

Report on the Video Conference Arranged by the Eurasian Economic Commission

Date of video conference: Thursday, 30 March 2017 **Time:** 04:00 PM – 04:42 PM

Agenda: Considering complaints from Belarus and Armenia about unlawful actions by Russian customs authorities during customs clearance of shipments which are on their way to EAEU countries through the Russian border and have EAEU Certificates/Declarations of Conformity issued in Armenia, Belarus, Kazakhstan and Kyrgyzstan.

Chair: A. A. Shakkaliyev, Director, EAEC Department for Technical Regulation and Accreditation.

Participants:

From the Eurasian Economic Commission (EAEC)

1. L. A. Kuzmich, Assistant to the EAEC Minister for Customs Cooperation
2. V. V. Zinovyev, EAEC Department for Technical Regulation and Accreditation
3. P. Denishchev, EAEC Department for Customs Infrastructure

From Belarus

1. V. B. Tataritskiy, Deputy Chairman, Gosstandart (Belarus)
2. V. V. Biryuk, Deputy Head, Department for Conformity Assessment, Gosstandart (Belarus)
3. A. G. Rakovskiy, Deputy Director, BELLIS
4. K. N. Prokhorenko, Assistant to Secretary, National Committee of Belarus, International Electrotechnical Commission

From Armenia

1. D. Makaryan, Head, Division for Technical Regulation and Accreditation, Ministry of Economic Development and Investment (Armenia)
2. Experts, Ministry of Economic Development and Investment (Armenia)

From companies

1. I. S. Abramenko, Technical Regulation Manager for EAEU and CIS Regions, Hewlett Packard Inc.
2. S. A. Yershov, Product Certification Division, Schneider Electric

A. A. Shakkaliyev (Director, EAEC Department for Technical Regulation and Accreditation)
opened the conference.

The objective: To discuss the issues indicated in the complaints from Belarus and Armenia about unlawful actions by Russian customs authorities during customs clearance of shipments which are on their way to EAEU countries through the Russian border and have EAEU Certificates/Declarations of Conformity issued in Armenia, Belarus, Kazakhstan and Kyrgyzstan. The participants were requested to confirm whether the issues did exist and propose possible solutions.

Information from Belarus (V. B. Tataritskiy, Deputy Chairman, Gosstandart of Belarus and other Belarusian participants):

A number of international manufacturers have recently been raising the issue of customs clearance at the Russian border.

Due to the fact that the electronic declaration software deployed by the Russian Federal Customs Service (FTS) only accepts Single Form Certificates of Conformity issued in the Russian Federation, shipments having Single Form Certificates of Conformity issued in other EAEU countries (Armenia, Belarus, Kazakhstan and Kyrgyzstan) are subjected to a different customs clearance mode.

This mode includes undergoing additional procedures and practically unfulfillable requirements of furnishing the following documents: the applicant's articles of association, the contract with the certification body, the documents for importing test samples, test reports, documents proving payment for the issued certificate; then follows a full customs inspection. But payment documents under certification contracts and articles of association — which relate to the activity of third parties — are confidential and may not be furnished to or reviewed by the FTS. Reviewing test reports and sampling certificates is part of the procedures to assure conformity with Technical Regulations and, in accordance with the EAEU Treaty, may only be performed by Member States' competent accredited bodies listed in the respective registers. The Russian FTS is neither authorized nor competent to review certification test reports.

At the same time, Russian customs authorities strongly recommend that, to solve their customs problems, companies should apply to Russian [certification] bodies to receive certificates within a day or two; this is impossible, unless required certification procedures are violated.

Information from Armenia (D. Makaryan, Head, Division for Technical Regulation and Accreditation, Ministry of Economic Development and Investment):

The situation is similar to the one described by Belarus. Russian customs authorities reject EAEU Certificates issued in Armenia and give a strong recommendation to apply to Russian certification bodies for a quick receipt of EAEU Certificates.

Information from Schneider Electric (S. A. Yershov, Product Certification Division):

Mr. Yershov confirmed that the problem did exist. The company is unable to get customs clearance for shipments having certificates issued in Belarus neither through the electronic declaration system nor by manually applying to customs authorities. The company has been incurring substantial financial losses by failing to ensure timely delivery to its clients under contracts. The situation is hard and the issue is avalanching. It is difficult to forecast what it will be like in two weeks. One needs to know what can be done and whether new certificates are to be received in the Russian Federation. Offers from Russian companies to arrange rapid receipt of certificates immediately popped up.

