

**THE CUSTOMS CODE
OF THE RUSSIAN FEDERATION**

*Adopted by the State Duma of the Russian Federation
on the Twenty-Fifth Day of April of the Year 2003*

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PART I. GENERAL PROVISIONS

Chapter 1. BASIC PRINCIPLES

Article 1. Customs Regulations and Customs System in Russian Federation

1. In accordance with the Constitution of the Russian Federation, the customs regulations are subject to the jurisdiction of the Russian Federation in establishing the norms and the rules whose observance shall enable persons to fulfil their rights to convey merchandise and means of transport across the customs border of the Russian Federation (hereinafter, the customs border).

The customs regulations shall be exercised in accordance with the customs legislation of the Russian Federation and the effective Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. The customs system incorporates the methods and the facilities applied to ensure the observance of customs-tariff regulations, prohibitions, and restrictions stipulated by the effective Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities associated with conveyance of merchandise and means of transport across the customs border.
3. In accordance with Russian federal legislation, the Government of the Russian Federation exercises general supervision of the customs system.

The Federal Customs Authority shall warrant proper fulfilment of customs-related tasks and uniformity of application by all customs authorities of the customs legislation of the Russian Federation on the territory of the Russian Federation.

4. The Russian Federation participates in international cooperation in the field of customs regulations with a view to harmonizing and amending the customs legislation of the Russian Federation in conformity with generally recognised international norms and practices.

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

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

2. The customs territory of the Russian Federation also includes man-made islands, installations, and structures situated in the exclusive economic zone of the Russian Federation as well as those located on the continental shelf of the Russian Federation subject to the jurisdiction of the Russian Federation in accordance with Russian federal law.
3. The territory of the Russian Federation may incorporate special economic zones set up in accordance with Russian federal legislation, which constitute an integral part of the customs territory of the Russian Federation. The merchandise placed on the territory of said special economic zones shall be regarded as situated outside the customs territory of the Russian Federation in terms of its liability for customs duties, taxes, and economic prohibitions and restrictions pursuant to the effective Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, except in the instances stipulated by this Customs Code and other federal laws.
4. The boundaries of the customs territory of the Russian Federation, including the perimeters of the territories specified in Items 2 and 3 herein, shall comprise the customs border of the Russian Federation.
5. The customs border coincides with the State Border of the Russian Federation except the boundaries of the territories specified in Items 2 and 3 herein.

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

1. The customs legislation of the Russian Federation regulates the relations in the sphere of the customs system including those stipulated by the adoption of the customs border crossing procedures for merchandise and/or means of transport, arising in the process of customs registration and customs control measures, due to persons' complaints to legal acts, actions (inaction) of customs offices and their officers, resulting from the introduction and application of various customs procedures, as well as the relations associated with the establishment, levying and collection of dutiable payments.

The customs border crossing procedures applicable to the merchandise and means of transport conveyed across the customs border, the latter coinciding with the State Border of the Russian Federation, shall be governed by the Federal Law on the State Border of the Russian Federation; in the instances, which are not regulated by the Federal Law on the State Border of the Russian Federation, by the customs legislation of the Russian Federation.

As regards the relations predicated on the establishment, levying and collection of dutiable payments, the customs legislation of the Russian Federation shall only apply in the instances which are not regulated by the Russian legislation on taxes and duties.

2. The customs legislation of the Russian Federation consists of this Customs Code and other federal statutes adopted pursuant to this Customs Code (hereinafter, the statutes of the customs legislation).

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

Based on and pursuant to the statutes of the customs legislation and pertinent decrees of the President of the Russian Federation, the Government of the Russian Federation shall issue specific resolutions and directives pertaining to the customs system.

Article 4. Validity of Statutes of Customs Legislation and other Legal Acts of Russian Federation

1. The statutes of the customs legislation, the decrees issued by the President of the Russian Federation, the resolutions and the directives of the Government of the Russian Federation (hereinafter, other legal acts of the Russian Federation) shall apply to the relations resulting from their enactment, and they shall have no retroactive effect, except the cases stipulated by Item 2 herein.

2. The statutes of the customs legislation and other legal acts of the Russian Federation adopted to improve the customs formalities applicable to persons shall have retroactive effect provided such effect is directly stipulated by them. In other situations, the statutes of the customs legislation and other legal acts of the Russian Federation may only have retroactive effect if the latter effect is stipulated by federal laws or the international treaties to which the Russian Federation is party.

3. The statutes of the customs legislation shall go into effect not earlier than in one month from the date of their official publication.

4. The prohibitions, restrictions or requirements pertaining to customs system set forth by other legal acts of the Russian Federation shall go into effect not earlier than in one month from the date of official publication of said acts except the instances when:

– the respective clauses of the legislative acts, on whose basis and pursuant to which other normative legal acts of the Russian Federation have been issued with an intent to warrant the observance of the prohibitions and restrictions introduced in accordance with the Law of the Russian Federation on the State Regulation of External Economic Activities, directly stipulate that they be enforced within a shorter term of time;

– this Customs Code sets forth a special procedure for the enforcement of said prohibitions, restrictions or requirements.

Article 5. Legal Acts of Federal Customs Authority

1. In the instances, which are directly defined by the statutes of the customs legislation and other legal acts of the Russian Federation, the Federal Customs Authority within the limits of its competence shall issue normative legal acts pertaining to customs system.
2. The normative legal acts of the Federal Customs Authority shall be subject to the state registration and official publication in accordance with the procedure established for the state registration and official publication of normative legal acts issued by the federal executive power bodies.
3. The normative legal acts of the Federal Customs Authority shall go into effect not earlier than in ten days following their official publication with the exception of the instances when:
 - respective clauses of the statutes of the customs legislation and of other legal acts of the Russian Federation on whose basis and pursuant to which the Federal Customs Authority has issued its normative legal acts ought to go into effect within a shorter term of time;
 - the normative legal acts of the Federal Customs Authority stipulate more equitable procedures than those currently applied. In this case, the time terms for the entry into force of such legal acts may be shortened or they may have retroactive effect.
 - this Customs Code establishes a special procedure for the entry into force of the normative legal acts issued by the Federal Customs Authority.
4. The normative legal acts of the Federal Customs Authority affecting the rights and lawful interests of the persons involved in entrepreneurial and/or other economic activities may be appealed in arbitration tribunals in accordance with the provisions of the Arbitration Procedural Code of the Russian Federation.

Article 6. Requirements Laid to Statutes of Customs Legislation, Other Legal Acts of Russian Federation, and Legal Acts Issued by Federal Customs Authority

1. The clauses and provisions of the statutes comprising the customs legislation and the normative legal acts pertaining to the customs ought to be worded and formulated so as to ensure clear understanding by every person of his (or her) rights and obligations, as well as his (or her) actions and their sequence in the process of conveyance of goods and means of transport across the customs border.
2. The clauses of the legal acts of the Federal Customs Authority may not contradict the provisions of the statutes of the customs legislation or any other legal act of the Russian Federation or the requirements, prohibitions and restrictions that are not stipulated either by the statutes of the customs legislation or by other legal acts of the Russian Federation.

3. A normative legal act pertaining to the customs system shall be regarded as inconsistent with this Customs Code if said act: -
 - 1) has been issued by the body that is not authorised by this Customs Code to issue such legal acts or its issuance contravenes the order established for the issuance of such legal acts;
 - 2) repeals or constrains the rights of persons with regard to goods or means of transport or affects the powers of customs authorities laid down by this Customs Code;
 - 3) changes the provisions, conditions, sequence, or order of actions set forth by this Customs Code undertaken by participants of the relations regulated by the customs legislation of the Russian Federation or by any other persons whose responsibilities are defined by the provisions of this Customs Code;
 - 4) alters the substance of the provisions set forth in this Customs Code, or in case such provisions are applied with the connotations other than those stipulated by this Customs Code.
4. The normative legal acts specified in Item 1 herein shall be regarded as inconsistent with this Customs Code in case at least one precondition specified by Sub-Item 3) of Item 3 herein applies. Said normative legal act can only be pronounced inconsistent with this Customs Code by an explicit court ruling to that effect.
5. No person may be prosecuted for a violation of any customs regulation if such violation was predicated on vagueness of the legal norm in question contained in the normative legal act pertaining to the customs system.
6. The state shall be obliged to recompense the losses incurred by persons as a result of untimely adoption, entry into force, and/or publication of normative legal whose passage is stipulated by this Customs Code and reimburse the losses caused by inaccurate information circulated by customs authorities, which compensations shall be repaid from the Treasury of the Russian Federation in accordance with the order set forth by the applicable Russian legislation.

Article 7. Application of Customs Tariff Regulations, Prohibitions and Restrictions Stipulated by Federal Law of the Russian Federation on State Regulation of Foreign Trade Activities and Statues of Federal Legislation on Customs Duties and Taxes

The customs system shall be subject to the customs tariff regulations, prohibitions and restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities and the statues of the Russian legislation on taxes and duties effective on the date of acceptance of a customs declaration unless other provisions thereto apply.

Article 8. Application to Customs of International Treaties of the Russian Federation

1. In accordance with the Constitution of the Russian Federation, the generally recognised principles and norms of international law and the international treaties to which the Russian Federation is party shall constitute an integral part of the legal system of the Russian Federation.
2. In case an international treaty, to which the Russian Federation is party, contains regulations conflicting with those stipulated by this Customs Code, the regulations of said international treaty should prevail.

Article 9. Determination of Time Terms Established by This Customs Code

1. Commencement and termination of the events stipulated by this Customs Code, which are defined either by a time interval or by the date of their commencement, shall be calculated in accordance with the order laid down by this Customs Code.
2. Unless this Customs Code establishes a special order for determining the time terms of events, the rules set forth in the Civil Code of the Russian Federation shall apply with consideration of the provisions contained in Item 3 of Article 129 of this Customs Code.

Article 10. Handling of Information Received by Customs Authorities

1. Any information obtained by customs authorities in accordance with the statutes of the customs legislation, other federal laws and normative legal acts of the Russian Federation or the legal acts issued by the Federal Customs Authority shall be used exclusively for the customs purposes.
2. The customs offices, their officers and other persons who have legitimate access to the information described in Item 1 herein pursuant to law or in accordance with agreement shall have no right to make public, use for personal purposes, or pass to a third party, including the state authorities, any information constituting the state secret, commercial, banking, tax-related, or other secrets protected by law, or other confidential information, except in the instances stipulated by this Customs Code and other federal laws.

The customs authorities shall furnish the information submitted to them to the federal bodies of the executive power branch, if such bodies need said information for fulfilling the tasks vested in them by federal law, abiding by the procedures coordinated between the Federal Customs Authority and respective power body of the executive power branch based on the observance of the Russian legislation protecting the state secret, commercial, banking, tax-related and other secrets protected by law or other confidential information.

The federal executive power bodies, their officers, and other persons who enjoy legitimate access to the information provided by the customs authorities shall have no right to make public,

use for personal purposes or pass to a third party any such information, except in the instances stipulated by federal law.

3. The information referred to in Item 1 herein, which constitutes the state secret, commercial, banking, tax-related, or other secrets protected by law or other confidential information, shall be subject to special storage and access procedures.
4. Loss of the documents containing the state secret, commercial, banking, tax-related, or other secrets protected by law or other confidential information, disclosure of such information, its use for personal purposes, or its conveyance to a third party shall entail the responsibility stipulated by the Russian laws to that effect.

Article 11. Definitions of Basic Terms Used in Customs Code

1. The basic terms used in this Customs Code shall have the following definitions:
 - 1) goods / commodities / merchandise: any movable property conveyed across the customs border, as well as the motor vehicles denoted as immovable articles. The means of transport specified in Item 5) herein shall not be qualified as goods or merchandise;
 - 2) Russian goods: any merchandise which, for customs clearance purposes, enjoys the status of free circulation in the customs territory of the Russian Federation, i.e., the merchandise completely manufactured in the Russian Federation which has not been exported from the customs territory of the Russian Federation; the merchandise manufactured for free circulation in the customs territory of the Russian Federation; and the merchandise manufactured in the Russian Federation from the goods manufactured completely or released for free circulation in the customs territory of the Russian Federation;
 - 3) foreign goods: any merchandise which does not qualify as Russian goods as per Item 2) herein;
 - 4) goods under customs control: foreign goods delivered to the customs territory of the Russian Federation prior to their release for free circulation, their de facto crossing of the customs border in the process of their exportation, or up to the moment of their destruction, as well as Russian goods during their exportation from the customs territory of the Russian Federation up to their de facto crossing of the customs border;
 - 5) means of transport: any seagoing vessel (riverboat) (including self-propelled and towed lighters, barges, and hydrofoils), hovercraft, aircraft, motor vehicle (including trailers, semi-trailers, and combination transport vehicles), or a single unit of railway rolling stock which is used for international paid haulage of passengers or for paid or free industrial or commercial haulage of goods, as well as their authorised spare parts, repair tools and equipment thereto, fuel and lubricants contained in their standard tanks if they are transported together with the means of transport;

6) status of goods and means of transport: absence of or pending prohibitions and restrictions with regard to use and disposal of the goods and means of transport as defined by this Customs Code;

7) conveyance of goods and/or means of transport across the customs border: the activities undertaken to import to or export from the customs territory of the Russian Federation of goods and means of transport regardless of the method of conveyance;

8) importation of goods and means of transport to the customs territory of the Russian Federation: de facto crossing by goods and/or means of transport of the customs border and all subsequent procedures with goods and/or means of transport stipulated by this Customs Code prior to their clearance by customs authorities;

9) exportation of goods and means of transport from the customs territory of the Russian Federation: submission of a customs declaration or performance of the activities specified in the next paragraph herein which are directly intended to export goods and/or means of transport, as well as all the subsequent procedures with goods and/or means of transport stipulated by this Customs Code prior to their de facto crossing of the customs border.

10) The actions undertaken with a direct intent to export goods and/or means of transport from the customs territory of the Russian Federation shall involve entry of a natural person who is departing from the Russian Federation into the customs control zone; entry of a motor vehicle to a customs border gate at the State Border of the Russian Federation for the purpose of exiting the customs territory of the Russian Federation; submission of merchandise to shipment organisations, of mail to international post offices for their dispatch from the customs territory of the Russian Federation; actions undertaken by a person with an intent to effect de facto conveyance across the customs border of goods and/or means of transport circumventing the customs border gates set up in accordance with applicable statutes of the Russian Federation;

11) illegal conveyance of goods and/or means of transport across the customs border: perpetration of actions involving importation to and exportation from the customs territory of the Russian Federation of goods and/or means of transport in violation of the procedures set forth by this Customs Code;

12) customs authorities / customs offices: the Federal Customs Authority and all the customs authorities, offices and their officers of the Russian Federation subordinated to it, except the cases when this Customs Code makes reference to customs authorities of foreign countries;

13) person: any juridical and natural person unless this Customs Code contains a different provision thereto;

14) Russian person: any juridical person set up in accordance with Russian legislation and located in the Russian Federation, as well as any natural person who is a permanent resident in the Russian Federation including those residents who are registered as individual entrepreneurs;

15) foreign person: any person other than those specified in Sub-Item 13) herein;

16) declarant: any person declaring goods or the person in whose name said goods are declared;

17) carrier: a person who conveys merchandise across the customs border, a person who conveys merchandise subject to customs control inside the perimeter of the customs territory of the Russian Federation, and/or a person responsible for the use of means or transportation;

18) customs broker (agent): an intermediary [juridical] person fulfilling customs clearance formalities on behalf of or as instructed by a declarant or another person who is designated or authorised to perform customs operations in accordance with this Customs Code;

19) interested person: any person whose interests are affected directly and individually by the decisions, actions (inaction) of the customs authorities with regards to merchandise and/or means of transport unless this Customs Code contains other provisions thereto;

20) customs control: all measures undertaken by customs authorities for the purpose of ensuring the observance of the customs regulations of the Russian Federation;

21) customs control: the activities performed by persons and customs officers with regards to merchandise and means of transport subject to customs control in the process of their customs clearance as is stipulated by the provisions of this Customs Code;

22) customs procedure: all clauses and provisions of this Customs Code stipulating the sequence of customs operations for determining the status of merchandise and/or means of transport for customs clearance purposes;

23) customs treatment: the customs procedures establishing the terms and conditions including the procedures of subjecting merchandise and/or means of transport to customs duties, taxes, prohibitions and restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, as well as the status of merchandise and/or means of transport for customs clearance purposes depending on the intent of their conveyance across the customs border and their use in the customs territory of the Russian Federation or beyond;

24) clearance: actions performed by customs authorities sanctioning the interested persons to use and/or dispose of merchandise in accordance with the customs procedure applicable to said merchandise;

25) free circulation: circulation of goods in the customs territory of the Russian Federation without any prohibitions or restrictions stipulated by the customs of the Russian Federation;

26) taxes: value-added and excise taxes levied by customs authorities on merchandise due to its conveyance across the customs border of the Russian Federation in accordance with the Tax Code of the Russian Federation and this Customs Code;

27) domestic taxes: value-added and excise taxes levied on merchandise during its circulation in the territory of the Russian Federation;

28) customs declaration: an authorised documentary form for declaring goods and information thereto which is submitted to customs authorities in accordance with this Customs Code;

29) transportation (shipment) documents: bills of lading, waybills, packing lists or other shipment documents confirming the availability and contents of goods shipment contracts, as well as the documents accompanying merchandise and means of transport during international transit;

30) commercial documents: invoices, shipping and packing lists, and other documents used in conformity with international trade agreements of the Russian Federation, applicable laws of the Russian Federation or accepted trade turnover practices pertaining to foreign economic and other activities which, owing to law, agreement of the parties or accepted trade turnover practices, are used for confirming the validity of transactions predicated on conveyance of goods across the customs border unless this Customs Code contains other provisions thereto;

31) customs documents: any documents made or compiled exclusively for customs clearance purposes.

2. All the other terms and notions contained in this Customs Code are used in the meanings defined, respectively, by the Russian legislation on taxes and duties, the Civil Code of the Russian Federation, the Law of the Russian Federation on Administrative Offences, and other Russian laws.

Chapter 2.

THE BASIC PRINCIPLES REGULATING CONVEYANCE OF MERCHANDISE AND MEANS OF TRANSPORT ACROSS CUSTOMS BORDER

Article 12. Conveyance of Merchandise (including currencies and hard currency securities) and Means of Transport across Customs Border

1. All persons have equal right to convey merchandise and means of transport across the customs border in accordance with the procedures established by this Customs Code, except the cases stipulated by this Customs Code, other federal laws, and the international treaties to which the Russian Federation is party.
2. Merchandise and means of transport are conveyed across the customs border in accordance with the procedures stipulated by this Customs Code.

The procedures regulating conveyance across the customs border of Russian currency, the securities nominated in the currency of the Russian Federation, foreign currencies and other currency values shall be regulated by the Law of the Russian Federation on Currency Control and this Customs Code.

Article 13. Observance of Prohibitions and Restrictions during Conveyance of Merchandise across Customs Border

1. Merchandise prohibited for importation to the customs territory of the Russian Federation shall be subject to its immediate withdrawal from the customs territory of the Russian Federation unless this Customs Code or other federal laws contain other provisions thereto. The withdrawal of such merchandise shall be performed by its carrier. If withdrawal of said merchandise is impossible or its immediate exportation has not been fulfilled, such merchandise shall be placed in a temporary-storage warehouse or in another place which enjoys the status of a customs control zone (Article 362) at the expense of the persons specified in Article 16 of this Customs Code. The maximum duration of storage of such merchandise shall be restricted to three days unless federal legislation stipulates other terms of storage for individual categories of goods. At the expiration of the established term of storage, said merchandise shall be disposed of in accordance with provisions of Chapter 41 of this Customs Code.

Merchandise subject to import restrictions to the customs territory of the Russian Federation may be permitted for importation (such merchandise may be cleared by customs authorities in the instances stipulated by this Customs Code) provided said merchandise complies with the provisions set forth by the international treaties to which the Russian Federation is party or the Russian legislation.

2. Merchandise whose export is prohibited shall not be permitted to de facto exit the perimeter of the customs territory of the Russian Federation.

Merchandise subject to export restrictions from the customs territory of the Russian Federation may be permitted for exportation by customs authorities provided said merchandise complies with the provisions set forth by the international treaties to which the Russian Federation is party or Russian legislation.

3. The expenses incurred by the persons specified in Article 16 of this Customs Code, the declarant, the carrier or any other person due to the imposition by the customs authorities of the prohibitions or restrictions on the importation to or exportation from the customs territory of the Russian Federation of said merchandise should not be reimbursed.

Article 14: Customs Registration and Customs Control

1. All goods and means of transport conveyed across the customs border shall be subject to customs registration and customs control in accordance with the terms and conditions stipulated by this Customs Code.
2. In performing customs registration and exercising customs control, customs offices and their officers have no right to introduce any requirements or impose restrictions that are not stipulated by the statutes of the customs legislation or other legal acts of the Russian Federation.

3. The requirements of customs authorities applied in the course of customs control or customs registration formalities should not obstruct conveyance of goods and means of transport across the customs border or performance of other customs formalities to the extent exceeding the minimal requirement essential for ensuring the observance of the statutes of the customs legislation.

Article 15. Use and Disposal of Merchandise and Means of Transport

1. Merchandise and means of transport may not be used or disposed of by any person until they have been cleared by the customs authorities in accordance with the established procedures and on the terms and conditions stipulated by this Customs Code.
2. Upon customs clearance of the merchandise and means of transport, they may be used and/or disposed of in compliance with the terms and conditions of the declared customs procedures.

Article 16. Obligations Pertaining to Customs Clearance Procedures

The obligations pertaining to customs clearance procedures, unless this Customs Code contains other provisions thereto, shall be borne:

- (1) by the Russian person, who has effected a foreign economic transaction or in whose name or upon whose instructions said transaction has been carried out provided the conveyance of merchandise across the customs border is performed in accordance with the terms and conditions of the external economic transaction made by the Russian person;
- (2) if conveyance of merchandise across the customs border is not stipulated by an external economic transaction made by a Russian person:
 - by the person who possesses the ownership rights and/or the right to use given merchandise in the customs territory of the Russian Federation;
 - by other persons who in accordance with Civil Code of the Russian Federation and/or this Customs Code have sufficient powers for performing legally significant transactions in their own name with the merchandise placed under customs control.

Article 17. Guarantees of Proper Fulfilment of Provisions of this Customs Code

In the instances stipulated by this Customs Code and other legal acts of the Russian Federation the customs authorities have the right to demand that persons provide guarantees of proper fulfilment of their duties and obligations set forth by this Customs Code with regard to the goods in customs custody, including the persons' guarantees for making all the requisite dutiable payments predicated on the requirements stipulated by Chapter 31 of this Customs Code.

