code and other federal laws.

**Article 426.** The Information Systems, Information Technologies and Means of Supporting Them Used by Participants in Foreign Economic Activity

1. The federal ministry authorised in the sphere of customs business shall establish standards governing the information systems, information technologies and means of supporting them which are used:

1) by persons in the event of application of special simplified procedures (Article 68);  
2) by the owners of bonded warehouses, the owners of customs warehouses, customs brokers, other persons if they wish thus to provide documents and information envisaged by the present Code.

2. The use of said facilities for customs purposes shall only be admissible after a verification of their compliance with the established standards. The verification shall be performed by the federal service authorised in the sphere of customs business.

**Article 427.** The Protection of Information and Rights of Persons Taking Part in Information Processes and Information Systems

1. The development, creation and use of special software/hardware means of data protection compatible with the means of supporting information systems and information technologies shall be done by customs bodies for the purposes of protecting the information and rights of the persons taking part in information processes and information systems, in accordance with the present Code and other federal laws.

2. The level of data protection ensured by a data protection facility shall match the category of data. The match between the level of data protection and the specific category of data shall be ensured by the customs bodies under whose jurisdiction the information resources are.

3. The federal service authorised in the sphere of customs business and other state bodies shall be responsible, in keeping with the legislation of the Russian Federation, for monitoring the observance of the standards governing data protection and the operation of data protection facilities.

#### **Chapter 41. The Grounds and Procedure for Disposing of Goods and Vehicles**

**Article 428.** Transferring Goods and Vehicles into Federal Ownership

1. Goods and vehicles shall be transferred into federal ownership:

1) under a decision of a court (arbitration court) when confiscation is applied in cases of administrative offences or criminal offences, from the date when the decision of the court (court of arbitration) becomes final;

2) under a decision of a court (arbitration court) when goods are transferred into federal ownership in compliance with Item 9 of Article 377 and Item 5 of Article 391 of the present Code, from the date when the decision of the court (arbitration court) becomes final;

3) on the basis of a person's waiver in favour of the state, from the date of transfer of the goods or vehicles to customs bodies under an acceptance certificate.

2. The disposition of goods and vehicles transferred into federal ownership under a court decision shall be effected in compliance with the legislation of the Russian Federation on executive proceedings with due regard to the provisions of Article 433 of the present Code.

**Article 429.** Disposing of Goods with an Expired Bonded or Customs Warehouse Storage Term

The disposition of goods with an expired bonded or customs warehouse storage term shall be effected under a customs body's certificate stating the fact of the expiry of the bonded storage or customs warehouse storage term drawn up in the form defined by the federal ministry authorised in the sphere of customs business. The second copy of the certificate shall be subject to delivery to the lawful possessor of the goods if he is established by the customs body. A copy of the certificate shall be delivered to the owner of the bonded warehouse or the owner of the customs warehouse.

**Article 430.** Disposing of Goods and Vehicles Deemed Material Evidence in Cases of Administrative Offences

1. The customs bodies may dispose of goods and vehicles deemed material evidence in cases of administrative offences if the actual expenses towards the storage thereof exceed the value of the goods, and also in the other cases specified by the Code of Administrative Offences of the Russian Federation and other federal laws.

2. Where a case of administrative offence is being considered and a decision is made to confiscate the goods and vehicles specified in Item 1 of the present article the proceeds from the sale thereof shall be remitted to the federal budget.

3. The goods and vehicles deemed material evidence in cases of administrative offences about which a decision has been made that they be returned to the lawful possessors and which have failed to be claimed by such within one month after the date when the decision in the case of administrative offence became final shall be disposed of in accordance with the present chapter if they have been stored by customs bodies or under the control thereof.

Said goods and vehicles shall be disposed of under a customs body's certificate stating the fact of expiry of the term for them being claimed, in the form endorsed by the federal ministry authorised in the sphere of customs business.

**Article 431. The Procedure for and Methods of Disposing of Goods and Vehicles**

1. The disposal of goods and vehicles shall be effected by the organisation empowered by the Government of the Russian Federation by means of selling, destroying or salvaging them in the procedure established by the Government of the Russian Federation.

2. The customs body shall serve an advance notice in writing, at least 15 days in advance, to the lawful possessor or the person specified in Article 16 of the present Code (if these persons are established by the customs body) of the forthcoming transfer of the goods and vehicles to the empowered organisation.

3. The sale of goods and vehicles shall be effected at prices set in accordance with the legislation of the Russian Federation on pricing activity.

4. The goods and vehicles subject to sale shall not be acquired by officials of customs bodies, employees of the empowered organisation or members of their families.