Information from Hewlett Packard Inc. (I. S. Abramenko, Technical Regulation Manager for EAEU and CIS Regions, Hewlett Packard Inc.):

The situation is critical. The company's losses due to the situation at the Russian customs have reached millions of USD already. Thousands of devices have been blocked at Russian customs checkpoints. The basic problem is that the reason of this blocking has not been clear so far: we passed the conformity assurance procedures in accordance with the EAEU Treaty and in accordance with Technical Regulations. The information we receive does not make it possible to identify the problem at all. The customs only provides us with unclear printouts from electronic systems, which contain unclear symbols. Since yesterday, the problem has been escalated to our corporation's top level. We are now in breach of our obligations under some contracts as well as our servicing, warranty and post-warranty obligations — with ensuing penalties. The problem is very serious and requires immediate resolution — not next week, not in three days, but today. If the old system worked well, let's roll back to the old system. If the system is not the point, let's find ways to resolve the problem.

Information from the EAEC Departments for Customs Infrastructure/Technical Regulation and Accreditation:

The FTS made changes in the software for electronic declaration of shipments to be cleared, and it is true that the system does not accept certificates from Armenia, Belarus, Kazakhstan and Kyrgyzstan. Only certificates issued in the Russian Federation are accepted. A single register for certificates from all the countries that the customs authorities will work with is under discussion.

In spite of repeated formal letters from the EAEC to the Russian FTS, the latter has not resolved the issue so far.

Participants' comments:

Belarus (V. B. Tataritskiy, Deputy Chairman, Gosstandart):

Such a problem should not exist. The only solution for this situation can be the Russian customs' rolling back to the customs clearance system which used to reliably operate before the changes in the FTS electronic declaration software. Such a barrier for all the countries — it's utter nonsense; it

should be removed immediately. If they can't quickly correct the software, then we should work in the manual mode to avoid problems. Making a single register may be thought of only after that.

Complex household appliances cannot legally receive EAEU Certificates quicker than in several weeks; where the product range includes hundreds of models, it takes months, and it is impossible to do it for all companies at once. It is unacceptable to push international companies to undergo illegal certification in Russian [certification] bodies. If a certificate is issued in two or three days — as it really happens — it is illegal, and, therefore, there will be appeals and proceedings (with regard to such certificates). There is no other alternative but a prompt solution for this problem.

It is proposed to consider this situation on Wednesday, 5 April 2017, at the meeting of the EAEC Consultative Committee on Technical Regulation which includes heads and experts of relevant ministries and departments of all EAEU Member States.

Armenia:

This situation will lead to the breakup of the technical regulation system and the need to receive certificates in each country. It's unacceptable.

Eurasian Economic Commission (A. A. Shakkaliyev, Director, EAEC Department for Technical Regulation and Accreditation):

By rejecting EAEU Certificates/Declarations of Conformity issued in other EAEU Member States (Armenia, Belarus, Kazakhstan and Kyrgyzstan), the Russian customs materially violates the EAEU Treaty and infringes on the rights on the national grounds. There is no need to apply for certificates to Russian [certification] bodies, where there is a Certificate issued in an EAEU Member State. It is obvious that certificates received within several days in Russian certification bodies are issued in violation of the procedures, and such certificates will be subject to appropriate action. Russian certification bodies issuing such certificates will be reported to the General Prosecutor's Office of the Russian Federation.

Conclusion:

A. A. Shakkaliyev, Director of the EAEC Department for Technical Regulation and Accreditation, summarized the discussion and proposed the following actions:

1. The mechanism to solve this problem will be discussed on Monday, 3 April 2017, between Mr. Koreshkov, EAEC Minister for Technical Regulation, and Mr. Bulavin, Minister of the Russian Federal Customs Service (FTS).
2. The EAEC is drafting, and will send, a letter to the Government of the Russian Federation requesting to take measures to remove barriers at the Russian customs that violate the EAEU Treaty.
3. The situation will be discussed on Wednesday, 5 April 2017, at the meeting of the EAEC Consultative Committee on Technical Regulation.
4. Meanwhile, companies are recommended to:
 - avoid obtaining certificates in Russian certification bodies for products covered by an EAEU Certificate issued in one of the EAEU member States.
 - demand that Russian customs authorities release shipments under EAEU Certificates/Declarations issued in an EAEU Member State and, if refused, demand a formal letter of refusal.
 - send formal letters describing the situation at the Russian customs to the Eurasian Economic Commission, Government of the Russian Federation and authorized bodies in the countries where the EAEU Certificates were issued.
 - consider changing the logistics and get customs clearance in an EAEU Member State other than Russia (e.g.: Belarus or Kazakhstan).

Report prepared by: K. N. Prokhorenko, secretary of the conference, Assistant to Secretary of the National Committee of Belarus, International Electrotechnical Commission

31 March 2017

Note: all further updates will be published via the following link <http://www.bellis.by/en/news/1246-russian-customs-blocks-shipments.html> . If you have important information or questions regarding the situation above - contact us via bellis@bellis.by