Chapter 3. CUSTOMS-RELATED ACTIVITIES

Article 18. Customs-Related Activities

The activities of juridical persons in capacity of customs carriers, owners of temporary-storage warehouses, owners of bonded warehouses and customs brokers (agents) shall only be permitted provided they have been formally included, respectively, in the Register of Customs Carriers, the Register of Owners of Temporary Storage Warehouses, the Register of Owners of Bonded Warehouses, the Register of Customs Brokers (agents), (hereinafter in this Chapter, the registers of juridical persons performing customs-related activities).

Article 19. Registers of Juridical Persons Performing Customs-Related Activities

1. The registers of juridical persons performing customs-related activities shall be compiled by the Federal Customs Authority.
2. The Federal Customs Authority shall be obliged to ensure regular, at least quarterly, publications in its official releases of the registers of juridical persons performing customs-related activities.

Article 20. Entering Juridical Persons in Registers of Juridical Persons Performing Customs-Related Activities

1. The entry of juridical persons shall be made into the registers of juridical persons performing their customs-related activities in accordance with the terms and conditions set forth by this Customs Code. Such entries shall be made in respective registers free of charge.
2. A juridical person wishing to be recorded in one of the registers of juridical persons performing customs-related activities shall be obliged to submit a written application to the Federal Customs Authority supplemented with relevant information stipulated by this Customs Code and the documents substantiating the details stated in said application in accordance with the list determined by this Customs Code.
3. The documents stipulated by Item 2 herein may be submitted in the original or as notarised copies thereof.

After the applicants documents have been considered the customs authorities shall be obliged to return to the applicant, upon the applicant's request, the originals of the submitted documents.

4. The customs authorities shall consider the application within not more than fifteen days from the date of its receipt, make a decision with regard to entering the applicant into the

respective register, and inform the applicant about their decision without delay. The applicant shall be authorised to perform relevant customs-related activities from the date of issue of said decision. A decision with regard to entry of an applicant into the respective register is formalised by a certificate issued to the applicant.

The customs authorities may resolve to decline the applicant's application for entry into one of the registers if the applicant has failed to comply with the terms of entry into said register stipulated by this Customs Code. A written resolution to deny entry into the respective register shall be forwarded to the applicant without delay.

5. The customs authorities considering the applications have the right to request that third parties, including the state bodies, present the documents substantiating the details submitted by the applicant. Those persons shall be obliged to submit requested documents within ten days from the date of their receipt of said request.

Article 21. Certificate on Entry of Juridical Person into one of Registers of Juridical Persons Performing Customs-Related Activities

1. A certificate formalising the entry [inclusion] of a juridical persons in one of the registers of juridical persons performing customs-related activities (hereinafter, the Certificate) shall be issued to an applicant based on the form approved by the Federal Customs Authority. This Certificate shall contain the details stipulated by the specific articles of this Customs Code. This Certificate shall not be transferable to any other person.
2. The juridical person (or its successor) included in one of the registers of juridical persons performing customs-related activities shall be obliged to inform the customs authorities in writing of any changes in the information provided by him as per Item 2 of Article 20 of this Customs Code, or in the reference documents attached to it within five days from the date of occurrence of said events or from the date it was notified of their occurrence.

The customs authorities shall be obliged to verify the compliance of newly submitted information with the terms and conditions stipulating said person's entry into the conformable register; in case some of the details that are to be specified in the Certificate have changed, the customs authorities shall consider issuance of a new Certificate to said juridical person in accordance with the procedure set forth in Item 4 of Article 20 of this Customs Code.

3. The customs authorities may revoke said Certificate only in the instances stipulated by Articles 98, 113, 145 and 231 of this Customs Code.

The customs authorities shall notify the juridical person in writing of their decision to revoke the Certificate with a motivated substantiation of their decision not later than on the day following date when that decision was made. This decision shall be handed to the director or any other authorised representative of said juridical person against his (or her) formal receipt, or by any other method acknowledging the fact and the date of receipt of that notification. In the event the

above persons opt to avoid the receipt of said notification, it shall be dispatched to the juridical person concerned by registered post.

A decision to revoke the Certificate shall go into effect upon the expiration of a 15-day period following the passage of that decision.

The form of the decision to revoke the Certificate is approved by the Federal Customs Authority.

4. Withdrawal of the Certificate necessitates exclusion of the juridical person concerned involved in customs-related activities from the conformable register.
5. An application of the excluded juridical person involved in customs-related activities with a request for its reinstatement in the conformable register following its Certificate withdrawal may only be submitted to the customs authorities after the juridical person concerned has rectified the reasons for the Certificate withdrawal. If the Certificate has been revoked due to multiple administrative charges, the juridical person may submit a request for reinstatement of the Certificate upon expiry of the term of administrative penalty.

Article 22. Removal of Juridical Person from Registers of Juridical Persons Performing Customs-Related Activities

1. A juridical person shall be subject to removal from the registers of juridical persons performing customs-related activities in the following instances:
 - (1) upon express wish of said person, from the day following the date of receipt by the customs authorities of a written request from said person to be excluded from the respective register;
 - (2) upon expiry of the term of effect of the Certificate as set forth by Item 2 of Article 96, Item 3 of Article 111, Item 3 of Article 229 of this Customs Code, from the day following the date of expiry of said term;
 - (3) upon a decision made regarding withdrawal of a Certificate, from the date when said decision goes into effect;
 - (4) upon liquidation of said juridical person, from the day following the date of entry in the General State Register made to the effect that said juridical person is undergoing liquidation under the Law of the Russian Federation on the State Registration of Juridical Persons;
 - (5) upon termination of operations by said juridical person as a result of its reorganisation, except the instance of its reform, from the day following the date when the reform of the juridical person concerned is approved as completed in accordance with Russian legislation on the state registration of juridical persons.

2. Removal of a juridical person from the registers of juridical persons performing customs-related activities shall not relieve that person (or its legal successor) from the obligation to complete all pending customs operations involving haulage or storage of cargoes under customs control or fulfil its other commitments made prior to the exclusion of the juridical person concerned from respective register in accordance with the procedures set forth by this Customs Code.

Chapter 4. INFORMATION AND CONSULTING

Article 23. Procurement of Information Substantiating Reasons for Decision-Making, Action (Inaction)

1. The person in whose regard a decision has been made or an action taken by a customs office or a customs officer, as well as the person in whose regard a decision has not been made or an action was not implemented within a prescribed period of time has the right to make an inquiry to the customs office concerned requesting explanation of the reasons and/or grounds for the decision made or the action implemented, or the decision not made or the action not implemented if they have affected the rights and lawful interests of the such persons directly or individually.
2. Such an inquiry ought to be made within six months from the date of said decision, action (inaction), or from the date of expiry of the term of its enactment or implementation, or from the date the person becomes aware of said decision, or action (inaction).
3. An interested person has the right to make either a written or a verbal inquiry requesting necessary information. A person's verbal inquiry shall be considered by the customs office on the same day. If a person makes a written inquiry, he (or she) shall be entitled to a written response within ten days following the receipt of that inquiry by the customs office concerned.

Article 24. Information on Legal Statutes in Sphere of Customs System

1. Both the Federal Customs Authority and the other customs authorities shall provide free unrestricted access to the information on currently effective statutes and legal norms in the sphere of customs system including such access using contemporary information technologies.
2. The customs authorities shall provide access to the information pertaining to draft statutes, as well as the amendments and additions to the statutes in the sphere of customs system which have not been enacted, including the access to such information using contemporary

information technologies except for the cases when preliminary knowledge of the draft statutes may interdict customs control procedures or diminish their effectiveness.

3. The Federal Customs Authority shall ensure publications in its official releases and bulletins of the statutes adopted by this body, as well as the statutes of the customs legislation and other legal normative acts of the Russian Federation pertaining to customs system.

Article 25. Consulting on Issues of Customs system and Other Issues in Competence of Customs Authorities

1. The customs authorities shall provide consulting services to all interested persons with regard to the issues of customs system and other issues in its competence. Head of the customs office (or his [or her] deputy) shall nominate the officers of the customs office authorised to provide consultations. The information based on the inquiry made by an interested person shall be presented within shortest possible time but not later than in one month from the date of receipt of said inquiry.
2. The customs authorities shall provide free written and/or verbal consultations to any interested person. Upon request of an interested person, the customs authorities shall be obliged to provide desired information in writing.
3. The information provided thereby to interested persons shall not serve as grounds for decision-making or implementation of any specific actions (inaction) by customs authorities in the process of customs procedures with goods and/or means of transport.
4. In the event when the information requested by a person is provided untimely or proves to be unauthentic as a result of which the person who made the inquiry has suffered losses, said person's losses shall be reimbursed in accordance with the provisions of Item 6 of Article 6 of this Customs Code.
5. The customs authorities shall not be responsible for the losses incurred as a result of the distortions occurring in the texts of customs statutes published without their knowledge or supervision, or for the losses resulting from unqualified consultations rendered by unauthorised persons.

**Chapter 5.
CUSTOMS STATISTICS**

Article 26. Customs Statistics pertaining to Foreign Trade of the Russian Federation

1. With a view to analysing the status of foreign trade of the Russian Federation, exercising supervision over the customs revenues contributed to the state budget, effecting currency

control, analysing the condition, dynamics and trends inherent in the development of foreign trade of the Russian Federation, its trade and payment balances, as well as assessing the condition of Russian economy as a whole, the customs authorities shall collect and process information pertaining to conveyance of goods across the customs border and present said customs statistical data pertaining to foreign trade of the Russian Federation to the President of the Russian Federation, the Federal Assembly of the Russian Federation (the State Duma and the Council of the Federation), the Government of the Russian Federation and other entities specified by the Russian legislation.

The Federal Customs Authority shall provide said customs statistical data pertaining to foreign trade of the Russian Federation to various international organisations in accordance with international treaties to which the Russian Federation is party.

The Federal Customs Authority shall publish said customs statistics pertaining to foreign trade of the Russian Federation in accordance with the terms and conditions established by the Government of the Russian Federation.

2. The customs statistics on foreign trade of the Russian Federation shall be collected and processed in accordance with this Customs Code and other legal statutes of the Russian Federation
3. The customs statistics on foreign trade shall comply with the methodology ensuring compatibility of the data pertaining to foreign trade operations between Russia and its foreign economic partners.

Article 27. Special Customs Statistics

1. With a view to fulfilling the tasks assigned to customs authorities, the latter shall keep special customs statistics in accordance with the procedures approved by the Federal Customs Authority.
2. The data comprising special customs statistics shall be used by customs authorities exclusively for the customs purposes only.

Article 28. Documents and Information Used for Statistical Purposes

1. The documents and information required for statistical purposes shall be submitted by persons in accordance with the provisions of this Customs Code.
2. The information used for statistical purposes shall be subject to the provisions stipulated by Article 10 of this Customs Code.

Chapter 6.
THE COUNTRY OF ORIGIN OF GOODS.
NOMENCLATURE OF GOODS SUBJECT TO FOREIGN TRADE

§1. Country of Origin of Goods

Article 29. Sphere of Application of This Chapter

1. The country of origin of goods shall be determined based on the provisions of this Chapter in the event when application of the customs and tariff regulations, prohibitions and restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities is predicated on the country of origin of goods.
2. The procedures for determining the country of origin of goods shall be carried out with a view to applying either tariff preferences or non-preferential measures of trade policy.

Article 30. Determination of Country of Origin of Goods

1. The country of origin of goods shall be defined as the country where the goods were manufactured wholly (Article 31) or subjected to sufficient processing (Article 32) in accordance with the criteria laid down by this Customs Code or in accordance with the procedures defined by this Customs Code. The country of origin of goods may be regarded as a group of countries, countries' customs unions, a region, or part of a country whenever it is required to identify them for the purpose of determination of the country of origin of goods.
2. Upon the request made by a declarant or any other interested person, the customs authorities shall make a preliminary decision with regard to determining the country of origin of goods as per Item 3 herein.

Article 31. Goods and Commodities Wholly Produced in Given Country

The following goods and commodities shall be regarded as wholly produced in a given country:

- (1) the minerals extracted from deposits within a given country, in its territorial waters, or from its seabed;
- (2) the vegetable products, grown or harvested in a given country;
- (3) the live animals, born and raised in a given country;
- (4) the products derived from live animals raised in a given country;
- (5) the products obtained as a result of hunting and fishing in a given country;

- (6) the sea-fishing products and other sea products obtained by a vessel registered in the country concerned;
- (7) the products obtained onboard a processing vessel registered in the country concerned exclusively from the products specified in Item 6 herein;
- (8) the products obtained from the seabed or from the sea subsoil outside the territorial waters of a given country provided this country has exclusive rights to exploit said seabed or subsoil;
- (9) the waste and scrap metals (secondary raw materials) derived from manufacturing and other machining operations in a given country, as well as used articles which have been collected in said country and are only applicable for their processing into raw materials;
- (10) the products of high technologies obtained onboard spacecraft orbiting in space provided said country is the country of registration of the spacecraft concerned;
- (11) the goods manufactured in a given country exclusively from the products specified in Items 1 through 10 herein.

Article 32. Criteria for Goods Processing Sufficiency

1. In case given goods have been manufactured in two or more countries, the country of origin of such goods shall be the country in which they were subjected to processing or manufacturing operations meeting the criteria of the goods processing sufficiency in accordance with the provisions laid down herein.
2. If no special requirements are set forth for determining the country of origin of specific kinds of goods imported to the customs territory of the Russian Federation, as per Item 4 herein, the following general rule shall apply: merchandise shall be regarded as originating from a given country if the operations involving the processing or their manufacture have caused a change of any of the first four digits in the goods classification codes as per the Nomenclature of Goods subject to Foreign Trade (EU Customs Tariffs).
3. Regardless of the provisions specified in Item 2 herein, the following operations or conditions shall not comply with the criteria of sufficient processing:
 - (1) goods preservation operations performed to ensure their safety during storage or haulage;
 - (2) operations for preparing goods for sales and haulage (division of merchandise into consignment, its sorting and/or repackaging);
 - (3) simple assembly operations, as well as other operations which do not cause any essential change of given merchandise as per register defined by the Government of the Russian Federation;

- (4) mixing of goods originating from different countries provided the specifications of finished products have no essential distinctions from the specifications of the products with which they are mixed.
4. The following criteria shall apply for determining the country of origin of goods in accordance with the procedures set forth by the Government of the Russian Federation:
 - (1) performance of specific manufacturing or technological operations sufficient for identifying the country where such operations took place with the country of origin of said goods;
 - (2) change of the goods value whereby the percentage ratio of the cost of used materials and the added value has reached a fixed share in the product's end price (the ad valorem ratio).
5. In the process of establishing the procedures for applying the goods processing sufficiency criteria with regard to specific goods imported from the countries to which the Government of the Russian Federation has accorded special tariff preferences, the Government of the Russian Federation has the right to determine the terms of application of direct purchase and shipment rules with a view to providing special tariff preferences.

Article 33. Peculiarities of Determining Country of Origin of Goods

1. On a declarant's request, the assembled or disassembled goods supplied by consignments, the goods whose shipment in a single consignment is impossible for manufacturing or shipment reasons, or if a consignment of such goods has been mistakenly subdivided into several lots, shall be regarded as a single commodity for the purpose of establishing its country of its origin.
2. The conditions for applying Item 1 herein to goods shall require:
 - (1) preliminary notification of the customs office concerned about a shipment of goods in assembled or unassembled state or supplied by several lots, which preliminary notification shall contain the reasons for such consignment and the classification codes of the goods in each lot pursuant to the Nomenclature of Goods subject to Foreign Trade, the prices and countries of origin of said goods in each lot, or a documentary confirmation of a mistaken division of goods into several lots;
 - (2) shipment of all lots of goods from the same country of origin by the same supplier;
 - (3) declaration of all lots of goods to the same customs office;
 - (4) importation to the customs territory of the Russian Federation of all lots of said goods within a period not exceeding six months from the date of acceptance of the relevant customs declaration by the customs authorities, or upon expiry of time limit stipulated for its submission with regard to the first lot of goods. Based on a

declarant's motivated request, customs authorities may extend the term of submission for the period required for the importation of all the lots of said shipment of goods.

3. The appliances, spare parts and tool-kits designed for servicing and repairs of machines, equipment, devices or means of transport shall be regarded as originating from the same country as the machines, equipment, devices or means of transport provided said appliances, spare parts and tool-kits are imported and utilised together with said machines, equipment, devices or means of transport in the completeness and in quantities that are normally supplied with such devices.
4. The packaging in which the goods are imported to the customs territory of the Russian Federation shall be regarded as originating from the same country as the goods packed in them with the exception of the cases when the goods' packaging is to be declared separately from the goods per se. In such situations, the country of origin of the packaging shall be determined separately from the country of origin of goods.

Article 34. Verification of Country of Origin of Goods

1. The customs authorities have the right to request documentary proofs certifying the country of origin of goods, as in the instances stipulated by Article 37 of this Customs Code.
2. The formal documentary proofs certifying the country of origin of goods is contained in the Declaration of the Country of Origin Goods (Article 35), or the Certificate of the Country of origin of goods, as in the situations specified by the Government of the Russian Federation (Article 36).

Article 35. Declaration of Country of Origin of Goods

1. In accordance with the provisions of this Customs Code, the documentary proofs certifying the country of origin of goods may be contained in a Declaration of the Country of Origin of Goods, which is a written statement made in any desired form is provided it contains the information confirming the country of origin of goods. Used as such a declaration may be any statement to that effect made by the manufacturer, seller, or exporter of said goods in connection with its exportation.
2. If the declaration of the country of origin of goods is based on the criteria other than those adopted in the Russian Federation (Articles 31 and 32), the country of origin of goods shall be determined based on the criteria adopted in the Russian Federation.

Article 36. Certificate of Origin of Goods

1. The Certificate of the Origin of Goods constitutes an indisputable documentary proof of the country of origin of goods issued by the competent body or organisation of a given country or of the country of exportation of said goods if the country of exportation issues such Certificates based on the information obtained from the country of origin of said goods.

In case the information on the origin of goods contained in the Certificate is based on the criteria other than those adopted in the Russian Federation (Articles 31 and 32), the country of origin of goods shall be determined based on the criteria adopted in the Russian Federation.

2. At the instance of exportation of goods from the customs territory of the Russian Federation, the Certificate of the Origin of Goods shall be issued by the bodies or organisations authorised by the Government of the Russian Federation provided said Certificate is required under the terms of a given contract or in accordance with the national regulations of the country of importation of said goods unless the requirement for said Certificate is otherwise stipulated by the international treaties to which the Russian Federation is party.

The bodies and/or organisations responsible for issuance of the Certificates of Origin of Goods shall be obliged to preserve the copies of said certificates and other documents of whose basis the country of origin of goods was certified for a period of at least two years from the date of issuance.

3. The Certificate of the Origin of Goods is submitted to customs authorities together with the customs declaration and other documents requisite for customs clearance of the goods imported to the customs territory of the Russian Federation. In the event the Certificate is not available, its formally authenticated copy shall be accepted.
4. If the Certificate of the Origin of Goods is not properly executed (the Certificate has erasures, blots or uncertified corrections; the Certificate does not contain all required signatures, stamps and/or seals; the information contained in the Certificate does not prove its correspondence with the declared goods; the Certificate does not contain an indisputable proof of the country of origin of goods or the criteria serving as the basis for establishing the country of origin of goods provided the statement of said criteria is mandatory in accordance with the international treaties to which the Russian Federation is party or the applicable Russian legislation), or the customs officers have detected other evidence that said Certificate contains incorrect information, they have the right to lodge a request to the competent bodies or organisations in the country that issued said Certificate to provide additional documentary proofs.
5. The customs authorities also have the right to request that the competent bodies or the organisations in the country that have issued the Certificate of the Origin of Goods provide additional documentary proofs or clarifications for the purpose of carrying out spot checks.

Such spot checks shall not impede the process of customs clearance of goods based on the information of their country of origin declared during the goods customs registration formalities.

Article 37. Submission of Documents Certifying Country of Origin of Goods

1. At the instance of importation of merchandise to the customs territory of the Russian Federation the declarant shall be obliged to present to the customs authorities a documentary proof of the country of origin of the imported goods provided that country enjoys tariff preferences granted to it by the Government of the Russian Federation pursuant to the international treaties to which the Russian Federation is party or in accordance with the applicable Russian legislation. The documents certifying the country of origin of goods shall be presented to the customs authorities together with the pertinent customs declaration.

Note: application of above tariff preferences may also require that the declarant submit to the customs authorities the certificate of the country of origin of goods drawn up in strict compliance with the international treaties, to which the Russian Federation is party, or in conformity with the applicable Russian legislation.

The customs authorities have the right to ask the declarant to present documentary proofs of the country of origin of goods if they doubt the authenticity of the declared information denoting the country of origin of the goods in question, so long as such information may affect the application of the customs duties, taxes, and/or restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. Regardless of the provisions of Item 1 herein, submission of the Certificate of the country of origin of goods will not be required in the following instances:
 - (1) if the goods imported to the customs territory of the Russian Federation have been declared as international customs transit or temporary importation with complete exemption from customs duties and taxes, except the cases when the customs authorities find evidence that said goods have originated from the country whose goods are prohibited for importation to or transit in the territory of the Russian Federation in accordance with international agreements and the applicable Russian legislation;
 - (2) if the overall customs value of the merchandise conveyed across the customs border in a single consignment, by the same method, by one the same supplier, and addressed to same recipient is below the 20,000.00 roubles;
 - (3) if the goods are conveyed across the border by a natural person as per Chapter 23 of this Customs Code.
 - (4) in other instances stipulated by international agreements and/or the applicable Russian legislation.

Article 38. Additional Terms of Merchandise Customs Clearance while Determining Country of Their Origin

1. In case the documents proving the country of origin of goods are not available whereas their presentation is mandatory for tariff preferences (as per Article 37), such goods shall be liable for customs duties according to the rates applicable to the goods originating from a country enjoying the status of a most favoured nation in terms of its trade and political relations with the Russian Federation, except the case specified in Sub-Item 1) of Item 2 herein.
2. In the instances when requisite documents certifying the country of origin of goods have not been presented or the customs authorities found evidence that the documents submitted by the declarant are not properly drawn up and/or contain fictitious information, the goods in question shall be subject to the measures, as stated below, until the declarant presents authentic documents certifying the country of origin of said goods or provides other explicatory evidence:
 - (1) in case customs authorities have found evidence that the goods in question have originated from a country that does not enjoy the status of a most favoured nation, such goods shall be liable for customs duties as per the tariffs applied to the goods originating from a country whose trade and political relations with the Russian Federation do not stipulate the status of a most favoured nation, or for the customs duties based on the said tariffs;
 - (2) in case customs authorities have found evidence that the goods in question have originated from a country whose goods are subject to various restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities or the international treaties to which the Russian Federation is party, such goods shall only be cleared by the customs after the declarant has presented documentary evidence proving the observance of such restrictions or recompensed the required antidumping duties or other indemnities;
 - (3) in case customs authorities have found evidence that the goods in question may have originated from a country whose merchandise is prohibited for importation to the Russian Federation by the international treaties of the Russian Federation or Russian law, such goods shall be denied customs clearance.
3. The goods specified in Item 1 and Sub-Item 1) of Item 2 herein shall be accorded the effective (reinstated) preferential tariff treatment or to the tariffs applied to the goods originating from a most favoured nation if the country of origin of said goods has been authenticated within one year from the date of acceptance by customs authorities of the customs declaration pertaining to said goods. In this case, the charged amounts of customs duties and taxes shall be refunded in accordance with Article 356 of this Customs Code.