5. Except as otherwise envisaged by international treaties of the Russian Federation, federal laws and other legal acts of the Russian Federation goods and vehicles prohibited for circulation in the Russian Federation and also the goods whose value is exceeded by their storage and salvage expenses shall be subject to destruction or salvaging in keeping with federal laws and other legal acts of the Russian Federation.

6. The destruction or salvaging of goods and vehicles shall be effected at the expense of the person specified in Article 16 of the present Code, or if this person is not established, at the expense of their lawful possessor, and if the lawful possessor is lacking, at the expense of the federal budget, except as otherwise envisaged by federal laws and other legal acts of the Russian Federation in respect of specific types of goods.

**Article 432. The Disposition of Proceeds from the Sale of Goods and Vehicles**

1. Proceeds from the sale of goods and vehicles which have not been converted into federal ownership shall be paid to their lawful possessor in the manner defined by the Government of the Russian Federation, within three years after the sale thereof. The following shall be withheld from said amounts of money: the amounts of import customs duties and taxes on foreign goods which would have been payable if they were cleared for free circulation, and also the expenses towards the carriage (transportation), storage and sale of the goods (in particular, expert examination and appraisal expenses) incurred by customs bodies and other persons.

2. If proceeds from the sale of goods are insufficient for collecting customs duties and taxes and to cover all the expenses of the customs bodies and the other persons which are entitled to reimbursement of the expenses they have incurred on the account of the said proceeds the distribution thereof shall be effected according to the following priority ranking:

1) priority ranking of the first category: remittance of customs duty and tax amounts to the federal budget;

2) priority ranking of the second category: reimbursement for the expenses incurred towards the carriage (transportation), storage and sale of the goods.

3. The reimbursement of expenses shall be effected following the calendar order of receipt of the documents confirming the right to reimbursement of expenses in keeping with the civil, transport and other legislation of the Russian Federation, and also the calculation of such expenses.

4. Upon the expiry of the term envisaged by Item 1 of the present article proceeds from the sale of goods and vehicles shall be remitted to the federal budget.

5. The proceeds received from the sale of the goods and vehicles converted into federal ownership shall be remitted to the federal budget except for the carriage (transportation), storage and sale expenses specified in Item 1 of the present article.

**Article 433. The Right of the Federal Executive Governmental Body Charged with Customs Affairs to Gratuitous Transfer of Goods Transferred into Federal Ownership**

The federal service authorised in the sphere of customs business is entitled to transfer on a gratuitous basis the following as having been converted into federal ownership: medicines, perishable foodstuffs, infant food, as well as clothing, footwear and other first-need items to institutions in the area of social security, public health, education, child-care institutions, bodies dedicated to the social protection of

the public; historic items, scientific items and works of art of no cultural value to museums; animal and plant items to zoos, national parks, museums; cult items to religious organisations.

**Article 434.** The Peculiarities of Disposition of Specific Types of Goods

The disposition of precious metals, precious stones and articles made from them, cultural valuables, goods subject to special marking and the other goods with restricted circulation in the territory of the Russian Federation shall be effected in compliance with federal laws and other legal acts of the Russian Federation.

## **Chapter 42. The Controlled Delivery of Goods Carried across the Customs Border**

**Article 435.** The Peculiarities of Controlled Delivery of Goods Carried across the Customs Border

1. "Controlled delivery of goods carried across the customs border" is an operative investigation event in which imported goods may be admitted for import into the customs territory of the Russian Federation, export from this territory or movement in this territory with the consent and under the control of bodies charged with operative investigation activity.

When goods are moved across the customs border controlled delivery is effected for the purpose of preventing, revealing, stopping and disclosing crimes relating to illegal merchandise traffic.

The other bodies pursuing operative investigation activity shall perform controlled delivery of goods in agreement with customs bodies. The procedure for reaching such an agreement shall be established by agreement between the federal service authorised in the customs business and the other federal executive governmental body charged with operative investigation activity.

2. If a decision is made to perform a controlled delivery of goods exported out of the customs territory of the Russian Federation under international treaties of the Russian Federation or by agreement with competent bodies of foreign states no criminal case shall be opened in the Russian Federation and a prosecutor shall be immediately notified in keeping with the legislation of the Russian Federation of the decision so made by the head of the body that is performing the controlled delivery of goods.

**Article 436.** The Withdrawal or Replacement of Goods Moved across the Customs Border in the Event of Controlled Delivery

When a controlled delivery of goods moved across the customs border is being performed, with free sale of such goods being prohibited or with circulation of such goods being admissible on a special permit under Russian law, the goods may be fully or partially withdrawn or replaced in the procedure established by the Government of the Russian Federation. Goods of high hazard for human life, the environment or goods serving as the basis for the manufacture of weapons of mass destruction shall be subject to replacement in the manner established by the Government of the Russian Federation.