§2. Nomenclature of Goods subject to Foreign Trade

Article 39. Nomenclature of Goods subject to Foreign Trade

1. The Nomenclature of Goods subject to Foreign Trade is approved by the Government of the Russian Federation based on the internationally acceptable classification systems applied to goods and commodities.
2. The Nomenclature of Goods subject to Foreign Trade is used for effecting measures of customs-tariff and non-tariff regulations of foreign trade and other kinds of external economic activities, filing, and recording customs statistical data pertaining to foreign trade operations of the Russian Federation.

Article 40. Classification of Goods and Commodities

1. All goods and commodities shall be subject to classification at the instance of their declaration to the customs authorities (Chapter 14), i.e., the goods classification code(s) shall be determined pursuant to the Nomenclature of Goods subject to Foreign Trade.
2. On a declarant's request, the customs authorities will make a preliminary decision with regard to the classification of the declared goods as per §3 herein.
3. In case the customs authorities reveal breach of the rules laid down by the Nomenclature of Goods at the instance of their declaration, the customs authorities latter have the right to classify such goods at their discretion.
4. The Federal Customs Authority shall make decisions with regard to classification of specific kinds of goods and ensure publication of such decisions.
5. The decisions passed by customs authorities with regard to the classification of goods and commodities shall be mandatory. The declarant has the right to appeal such decisions as per Chapter 7 of this Customs Code.

§3. Preliminary Decision

Article 41. Preliminary Decision Making

1. Upon a request of an interested person, the Federal Customs Authority and the customs offices designated by the Federal Customs Authority will make a preliminary decision on classification of goods pursuant to the Nomenclature of Goods subject to Foreign Trade with regard to any specific kinds of goods and the goods origin from a specific country (the country of origin of goods).
2. The form and the measures involved in the preliminary decision-making shall be determined by the Federal Customs Authority.

Article 42. Request for Preliminary Decision

1. A person interested in a preliminary decision shall be obliged to submit his (or her) written request for a preliminary decision-making to a respective customs office.

Such a request needs to contain all the information required for the preliminary decision-making process, and it should be supplemented with the goods' samples and specimens, their description, photographic images, sketches, drawings, commercial, technical, and other documents.

2. If the information submitted by an applicant is insufficient for the preliminary decision-making, the customs office concerned shall instruct the applicant to provide additional information within thirty days from the day of submission of the request setting the time limit for its submission. In case the applicant has failed to provide the requested additional information within the prescribed term of time, his (or her) request for the preliminary decision-making shall be declined.

In case the first request for a preliminary decision-making has been declined, the interested person has the right to apply to customs authorities with a new request for a preliminary decision-making provided the reasons for the first refusal of his (or her) request have been resolved.

Article 43. Legal Substance and Validity of Preliminary Decisions

Preliminary decisions shall be mandatory for all customs authorities. A preliminary decision shall remain in effect within five years from the date of its issuance unless it has been amended, revoked, or its validity terminated as per Article 44 of this Customs Code.

Article 44. Termination or Amendment of Preliminary Decision

1. The customs authorities have the right to pass a resolution whereby a preliminary decision issued either by them or by their subordinate customs office may be terminated, amended or revoked (to amend or revoke a preliminary decision issued either by the customs authorities or their subordinate customs office) in the instances stipulated herein.

A resolution passed to terminate, amend or revoke a preliminary decision shall be made in writing and forwarded to the recipient of said preliminary decision not later than on the day following the date when the resolution is passed to terminate, amend or revoke said preliminary decision.

2. A resolution to terminate, amend, or revoke a preliminary decision shall be made if a preliminary decision in question was made on the basis of fictitious documents submitted by the applicant. The resolution to terminate a preliminary decision shall go into effect on the date of issuance said preliminary decision.
3. A preliminary decision shall be amended in case the Federal Customs Authority has passed a formal resolution mandatory for all the customs authorities with regard to the

classification of specific goods or in the event of detection of errors in the process of the preliminary decision-making.

An amendment shall go in effect based on the terms specified in the resolution on said amendment of the preliminary decision but not earlier than in three months from the date of adoption of the resolution to amend the preliminary decision.

4. The effective preliminary decision may be revoked in the following instances:

– in case the Nomenclature of Goods subject to Foreign Trade has been amended, or the World Customs Organisation adopted the classification requirements mandatory for application in the Russian Federation;

– in case the international treaties to which the Russian Federation is party or Russian laws which regulate the procedures of determining the country of origin of goods, establish other terms and conditions for determining the country of origin of goods.

A resolution to revoke a preliminary decision should be passed not later than within three days from the date of publication of the above-mentioned statutes and it go in effect concurrently with them.

Chapter 7.

APPEALS TO DECISIONS, ACTIONS (INACTION) OF CUSTOMS OFFICES AND CUSTOMS OFFICERS

Article 45. Right to Appeal

1. Any person has the right to appeal a decision, action (inaction) of customs authorities or a customs officer if, in the opinion of this person, said decision, action (inaction) has infringed upon his (or her) rights and freedoms, created obstructions for its realisation, or unlawfully imposed a responsibility upon said person.
2. A person's waiver to appeal decisions, actions (inaction) of a customs office or a customs officer shall not be legitimate.

Article 46. Appeal Procedures

1. Decisions, actions (inaction) of customs authorities and customs officers may be appealed to customs offices and/or in the court of justice or arbitration tribunal.

A complaint to a decision, action (inaction) of a customs office or its officer does not preclude a possibility of lodging concurrently or subsequently an identical complaint to the court or justice or arbitration tribunal. The complaints to a decision, action (inaction) of a customs office or its officer(s) lodged to the court or justice or arbitration tribunal shall be considered by the respective court.

2. The procedures for lodging complaints and their adjudication by the court of justice or arbitration tribunal are set forth in the Russian legislation on the civil court proceedings and on the arbitration proceedings.
3. The procedures regulating the submission, consideration and adjudication of complaints lodged to the customs offices with regard to actions (inaction) of customs offices or their officers are specified in this Chapter, and they pertain to the complaints against decisions, actions (inaction) of customs offices or their officers except the resolutions passed by the customs authorities (the customs officers of customs offices) with respect to the cases of administrative offences or other actions (inaction) of a customs office or its officer(s) who are liable for special appeal procedures.

Article 47. Procedures for Lodging Complaints to Decision, Action (Inaction) of Customs Office or its Officer

1. A complaint to a decision, action (inaction) of a customs office shall be submitted to its superior customs office.

A complaint to a decision, action (inaction) of a customs officer should be submitted to the customs office where said officer is posted (substitutes a state post), whereas a decision, action (inaction) of the chief of a customs office shall be submitted to the superior customs office.

A complaint to a decision, action (inaction) of a customs office or its officer may be submitted either directly to the superior customs office or via the customs office whose decision, action (inaction) or whose chief's decision, action (inaction) is subject to appeal.

2. The customs office whose decision, action (inaction) or whose chief's decision, action (inaction) is subject to appeal shall be obliged to forward said complaint to its superior customs office along with related materials within five days from the date of its submission.

In case the customs office, to which a complaint to a decision, action (inaction) of a customs office or its officer has been lodged, does not have sufficient powers to adjudicate the complaint, it shall be obliged within three days to forward that complaint to the customs office whose officers are duly empowered to consider the complaint pursuant to the provisions laid down in this Article and dispatch a written notification to that effect to the person who has lodged the complaint.

3. A complaint to a decision, action (inaction) of the Federal Customs Authority shall be submitted directly to the Federal Customs Authority.

Article 48. Time Limits for Filing Complaints to Decision, Action (Inaction) of Customs Office or Its Officer

A complaint to a decision, action (inaction) of a customs office or its officer may be filed within three months:

– from the day when the person concerned becomes aware or is supposed to become aware of an infringement on his (or her) personal rights, freedoms or lawful interests, of the obstacle impeding their realisation, or of a responsibility that was unlawfully imposed on said person;

– from the date of expiration of the time limit designated for a customs office or for its officer for making a decision or carrying out an action stipulated by the provisions of this Customs Code.

Article 49. Restoration of Time Terms for Filing Complaints to Decision, Action (Inaction) of Customs Office or Its Officer

1. In case a person has missed the time limit established for filing a complaint to a decision, action (inaction) of customs authorities for justifiable reasons, such time term may be restored by the customs office empowered to consider said complaint.
2. A missed time limit for filing a complaint shall be restored by way of de facto acceptance for consideration of said complaint to a decision, action (inaction) of customs authorities.

Article 50. Form and Contents of Complaint to Decision, Action (Inaction) of Customs Office or its Officer

1. Complaints to a decision, action (inaction) of a customs office or its officer shall be lodged in a written form, and it should be signed by the person filing said complaint.
2. A complaint to a decision, action (inaction) of a customs office or its officer should contain the following details:
 - the name of the customs office or the position; the surname, the first name, and the patronymic name of the customs officer (if they are available); the decision, action (inaction) subject to complaint;
 - the surname, the first name, and the patronymic name of the complainant, his (or her) place of residence or whereabouts;
 - the substance of the appealed decision, action (inaction);
3. The person who files a complaint to a decision, action (inaction) of a customs office or its officer shall not be obliged to provide any documentary evidence of the circumstances stated in the complaint. If the customs authorities deem such evidence essential for considering the complaint and/or such documents are not available at the customs office whose or whose officer's decision, action (inaction) constitutes the reason for the

complaint, the customs authorities considering the complaint have the right to request that the complainant furnish requisite documentary evidence. In this case, the time limit prescribed for adjudicating a complaint to a decision, action (inaction) of a customs office or its officer shall be deferred for the period required for the complainant to provide the documentary evidence requested by the customs authorities, but for not more than three months. If the complainant has failed to furnish the required documentary evidence within the prescribed period, a ruling with regard to said complaint shall be passed without consideration of the allegations that have not been substantiated by documentary evidence.

Article 51. The Consequential Effect of Complaint to Decision, Action (Inaction) of Customs Office or its Officer

1. A lodged complaint to a decision, action (inaction) of a customs office or its officer shall not suspend the execution of the appealed decision of action.
2. When the customs authorities addressing the complaint have sufficient grounds to presume that the appealed decision or action (inaction) contradicts the Russian legislation or in the instance when non-suspension of the execution of said decision or action (inaction) may have an irreversible effect, they have the right to suspend the execution of the appealed a decision or action (inaction) until a ruling is passed with regard to the essence of said complaint.

Article 52. Rationale for Rejecting Complaint to Decision, Action (Inaction) of Customs Office or its Officer

1. The customs authorities reject a complaint to a decision, action (inaction) of a customs office or its officer for the following essential grounds:
 - (1) the prescribed time terms of filing said complaint have not been observed; the appellant has not requested to restore the missed time term, or a request to restore the missed term has been declined;
 - (2) the requirements stipulated by Items 1 and 2 of Article 50 of this Customs Code have not been observed;
 - (3) the appellant has already filed an analogous complaint to court; the court of justice or arbitration tribunal has accepted said complaint for consideration, or passed a ruling thereto;
 - (4) said complaint is lodged to a decision, action (inaction) made by an office other than a customs office, or an officer other than a customs officer.
2. The rationale for a rejecting a complaint to a decision, action (inaction) of a customs office or its officer should be provided not later than in three days following the submission of said complaint, whereas in the case stipulated by Sub-Item 3) of Item 1 herein, from the

date the customs office considering the complaint receives a notification from a court of justice or arbitration tribunal stating that a complaint analogous in content has been filed for consideration or passage of a court ruling in its regard..

3. The decision by the customs office concerned to reject the complaint to a decision, action (inaction) of a customs office or its officer may be appealed in a higher customs office, in a court of justice or arbitration tribunal.

Article 53. Withdrawal of Complaint to Decision, Action (Inaction) of Customs office or its Officer

1. A person who has lodged a complaint to a decision, action (inaction) of a customs office or its officer may withdraw his (or her) complaint at any moment prior to a resolution passed in its regard.
2. The second complaint with regard to the same subject may be submitted within the time terms stipulated by Article 48 of this Customs Code.

Article 54. The Customs Office Considering Complaint to Decision, Action (Inaction) of Customs office or its Officer

1. A complaint to the decisions, action (inaction) of a customs office shall be considered by a superior customs office.
2. A complaint to a decision, action (inaction) of a customs officer shall be considered by the customs office where said officer serves (substitutes a state office), whereas a decision, action (inaction) of the chief of a customs office shall be considered by the superior customs office.
3. A resolution in the name of the customs office with regard to the complaint lodged to a decision, action (inaction) of a customs office or its officer shall be passed by the chief of said customs office or a person authorised by him or her to that effect.

Note: a complaint to a decision, action (inaction) of a customs office or its officer may not be considered by the customs officer responsible for the appealed decision or the action (inaction) or by any his (or her) subordinated officers.

Article 55. Time Limits Allocated for Considering Complaints to Decision, Action (Inaction) of Customs Office or its Officer

1. The customs authorities shall be obliged to complete the consideration of a complaint to a decision, action (inaction) of a customs office or its officer within one month from the date of its submission to the customs office empowered to consider said complaint.
2. If the customs authorities considering the complaint to a decision, action (inaction) of a customs office or its officer deem it necessary to prolong the time allocated for the

adjudication of a given complaint, such prolongation may be authorised by the chief of said customs office for maximum one month, of which decision the appellant shall be informed in writing with the statement of reasons for said prolongation.

Article 56. Resolution of Customs Authorities with regard to Complaint to Decision, Action (Inaction) of Customs Office or its Officer

1. The resolution by a customs office with regard to a complaint to a decision, action (inaction) of a customs office or its officer shall be passed in writing in accordance with the form established by the Federal Customs Authority. Such resolution should contain the following details:
 - the name of the customs office responsible for considering the complaint;
 - the position, the surname and the initials of the customs officer responsible for passing a resolution with regard to said complaint;
 - the surname and the initials of a natural person or name of the juridical person that filed said complaint;
 - the essence of the complaint;
 - the resolution passed with regard to said complaint;
 - rationale for the passed resolution;
 - information on the appeal procedures with regard to said resolution.
2. Based on the results of consideration of a complaint to a decision, action (inaction) of a customs office or its officer, the customs office shall:
 - (1) acknowledge lawfulness of the decision, action (inaction) of the customs office or the customs officer concerned, and refuse to satisfy the complaint;
 - (2) acknowledge unlawfulness of the decision, action (inaction) of the customs office or the customs officer concerned, partially or completely, and resolve to satisfy the complaint partially or completely.
3. In the event of satisfying a complaint to a decision, action (inaction) of a customs office or its officer, partially or completely, the customs authorities shall:
 - rescind the decision made by the customs office or its officer partially or completely;
 - rescind the decision made by the customs office or its officer obliging said customs office of the officer concerned to make a new decision in accordance with Russian law, or shall make such a decision independently provided said decision is in the competence of the customs authorities considering the complaint;
 - acknowledge the unlawfulness of the action (inaction) by the customs office or its customs officer and determines the measures which need to be taken with a view to eliminating

said violations, or takes the requisite measures independently provided the implementation of such measures are in the competence of the customs authorities considering the complaint.

4. The measures predicated by the resolution passed by the customs authorities with regard to a complaint to a decision, action (inaction) of a customs office or its officer ought to be carried out by the customs office, whose or whose officers' decision, action (inaction) was found unlawful, within 10 days from the date of delivery of the resolution with regard to said complaint to the customs office concerned unless the resolution specifies different terms of its fulfilment.
5. In case the customs officer responsible for considering a complaint to a decision, action (inaction) of a customs office or an officer acting on behalf of said customs office finds evidence that the customs officer concerned has been deliberately shirking or improperly fulfilling his (or her) duties, the investigating officer shall be obliged to take measures for disciplining said officer in accordance with the established procedures.
6. A copy of the resolution passed with regard to the complaint to a decision, action (inaction) of a customs office or its officer shall be forwarded to the appellant within the time terms stipulated by Article 55 of this Customs Code.
7. The resolution passed by the customs authorities with regard to the complaint to a decision, action (inaction) of a customs office or its officer may be appealed at the superior customs office or in the court of justice or arbitration tribunal.

Article 57. Simplified Complaint Procedures with regard to Decision, Action (Inaction) of Customs Office or its Officer

1. Subject to the simplified complaint procedures may be a decision, action (inaction) of a customs officer posted in the customs office or at a customs border gate related to conveyance across the customs border of goods the overall value of which does not exceed 1.5 million roubles or one motor vehicle.
2. A simplified complaint procedure with regard to a decision, action (inaction) of a customs officer is defined as a verbal complaint made by an appellant to a customs officer holding a superior position, respectively; in the customs office or at a customs border gate; in case a complaint is made to a decision, action (inaction) of the chief of a customs border gate, the complainant ought to address it to the chief of the customs office responsible for the operation of said border gate.
3. A complaint to a decision, action (inaction) of a customs officer made in accordance with the simplified procedure should be addressed at once with a resolution thereto passed without delay.
4. Upon the request of a person who has made a complaint in accordance with the simplified procedure the customs officer considering said complaint draws up a complaint report (act) with regard to the complaint investigation according to the simplified procedure, which act

should contain information on the customs officer who is addressing the complaint, the complainant, a brief description of the complaint, and the resolution passed thereto. In case of a refusal to address the complaint at a decision, action (inaction) of a customs officer in accordance with the simplified procedure, the act should contain the reasons for such a refusal.

The form of the complaint report (act) shall be determined by the Federal Customs Authority. The complaint report to a decision, action (inaction) of a customs officer made in accordance with the simplified procedure shall be signed by the customs officer who has addressed said complaint and by the complainant. A copy of the complaint report shall be handed to the complainant.

5. Consideration of a complaint to a decision, action (inaction) of a customs officer in accordance with the simplified procedure and a resolution passed thereto shall not be regarded as an obstruction for filing a formal complaint to a decision, action (inaction) of a customs officer in accordance with the generally established order.

PART II. CUSTOMS PROCEDURES

Section 1. CUSTOMS REGISTRATION/CLEARANCE

Chapter 8. GENERAL PROVISIONS PERTAINING TO CUSTOMS REGISTRATION

Article 58. The Sphere of Application of this Chapter

The rules, provisions, and requirements contained in this Chapter shall apply to all customs operations performed with regard to the goods and means of transport conveyed across the customs border.

Article 59. The Customs Registration Procedures

1. The customs registration procedures shall be carried out in accordance with the provisions contained in this Customs Code, the other legal statutes of the Russian Federation adopted pursuant to this Customs Code, as well as the normative legal acts issued by the Federal Customs Authority.

2. The requirements laid by customs authorities in the process of customs registration ought to be properly substantiated and confined to the requirements set forth in by this Customs Code for ensuring the observance of the customs legislation of the Russian Federation.
3. The procedures and methods of customs registration shall be applied depending on the category of goods conveyed across the customs border, the kinds of transportation used for its conveyance (air, sea, river, rail, and other transport), and the category of persons responsible for the conveyance of goods and means of transport.
4. The customs procedures shall be applied regardless of the goods' country of origin, the country of departure or the country of destination.

Article 60. Commencement and Completion of Customs Registration Formalities

1. The customs registration shall commence:
 - during importation of goods: at the instance when a person submits to customs authorities a preliminary customs declaration or other documents specified in Article 72 of this Customs Code (depending on the sequence of said actions), or at the instance when a person makes a verbal statement or performs other actions indicative of his (or her) intention to fulfil the customs registration formalities, as in the cases stipulated by this Customs Code.
 - during exportation of goods: at the instance when a person submits a customs declaration, or at the instance when a person makes a verbal statement or performs other actions indicative of his (or her) intention to fulfil the customs registration formalities, as in the cases stipulated by this Customs Code.
2. The customs registration formalities shall be completed upon the fulfilment of all customs operations stipulated by this Customs Code, which are required for subjecting goods to customs procedures, for placing goods under the customs procedural status, or for terminating of the effect of such status, as well as for calculating and levying Customs duties.

Article 61. Permission for Customs Operations by Customs Authorities

1. In case this Customs Code stipulates that specific customs operations require a permission issued by customs authorities, such permission shall be issued without delay as soon as an authorised customs officer has made sure that the preconditions set forth by this Customs Code for the issuance of such a permission have been fulfilled, but not later than the time limit prescribed for the customs declaration control, verification of other documents and goods control (Item 1 or Article 359).

In case verification of fulfilment of the preconditions required for the issuance by the customs authorities of a permission to perform customs operations can only be completed after the

issuance of said permission without causing any obstructions to the customs control procedures and/or if violations of the customs legislation of the Russian Federation revealed in the process of subsequent non-observance of such conditions may be eliminated, permission for the performance of such customs operations is issued before such verification.

2. This Customs Code stipulates that customs authorities issue a written permission for the performance of said customs operations whereas the issuance order of such permission and its form are established by the Federal Customs Authority.

In other situations, the customs authorities' permission to perform customs operations will constitute a non-acceptance by the customs authorities of a resolution with regard to a denial of permission to perform customs operations or discharge by customs authorities of respective actions in case this Customs Code specifies a time limit for the adoption of such a resolution or stipulates such actions.

Article 62. Time and Place of Customs Registration in Regard of Goods and Means of transport

1. The customs registration of goods shall be performed at the places of location of customs authorities during their working hours.
2. Upon a motivated request by a declarant or another interested person, customs registration formalities may be completed outside the places of location of customs authorities and beyond their working hours as per articles 406 and 407 of this Customs Code.

Article 63. The Documents and Information Required for Fulfilment of Customs Registration

1. At the instance of undergoing customs registration, the persons defined by this Customs Code shall be obliged to present to customs authorities all the documents and data, which are required for fulfilling customs registration.

In the process of fulfilling customs registration formalities, the customs authorities may only request the documents and the information which are required for the observance of the customs legislation of the Russian Federation and presentation of which is stipulated by the provisions of this Customs Code.

2. The lists of documents and information, as well as demands to the information required for fulfilling specific customs registration formalities and subjecting merchandise to the appropriate customs procedural status are defined by the Federal Customs Authority in accordance with this Customs Code. The Federal Customs Authority has the right to shorten the lists of documents and information which are required for the performance of customs registration with consideration of the categories of persons conveying goods and means of transport, the categories of goods, the purpose of goods, the requirements of customs procedural statuses, or proceeding from the kind of transportation used for

conveying merchandise across the customs border. The time terms for the presentation of the documents and information required for the fulfilment of customs registration formalities are determined by the Federal Customs Authority unless this Customs Code stipulates different provisions thereto.

3. The lists of documents and information, which are required for fulfilling specific customs registration formalities, shall be liable for official publication. The normative legal acts and statutes issued by the Federal Customs Authority establishing the lists of documents required for the fulfilment of customs registration shall go into effect not earlier than in ninety days from the day of their official publication with the exception of the cases stipulated by the Sub-Items 2) and 3) of Item 3 of Article 5 of this Customs Code.
4. The forms of customs documents shall be determined by the Federal Customs Authority unless this Customs Code or other statutes of the Russian Federation contain other provisions thereto.
5. With a view to simplify and expedite the performance of customs registration the Federal Customs Authority shall conclude agreements with customs authorities of other countries on mutual acceptance of documents used for customs clearance purposes.
6. Customs authorities shall not refuse to accept the documents required for the fulfilment of customs registration due to their minor inaccuracies which do not affect the value of payable customs duties, do not influence decision-making of customs authorities with regard to application of the prohibitions and restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities. In case customs authorities refuse to accept such documents, they shall be obliged to notify the person who had presented them about the reasons for their refusal. Upon the person's request, the customs authorities concerned shall provide said notification in writing.
7. The documents required for the fulfilment of customs registration may be either presented in the original or as their copies authenticated by the person submitting them, by the declarant, by the authorities who have issued those documents, or as their notarised copies. In the event of presentation of copies of said documents authenticated by the person submitting them or by the declarant the customs authorities, if necessary, may verify the compliance of the copies of said documents with their originals after which the originals are returned to the person who presented them.
8. The documents required for fulfilling customs registration formalities may be presented in their electronic versions in accordance with the provisions of this Customs Code.

Article 64. Presence of Interested Persons of their Representatives during Customs Registration

Upon a request by customs authorities, the interested persons or their representatives may be obliged to attend the fulfilment of customs registration formalities.

Article 65. Language of Customs Registration

The customs registration formalities, including the filling in of forms required for customs control purposes, shall be carried out in the Russian language, except the cases stipulated by this Customs Code. The Federal Customs Authority has the powers to specify other cases when customs authorities may accept and apply for customs purposes the documents and information made in the foreign languages in which said customs officers are adequately proficient.

Article 66. Customs Clearance and Control Measures Exercised by Other State Bodies

Customs clearance may only be completed after the goods have undergone sanitary-quarantine, quarantine, phytosanitary, veterinary and other forms of the state control applied to the goods imported to or exported from the customs territory of the Russian Federation if the goods are liable for such control in accordance with federal law and the applicable statutes of the Russian Federation with consideration of the provision contained in Item 3 of Article 77 in this Customs Code.

Article 67. Priority Order of Customs Control Procedures

At the instance of importation to or exportation from the customs territory of the Russian Federation any merchandise shipment intended for liquidating the consequences of natural calamities, accidents and disasters, as well as perishable products, live animals, radioactive materials, international mail and express cargo, information and other mass media materials, etc., customs control procedures shall be carried out in a simplified manner and in a priority order.

Article 68. Special Simplified Customs Control Procedures for Specific Persons

1. The Federal Customs Authority has established special simplified customs control procedures for the persons:
 - who on the day of placing their request to customs authorities to award them simplified customs control procedures do not have any rulings pending for their administrative offences related to customs system, as stipulated by Articles 16.1, 16.2, 16.3, 16.9, 16.15, 16.17, 16.18, 16.20, 16.22 of the Code of the Russian Federation on Administrative Offences;
 - who use the system of registering their commercial documents in accordance with the procedures established by the Federal Customs Authority and use the filing methods enabling customs authorities to compare the information contained in their files with the information presented to customs authorities in the process of subjecting their goods to customs control;
 - who have been involved in external economic operations for at least three years.

2. The person who claims special simplified customs control procedures shall be obliged to submit to a customs office a written request to apply special simplified customs control procedures. This written request should also contain information about the applicant and his (or her) external economic activities. The applicant should also submit a written obligation to keep the system of registration of his/her commercial documents in accordance with the procedures established by the Federal Customs Authority and use the filing methods enabling the customs authorities to compare the information contained in his/her files with the information presented to the customs authorities in the process of customs control, as well as the applicant's written agreement to ensure access of customs officers to said registration system.
3. Special simplified customs control procedures shall be accorded to the persons who are involved in importation of merchandise to the customs territory of the Russian Federation. Such simplified customs control procedures may include submission of periodic customs declarations (Article 136), release of merchandise upon presentation of the details required for identification of goods (Article 150), administration of customs clearance at the installations belonging to such persons, storage of goods in such persons' warehouses, as well as other simplified procedures stipulated by this Customs Code.
4. Special simplified customs control procedures cannot contain any provisions relieving persons of the requirement to observe the terms and conditions set forth by this Customs Code and other statutes of the Russian Federation with regard to timeliness and completeness of disbursement of customs duties, observance of restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, as well as observance of requisite customs procedures.

Chapter 9.

ENTRY OF MERCHANDISE TO CUSTOMS TERRITORY OF THE RUSSIAN FEDERATION

Article 69. Timing and Place of Entry of Merchandise and Means of Transport to Customs Territory of Russian Federation

1. Entry of merchandise and means of transport to the customs territory of the Russian Federation is only permitted at the border gates at the State Border of the Russian Federation established in accordance with the applicable Russian regulations, during the working hours of the customs offices (Article 407). The merchandise and means of transport may also enter the customs territory of the Russian Federation in other places in compliance the Federal Law on the State Border of the Russian Federation.

The Government of the Russian Federation has the right to set up special customs border gates for conveyance of special categories of merchandise across the State Border of the Russian Federation.

2. Upon crossing the customs border, the carrier shall be obliged to deliver the merchandise and/or the means of transport imported by him (or her) to the customs border office or the other place specified in Item 1 herein (places of entry) and present them for inspection to customs authorities. Any changes of the state of merchandise or damage of its packaging, as well as substitution, removal, destruction of damage of seals, stamps and other means of identification of goods are prohibited.
3. The customs authorities shall be obliged to use generally accessible forms for presenting information pertaining to the location of the customs border gates established at the State Border of the Russian Federation, information on the imposed restrictions and prohibitions, as well as information on the working hours of customs offices.
4. The provisions of this Article shall not apply to the merchandise carried aboard seagoing vessels, riverboats, and aircraft crossing the customs territory of the Russian Federation without making a stop at a seaport or air terminal situated in the customs territory of the Russian Federation.

Article 70. Measures Taken in Case of Accidents, *Force Majeure*, or other Circumstances

1. In the instance when transportation of merchandise from the customs border gate to the place of its destination has been interrupted, or a seagoing vessel (riverboat) or aircraft carrying the merchandise has been forced to make an emergency landing on the territory of the Russian Federation due to an accident, *force majeure*, or other circumstances obstructing further haulage of goods, arrival at or landing in the prescribed port, the carrier shall be obliged to take every measure for ensuring safety of such merchandise and means of transport while transporting them, notify the nearest customs office of the occurrence and of the goods location, deliver the merchandise or ensuring its delivery (if the carrier's means of transport is damaged) to the nearest customs office or another place designated by customs authorities.
2. The customs authorities shall not be liable for reimbursing any expenses incurred by the carriers or other persons due to their fulfilment of the requirements set forth herein.

Article 71. Preliminary Notification of Customs Authorities of Entry of Merchandise and/or Means of Transport to Customs Territory of Russian Federation

The administration in charge of the customs border-gate facilities at the State Border of the Russian Federation (the chiefs of an air-, sea-, or railway terminals) shall be obliged to notify the

customs authorities of the place and time of the expected arrival of means of transport at the border gate at the State Border of the Russian Federation in the order coordinated by the administration of said terminal and the customs office concerned in accordance with the Federal Law on the State Border of the Russian Federation.

Article 72. Submission of Documents and Information at Instance of Entry of Merchandise and Means of transport to Customs Territory of the Russian Federation

1. Upon entry of goods and means of transport to the customs territory of the Russian Federation their carrier shall be obliged to submit to customs authorities the documents and the information stipulated by Articles 73 through 76 of this Customs Code depending on the category of a means of transport effecting said international haulage.

The Federal Customs Authority has the right to shorten the lists of documents and information details specified in Articles 73 through 76 of this Customs Code.

The customs authorities have no right to demand that the carrier submit to them any other information.

In case the documents specified in Articles 73 through 76 of this Customs Code do not contain all the required information, the carrier shall be obliged to furnish the missing details by way of submitting other available documents or providing additional documents compiled by the carrier at his (or her) discretion.

2. The carrier has the right to submit to customs authorities the documents and other information pertaining to merchandise and/or means of transport in anticipation of their actual entry to the customs territory of the Russian Federation.
3. The carrier has the right to submit the required documents (some of said documents) in their electronic versions as is stipulated by this Customs Code and in the order determined by the Federal Customs Authority.
4. In case the carrier present to customs authorities the documents made in foreign languages, the customs authorities, in case of need, have the right to demand that the information details stipulated by Articles 73 through 76 of this Customs Code be translated into Russian.
5. The documents and information may be submitted to customs authorities by any person authorised to act on behalf of the carrier.

Article 73. The Documents and Information Submitted to Customs Authorities at Instance of International Shipment of Goods by Motor Vehicles

1. In the event of international haulage of goods by motor vehicles the carrier shall be obliged to submit to customs authorities the following information:
 - (1) the state registration number of the motor vehicle;
 - (2) the carrier's name and address details;
 - (3) the name of the country of departure and of the country of destination;
 - (4) the name of address details of the goods dispatcher and recipient;
 - (5) the goods seller and recipient as stated in the documents in possession of the carrier;
 - (6) the number of freight cases, their marking and package categories;
 - (7) the goods description including their codes stipulated by the Harmonised Commodity Description and Coding System or the Nomenclature of Goods subject to Foreign Trade specifying at least four initial digits;
 - (8) the merchandise gross weight (in kilograms) or volume (in cubic metres), except big-size articles;
 - (9) the merchandise whose importation to the Russian Federation is prohibited or restricted;
 - (10) statement of the date and of the location where the international motor waybill was compiled.
2. The carrier shall be obliged to furnish the details specified in Item 1 herein by way of submitting to customs authorities the following documents:
 - (1) the documents pertaining to the means of transport;
 - (2) the international motor waybill;
 - (3) the commercial documents pertaining to transported merchandise in possession of the carrier.

Article 74. Documents and Information Submitted to Customs Authorities at Instance of International Shipment of Merchandise by Seagoing Vessel (Riverboat)

1. In the event of international haulage of merchandise by a seagoing vessel (riverboat), the carrier shall be obliged to submit to customs authorities the following information:
 - (1) the vessel's port of registry and its national identity;
 - (2) the vessel's name and description;

- (3) the skipper's name;
 - (4) the name and address details of the shipbroker;
 - (5) the number of passengers on board, their full names, citizenship, dates and places of birth, their port(s) of embarkation and the port(s) of disembarkation;
 - (6) the crew size and composition;
 - (7) the name of the port of departure and of the ports of call;
 - (8) the merchandise descriptions and overall quantity;
 - (9) the number of cases / containers, their marking and types of packaging;
 - (10) the names of the goods' port of loading and port of unloading;
 - (11) the numbers of bills of lading and other documents confirming the availability and the contents of the sea- / river shipment contract with regard to the goods subject to unloading at the given terminal;
 - (12) names of the ports of unloading of the goods remaining on board the vessel;
 - (13) names of the goods' initial ports of departure;
 - (14) description and quantity of stores on board the vessel;
 - (15) description of the goods' location on board the vessel;
 - (16) presence (absence) on board the vessel of international postal items;
 - (17) presence (absence) on board the vessel of the merchandise whose importation to the Russian Federation is prohibited or restricted; including currency of the Russian Federation and currency valuables in possession of crewmembers, the medical preparations containing narcotics, strong-action medicines, psychotropic and poisonous substances;
 - (18) presence (absence) on board the vessel of dangerous merchandise, including weapons and ammunition.
2. The carrier shall be obliged to furnish the details specified in Item 1 herein by way of submitting to customs authorities the following documents:
- (1) the general declaration;
 - (2) the ship's manifest;
 - (3) the declaration of stores on board the vessel;
 - (4) the declaration of the crew personal effects;
 - (5) the muster-roll;
 - (6) the list of passengers on board;
 - (7) the document prescribed by the World Postal Convention;

- (8) the bills of lading and other documents confirming the availability and the contents of the sea- / river shipment contract.

Article 75. Documents and Information Submitted to Customs Authorities at Instance of International Shipment of Merchandise by Air Transport

1. In the event of international shipment of merchandise by air transport the carrier shall be obliged to submit to customs authorities the following information:
 - (1) the aircraft national identity and registration marking;
 - (2) the flight number, the flight plan, the point of departure and the place of destination;
 - (3) the name of the aircraft operator;
 - (4) the number the aircraft crew-members;
 - (5) the number of passengers on board, their full names, the port of embarkation and the port of disembarkation;
 - (6) the merchandise categories;
 - (7) the numbers of the airway bill, the number of articles per airway bill;
 - (8) the names of air terminals of loading and unloading of the merchandise;
 - (9) quantity of catering stores loaded to or unloaded from the aircraft;
 - (10) presence (absence) on board the aircraft of international postal items;
 - (11) presence (absence) on board the aircraft of the merchandise whose importation to the Russian Federation is prohibited or restricted; including currency of the Russian Federation and currency valuables in possession of crewmembers, the medical preparations containing narcotics, strong-action medicines, psychotropic and poisonous substances.
2. The carrier shall be obliged to furnish the details specified in Item 1 herein by way of submitting to customs authorities the following documents:
 - (1) the carrier's standard documents stipulated by the international treaties in the field of civil aviation (general declaration);
 - (2) the document containing information on the merchandise carried on board the aircraft (the airway bill);
 - (3) the document specifying catering stores on board the aircraft;
 - (4) the air waybills;
 - (5) the document specifying the passengers on board and their luggage (the passenger manifesto);

- (6) the document prescribed by the World Postal Convention.

Article 76. Documents and Information Submitted to Customs Authorities at Instance of International Shipment of Merchandise by Railway Transport

1. In the event of international haulage of merchandise by railway transport the carrier shall be obliged to submit to customs authorities the following information:
 - (1) the name of address details of the goods' dispatcher;
 - (2) the name of address details of the goods' recipient;
 - (3) the name of the railway terminal of departure and the terminal of destination;
 - (4) the number of freight cases, their marking and package categories;
 - (5) the merchandise description including their codes stipulated by the Harmonised Commodity Description and Coding System or the Nomenclature of Goods subject to Foreign Trade specifying at least four initial digits;
 - (6) the goods gross weight (in kilograms);
 - (7) the container identification numbers.
2. The carrier shall be obliged to furnish the details specified in Item 1 herein by way of submitting to customs authorities the following documents:
 - (1) the international waybill;
 - (2) the commercial documents pertaining to transported merchandise in possession of the carrier.

Article 77. Operations with Goods and Means of transport at Customs Terminal

1. After merchandise has arrived and the documents and information pertaining to the consignment presented to customs authorities this merchandise can be unloaded, transhipped (Article 78), placed at a temporary storage warehouse (Article 12), declared as subject to a specific customs procedural status, or to domestic transit.
2. Merchandise acquires the status of temporary storage from the moment of its presentation for inspection at the customs border gate. Upon expiration of the time limit allocated for temporary storage (Article 103) the customs authorities shall dispose of said merchandise in compliance of the provisions of Article 41 of this Customs Code.
3. In case customs authorities are involved in the inspection of merchandise whose importation to the territory of the Russian Federation is restricted or prohibited pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities whereas the application of such restrictions or prohibitions the application is in

the competence of other authorised state bodies, the customs authorities shall ensure coordinated and concurrent execution of such measures.

4. The means of transport shall be subject to customs control formalities in accordance with the provision of Chapter 22 of this Customs Code.

Article 78. Unloading and Transhipment of Merchandise at Customs Terminal

1. Unloading and transhipment of merchandise from the means of transport upon its entry to the customs territory of the Russian Federation shall be carried out at specially equipped places of the customs terminal during the customs authorities' official working hours.

Unloading and transhipment of merchandise at other places and/or beyond the customs office's established working hours may only be sanctioned by customs authorities upon a request made by an interested person in accordance with the provisions of Articles 406 and 407 of this Customs Code.

2. The merchandise unloading and transhipment areas constitute a customs control zone. Such areas should be set up and equipped so as to ensure safety of merchandise and preclude any access to them of the persons who are not involved in the cargo-handling operations.
3. Upon the request of a person responsible for cargo-handling operations in a sea- or river terminal the merchandise may be stored at the place of its unloading or transhipment without placing them in the temporary-storage warehouse throughout the time required for the performance of cargo-handling operations, in accordance with the terms stipulated by Article 103 of this Customs Code.
4. In case of loss of merchandise or its transfer to a third party without permission of customs authorities, responsible for the disbursement of customs duties and taxes in accordance with this Customs Code shall be the person performing the cargo-handling operations.
5. Unloading of merchandise, whose importation to the territory of the Russian Federation is proscribed by law of the Russian Federation, shall be forbidden.

Chapter 10. DOMESTIC CUSTOMS TRANSIT

Article 79. Domestic Customs Transit

1. Domestic customs transit constitutes a customs procedure whereby foreign goods are transported inside the customs territory of the Russian Federation exempt from customs duties and taxes and free from any economic restrictions of prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. Domestic customs transit shall apply to the instances of haulage of merchandise from the place of its entry to the place of location of the customs office of its destination (Article 92), from the place where the imported merchandise was declared to customs authorities to the place of its exportation from the customs territory of the Russian Federation; during its transit between temporary-storage warehouses, bonded warehouses, as well as in other cases when merchandise transits along the customs territory of the Russian Federation without guarantees of payment of customs duties and taxes.
3. The provisions of this Chapter shall not apply to the goods transported by air provided the aircraft carrying them during its regular international flight performs an intermediate or emergency (technical) landing without unloading of any portions goods or to the commodities transported through pipelines or electric power lines.
4. Transportation of goods and commodities in accordance with the provisions of the domestic customs transit procedure may be effected by any carrier including a customs carrier.

Article 80. Permission for Domestic Customs Transit

1. Domestic customs transit requires a written permission issued by the customs office in whose region haulage of merchandise stipulated by the domestic customs transit procedures is initiated (customs point of departure).
2. The permission for the domestic customs transit is issued:
 - to the carrier;
 - the forwarder provided the latter is a Russian person,
 - to the persons specified in Item 6 herein.
3. The permission for domestic customs transit shall be issued provided the following preconditions are observed:
 - (1) the goods are not prohibited for importation to the customs territory of the Russian Federation by law of the Russian Federation ;
 - (2) the imported goods have been subjected to border control and other kinds of state control at the point of their entry if said goods are liable for such control in accordance with law of the Russian Federation at the point of their entry;
 - (3) the goods have all requisite permits and/or licenses if their transit along the customs territory of the Russian Federation is only permitted when said permits and/or licenses are available;
 - (4) the goods have been recorded in respective transit declaration (Article 81) and thereby declared to customs authorities;
 - (5) the goods are properly identified (Article 83);

- (6) the means of transport are properly equipped for the goods to be transported with requisite seals and stamps affixed (Article 86);
- (7) all requisite measures required by the customs legislation of the Russian Federation have been observed.

4. The permission for domestic customs transit shall be issued following presentation of goods to the customs point of departure without any delay as soon as said customs office has verified the observance of all the preconditions stipulated by Item 3 herein, but not later than in three days from the date when the transit declaration was accepted (Article 81). The transit declaration shall be accepted by customs authorities on the date of its submission provided it meets all the laid requirements.

Upon the issuance of the permission for transit, the customs point of departure shall establish the time terms for the domestic customs transit (Article 82) and designate the place of goods destination (Article 85).

5. The Federal Customs Authority has the right to make decisions denying domestic customs transit to the carrier or forwarder responsible for repeated violations of his (or her) obligations predicated on haulage of goods subject to the domestic customs transit procedure which facts have been established by the effective resolutions on administrative penalties applied to the cases of administrative offences in the field of customs system if at least one of such penalties has not been executed, or in case said carrier or forwarder has not fulfilled his (or her) obligations with regard to disbursement of customs duties and taxes as per Article 90 of this Customs Code. Such a resolution shall be rescinded within five days following the payment of an administrative fine, as well as the customs duties and taxes as per Article 90 of this Customs Code of which fact the carrier or forwarder concerned shall be notified in writing within the established time terms.

6. In the process of haulage of goods subject to the domestic customs transit to the place of their destination (Article 85), which is not a location of a customs office, a permission to the domestic transit shall only be issued to a person who will be responsible for the storage of and other operations with goods at the place of their destination in accordance with the provisions of this Customs Code. In this case, said person shall fulfil the duties and bear the responsibilities of a forwarder, as is specified in this Chapter, with consideration of the provisions stipulated by Item 5 in Article 92 of this Customs Code.

7. In case the permission for the domestic customs transit cannot be issued due to non-observance of the provisions stipulated by Items 1 through 3 herein, the customs authorities have the right to permit delivery of said goods to the temporary storage warehouse or to other places constituting customs control zones provided the goods are hauled in a means of transport in attendance of a customs escort.

Note:

1. For the purpose of application of this Article of the Customs Code, a means of transport shall be defined as a transport vehicle used for hauling merchandise within the customs territory of the Russian Federation.
2. For the purpose of application of this Article of the Customs Code, a forwarder shall be defined as a person acting pursuant to his (or her) contract with a forwarding company in accordance with civil law of the Russian Federation.

Article 81. Transit Declaration

1. The customs authorities shall accept as a customs declaration any commercial, shipment documents, waybills, and/or customs documents containing the information as stipulated by Item 2 herein.
2. In order to obtain permission for domestic customs transit the carrier (forwarder) shall be obliged to present to customs authorities the following information:
 - (1) the name and the location of the goods dispatcher (recipient) in accordance with the available waybill;
 - (2) the goods' country of departure (country of destination);
 - (3) the name and the location of the goods carrier or of the goods forwarder if permission for domestic customs transit is issued to the goods forwarder;
 - (4) the description of the means of transport used for hauling goods along the customs territory of the Russian Federation, as well as information on the driver if haulage of said goods is effected by a motor vehicle;
 - (5) categories, names or descriptions, quantities, prices of goods as stated in the commercial and shipment documents (waybills), their weight or volume, the goods codes stipulated by the Harmonised Commodity Description and Coding System or the Nomenclature of Goods subject to Foreign Trade specifying at least four initial digits;
 - (6) the overall quantity of freight cases;
 - (7) the goods point of destination;
 - (8) any scheduled transshipment of goods or other goods-handling operations en route to the destination;
 - (9) the scheduled time terms of the goods delivery (Article 82);
 - (10) the goods route to destination if said goods are to be transported along a designated route (Item 3 of Article 86).
3. The Federal Customs Authority has the right to oblige list of required information as per Item 2 herein with consideration of the specific persons responsible for the transit of goods and means of transport, the specific kinds of goods, as well as proceeding from carrier means of transport.