## **Section VI. Concluding Provisions**

**Article 437.** The Date for Putting the Present Code into Force

The present Code shall be put into force as of January 1, 2004.

**Article 438.** Bringing Acts of Legislation of the Russian Federation into Line with the Present Code

1. The following shall be deemed no longer valid from January 1, 2004:

The Customs Code of the Russian Federation (Vedomosti S'ezda narodnykh deputatov Rossiyskoy Federatsii i Verkhovnogo Soveta Rossiyskoy Federatsii, item 1224, No. 31, 1993), except for Chapter 12 which shall become invalid as of the date of entry into force of the federal law regulating the legal relationships of establishing and applying the customs regime of free customs zone (free warehouse);

Article 3 of Federal Law No. 89-FZ of June 19, 1995 on Amending Legislative Acts of the Russian Federation in Connection with the Enactment of the Laws of the Russian Federation on Standardisation, on Ensuring the Uniformity of Measurements, on the Certification of Products and Services (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 2397, No. 26, 1995);

Item 8 of Article 1 of Federal Law No. 211-FZ of December 27, 1995 on Amending Specific Legislative Acts of the Russian Federation in Connection with the Enactment of the Federal Law on Fire Safety (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 4, No. 1, 1996);

Item 12 of Article 1 of Federal Law No. 144-FZ of November 16, 1997 on Amending Laws and Other Legal Acts of the Russian Federation in Connection with the Enactment of the Federal Constitutional Law on Courts of Arbitration in the Russian Federation and the Arbitration Procedural Code of the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 5341, No. 47, 1997);

Item 11 of Article 46, Item 11 of Article 64, Item 7 of Article 69, Paragraph 2 of Item 2 of Article 72, Item 12 of Article 78, Item 8 of Article 79, Article 87.1, Item 2 of Article 122 of Part 1 of the Tax Code of the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 3824, No. 31, 1998; item 3487, No. 28, 1999);

Article 12 of Federal Law No. 32-FZ of February 10, 1999 on Amending Legislative Acts of the Russian Federation as Ensuing from the Federal Law on Production Sharing Contracts (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 879, No. 7, 1999);

Subitem 6 of Item 37, Subitem 7 of Item 55, Paragraph 2 of Subitem 10 of Item 68, Subitem 5 of Item 69, Item 80, Subitem 2 of Item 108 of Article 1 of Federal Law No. 154-FZ of July 9, 1999 on Amending Part 1 of the Tax Code of the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 3487, No. 28, 1999);

Item 2 of Article 150 of Part 2 of the Tax Code of the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 3340, No. 32, 2000);

Article 7 of Federal Law No. 57-FZ of May 29, 2002 on Amending Part 2 of the Tax Code of the Russian Federation and Specific Legislative Acts of the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 2026, No. 22, 2002);

Item 5 of Article 4 of Federal Law No. 78-FZ of June 30, 2002 on the Allowances of Money to Personnel of Some Federal Executive Governmental Bodies, Other Amounts of Money Disbursable for the Benefit of the Personnel and the Terms for Transferring Specific Categories of Personnel of Federal Tax Police and Customs Bodies of the Russian Federation to Other Conditions of Service (Work) (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 2620, No. 27, 2002).

2. The following amendments are hereby introduced in legislative acts of the Russian Federation:

1) in Part 1 of the Tax Code of the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 3824, No. 31, 1998; item 3487, No. 28, 1999):

Item 4 of Article 6 shall be set out as follows:

"4. The regulatory legal acts governing the procedure for levying the customs duties and taxes payable in connection with goods being moved across the customs border of the Russian Federation shall be subject to the provisions established by the Customs Code of the Russian Federation.";

Article 11 shall be supplemented with Item 4 of the following wording:

"4. In the relationships occurring in connection with the levy of customs payments when goods are moved across the customs border of the Russian Federation the terms defined by the Customs Code of the Russian Federation shall be used, and in as much as they are not defined by such the terms defined by the present Code shall be used.";

Item 9 of Article 47 shall be supplemented with the words "with due regard to the provisions established by the Customs Code of the Russian Federation";

Article 49 shall be supplemented with Item 5 of the present wording:

"5. The provisions envisaged by the present article shall also be applicable in the event of payment of taxes and fees in connection with the movement of goods across the customs border.";

Article 50 shall be supplemented with Item 13 of the following wording:

"13. The provisions envisaged by the present article shall also be applicable in the event of payment of taxes and fees in connection with the movement of goods across the customs border.";