4. In case the documents submitted as is required by of Item 1 herein do not contain all the information specified in Item 2 herein, the required details should be supplemented in writing to the transit declaration. The format of the transit declaration and its filling procedures are established by the Federal Customs Authority.
5. The customs authorities have no right to demand that a carrier or forwarder submit any information other than that specified in Item 2 herein.
6. A customs officer, who resolves to accept the documents presented as per Item 1 herein as a transit declaration, shall place a special mark on said documents as is prescribed by the Federal Customs Authority.
7. A transit declaration may also be presented as an electronic document. The order of presentation of the electronic version of a transit declaration and its use in the process of domestic customs transit are determined by the Federal Customs Authority in accordance with this Customs Code.
8. In the instances stipulated by the international treaties to which the Russian Federation is party, accepted as a declaration for domestic customs transit shall be the documents formalised pursuant to the international treaties to which the Russian Federation is party.

Article 82. Time Terms for Domestic Customs Transit

1. The time limit for domestic customs transit may not exceed the length calculated on the basis of one month corresponding to the distance of 2000 kilometres with regard to the haulage of goods by a motor-, rail- or water transport; in case merchandise is transported by air, the time limit may not exceed three days from the date of issuance of permission for domestic customs transit.

2. At the instance of issuance of permission for domestic customs transit the time limit for the domestic customs transit shall be determined by the customs point of departure as per Item 1 herein proceeding from the carrier's (forwarder's) request, the regular time standards established for merchandise haulage, the type, and specific features of the carrier vehicle, its route, and other conditions of transit.

3. Upon a motivated request of the interested party, the customs authorities may extend the initially established time limit of domestic transit determined in compliance with the requirements of Item 1 herein. In case the carrier cannot accomplish the delivery of goods subject to the domestic customs transit procedure within the initially prescribed time limit as a result of an accident or force majeure, the time limit for the domestic customs transit may be extended by a written resolution to that effect issued by customs authorities to exceed the time limit prescribed by the provisions of Item 1 herein.

Article 83. Identification of Goods and Documents Thereto

1. The customs authorities at the point of departure shall undertake to identify the goods subject to the domestic customs transit procedure with a view to enabling the customs authorities at the point of their destination (Item 1 of Article 92) to detect signs of annexation of goods, signs of insertion of goods into means of transport, or signs of perpetration of other actions with the goods subject to the domestic customs transit procedure in the process of their haulage.

2. The customs authorities at the goods point of departure have the right to use the following facilities for ensuring identification of goods:

- customs seals and stamps which are affixed to a means of transport, a container or a removable truck body;
- application of alphanumeric codes or other forms of marking, use of other identification symbols; affixation of seals and stamps to specific freight cases;
- stamping;
- taking of samples and specimens;
- drawings made by customs officers, sketches and plans of merchandise made to scale; the goods' photographic images, video recordings, illustrations;
- other means ensuring identification of merchandise including customs seals affixed at the customs point of departure.
- the merchandise dispatcher's seals.

3. Identification of goods shall be effected by affixation of customs seals and stamps to a means of transport, a container or a to truck removable body as per Article 84 of this Customs Code.

In other instances, identification of goods shall be effected with the use of other facilities, as specified in Item 2 herein.

4. The customs authorities rely on customs seals and other identification facilities applied by customs authorities of foreign countries, except the following instances:

- the customs authorities deem the customs seals and other identification facilities insufficient or unreliable hence not meeting the criteria specified in Item 1 of Article 84 of this Customs Code;
- officers at the customs point of departure subject merchandise to customs inspection.

In the instance when Russian customs authorities opt to make use of the customs seals or other identification facilities applied by customs authorities of foreign countries, any alternations, changes, removal, destruction or damage of said identification facilities shall be subject to the prohibitions stipulated by this Customs Code with regard to the customs seals and identification facilities used by the customs authorities of the Russian Federation.

5. The customs authorities shall perform identification of the waybills and/or of the other commercial documents available with the carrier, which may be used for customs clearance purposes.

Identification of said documents may be effected through application by customs authorities of the following methods and facilities:

- affixation of seals or application of rubber-stamps to said waybills and commercial documents;
- application of special stickers and/or of special protection facilities.
- placement of the documents requisite for customs clearance purposes into the cargo compartments of means of transport, containers or removable truck bodies subject to customs seals and stamps;
- placement of the documents requisite for customs clearance purposes into sealed safe-packages.

Article 84. Equipment of Means of transport, Containers and Removable Truck Bodies for Haulage of Merchandise under Customs Seals and Stamps

1. Means of transport, containers or removable truck bodies may be authorised for haulage of merchandise under customs seals and stamps provided said customs seals and stamps used may be are affixed directly to the means of transport, containers or removable truck bodies that are designed and constructed so as to ensure that:

- (1) customs seals and stamps may be affixed by a simple and reliable method;
- (2) no merchandise may be extracted from or placed into the sealed section of the cargo compartment of a means of transport without evident signs of penetration into the cargo compartment of a means of transport or causing damage to customs seals and/or stamps;
- (3) the means of transport and its cargo compartments do not have any hidden places where merchandise could be concealed;
- (4) all the places where the goods are accommodated are easily accessible for customs inspections.

2. The requirements laid to means of transport, containers or removable truck bodies set forth by Item 1 herein shall be regarded as fulfilled if the means of transport, containers, or removable truck bodies concerned meet the technical requirements stipulated by the Federal Customs Authority.

3. A decision with regard to authorising a means of transport, container, or a removable truck body to perform haulage of merchandise under customs seals and stamps is made by the customs point of departure if said means of transport, containers or removable truck bodies had not been previously authorised for haulage of merchandise under customs seals and stamps.

Said decision is passed by customs authorities at the point of departure on the day when an interested person applies for it.

4. Compliance of a means of transport, container, or removable truck body to the requirements laid in Items 1 and 2 herein may be confirmed well in advance by a certificate authorising said means of transport, container, or removable truck body to haul merchandise under customs seals and stamps.

A certificate authorising said means of transport, container or removable truck body to haul merchandise under customs seals and stamps may be issued:

- in individual cases;
- with regard to the type of design (series) of means of transport, container or removable truck body.

A certificate authorising said means of transport, container, or removable truck body to haul merchandise under customs seals and stamps is issued by customs authorities upon a request made by an interested person not later than in five days following the date of acceptance of said request by customs authorities. This certificate shall remain in force until the design of a means of transport, container, or removable truck body is modified.

The certificate authorising said means of transport, container or removable truck body to haul merchandise under customs seals and stamps shall remain in force in the event the right of ownership of said means of transport, container, or removable truck body has been passed over to another person.

The form of the certificate authorising said means of transport, container, or removable truck body to haul merchandise under customs seals and stamps and its issuance procedures are set forth by the Federal Customs Authority.

5. Customs authorities shall not demand that authorisation to a means of transport, container or removable truck body to perform haulage of merchandise under customs seals and stamps be issued in advance except the following situations:

- goods are transported by a customs carrier (Article 11);
- the preliminary authorisation means of transport, container, or removable truck body is stipulated by the international treaties to which the Russian Federation is party.

Article 85. Place of Destination of Merchandise subject to Domestic Customs Transit Procedure

1. The place of destination of merchandise subject to the domestic customs transit procedure shall be determined by the customs authorities at the point of departure based on the information designating the place of destination stated in bills of lading, waybills, and other shipment documents. The merchandise place of destination shall be a customs control zone situated in the area of responsibility of said customs point of destination (Item 1 Article 92).

Note: merchandise transported from its point of entry (Article 69) shall be delivered to the place of location of the customs office (Article 405).

2. In case the point of destination has been changed in accordance with the applicable statutes of the Russian Federation on haulage of goods subject to the domestic customs transit procedure, the carrier has the right to apply to customs authorities with a request to change the merchandise place of destination.

Note: the carrier may apply to any customs office en route with a request to change the merchandise point of destination submitting the request per se compiled optionally, the documents confirming the change of the merchandise point of destination, as well as the documents stipulated by Item 3 of Article 92 of this Customs Code.

A resolution with regard of the change of the merchandise point of destination shall be passed by the customs office concerned not later than on the day following the date of acceptance of the request and the documents specified in the first paragraph herein. Said resolution shall be formalised by way of completion of the domestic customs transit procedure with regard to the merchandise whose point of destination has been changed and issuance of a new permissions for the domestic customs transit (Article 80). The new resolution on the domestic customs transit is issued on the day of passage of the resolution authorising the merchandise point of destination.

Article 86. Measures for Effecting Observance of Statutes of Customs Legislation of the Russian Federation with regard to Domestic Customs Transit

1. The customs authorities at the point of departure have the right to apply the following (one of the following) measures for effecting the observance of the statutes of the customs legislation of the Russian Federation with regard to domestic customs transit:

(1) guarantee of payment of customs duties applicable to the importation of foreign goods in the amounts corresponding to the sum of the customs import duties and taxes, which would be levied to the goods in case of their release for free circulation. If information pertaining to the goods presented for the purpose of subjecting them to the domestic customs transit procedure is insufficient for calculating the amounts of customs duties and taxes, the amount of dutiable payments should be determined in accordance with Article 338 of this Customs Code;

(2) customs escort (Article 87);

(3) designation of routes as stipulated in Item 3 herein.

2. The customs authorities shall not demand that the measures necessitating the observance of the statutes of the customs legislation of the Russian Federation, as per Item 1 herein, be applied to then situations when haulage of goods is effected by the customs carrier.

3. In the instances stipulated by federal law of Russian Federation, the Government of the Russian Federation has the right to designate routes of haulage of specific kinds of merchandise subject to the domestic customs transit procedure. In other instances special routes for

the haulage of specific kinds of merchandise are assigned based on the existing record of frequent violations of the customs legislation of the Russian Federation associated with conveyance of such goods across the customs border of the Russian Federation, or special restrictions and prohibitions are introduced pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities. In this instance, the route of merchandise haulage shall be declared by the carrier. The route declared by the carrier shall remain mandatory during transit of said goods. The route thus designated may only be changed upon a written permission issued by customs authorities concerned.

Article 87. Customs Escort

1. The customs escort is defined as escort of means of transport carrying merchandise subject to the domestic customs transit procedure by an authorised customs officer for insuring the observance of the statutes of the customs legislation of the Russian Federation pertaining to domestic customs transit.

2. Customs authorities have the right to pass a resolution with regard to customs escort in the following instances:

(1) non-payment of the customs duties and taxes stipulated by Article 31 of this Customs Code;

(2) when haulage of specific kinds of goods is predicated on the risk analysis and risk management system stipulated by this Customs Code;

(3) failure by the carrier, at least once within a year from the date of his (or her) application for domestic customs transit, to deliver goods to the point of their destination, which fact is confirmed by an enforced ruling on administrative penalty with regard to an administrative offence in the field of customs system;

(4) re-exportation of merchandise delivered to the Russian Federation by mistake or of the goods whose importation to the Russian Federation is prohibited in case the place of the actual crossing by said goods of the customs border of the Russian Federation during their exportation does not coincide with the location of said goods;

(5) haulage of the goods as is specified in Items 6) and 7) of Article 80 of this Customs Code;

(6) haulage of the goods subject to the restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

3. The expenses associated with customs escort shall be reimbursed in the form of customs duties levied in accordance with the Russian legislation on taxes and duties.

Article 88. Obligations of Carrier pursuant to Domestic Customs Transit

The carrier performing haulage of goods subject to domestic customs transit shall be obliged to:

- (1) deliver the goods and the documents thereto within the time interval prescribed by the customs authorities at the point of departure to the point of destination following the assigned routes if the later have been designated;
- (2) ensure safety of the goods, customs seals and stamps or other identification facilities if applied;
- (3) not to allow goods transshipment, unloading, loading or any other cargo-handling operations without permission by customs authorities, except transshipment of goods to another means of transport in the instance specified by Item 1 of Article 89 of this Customs Code.

Article 89. Transshipment, Unloading, Loading and Other Cargo-Handling Operations

1. Transshipment, unloading, loading, and other cargo-handling operations with the merchandise whose haulage is performed in accordance with the domestic customs transit procedure may only be authorised by the customs point of departure (Item 1 Article 80) or the customs authorities in whose region said cargo-handling operations are carried out. If transshipment of merchandise from one means of transport to another cannot be performed without damaging customs seals and stamps, such transshipment may only be permitted upon a preliminary notification of the customs authorities concerned.

2. The customs authorities may withhold permission for cargo-handling operations if such operations are likely to result in loss of goods or change of their properties.

Article 90. Responsibility of Carrier and Forwarder pursuant to Domestic Customs Transit

1. In the instance when foreign goods have not been delivered to the customs point of destination (Item 1 of Article 92), their carrier or forwarder, if permission for domestic customs transit was issued to the goods forwarder, shall be obliged to pay the requisite import customs duties and taxes in accordance with this Customs Code.

If the carrier conveyed the goods to their recipient or any other person without permission of customs authorities, the person who has acquired title over said goods shall be responsible for disbursement of all requisite customs duties and taxes once it has been established that said person was aware or was supposed to be aware that he was receiving said goods in breach of the customs legislation of the Russian Federation.

2. The goods carrier or forwarder shall not be responsible for the disbursement of customs duties and taxes in case the goods have been destroyed, damaged or irretrievably lost due

to an accident, force majeure, or as a result of their natural diminution under normal conditions of haulage (shipment).

Customs authorities have no right to oblige the carrier or forwarder to pay customs duties and taxes on the grounds that haulage of goods was not carried out along the designated route or the time limit assigned for the domestic customs transit of goods was breached provided all the other terms and requirements stipulated by this Chapter have been fulfilled.

3. In case of re-loading of goods subject to domestic customs transit from one means of transport to another, all responsibility for the disbursement of customs duties and taxes shall be borne by the carrier (forwarder) who was issued permission for domestic customs transit.

4. In case of goods subject to domestic customs transit by rails, responsibility for the disbursement of customs duties and taxes shall be borne by the railway authorities who have lost said goods or released them without permission of customs authorities. Customs authorities shall place their demand for disbursement of such customs duties and taxes to the railway terminals of destination. The provisions of this Item shall not apply to the instances when permission for domestic customs transit is issued to a forwarder or to the instances when shipment of goods is effected through a direct combined haulage provided permission for domestic customs transit was issued the carrier of another means of transport.

Article 91. Measures Taken in Case of Accident, *Force Majeure* or other Circumstances

1. In case of accident, force majeure or other circumstances obstructing the haulage of goods subject to domestic customs transit, their carrier shall be obliged to take measures stipulated by Article 70 of this Customs Code.

2. The customs authorities shall not be liable for indemnifying the expenses incurred by the carrier due to the fulfilment of said measures.

Article 92. Completion of Domestic Customs Transit

1. The customs authorities at the point of destination where the domestic customs transit procedure is completed (the customs point of destination) shall formalise the completion of the domestic customs transit procedure within a shortest possible time, but not later than in 24 hours from the check-in time of the means of transport provided the inspection of documents and identification of goods conducted by said customs authorities have not revealed any breaches of the customs legislation of the Russian Federation, by way of issuance to the goods carrier of a certificate to the effect that the domestic customs transit procedures has been completed, which certificate is compiled based on the format established by the Federal Customs Authority.

2. The customs authorities at the point of destination shall be obliged to register the check-in time of the means of transport at the place of goods' destination within two hours from

the moment of acceptance from the carrier of the waybills and other shipment documents, as stipulated in Item 3 herein; and issue a written statement to the carrier confirming the arrival of said means of transport, which statement is compiled based on the format established by the Federal Customs Authority.

3. With a view to completing the domestic customs transit procedures, the carrier should present to the customs authorities at the point of destination the goods, the transit declaration (Article 81), and the other documents pertaining to the goods within one hour from the arrival of the means of transport at the point of destination; or within one hour from the time the customs office opens for work if the carrier arrives at the customs point of destination beyond its working hours. In the instance when goods are hauled by railway, the time limit for the presentation of said documents to the customs authorities at the point of destination may not exceed twelve hours.

4. At the customs point of destination, the means of transport shall stay inside the customs control zone until the domestic customs transit procedures is completed.

Placement of means of transport inside the customs control zone is permitted at any time without restrictions.

5. At the instance of delivery of goods to the place, which is not equipped with a customs office (Item 6 of Article 80), the domestic customs transit procedure may be completed without presentation of merchandise to the customs point of destination.

The person authorised to carry out the domestic customs transit procedure shall be obliged to accept merchandise for storage, preclude any actions that may change the condition of merchandise or damage its packing, use and dispose of the merchandise until or unless customs authorities have certified the merchandise delivery to a temporary storage warehouse, a bonded warehouse or any other place designated as the place of merchandise delivery in accordance with the rules set forth by this Chapter.

Note: all the goods ought to be placed in a separate room or at a fenced-in lot and provided with plates containing information enabling their identification.

The domestic customs transit procedure will be completed after, in addition to the documents specified in Item 3 herein, the carrier has presented to the customs point of destination the documents certifying acceptance of said goods which certificates ought to be submitted to the customs authorities within 24 hours following the arrival of the means of transport at the place of goods destination. The customs office will take up to three days from the date of submission of the above documents to certify the delivery of merchandise based on the form and the order established by the Federal Customs Authority.

Chapter 11. CUSTOMS CARRIER

Article 93. Customs Carrier

1. A customs carrier is defined as a Russian juridical person included in the Register of Customs Carriers.

2. The customs carrier effects haulage of merchandise under customs control in situations and on the terms set forth by this Customs Code.

3. A customs carrier has the right to limit the region of its operations by the operating region covered by one (several) customs office (customs offices).

4. The relations between a customs carrier and merchandise dispatchers or forwarders are built on a contractual basis. A customs carrier is not permitted to refuse to sign a haulage contract if it has requisite facilities for performing haulage of merchandise.

Article 94. Terms of Entry into Register of Customs Carriers

The terms of entry into the Register of Customs Carriers are, as follows:

- (1) minimum two years of cargo haulage experience;
- (2) guarantee of dutiable payments as per Article 339 of this Customs Code;
- (3) availability of certified license for cargo haulage if such activity is subject to licensing in accordance with Russian legislation;
- (4) ownership (possession as private property, use as of leased or rented equipment) of means of transport suitable for haulage of merchandise, as well as of means of transport applicable for haulage of goods under customs seals and stamps (Article 84);
- (5) availability of the applicant's civil liability insurance policy, which may occur as a result of damage caused to the merchandise trusted to the customs carrier pursuant to the haulage contract or due to breach by the customs carrier of its commitments pursuant to the haulage contract. The minimal insurance premium thereto should amount to 20 million roubles.

Note: For the purpose of application of the provisions of this Chapter, a means of transport shall be defined as a vehicle for carrying merchandise within the customs territory of the Russian Federation.

Article 95. Application for Entry into Register of Customs Carriers

1. An entry certifying inclusion of a juridical person into the Register of Customs Carriers shall be made based on an application submitted by the person meeting the criteria specified in Articles 93 and 94 of this Customs Code.

2. Said application for the entry into the Register of Customs Carriers should contain:

(1) an application to the customs office concerned with a request to be entered into the Register of Customs Carriers;

(2) information pertaining to the applicant's name, organisational and juridical form, location, open bank accounts, as well as the size of the authorised (equity) capital, the authorised investment fund or the applicant's share therein;

(3) information pertaining to the applicant's cargo haulage experience;

(4) information on the applicant's intention to limit the region of its operations by the limits of an operating region covered by one (several) customs office (customs offices) or operate free of any limitations;

(5) information on the ownership of means of transport (their number and specifications) which the applicant intends to use in carrying out its activities in capacity of a customs carrier, as well as information pertaining to the means of transport applicable for haulage of goods under customs seals and stamps (Article 84);

(6) information on dutiable payments as per Article 339 of this Customs Code;

(7) information on the applicant's civil liability insurance policy.

3. The application for entry into the Register of Customs Carriers should be supplemented with a certified license for cargo haulage if such activity is subject to licensing in accordance with Russian legislation, as well as the documents certifying the declared information, including:

– the applicant's incorporation documents and the document certifying the applicant's entry as a juridical person in the General State Register of Juridical Persons;

– the certificate of the applicant's state registration as a juridical person;

– the certificate of the applicant's registration by the tax authorities;

– the documents certifying the applicant's right to own the means of transport which are intended for use in the process of the application's operation in capacity of a customs carrier;

– the certificates proving the admission of said means of transport for haulage of goods under customs seals and stamps;

– the documents certifying the size of the completely formed authorised (equity) capital, the authorised investment fund or the applicant's share therein;

– the documents certifying the applicant's guarantees of dutiable payments as per Article 339 of this Customs Code;

– the bank references certifying the applicant's accounts opened in them;

– the applicant's insurance policy.

Article 96. Certificate of Entry into Register of Customs Carriers

1. The certificate on entry into the Register of Customs Carriers shall contain:

(1) the name of the customs carrier, the definition of its organisational and juridical entity and its location;

(2) information on the amounts and form of guarantee of dutiable payments to be made as per Article 339 of this Customs Code;

(3) designation of the customs carrier's region of operations (in case the customs carrier's operating region is limited by an operating region covered by one (several) customs office (customs offices)).

2. The Certificate of Entry into the Register of Customs Carriers shall remain in force for the period of five years.

Article 97. Obligations of Customs Carrier

A customs carrier shall be obliged to:

(1) abide by the terms and requirements stipulated by this Customs Code with regard to the haulage of merchandise subject to customs control;

(2) keep record of the merchandise carried under customs control and submit reports on haulage of such merchandise to customs authorities (Article 364);

(3) disburse customs duties and taxes in the situation stipulated by Item 1 of Article 90 of this Customs Code;

(4) ensure confidentiality of information obtained from the merchandise dispatcher, their recipient, or their forwarder.

Article 98 Withdrawal of Certificate of Entry into Register of Customs Carriers

The Certificate of Entry into the Register of Customs Carriers may be revoked by customs authorities in the following situations:

(1) breach by the customs carrier of at least one of the terms of entry into the Register of Customs Carriers set forth by Article 94 of this Customs Code;

(2) breach by the customs carrier of its obligations stipulated by Sub-Item 3) of Article 97 of this Customs Code;

(3) multiple cases of application of administrative penalties to the customs carrier due to non-fulfilment by the latter of its responsibilities or its administrative offences in the sphere of customs system stipulated by Articles 16.1, 16.2, 16.3, 16.9, 16.11 and 16.15 of the Code of the Russian Federation on Administrative Offences.

Chapter 12. TEMPORARY STORAGE OF GOODS

Article 99. Temporary Storage of Goods

Temporary storage of goods is a customs procedure under which foreign goods are stored exempt from customs duties and taxes and without subjecting them to any other restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities until said goods are released based on an assigned customs procedure or subjected to a different customs procedure.

Article 100. Temporary-Storage Warehouses

1. Temporary storage of goods is effected at temporary-storage warehouses unless this Chapter contains different provisions thereto.
2. Used as temporary-storage warehouses may be rooms and/or open plots of land specially designated and equipped for temporary-storage purposes and meeting the requirements stipulated by Article 107 of this Customs Code.
3. Temporary-storage warehouses constitute a customs control zone.
4. Goods may be placed into any temporary-storage warehouse with consideration of the restrictions stipulated by this Customs Code.

Article 101. Placement of Goods at Temporary-Storage Warehouses

1. Temporary-storage warehouses may be used for accommodating any kinds of foreign goods including those imported to the customs territory of the Russian Federation in violations of the provisions of the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities prohibiting their importation (Item 1 of Article 13).
2. The goods capable of damaging other merchandise or requiring special storage conditions ought to be placed at the temporary-storage warehouses or in their compartments specially equipped for storage of such kinds of goods in accordance with the mandatory requirements pursuant to the Federal Law on Technical regulations.
3. Temporary-storage warehouses may also be used for storing goods in the instances stipulated by Articles 377 and 391 of this Customs Code.

Article 102. Documents Required for Placing Goods at Temporary-Storage Warehouse

1. At the instance of placing goods at a temporary-storage warehouse the person responsible for said goods shall be obliged to present to customs authorities the documents

containing information on the name and location of the goods dispatcher (recipient) as specified in the available waybills and other shipment documents; the country of departure (destination); the goods description and quantities; the number of freight cases, their marking and package categories; the goods invoice prices; the goods gross weight (in kilograms) or volume (in cubic metres); the goods classification codes according to the Harmonised Commodity Description and Coding System or the Nomenclature of Goods subject to Foreign Trade specifying at least four initial digits.

The Federal Customs Authority has the right to shorten the list of information stated in Item 1) herein with consideration of the means of transport as well as the categories of persons responsible for the shipment of goods and means of transport.

2. The following documents are required for placing goods to temporary-storage warehouses:

- the documents stipulated by Articles 73 through 76 of this Customs Code in case goods are subjected to temporary storage at their point of entry;
- the documents stipulated by Articles 81 of this Customs Code for other cases of subjecting goods to temporary storage.

If the submitted documents do not contain the information required by Item 1 herein, the person responsible for subjecting goods to temporary storage shall be obliged to furnish the missing details by way of submitting other available documents or providing additional documents compiled by him (or by another person duly instructed by him) at his discretion.

3. At the instance of placement of goods at a temporary-storage warehouse, customs authorities have no right to demand any information other than that specified in Item 1 herein.

4. The person responsible for placing goods to a temporary-storage warehouse has the right to submit the required documents in their electronic versions as is stipulated by this Customs Code.

Article 103. Terms of Temporary Storage

1. The term of temporary storage of merchandise shall be restricted to two months.

Upon a motivated request by an interested person, the customs authorities may prolong said period.

The maximum term of temporary storage of merchandise cannot exceed four months unless this Article contains different provisions thereto.

2. The period of storage of perishable products at a temporary-storage warehouse shall be determined by the time ensuring preservation of the products' consumer properties and their subsequent utilisation, which period may not exceed the term of temporary storage stipulated by Item 1 herein.

3. In the cases stipulated by Item 1 of Article 13 and Item 8 of Article 377 of this Customs Code, temporary storage of merchandise ought to be completed within the time limits specified in these two articles. Extension of these time terms is not permissible.

4. Timing of the term of temporary storage begins on the date of placement of goods at a temporary-storage warehouse or from the date when such goods have been subjected to the status of temporary-storage in accordance with this Customs Code. In case throughout their haulage from the point of entry to the customs territory of the Russian Federation to the place of location of the customs office goods enjoy the status of domestic customs transit, timing of their temporary storage term shall be resumed on the date of completion of its domestic customs transit procedure.

5. Disposal of the goods upon the expiration of the terms stipulated by this Article shall be effected in accordance with Chapter 41 of this Customs Code.

Article 104. Operations with Goods Placed in Temporary-Storage Warehouse

1. The persons endowed with special powers with regard to goods subjected to temporary storage and their representatives have the right to perform ordinary operations required for ensuring the goods preservation in unchanging state (including the goods' inspections, measurements and movement within the limits of the temporary-storage warehouse) provided such operations will not entail any change of the goods condition, damage their packaging and/or change the customs identification facilities affixed to them.

2. Other operations with merchandise, which are not specified in Item 1 herein, (including taking of the goods samples and specimens, repairs of damaged packaging, as well as the operations aimed at preparing goods for departure from the temporary-storage warehouse and their subsequent haulage) may be effected upon permission of customs authorities by the persons endowed with special powers with regard to the goods subjected to temporary storage and by their representatives.

The customs authorities have the right to deny permission for such operations if their performance may cause loss of goods or change of their condition.

Article 105. Damaged or Ruined Merchandise

Merchandise which has been damaged or ruined as a result of an accident or force majeure in the course of its temporary storage shall be subject to the customs procedure determined by the declarant, as if they had been imported to the customs territory of the Russian Federation in broken down, perished or damaged condition.

Article 106. Types of Temporary-Storage Warehouses

1. Temporary-storage warehouses may be of open or of closed type.

2. Temporary-storage warehouses shall have the status of open-type warehouses if they are suitable for storage of any kinds of merchandise and are accessible by any persons.

3. Temporary-storage warehouses shall have the status of closed-type warehouses if they are intended for the storage of goods belonging to the warehouse owner (Article 108) or for temporary storage of specific kinds of merchandise including the goods that have limited and/or require special storage conditions.

Article 107. Technical and Engineering Requirements to Facilities and Location of Temporary-Storage Warehouses

1. The rooms and/or open plots of land intended for use as a temporary-storage warehouse ought to be designed and equipped so as to ensure preservation and safety of merchandise, preclude admission to goods of any unauthorised persons (who are not the warehouse employees, who have no powers with regard to the goods and who are not representatives of the persons who have such powers), as well as enable customs control inspection of said goods. Temporary-storage warehouses ought to be located in reasonable proximity to transportation hubs or transport mainlines.

2. The rooms and/or open plots of land intended for use as a temporary-storage warehouse ought to be equipped with a guarded parking territory adjacent to it for accommodating the means of transport used for carrying goods throughout the period required for completing the domestic customs transit procedure. Said territory constitutes a customs control zone. The means of transport used for haulage of goods in customs custody may enter said zone at any time of day or night.

3. According to Items 1 and 2 of this Article, the Federal Customs Authority establishes mandatory requirements to the technical facilities of temporary-storage warehouses and the territories adjacent thereto with a view to ensuring observance of customs control procedures.

4. Customs authorities may resolve not to apply some of the criteria stipulated by Item 1 herein to the technical and engineering facilities of closed-type warehouses which are located on the territories of enterprises and which are owned by the persons involved in goods production operations.

Note: For the purpose of application of the provisions of this Chapter, a means of transport is defined as a vehicle for carrying goods within the customs territory of the Russian Federation.

Article 108. Owners of Temporary-Storage Warehouses

1. A temporary-storage warehouse may be owned by a Russian juridical person included in the Register of Owners of Temporary-Storage Warehouses.

2. The owner of a temporary-storage warehouse shall be obliged to ensure storage of goods in customs custody in the instances and on the terms stipulated by this Customs Code.

3. Relations between the owner of the temporary-storage warehouse and the persons committing their goods for storage are established on a contractual basis. The owner of a temporary-storage warehouse (except for the owner of a closed-type warehouse, which is used for storing merchandise belonging to its owner) is not permitted to decline concluding a temporary storage contract provided he (or she) has adequate facilities for effecting temporary storage of goods.

4. Temporary-storage warehouses may be owned by customs offices without entering them in the Register of Owners of Temporary-Storage Warehouses (Article 115). The Federal Customs Authority shall be obliged to publish in its official releases at least once in six months the register of temporary-storage warehouses owned by customs offices, as well as the changes made in said register.

Article 109. Terms of Entry into Register of Owners of Temporary-Storage Warehouses

1. The terms of entry into the Register of Owners of Temporary-Storage Warehouses are, as follows:

(1) ownership (possession as private property, lease or economic administration) of a room and/or an open plot of land intended for use as a temporary-storage warehouse and meeting all laid requirements thereto (Article 107);

(2) guarantee of dutiable payments as per Article 339 of this Customs Code;

(3) availability of the applicant's civil liability insurance policy covering the cases, which may occur as a result of damage caused to the goods belonging to other persons trusted for storage to the owner of said temporary-storage warehouse, or due to breach by other persons of their commitments pursuant to their temporary storage contracts. The insurance premium, which the insurer shall be obliged to cover in the event of occurrence of each insurance case to the persons whose property interests have been damaged, shall be determined proceeding from the useful area or useful volume, and it shall be calculated on the basis of 3,500.00 roubles per square metre of useful area if goods were stored at an open plot of land used as a temporary-storage warehouse, or on the basis of 1,000.00 roubles per cubic metre of useful volume if goods were stored in the room used as a temporary-storage warehouse, but it may not be below the sum of two million roubles.

2. In case ownership of rooms and/or open plots of land is exercised on the basis of a lease agreement, such an agreement ought to be concluded for the period of at least one year as on the date of submission of the application for entry into the Register of Owners of Temporary-Storage Warehouses.

Article 110. Application for Entry into Register of Owners of Temporary-Storage Warehouses

1. The record certifying entry of a person into the Register of Owners of Temporary-Storage Warehouses shall be made based on an application submitted by the person meeting the criteria specified in Articles 108 and 109 of this Customs Code.

2. Said application for the entry into the Register of Owners of Temporary-Storage Warehouses should contain:

(1) an application to the customs office concerned with a request to be entered into the Register of Owners of Temporary-Storage Warehouses;

(2) information pertaining to the applicant's name, organisational and juridical form, location, open bank accounts, as well as the size of the authorised (equity) capital, the authorised investment fund or the applicant's share therein;

(3) information pertaining to the type of the temporary-storage warehouse (in case of setting up a temporary-storage warehouse of closed type, substantiation of the necessity and expediency of setting up a temporary-storage warehouse of such type);

(4) information on the available rooms and/or open plots of land owned by the applicant and intended for use as a temporary-storage warehouse, their location, arrangement, facilities, and equipment;

(5) information on dutiable payments as per Article 339 of this Customs Code;

(6) information on the applicant's civil liability insurance policy.

3. The application for entry into the Register of Owners of Temporary-Storage Warehouses should be supplemented with the following documents certifying the declared information, including:

– the applicant's incorporation documents and the document certifying the applicant's entry as a juridical person in the General State Register of Juridical Persons;

– the certificate of the applicant's state registration as a juridical person;

– the certificate of the applicant's registration by the tax authorities;

– the documents certifying the applicant's right of ownership of the rooms and/or open plots of land intended for use as temporary-storage warehouses;

– the plans and drawings of the rooms and/or open plots of land intended for use as temporary-storage warehouses;

– the documents certifying the size of the completely formed authorised (equity) capital, the authorised investment fund or the applicant's share therein;

– the documents certifying the applicant's guarantee of dutiable payments as per Article 339 of this Customs Code;

– the bank references certifying the applicant's accounts opened in them;

- the applicant's insurance policy.

Each territorially separate room and/or territorially separate open plot of land intended for use as a temporary-storage warehouse shall require a separate application.

Article 111. Certificate of Entry into Register of Owners of Temporary-Storage Warehouses

1. Entry of the owner of a temporary-storage warehouse into the Register of Owners of Temporary-Storage Warehouses shall be effected separately for each territorially separate room and/or territorially separate open plot of land used as a temporary-storage warehouse. The owner of the temporary-storage warehouse is issued an individual Certificate of Entry into the Register of Owners of Temporary-Storage Warehouses for each territorially separate room and/or territorially separate open plot of land used as a temporary-storage warehouse.

2. The certificate on entry into the Register of Owners of Temporary-Storage Warehouses shall contain:

- (1) the name of the owner of a temporary-storage warehouse, the definition of his (or her) organisational and juridical entity and its location;
- (2) information on ownership of each room and/or open plot of land which are used as a temporary-storage warehouse;
- (3) information on the amounts and form of guarantee of dutiable payments to be made as per Article 339 of this Customs Code;
- (4) designation of the type of the temporary-storage warehouse;
- (5) designation of location of the temporary-storage warehouse.

3. The Certificate of Entry into the Register of Owners of Temporary-Storage Warehouses shall remain in force for the period of five years.

Article 112. Obligations of Owner of Temporary-Storage Warehouse

1. The owner of a temporary-storage warehouse shall be obliged to:

- (1) observe the terms and requirements stipulated by this Customs Code with regard to goods in customs custody;
- (2) keep record of the stored goods in customs custody and submit to customs authorities reports on storage of said goods (Article 364);
- (3) ensure safety of merchandise and intactness of means of transport kept at the temporary-storage warehouse or on the guarded territory adjacent to it constituting the customs control zone;
- (4) ensure round-the-clock accommodation at the warehouse or on the guarded territory adjacent to it constituting a customs control zone of the goods and means of transport;

(5) preclude access of any unauthorised persons to the goods and means of transport located on the premises of the temporary-storage warehouse and/or on the guarded territory adjacent to it without permission of customs authorities;

(6) disburse customs duties and taxes in the instances stipulated by Item 2 herein, as well as per Item 1 of Article 90 of this Customs Code if the owner of said bonded warehouse holds a valid permit for the domestic customs transit procedure.

2. The owner of a temporary-storage warehouse shall be responsible for disbursement of customs duties and taxes levied on the goods kept at the temporary-storage warehouse in case of their loss or release without requisite permission by customs authorities. The owner of a temporary-storage warehouse shall not be responsible for disbursement of customs duties and taxes levied on the goods that have been irretrievably lost as a result of an accident, due to force majeure or their natural diminution under normal storage conditions.

Article 113. Withdrawal of Certificate of Entry into Register of Owners of Temporary-Storage Warehouses

The Certificate of Entry into the Register of Owners of Temporary-Storage Warehouses may be revoked by customs authorities in the following situations:

(1) breach by the owner of a temporary-storage warehouse of at least one of the terms of entry into the Register of Owners of Temporary-Storage Warehouses set forth by Article 109 of this Customs Code;

(2) breach by the owner of a temporary-storage warehouse of his (or her) obligations stipulated by Sub-Item 6) of Item 1 in Article 112 of this Customs Code;

(3) multiple cases of application of administrative penalties to the owner of the temporary-storage warehouse due to non-fulfilment by the latter of his (or her) responsibilities or the administrative offences in the sphere of customs system stipulated by Articles 16.1, 16.2, 16.3, 16.9, 16.11, 16.13, 16.14 and 16.15 of the Code of the Russian Federation on Administrative Offences.

Article 114. Operations with Merchandise in case of Exclusion of Owner of Temporary-Storage Warehouse from Register of Owners of Temporary-Storage Warehouses

In case the Certificate of Entry into the Register of Owners of Temporary-Storage Warehouses has been revoked or the owner of the temporary-storage warehouse excluded from the Register of Owners of Temporary-Storage Warehouses due to other reasons merchandise stored in the temporary-storage warehouse ought to be transferred to another temporary-storage warehouse within two months following the date of said exclusion. Placement of goods to said temporary-storage warehouse shall be precluded beginning from the date following the date of exclusion of

the owner of said temporary storage warehouse from the Register of Owners of Temporary-Storage Warehouses.

Article 115. Storage of Merchandise at Customs Temporary-Storage Warehouses

1. The customs temporary-storage warehouses are warehouses of open type, and they should meet the criteria set forth by Article 107 of this Customs Code.

2. Throughout storage of merchandise at a customs-owned temporary-storage warehouse, the relations between customs authorities and the persons placing goods for storage at said warehouse shall be regulated by this Customs Code and the Civil Code of the Russian Federation. The contract for storage concluded by a customs office with a person placing goods at a customs temporary-storage warehouse shall be regulated by the provisions of civil law of the Russian Federation pertaining to a public contract. Customs authorities are not permitted to decline conclusion a storage contract if said warehouse has adequate storage facilities.

Article 116. Peculiarities of Temporary Storage of Goods Transported by Railway

1. Upon a request of railway authorities, temporary storage of goods transported by rail prior to its unloading is permitted inside the railway cars located on the railway tracks of this railway in the places which do not have the status of temporary-storage warehouses provided their location has been coordinated with respective customs authorities.

Said places constitute a customs control zone. The railway shall be obliged to ensure safety of goods and preclude any access to them of unauthorised persons.

2. The goods stored inside the means of transport in the customs control zone based on this Article are regarded for customs clearance purposes as goods under customs temporary storage. Unloading of such goods and their movement to other locations can only be effected with a permission of respective customs authorities.

3. In case of loss of goods stored inside the means of transport in the customs control zone or its release without permission of customs authorities, the railway authorities shall be liable for the disbursement of customs duties and taxes.

Article 117. Temporary Storage at Warehouse Owned by Goods Recipient

1. The customs authorities may permit temporary storage of goods at a warehouse owned by the goods recipient in the following situations:

– in case of application of simplified customs procedures envisaged for specific persons (Article 68);

– when goods subject to temporary storage require special storage conditions while temporary-storage warehouses adapted for storing such merchandise are not available anywhere in reasonable proximity from the place of its receipt;

– if goods recipients are state bodies or state agencies.

2. In issuing permission for temporary storage of goods at the warehouse owned by the goods recipient the customs authorities have the right to demand that requisite customs duties and taxes be disbursed.

3. When goods recipient opts to store goods in his own warehouse, he shall be obliged to abide by all the other provisions of this Chapter. Storage of foreign goods belonging to a third person in the warehouse owned by the goods recipient is prohibited.

Article 118. Placement of Goods in Temporary-Storage Warehouse by Customs Authorities

1. In the instances stipulated by Item 1 of Article 13, Articles 377 and 391 of this Customs Code, goods may be placed in a temporary-storage warehouse by customs authorities.

Remuneration for storage and reimbursement of losses incurred by the owner of the temporary-storage warehouse in such situations shall be provided by the persons specified in the above Articles.

2. In the instances when storage expenses are compensated from the federal budget, customs authorities shall repay compensation to the owner of the temporary-storage warehouse within the limits of required and documentarily substantiated expenditures incurred by the owner of temporary-storage warehouse during storage of said goods.

Chapter 9. EXPORTATION OF GOODS FROM CUSTOMS TERRITORY OF THE RUSSIAN FEDERATION

Article 119. Place and Time of Departure of Goods and Means of transport from Customs Territory of the Russian Federation

1. Goods may exit the customs territory of the Russian Federation (hereinafter departure of goods and means of transport) at customs border gates at the State Border of the Russian Federation or in other places established in accordance with the Federal Law on the State Border of the Russian Federation within the working hours of customs authorities (Article 407).

2. The provisions of this Article shall not apply to the goods hauled by seagoing vessels (riverboats) and aircraft crossing the customs territory of the Russian Federation without making any stops at sea-, river-, or airports located on the territory of the Russian Federation.

Article 120. Submission of Documents and Information

1. Departure of goods and means of transport is only possible upon permission issued by customs authorities.

2. In order to obtain permission from customs authorities for the departure of goods and means of transport the carrier shall be obliged to submit to customs authorities the documents certifying placement of goods to a customs procedure stipulating exportation of goods from the customs territory of the Russian Federation.

3. Prior to the departure of goods and means of transport the carrier shall be obliged to submit to customs authorities the documents and the information specified in Articles 73 through 76 of this Customs Code depending on the kind of transportation used for effecting international haulage of goods.

If the documents submitted to customs authorities do not contain the information specified in Articles 73 through 76 of this Customs Code, the carrier shall be obliged to furnish the missing details by way of submitting other available documents or providing additional documents compiled by the carrier at his discretion.

The customs authorities have no right to demand that the carrier submit any information other than that specified in Articles 73 through 76 of this Customs Code.

The documents and information may be submitted to customs authorities by any other person acting in the name of or upon instructions by the carrier.

Article 121. Loading of Goods to Means of transport Departing from Customs Territory of the Russian Federation

1. Loading of goods to a means of transport departing from the customs territory of the Russian Federation is only permitted upon acceptance by customs authorities of the requisite customs declaration, except the cases when during the goods customs clearance customs authorities do not demand that goods be presented for inspection or in the instance of conveyance of goods subject to the international customs transit procedures.

2. With a view to effecting an inspection of goods, customs officers have the right to attend its loading to a means of transport departing from the customs territory of the Russian Federation. In such situation, loading of goods is performed in the places whose location has been coordinated with customs authorities during their working hours.

Upon a request made by an interested person, customs authorities have the right to permit loading of goods at the time beyond the working hours established for the customs office concerned as per Article 407 of this Customs Code.

Article 122. Requirements to Goods at their Departure from Customs Territory of the Russian Federation

1. Goods ought to be exported from the customs territory of the Russian Federation in the same condition and quantities as they were subjected to specific customs procedures, except the quantitative and qualitative changes caused by its natural wear or diminution or natural change of its properties under normal conditions of its haulage, shipment and storage, change of goods quantities owing to the presence of non-drainable residues in the means of transport.

2. No persons shall bear responsibility for non-observance of the provisions of this Article if loss or change of condition of goods occurred as a result of an accident or force majeure, as well as in the cases stipulated by the norms and standards adopted in the Russian Federation, in the event of the goods' quantitative changes due to an error of the measurement techniques applied.

**Chapter 39.
DECLARATION OF GOODS**

Article 123. Goods Liable for Declaration

Goods shall be liable for declaration to customs authorities during their conveyance across the customs border, change of applicable customs procedures, as well as in other cases set forth by Articles 183, 184, 247 and 391 of this Customs Code.

Article 124. Declaration of Goods to Customs Authorities

1. Declaration of goods is effected through submission to customs authorities of information pertaining to goods and their customs procedural status, as well as of any other information, which may be required for customs clearance purposes, in a customs declaration or by any other method stipulated by this Customs Code in a written, verbal, electronic, or contracting form.

Declaration of goods may be effected either by a declarant or by a customs broker (agent) (Article 15) at the declarant's discretion.