Subitem 6 of Item 2 of Article 64 shall be set out as follows:

"6) grounds for granting a grace period or an instalment payment schedule for the payment of the taxes payable in connection with the movement of goods across the customs border of the Russian Federation shall be established by the Customs Code of the Russian Federation.";

in Item 3 of Article 122 the words "Items 1 and 2" shall be replaced with the words "Item 1";

2) in Part 2 of the Tax Code of the Russian Federation (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 3340, No. 32, 2000; item 18, No. 1, 2001; item 2026, No. 22, 2002):

in Item 1 of Article 150 the words "1. The following shall not be subject" shall be replaced with the words "The following shall not be subject";

in Article 151:

in Item 1:

Subitem 1 shall be set out as follows:

"1) in the event of clearance for free circulation the tax shall be paid in full;"

in Subitem 3 the word "shop" and the words "processing under customs control," shall be deleted;

Subitem 4 shall be set out as follows:

"4) when goods are placed under the customs regime of processing in the customs territory the tax shall not be paid on the condition that the processed products are exported out of the customs territory of the Russian Federation within a certain term;"

Subitem 7 shall be set out as follows:

"7) when goods are placed under the customs regime of processing for internal consumption the tax shall be paid in full.";

Item 3 shall be set out as follows:

"3. When natural persons move goods intended for personal, family, household and other needs not relating to the pursuance of entrepreneurial activity the procedure for payment of the tax payable in connection with the movement of the goods across the customs border of the Russian Federation shall be determined by the Tax Code of the Russian Federation.";

in Article 185:

in Item 1:

Subitem 1 shall be set out as follows:

"1) when excisable goods are cleared for free circulation and when excisable goods are placed under the customs regime of processing for internal consumption the excise tax shall be paid in full;"

in Subitem 3 the word "shop" and the words "processing under customs control," shall be deleted;

Subitem 4 shall be set out as follows:

"4) when excisable goods are placed under the customs regime of processing in the customs territory the excise tax shall not be paid on the condition that the processed products will be exported within a certain term. When the processed products are cleared for free circulation the excise tax shall be paid in full with due regard to the provisions established by the Customs Code of the Russian Federation;"

Item 3 shall be set out as follows:

"3. When natural persons move excisable goods intended for personal, family, household and other needs not relating to the pursuance of entrepreneurial activity the procedure for payment of the excise tax payable in connection with the movement of the goods across the customs border of the Russian Federations shall be determined in accordance with the Customs Code of the Russian Federation.";

3) in Item 2 of Article 5 of Federal Law No. 129-FZ of November 21, 1996 on Accounting (Sobranie zakonodatelstva Rossiyskoy Federatsii, item 5369, No. 48, 1996; item 2, No. 1, 2003):

in Subitem "c" the word "record-keeping." shall be replaced with the word "record-keeping;"

Subitem "d" of the following wording shall be added:

"d) the provisions and standards establishing the concepts, rules and methods of accounting and reporting for customs purposes."

#### **Article 439. Transitional Provisions**

**1.** The terms and conditions on which the licences issued prior to January 1, 2004 and permits for the use of customs regimes of processing in the customs territory, processing under customs control, processing outside the customs territory, temporary import (export) remain in effect shall be effective until the expiry of the effective term of such licences and permits unless these terms and conditions are inconsistent with the provisions established by the present Code. A full or partial exemption from customs duties and taxes and the bans and restrictions established in compliance with the legislation of the Russian Federation on the state regulation of foreign trade activity relating to goods placed under the said customs regimes before the entry into force of the present Code shall be applicable in compliance with the provisions of the customs legislation of the Russian Federation effective as of the date of issue of such licences and permits.

**2.** The licences issued for the pursuance of activities of a customs broker and customs carrier, for instituting a bonded warehouse, a customs warehouse, and also the qualification certificates of a customs formality specialist issued before January 1, 2004 shall be effective until the expiry of their effective terms with due regard to the provisions of Subitems 2 and 5 of Article 94, Subitems 2 and 3 of Item 1 of Article 109, Subitems 3 and 4 of Article 140 and Subitems 2 and 3 of Item 1 of Article 227 of the present Code.

The effect of the licences issued for the institution of a duty-free shop shall be terminated as of January 1, 2004.

**3.** Goods placed under the customs regime of free warehouse before January 1, 2004 may be subjected to the customs regime of free warehouse after the entry into force of the present Code until the expiry of the effective term of licences issued before January 1, 2004 but at the latest until the investment project completion date.

President  
of the Russian Federation

V.V. Putin

Moscow, the Kremlin