2. The scope of information to be entered in a customs declaration is limited to the details, which are required for calculating and levying dutiable payments, gathering customs statistics, and applying the customs legislation of the Russian Federation.

3. Recorded in a customs declaration may be the following details (including codified details):

- (1) the declared customs procedure;

(2) information pertaining to the declarant, customs broker (agent), the person specified in Article 16 of this Customs Code, the goods dispatcher and recipient;

(3) information pertaining to the means of transport used for the international haulage of goods and/or haulage of goods in customs custody in the customs territory of the Russian Federation;

(4) information pertaining to goods, including:

- its name;
- its description;
- its classification codes as per the Nomenclature of Goods subject to Foreign Trade;
- the name of the country of origin;
- the name of the country of departure (destination);
- description of its packaging (quantity, shape, marking and record numbers);
- its quantities in kilograms (gross and net weight) or in other units of measurement;
- its customs value;

(5) information on dutiable payments:

- rates of import and export customs duties, taxes and customs fees;
- application of privileges with regard to disbursement of customs duties, taxes and customs fees;
- the currency exchange rate established by the Central Bank of the Russian Federation on the date of submission of the customs declaration for the purpose of registering and levying dutiable payments;

(6) information on the external economic transaction and its basic terms and conditions;

(7) information on the observance of restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities;

(8) information on the goods manufacturer/producer;

(9) information confirming observance of the terms of subjecting goods to the declared customs procedure;

(10) information pertaining to the documents required for declaring goods (Article 131);

(11) information pertaining to the person who has completed said customs declaration;

(12) the date and place of completing said customs declaration.

4. In case a customs declaration is used as a registration document for currency control purposes exercised by customs authorities, said customs declaration should also include the details required for such purposes pursuant to the Law of the Russian Federation on Currency Regulation and Currency Control.

5. A customs declaration should be authenticated by the person who has completed it and signed by an authorised employee of said person. Authentication of a customs declaration is effected by affixation of an official seal if the person who has completed a customs declaration is obliged to have an official seal in accordance with law of the Russian Federation.

6. The form of declaration is established by the Federal Customs Authority in accordance with this Customs Code and other legal statutes of the Russian Federation.

The Federal Customs Authority has the right to shorten the details which are to be entered in a customs declaration with consideration of the categories of persons as specified in Article 16 of this Customs Code, the categories of goods, the requirements of various customs procedural statuses, or proceeding from the kind of means of transport used for conveying goods across the customs border.

7. The lists of information, which is to be entered in a customs declaration, and the forms in which such information is entered shall be liable for official publication. The normative legal acts and statutes issued by the Federal Customs Authority determining the list of information to be entered in a customs declaration shall go into effect not earlier than in ninety days from the day of their official publication with the exception of the cases stipulated by the Sub-Items 2) and 3) of Item 3 of Article 5 of this Customs Code.

Article 125. Places for Declaring Goods

1. A customs declaration may be submitted to any customs authority empowered to accept customs declaration.

2. With a view to ensuring effective supervision over the observance of the customs legislation of the Russian Federation the Federal Customs Authority has the right to set up specialised customs offices for declaring specific categories of goods:

(1) in case of requirement to use specialised equipment and/or specialised knowledge for customs clearance of such merchandise as cultural values, weapons, military matériel and ammunition thereto, radioactive and fission materials;

(2) depending on the kind of transport used for international shipment of goods and commodities (motor vehicles, seagoing vessels, riverboats, aircraft, railway cars, pipelines, or electric power lines);

(3) in case of conveyance across the customs border of specific kinds of goods acknowledged for frequent breaches of the customs legislation of the Russian Federation or liable for restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities;

(4) whenever it is required to exercise special customs control procedures with regard to specific merchandise constituting items of intellectual property in accordance with the list set forth by the Government of the Russian Federation.

3. In case a customs declaration was submitted to a different customs office than that established as per Item 2 herein, said customs declaration shall be dispatched by the customs office to which it was submitted to the requisite customs office.

In this situation, the time limit for acceptance of a customs declaration (Article 132) shall be prolonged to the time required for its dispatch, but for not more than two working days.

4. The normative legal acts of the Federal Customs Authority setting up specialised customs control facilities for declaring specific kinds of merchandise shall go into effect not earlier than in ninety days from the day of their official publication.

Article 126. Declarant

1. A declarant is any person specified in Article 16 of this Customs Code, as well as any other person authorised to dispose of goods in the customs territory of the Russian Federation in accordance with the Civil Code of the Russian Federation provided he or she abides by the terms and conditions set forth in Item 2 herein.

2. A declarants may be only Russian person, except the following cases of conveyance of goods across the Customs border:

- by natural persons for personal, family, household and other needs which are not associated with any entrepreneurial ventures;

- by foreign persons who enjoy customs privileges as per Chapter 25 of this Customs Code;

- by foreign organisations, which maintain their representative offices registered (accredited) on the territory of the Russian Federation according to the established order, at the instance of their declaring goods for the customs procedure of temporary importation re-export, or transit, as well as for the customs procedure stipulating release for internal consumption of the goods which are imported for fulfilling needs of such representative offices;

- by foreign carriers declaring the customs transit procedure;,,

- other cases when a foreign person has the right to dispose of goods in the customs territory of the Russian Federation beyond the provisions of an external economic transaction involving a Russian person as party to it.

Article 127. Declarant's Rights and Obligations

1. When declaring goods and undergoing other customs operations required for their release, the declarant has the right:

- to inspect and measure the goods subject to declaring before and after submitting a customs declaration;

– upon permission of customs authorities to take samples and specimens of the merchandise subject to declaring which have been imported to the customs territory of the Russian Federation, no separate customs declaration pertaining to the merchandise samples and specimens shall be required provided said samples and specimens are entered in the customs declaration;

– to attend the customs control and customs inspection procedures with regard to the goods declared by him or her (Articles 371 and 372), as well as at the instances when customs officers take samples and specimens of the declared goods (Article 383);

– to review the available results of the examination of samples and specimens of the declared goods conducted by customs officers;

– to submit documents and information required for declaring goods in electronic format in accordance with this Customs Code;

– to enjoy other rights and authority stipulated by this Customs Code.

2. At the instance of declaring goods and performing other customs operations the declarant shall be obliged:

– to submit a customs declaration and present to customs authorities the requisite documents and information;

– upon the request of customs authorities, to present goods for inspection;

– to make requisite dutiable payments or secure said payments in accordance with the provisions contained in Part III of this Customs Code.

Article 128. Peculiarities of Declaring Goods with Different Names within same Consignment

1. Upon a declarant's request, goods with different names within a single consignment may be declared under the same classification code pursuant to the Nomenclature of Goods subject to Foreign Trade provided that this code corresponds to the highest rate of the applicable customs duty.

Note: if goods match several classification codes pursuant to the Nomenclature of Goods subject to Foreign Trade predicated the same rates of customs duties, the carrier should enter in the customs declaration the code of the goods article corresponding to the highest excise tax rate, and in the instances when excise tax rates coincide, to the highest VAT rate.

2. The declarant shall be obliged to declare the names, descriptions, and quantities of all goods contained in a single consignment by way of presenting a comprehensive list of goods, which may be substituted by a waybill, a packing list, an inventory, or other similar documents. For customs clearance purposes, the list of goods shall be regarded as an integral part of a customs declaration.

3. In case some of the items contained in the same consignment are liable for restrictions or prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of

Foreign Trade Activities, their declaration under the same classification code as per the Nomenclature of Goods subject to Foreign Trade will not relieve the declarant of the requirement to abide by said restrictions.

4. With a view to verifying the observance of the requirements established in Item 3 herein, customs authorities have the right to demand that the declarant provide additional clarifying information with regard to the declared goods.

Article 129. Time Limits for Submitting Customs Declaration

1. A customs declaration pertaining to the goods imported to the customs territory of the Russian Federation shall be submitted within 15 days from the date of presentation of goods to customs authorities at the border gate of its entry to the customs territory of the Russian Federation or from the date of completion of its domestic customs transit procedure if imported goods are not declared at the customs border gate, except the cases specified in Articles 150, 286 and 2293 of this Customs Code.

2. If the time limit specified in Item 1 herein is not sufficient for the declarant for collecting all the requisite documents and information, customs authorities will prolong said time limit for the submission of the customs declaration upon a motivated written request by the declarant in that regard. Prolongation of the time limit for submitting a customs declaration may not result in a breach of time terms designated for temporary storage of goods.

3. If the deadline for the submission of a customs declaration coincides with the day-off of the customs office concerned, the deadline date shall be shifted to the first working day of the customs office following the deadline.

4. A customs declaration for the goods exported from the customs territory of the Russian Federation shall be submitted before its de facto departure from the customs territory of the Russian Federation except the cases specified in Article 314 of this Customs Code.

Article 130. Preliminary Declaration of Goods

1. A customs declaration with regard to foreign goods may be submitted before their actual arrival at the customs territory of the Russian Federation or before the completion of the domestic customs transit procedure.

2. If presentation of waybills, shipment documents, or commercial documents accompanying goods is mandatory for customs clearance purposes, at the instance of preliminary declaration of goods the customs authorities will accept copies of said documents authenticated by the declarant. Upon the arrival of said goods at the customs territory of the Russian Federation, customs authorities may, if necessary, compare the information contained in the copies of said documents with the information contained in their originals.

3. After the submitted customs declaration has been verified and all requisite customs duties and taxes paid, this customs declaration may be used as a general document requisite for subjecting goods to various customs procedures before their actual arrival.

4. If goods have not been presented to the customs office that accepted the preliminary declaration as per Item 1 herein within fifteen days from the date of its acceptance, the customs declaration shall be regarded as void.

Article 131. Submission of Documents pertaining to Declaration of Goods

1. The submission of a customs declaration should be accompanied by presentation to a customs office of the documents confirming the information stated in the customs declaration.

2. At the instance of declaration of goods, the following essential documents are to be presented:

- international purchase/sale contracts supplemented with the agreements and contract concluded concomitantly with the external economic transaction; in the cases of unilateral external economic transactions supplemented should be the documents reflective of the contents of said transactions;

- commercial documents at the declarant's disposal;

- waybills and/or shipment documents;

- permissions, licences, certificates and/or other documents confirming observance of the restrictions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities;

- the documents confirming the country of origin of goods in the instances stipulated by Article 37 of this Customs Code;

- payment and accounting documents;

- the documents confirming information pertaining to the declarant and the persons stated in Article 16 of this Customs Code.

3. In claiming privileges with regard to disbursement of customs duties and taxes, including those payable at the instance of declaration of the goods' customs procedure providing complete or partial exemption of said goods from customs duties and taxes, non-application to goods of the restrictions and prohibitions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities or reduction of the taxation basis, the declarant shall be obliged to present to customs authorities the documents confirming the consistency his (or her) claims.

4. For the purpose of certifying the goods' declared customs value the declarant shall be obliged to present documentary proofs of the declared customs value and substantiate validity of the method used for determining the customs value.

5. In case some of the documents cannot be submitted concomitantly with the customs declaration, upon a declarant's motivated written request the customs authorities concerned will permit submission of such documents within the time limits required for obtaining them but not later than within 45 days following the date of acceptance of the customs declaration unless this Customs Code stipulates other time limits for submission of specific documents and information. The declarant shall be obliged to submit his (or her) written obligation to present said documents or information within the designated period of time.

6. In case the declarant presents to customs authorities the documents that may also be required for completing customs clearance formalities with regard to other goods, upon the declarant's request the customs office concerned shall issue a written statement certifying the fact of acceptance of said documents, which statement shall comply with the format established by the Federal Customs Authority. This written statement shall remain in force until the presented documents are amended or their validity expires. The declarant may use this written statement in the process of customs clearance of goods without submitting to the customs office the documents, which have already been accepted by customs authorities. The declarant has the right to present said documents before submitting his (or her) customs declaration.

Article 132. Acceptance of Customs Declaration

1. The fact of submission of a customs declaration and requisite documentation shall be formalised on the date of their acceptance by a customs office. Upon a request by a person, who has submitted a customs declaration, the customs authorities should issue without delay a documentary (or electronic) confirmation of their acceptance of said customs declaration and requisite documentation.

2. A customs declaration submitted to customs authorities shall be accepted on the date of its submission with the exception of the following cases:

- the customs declaration was submitted to a customs office which is not authorised to accept customs declarations;
- the customs declaration is submitted by an inappropriate person;
- the customs declaration does not contain the required information (Article 124);
- the customs declaration has not been signed, not duly authenticated, or compiled using an improper form;
- at the instance of presentation of the customs declaration the declarant failed to submit the documents required for customs clearance except the documents that may be presented after the acceptance of said customs declaration as per Item 5 of Article 131 of this Customs Code;
- the declared goods have not been subjected to the operations which, according to this Customs Code, ought to be fulfilled prior to or at the instance of submission of a customs

declaration. The fact of non-payment of customs duties and taxes at the moment of submission of a customs declaration shall not be regarded as a reason for rejecting a customs declaration.

3. Beginning from the moment of its acceptance a customs declaration acquires the significance of a document attesting to the facts bearing legal meaning.

4. In case a customs declaration has not been accepted by customs authorities, it shall be regarded as void.

5. The customs authorities shall notify the person who has submitted a customs declaration about the reasons for their refusal to accept his (or her) declaration not later than on the day following its submission. Upon a request by the person who submitted said customs declaration, such notification will be provided in writing.

Article 133. Amendments of and Additions to Customs Declaration

1. Upon a declarant's motivated written request, the information stated in a customs declaration may be amended or supplemented.

2. Amendments of and additions to the statements contained in an accepted customs declaration may be permitted by customs authorities provided the following conditions have been observed:

- by the time of the declarant's application in that regard to customs authorities the latter have not revealed any factual errors in the information stated in the customs declaration except for minor inaccuracies which do not affect their resolution with regard to release of merchandise;

- by the time of the declarant's application in that regard to customs authorities the latter have not started inspection of the declarant's merchandise;

- if the amendments and/or additions proposed by the declarant will have no bearing on the customs authorities' resolution with regard to release of the goods concerned nor require any amendment of the details stipulating the size of the amounts payable as customs duties and taxes or imposition of the restrictions of prohibitions envisaged by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

3. Customs officers have no right on their own initiative or upon an instruction or request by an interested person to fill out a customs declaration, modify or supplement the information stated in the customs declaration, except entering the records pertaining to the competence of customs authorities or making amendments and additions to the codified information used for the declarations' machine processing provided said customs declaration contains such information stated by a declarant in a non-codified form.

Article 134. Withdrawal of Customs Declaration

1. Upon a declarant's written request, an accepted customs declaration pertaining to foreign goods may be withdrawn prior to the release of said goods with a view to declaring a different customs procedure.

Customs authorities may issue a written authorisation for the withdrawal of a customs declaration if they have not revealed any factual errors in the information stated by the declarant in his (or her) customs declaration except for minor inaccuracies which do not affect their resolution with regard to release of goods.

At the instance of issuance of their authorisation for a withdrawal of a customs declaration, customs authorities shall prescribe the time limit for submitting a new customs declaration, which may not exceed 15 days from the day of issue of the authorisation for withdrawal. The withdrawal of a customs declaration shall not prolong the period of payment of customs duties and taxes.

2. Upon a declarant's written request an accepted customs declaration pertaining to the Russian goods subject to exportation from the customs territory of the Russian Federation may be withdrawn regardless of the purpose of said withdrawal prior to the departure of said goods from the customs territory of the Russian Federation, as well as after customs authorities have issued their permission for subjecting said goods to the declared customs procedural status.

Customs authorities may issue a written authorisation for the withdrawal of a customs declaration if they have not revealed any factual errors in the information stated by the declarant in his (or her) customs declaration except minor inaccuracies, which do not affect their resolution with regard to placement of goods to the declared customs procedural status.

The time limit for submitting a new customs declaration with regard to such goods is not designated.

Article 135. Incomplete Customs Declaration

1. In case a declarant does not possess complete information required for filling out a the customs declaration due to the reasons beyond his (or her) control, submission of an incomplete customs declaration may be permitted provided it contains the details required for releasing goods, calculating and effecting dutiable payments, certifying compliance with the restrictions and prohibitions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, as well as enabling identification of goods based on the summary of their qualitative and quantitative characteristics.

Upon submitting an incomplete customs declaration, the declarant shall make a written commitment to furnish all the missing details within the time limit prescribed by the customs office, which may not exceed forty-five days with regard to foreign goods from the date of acceptance by the customs authorities concerned of the incomplete declaration.

As regards Russian goods, the time limit prescribed to the declarant for the submission of the missing details shall be determined proceeding from the time required for the haulage of said goods to the place of their exportation, navigational or other conditions, and such time limit may not exceed eight months from the date of acceptance by the customs authorities concerned of the incomplete declaration.

2. In case customs authorities accept an incomplete customs declaration, applicable to the goods shall be the same terms and conditions of the customs legislation of the Russian Federation, including the order of calculation and disbursement of customs duties and taxes, applicable to goods in the instance of submission of a complete and properly filled out customs declaration.

Article 136. Periodic Customs Declaration

1. In case of regular conveyances of merchandise across the customs border by the same person, customs authorities may permit the declarant to submit a single customs declaration applicable to all the goods and means of transport conveyed across the customs border within a designated period of time.

2. Use of a periodic customs declaration should not lead to breaches of time limits prescribed for temporary storage of goods or violations of the terms of payment of customs duties and taxes.

3. In case a periodic customs declaration is submitted with regard to Russian goods exported from the customs territory of the Russian Federation, the rules stipulated by Items 3 and 7 of Article 138 of this Customs Code shall apply.

4. In case of regular conveyances of the same merchandise across the customs border by the same person, customs authorities may permit the declarant to use a single periodic customs declaration applicable to multiple conveyances of such goods across the customs border within one year.

Article 137. Peculiarities of Declaring Russian Goods during their Exportation from Customs Territory of the Russian Federation

1. In case of exportation of Russian goods from the customs territory of the Russian Federation, upon the declarant's request a simplified declaration procedure may be applied in accordance with Articles 135, 136 and 138 of this Customs Code.

2. A simplified customs declaration procedure of Russian goods may be applied if it does not obstruct the execution of customs control measures nor relieves the declarant of the requirement to abide by the terms and conditions set forth by this Customs Code and other legal acts of the Russian Federation with regard to completeness and timeliness of disbursement of customs duties and taxes, to observe the restrictions and prohibitions stipulated by the Federal Law

of the Russian Federation on the State Regulation of Foreign Trade Activities, and adhere to the customs control procedures.

In case customs authorities deny the declarant said simplified customs declaration procedure, they will be obliged to notify the declarant of such denial, as per Item 5 of Article 132 of this Customs Code, and specify the conditions, which need to be fulfilled for the application of said simplified procedure.

3. The commodities conveyed across the border using pipeline transport or via electric power-lines shall be declared in accordance with the terms stipulated by Chapter 26 of this Customs Code.

Article 138. Periodic Temporary Customs Declaration of Russian Goods

1. In case of exportation from the customs territory of the Russian Federation of the Russian goods in whose regard the declarant cannot present exact details, which are required for their customs clearance in accordance with the generally adopted terms of external trade operations, such goods may be subject to periodic temporary declaration effected by submission of a temporary customs declaration.

2. Upon departure of said Russian goods from the customs territory of the Russian Federation, the declarant shall be obliged to submit a complete and properly filled out customs declaration covering all the Russian goods exported from the customs territory within a designated period. The submission of said complete and properly filled out customs declaration shall be effected within the time limits prescribed by the customs office upon the declarant's request. In prescribing such time limit customs authorities shall take into consideration actual time the declarant will require to obtain the details requisite for submitting said complete and properly filled out customs declaration. The maximum time term for the submission of said complete and properly filled out declaration shall be limited to ninety days from the date following the date of expiration of the time period prescribed for the exportation of the declared goods.

3. The time required for exportation of the Russian goods, which have been declared with the use of a temporary customs declaration, shall be determined by the declarant. Such period with regard to the goods liable for export customs duties and taxes or subject to restrictions and/or prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities shall not exceed one calendar month, whereas customs authorities may accept a temporary customs declaration not more than fifteen days in advance.

4. A temporary customs declaration contains estimated quantities of the Russian goods, which a declarant intends to export within a specific period of time, whose estimated customs value (valuation) shall be determined pursuant to the intended quantities of Russian goods to be conveyed across the customs border and based on the consumer properties of said Russian goods, as specified by the terms of the applicable external economic transaction and the procedure applied for their valuation on the date of submission of the temporary customs declaration.

Departure of Russian goods from the customs territory of the Russian Federation in the quantities exceeding those stated in the temporary customs declaration is prohibited, except for the instances stipulated by Items 1 and 2 of Article 122 of this Customs Code.

In case of use of a temporary customs declaration, all restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities shall apply on the date of acceptance of said customs declaration by the customs office concerned. The rates of applicable export customs duties and taxes shall be assigned based on the rates effective on the date of acceptance of said customs declaration by customs authorities except the instances stipulated by this Customs Code.

5. The export customs duties and taxes shall be payable at the instance of submission of the temporary customs declaration to the customs office. In case the amount of export customs duties and taxes has been increased owing to the clarifying details, as stipulated by Item 4 herein, payment of the additional amounts of requisite customs duties shall be concurrently with submission of a complete and properly filled out customs declaration. In this situation, no penalties shall be applied. Excessively paid amounts levied on merchandise as export customs duties shall be reimbursed in accordance with Article 355 of this Customs Code.

The peculiarities of payment of export customs duties and taxes with regard to exportation of commodities by pipeline transport or via electric power lines shall be determined by Articles 312 and 314 of this Customs Code.

6. In case the Russian goods concerned have not been exported from the customs territory of the Russian Federation within four months from the date of acceptance of the temporary customs declaration in their regard, the customs declaration in which said goods are declared for exportation shall be regarded void.

Upon a motivated request by an interested person, customs authorities may prolong the originally prescribed period for not more than four months.

Chapter 41. **CUSTOMS BROKER (agent)**

Article 139. Customs Broker (agent)

1. A customs broker (agent) is defined as a Russian juridical person included in the Register of Customs Brokers (Proxies) pursuant to Article 140. A state entity may not be certified as a customs broker (agent).

2. A customs broker (agent) acts as an agent for a declarant or of another interested person performing customs operation pursuant to the terms and conditions set forth by this Customs Code.

3. A customs broker (agent) has the right to confine the sphere of its activities to customs operations with specific kinds of merchandise as per the Nomenclature of Goods subject to Foreign Trade, or to customs operations with the goods and commodities conveyed across the customs border by specific means of transport, or to individual customs operations, or to the customs operations limited by the framework of a region covered by one (several) customs office (customs offices).

4. The relations between a customs broker (agent) with the declarants and other interested persons are established on a contractual basis. A customs broker (agent) is not permitted to refuse to conclude a contract for a service or an operation if it has requisite facilities for providing such service or for carrying out such operation.

Article 140. Terms of Entry into Register of Customs Brokers

The terms of entry into the Register of Customs brokers are, as follows:

(1) availability in the applicant's staff of minimum two certified customs clearance in possession of respective qualification licences (Article 146);

(2) availability of complete original authorised (equity) capital, authorised investment fund or of the applicant's share therein;

(3) guarantee of dutiable payments as per Article 339 of this Customs Code;

(4) availability of the applicant's civil liability insurance policy, which may occur as a result of damage, caused to the property belonging to represented persons or due to breach by the customs broker of its agreements with such persons. The minimal insurance premium thereto should amount to 20 million roubles.

Article 141. Application for Entry into Register of Customs Brokers (Proxies)

1. An entry certifying inclusion of a juridical person into the Register of Customs Brokers (Proxies) shall be based on the application submitted by the [juridical] person meeting the criteria specified in Articles 139 and 140 of this Customs Code.

2. Said application for the entry into the Register of Customs Brokers (Proxies) should contain:

(1) an application to the customs office concerned with a request to be included into the Register of Customs Brokers (Proxies);

(2) information on the applicant's name, organisational and juridical form, its location, open bank accounts, as well as the list and locations of the applicant's separate structural divisions through which the applicant is planning to carry out its operations in capacity of a customs broker (agent) as of the date of submission of the application;

(3) information pertaining to the size of the applicant's paid-up authorised (equity) capital, authorised investment fund or of the applicant's share therein;

(4) information on the applicant's intention to confine the sphere of its activities to customs operations with specific kinds of merchandise as per the Nomenclature of Goods subject to Foreign Trade, or to customs operations with the goods and commodities conveyed across the customs border by specific means of transport, or to individual customs operations, or to the customs operations limited by the framework of a region covered by one (several) customs office (customs offices), or carry out its activities without any limitations;

(5) information on the applicant's staff qualifications in customs clearance procedures as of the date of submission of the application;

(6) information on guarantees of dutiable payments as per Article 339 of this Customs Code;

(7) information on the applicant's civil liability insurance policy.

3. The application for entry into the Register of Customs Brokers (Proxies) should be supplemented with the following documents certifying the declared information, including:

- the applicant's incorporation documents and the document certifying the applicant's entry as a juridical person in the General State Register of Juridical Persons;
- the certificate of the applicant's state registration as a juridical person;
- the certificate of the applicant's registration by the tax authorities;
- the certificates of the applicant's staff qualifications in customs clearance procedures;
- the documents certifying the size of the completely formed authorised (equity) capital, the authorised investment fund or the applicant's share therein;
- the documents certifying the applicant's guarantees of dutiable payments as per Article 339 of this Customs Code;
- the bank references certifying the applicant's accounts opened in them;
- the applicant's insurance policy.

Article 142. Certificate of Entry into Register of Customs Brokers (Proxies)

1. The certificate on entry into the Register of Customs Brokers (Proxies) shall contain:

(1) the name, organisational and juridical form and location of the customs broker (agent) and of its separate structural divisions carrying out the functions of a customs broker (agent);

(2) information on the amounts and form of guarantee of dutiable payments to be made as per Article 339 of this Customs Code;

(3) information on restrictions of the sphere of operations of a customs broker (agent) if imposed.

2. Validity of the Certificate of Entry into the Register of Customs Brokers (Proxies) is not limited by time.

Article 143. The Rights of Customs Broker (agent)

1. In carrying out customs operations a customs broker (agent) shall have the same rights as the [juridical] person that has empowered the customs broker (agent) to represent its interests in its relations with customs authorities.

2. A customs broker (agent) has the right to warrant to customs authorities, on behalf of the person it represents, fulfilment of the obligations assumed by said person with regard to guaranteed payment of customs duties and taxes if provisions of this Customs Code require a guarantee for such payments.

3. A customs broker (agent) has the right to demand that the person it represents furnish the documents and the information that may be required for fulfilling customs clearance procedures including the documents containing sensitive information constituting commercial, banking and other secrets protected by law or any other requisite confidential information, and to obtain such documents and such information within the prescribed time limits ensuring observance of the provisions of this Customs Code.

4. At the instance of signing a contract with the person to be represented the customs broker (agent) has the right:

- to offer various discounts with regard to remuneration of its services and provide privileges for specific categories of persons it represents;
- to demand, as a precondition for concluding a contract with said person, that the latter abide by its commitments in accordance with the Civil Code of the Russian Federation.

Article 144. Obligations and Responsibilities of Customs Broker (agent)

1. In the process of customs registration/clearance procedures, obligations of a customs broker (agent) are predicated on the terms and conditions set forth by this Customs Code with regard to the customs operations, which may be required for subjecting goods to one or another customs control procedure. The fact of fulfilment of such operations by a customs broker (agent) does not oblige the latter to carry out any other operations, such as completion of a customs procedure, or assume any other responsibilities which, according to the provisions of this Customs Code, are only assigned to the person specified in Article 16 of this Customs Code, a carrier, or any other person.

2. A customs broker (agent) shall pay requisite customs duties and taxes for the declared goods if the terms of the goods customs procedure requires such payment. At the instance of declaring goods, the customs broker (agent) in accordance with this Customs Code bears the same responsibility for the disbursement of customs duties and taxes as the declarant.

3. Any information obtained by a customs broker (agent) from the persons it represents constituting commercial, banking and other secrets protected by law or any other requisite confidential information may not be made public, or used by the customs broker (agent) and/or its employees for their personal goals, or revealed to other persons except for the cases stipulated by federal law.

4. A customs broker (agent) shall be obliged to keep record of the goods subjected to customs operations and submit reports thereof to customs authorities (Article 364).

5. The customs broker's (agent) obligations and accountability before customs authorities shall prevail over its contract with the person it represents.

Article 145. Withdrawal of Certificate of Entry into Register of Customs Brokers (Proxies)

The Certificate of Entry into the Register of Customs Brokers (Proxies) may be revoked by customs authorities in the following situations:

(1) breach by the customs broker (agent) of at least one of the terms of its entry into the Register of Customs Brokers (Proxies) set forth by Article 140 of this Customs Code;

(2) multiple cases of application of administrative penalties to the customs broker (agent) due to non-fulfilment by the latter of its responsibilities or its administrative offences in the sphere of customs system stipulated by Articles 16.1, 16.2, 16.3, 16.15 and 16.22 of the Code of the Russian Federation on Administrative Offences.

Article 146. Certified Specialist in Customs Clearance Procedures

1. A certified customs clearance specialist may be any natural person meeting the qualification requirements established by the Federal Customs Authority and having a licence qualifying him or her as a certified customs clearance specialist.

2. A certified customs clearance specialist carries out his (or her) duties as an employee of a customs broker (agent).

Article 147. Attestation for Compliance with Qualification Requirements

1. The attestation for compliance with qualifications requirements (hereinafter, attestation) constitutes a test of qualifications of natural persons who have applied for a licence to carry out customs clearance procedures. The attestation is conducted in the form of a qualification test. The person who has successfully passed the qualification test is issued a Qualification Certificate [licence] of a specialist in customs clearance procedures. The term of validity of this Qualification Certificate [licence] is not limited by time.

2. A person applying for the Qualification Certificate [licence] of a customs clearance specialist shall need to meet the following criteria:

- availability of a higher-education diploma issued by a Russian state-accredited institution of higher professional education or a higher-education certificate issued by a higher-education institution of a foreign country which needs to be supplemented with a formal reference attesting to its equivalence to a Russian state certificate of higher education;
- minimum two years of working experience.

The order of attestation, the list of required documents to be submitted concurrently with the application for attestation, the programs of qualification tests and their sequence are determined by the Federal Customs Authority.

Note: admitted for a qualification test shall be any person meeting the requirements set for the applicants regardless of their targeted training for the passage of this test. The applicants' qualifications are tested by the customs officers nominated by the Federal Customs Authority.

3. Starting from the year following the attestation year, each certified customs clearance specialist shall be obliged to undergo a biennial 40-hour skills upgrading course approved by the Federal Customs Authority. Training of specialists at the skills upgrading courses shall be conducted by properly licensed instructors.

Article 148. Grounds for Annulment of Qualification Certificate [Licence] of Specialist in Customs Clearance Procedures

1. The Qualification Certificate [licence] of specialist in customs clearance procedures shall be annulled in case:

(1) it has been established that a Qualification Certificate [licence] of a specialist in customs clearance procedures was received with the use of forged documents;

(2) a court ruling has been enforced penalising the offender by suspending his (or her) licence to act as a certified customs clearance specialist for a designated period of time;

(4) breach by the certified customs clearance specialist of the requirements stipulated by Item 3 of Article 144 of this Customs Code;

(3) multiple cases of application of administrative penalties to the certified customs clearance specialist due to non-fulfilment by the latter of its responsibilities or its administrative offences in the sphere of customs system stipulated by Articles 16.1, 16.2, 16.3, 16.15 and 16.22 of the Code of the Russian Federation on Administrative Offences.

(4) breach by the certified customs clearance specialist of the requirement to undergo skill-upgrading courses as stipulated Item 3 of Article 147 of this Customs Code.

2. A decision with regard to annulment of a Qualification Certificate [licence] of a customs clearance specialist is made by the Federal Customs Authority through passage of a motivated resolution with regard to annulment of a Qualification Certificate [licence] of a customs clearance specialist. A copy of this resolution is directed to the person concerned within three days from the date of its adoption.

3. The person whose Qualification Certificate [licence] of a customs clearance specialist has been annulled has the right to appeal the decision with regard to the annulment of a Qualification Certificate [licence] as per Chapter 7 of this Customs Code.

4. The person whose Qualification Certificate [licence] of a customs clearance specialist has been annulled has no right to re-apply for a new Qualification Certificate [licence]:

– within one year from the date of passage of the resolution to annul the Qualification Certificate [licence] of a customs clearance specialist on the grounds specified in Sub-Items 1) and 3) of Item 1 herein;

– within the term specified by the court ruling if the Qualification Certificate [licence] was annulled on the grounds specified in Sub-Item 2) of Item 1 herein;

– throughout the term when a person is regarded as administratively penalised in case the Qualification Certificate [licence] was annulled on the grounds specified in Sub-Item 4) of Item 1 herein.

Chapter 40. RELEASE OF GOODS

Article 149. Terms of Release of Goods

1. Goods are released by customs authorities within the terms of time specified in Article 152 of this Customs Code provided the following conditions have been observed:

(1) the goods customs registration and customs control formalities did not produce any breaches of the customs legislation of the Russian Federation, whereas the revealed faults, which did not provide sufficient grounds for initiating a lawsuit against the declarant for administrative offences, have been rectified, as well as except the case stipulated by Article 154 of this Customs Code;

(2) the declarant presented to customs authorities the licenses, certificates, permits and/or other documents confirming proper observance of the restrictions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities or the international treaties to which the Russian Federation is party, except the instances when such documents may be presented after the goods have been released;

(3) the declarant has observed the terms and conditions for placing goods under a selected customs procedural status or for applying appropriate customs procedure in accordance with this Customs Code;

(4) all the dutiable payments have been made or guaranteed as per Chapter 31 of this Customs Code.

2. The goods imported to the customs territory of the Russian Federation shall be released for free circulation after the dutiable amounts of dutiable payments have been entered in respective customs bank accounts. In case such amounts have not been entered in the designated bank accounts, the goods concerned shall be regarded as conditionally released. Customs authorities have no right to demand proofs that said funds have been credited to the customs bank accounts. Upon request of a person who has disbursed the requisite customs duties and taxes, the customs office concerned shall be obliged to furnish information pertaining to placement of said payments on the bank account of said customs office.

3. Release of goods may be suspended in accordance with Article 397 of this Customs Code.

4. Customs authorities issue permission to subject Russian goods to be exported from the customs territory of the Russian Federation to a designated customs procedural status with respect to releasing goods.

Article 150. Release of Merchandise prior to Submission of Customs Declaration

1. Upon importation to the customs territory of the Russian Federation of the merchandise specified in Article 67 of this Customs Code, or in case of application of special simplified procedures of customs registration as per Article 68 of this Customs Code, release of merchandise may be effected prior to the submission of a customs declaration provided the declarant has presented commercial or other documents facilitating identification of said merchandise, as well as the documents confirming observance of the restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, except the instances when such documents and information may be presented after merchandise has been released, dutiable payments made or guarantees thereto provided in compliance with the terms specified in Article 31 of this Customs Code.

2. Release of merchandise prior to the submission of a customs declaration shall be permitted provided the declarant submits a written obligation to submit the customs declaration and all the requisite documents within the time limits established by the customs office which may not exceed 45 days from the date of release of merchandise unless this Customs Code establishes other time limits thereto.

3. In case merchandise is released prior to the submission of a customs declaration, applicable to said merchandise shall be the rates of customs duties and taxes, the exchange rates of foreign currencies, and the restrictions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities effective on date of release of said merchandise.

Article 151. Conditional Release of Goods

1. Goods shall be subject to conditional release in the following situations:

(1) if, in accordance with effective the customs legislation of the Russian Federation, privileges with regard to disbursement of customs duties and taxes predicate restrictions on use and disposal goods;

(2) if goods and/or commodities have been subjected to the customs procedural status of a bonded warehouse, duty-free shop, processing of commodities for domestic consumption, temporary importation, re-export, international customs transit, destruction, as well as special customs procedures applicable to the goods and/or commodities imported to the customs territory of the Russian Federation;

(3) if goods are released without submission of the documents and/or information certifying observance of the restrictions pursuant to the provisions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. The conditionally released goods, which, in accordance with effective the customs legislation of the Russian Federation, have been privileged with regard to customs duties and taxes, may only be used for the purposes stipulated by the terms of said privileges.

The goods, whose conditional release was authorised by customs authorities without submission of the documents and/or information certifying observance of the restrictions pursuant to the provisions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, shall not be transferred to any third person including through their sale or alienation by other means, while in the instances when restrictions have been imposed on importation of said goods for the purpose of verifying their quality and safety shall be prohibited for use (operation, consumption) in any form.

3. The conditionally released goods shall have the status of foreign goods.

4. The goods declared for release for free circulation shall be regarded as conditionally released if customs authorities conceded a deferral of dutiable payments, or permitted disbursement of customs duties and taxes by instalments, or in case the sums corresponding to customs duties and taxes have not been credited to the bank accounts of the customs office concerned.

Article 152. Time terms of Release of Goods

1. Customs authorities release goods in accordance with Article 149 of this Customs Code not later than in three days from the date of acceptance of a customs declaration, submission of all the requisite documents and information, as well as presentation of goods for inspection to customs officers, except the instances when the time terms of the goods inspection are extended as per Item 2 of Article 539 of this Customs Code.

2. In the event of application of a preliminary declaration (Article 130), goods shall be released after their inspection by customs authorities.

Article 153. Additional Stipulations for Release of Goods

1. In case examination of a customs declaration and other documents submitted at the instance of declaration of goods or inspection of declared goods reveal any breaches of the terms and conditions of the goods release stipulated by Article 149 in this Customs Code, customs authorities shall not permit release of said goods.

The customs office will immediately inform the declarant of the particular breaches of the terms and conditions of the goods release and advise the declarant with regard to the measures to be taken sufficient for meeting the requirements of the goods release in accordance with this Article.

2. In case customs authorities discover any fictitious details in the information stated during declaration of goods influencing the amount of dutiable payments, as in the instances envisaged by this Customs Code, the customs office will immediately issue a demand that the declarant correct such details and re-calculates the amount of payable duties and taxes. The demand issued by customs authorities should clearly specify the details that require correction for releasing goods.

3. In case customs authorities discover any signs suggesting that the information stated by the declarant of goods may contain fictitious details influencing the amount of dutiable payments, or the declared information has not been properly certified, the customs office will perform an additional inspection of goods in the order and by any method stipulated by this Customs Code.

Release of goods shall be permitted by customs authorities after the dutiable payments, which may be additionally charged based on the results of such an inspection, have been guaranteed. Customs authorities notify the declarant in writing on the amount of requisite guarantee for dutiable payments.

4. In case customs authorities discover any fictitious details in the information stated during declaration of goods influencing the application to goods of the restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities in the cases stipulated by this Customs Code, the customs office will immediately issue a demand that the declarant correct such details and present the documents confirming observance of such restrictions. The demand issued by customs authorities should clearly specify the details that require correction for releasing goods, as well as the documents confirming the observance of said restrictions.

5. In case customs authorities discover any signs suggesting that the information stated by the declarant of goods may contain fictitious details influencing the application to goods of the restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, or that the declared information has not been properly certified, the customs office will perform an additional inspection of goods in the order and by any method stipulated by this Customs Code.

Release of goods shall be permitted by customs authorities after the declarant has presented the documents confirming the observance of respective restrictions. Customs authorities notify the declarant in writing of the particular documents to be presented for this purpose.

6. In the instances stipulated by Items 2 and 4 herein, release of goods shall be effected not later than in one day following the date of presentation of a guarantee for dutiable payments and/or from the moment presentation of the documents confirming the observance of respective restrictions.

If as a result of correction of the information stated by the declarant at the instance of the goods declaration the amount of payable customs duties and taxes diminishes in comparison with the amount stated by the declarant, release of such goods shall be effected prior to the fulfilment of the requirements stated in Items 2 and 3 herein.

7. The declarant should be responsible for carrying out the actions stipulated by this Article within the time limits of the goods temporary storage established in accordance with this Customs Code.

Article 154. Release of Goods in Case of Lawsuit pursuant to Administrative Offence

In the event of a lawsuit brought against a declarant on charges of administrative offence, goods may be released as per Article 153 of this Customs Code upon the decision of the chief of the customs office whose officer initiated said lawsuit before the completion of the proceedings on said lawsuit unless the goods were confiscated as material evidence or subjected to arrest in accordance with the Law of the Russian Federation on Administrative Offences.

Section 2. CUSTOMS PROCEDURES

Chapter 10. GENERAL PROVISIONS PERTAINING TO CUSTOMS PROCEDURES

Article 155. Kinds of Customs Procedures

1. The following kinds of customs procedures have been established for the goods with a view to ensuring observance of customs regulations:

- (1) Principal Customs Procedures:
 - release for domestic consumption;
 - export;
 - international customs transit;

- (2) Customs Economic Procedures:
 - inward processing procedure;
 - processing for domestic consumption;
 - outward processing procedure;
 - temporary importation;
 - bonded warehouse;
 - free customs zone (free warehouse);
- (3) Completing Customs Procedures:
 - re-import;
 - re-export;
 - destruction;
 - rejection in favour of the state;
- (4) Special Customs Procedures:
 - temporary exportation;
 - duty-free trade;
 - movement of stores;
 - other special customs procedures.

2. Customs procedures are determined by this Customs Code.

3. The customs procedures of a free customs zone (free warehouse) are determined in accordance with the Russian laws regulating the legal relations with regard to establishment and application of the customs procedure of a free economic zone (free warehouse).

Article 156. Choice and Change of Customs Procedure

1. Importation of goods to and their exportation from the customs territory of the Russian Federation require of their carriers to subject such goods to one of the customs procedures specified in this Paragraph and observe this customs procedure.

2. A person has the right at any time to choose any customs procedure and change it for another one in accordance with this Customs Code.

Article 157. Subjecting Goods to Customs Procedure

1. Goods are subjected to a customs procedure upon permission of customs authorities issued in accordance with this Customs Code.

2. Customs authorities are obliged to issue permission for subjecting goods to the declared customs procedure provided a person observe the requirements of the declared customs procedure as well as of the other terms stipulating release of goods.

3. The day of subjecting goods to a customs procedure shall be the date of the goods release by customs authorities.

Article 158. Observance of Restrictions and Prohibitions pertaining to Goods Subjected to Customs Procedures

Irrespective of the declared customs procedure, all persons shall be obliged to observe the restrictions and limitations of non-economic nature stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, as well as the currency control regulations established by the Russian laws.

Article 159. Documents and Information Confirming Observance of Customs Procedure

1. Permission for subjecting goods to a desired customs procedure will be granted by a customs office upon submission by the declarant of the documents and information confirming observance of the term and conditions set forth in this Paragraph stipulating placement of goods under said customs procedure.

2. Customs authorities have no right to request submission of the documents and information other than those, which may be required for confirming the observance of the terms and conditions stipulating placement of goods under the declared customs procedure and observance thereof in accordance with this Customs Code.

Article 160. Guarantees of Observance of Customs Procedures

Upon issuance of permission for subjecting goods to a customs procedure whose terms involve complete or partial exemption of goods from customs duties and taxes, or reimbursement of the earlier paid amounts, and/or non-application of the economic restrictions and prohibitions of stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, the customs office has the right to demand that the declarant provide a guarantee for requisite dutiable payments (Chapter 31), submit an obligation to export the temporarily imported goods, as well as the other guarantees of proper fulfilment of the obligations set forth by the provisions of this Paragraph.

Article 161. Responsibility to Confirm Observance of Terms and Conditions pursuant to Subjecting Goods to Customs Procedure

The declarant shall be responsible for confirming the observance of the terms and conditions pursuant to subjecting goods to a customs procedure whose terms involve complete or partial exemption of goods from customs duties and taxes, or reimbursement of the earlier paid amounts, and/or non-application of economic restrictions and prohibitions stipulated the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 162. Documents and Information Confirming Observance of Customs Procedure

1. In case goods, which are subject to a customs procedure, are confiscated due to a lawsuit brought against a declarant on charges of administrative offence in the field of customs system, the term of application of this procedure with regard to said goods shall be suspended.

2. If the ruling enacted with regard to said administrative offence in the field of customs system does not involve any withdrawal of goods subject to a customs procedure, the term of application of this procedure with regard to said goods shall be reinstated.

Upon reinstatement of a customs procedure, the interest whose charging and disbursement are stipulated in this Section shall not be charged or paid for the period of suspension of said customs procedure.

3. If a person who is held responsible for an administrative offence is charged with non-observance of the terms and conditions stipulated by the selected customs procedure and said non-observance precludes further application of this customs procedure, it ought to be terminated according to this Section within 15 days from the date of entry into force of the ruling with regard to the lawsuit on the administrative offence.

**Chapter 18.
PRIMARY CUSTOMS PROCEDURES****§1. Release for Domestic Consumption****Article 163. Content of Customs Procedure**

Release of goods for domestic consumption constitutes a customs procedure under which the goods imported to the customs territory of the Russian Federation shall remain on that territory with any obligations to be exported from said territory.

Article 164. Status of Goods Subject to Customs Procedure of Release for Domestic Consumption

1. For customs purposes, imported merchandise will acquire the status of goods released for free circulation in the customs territory of the Russian Federation upon disbursement of all the requisite customs duties and taxes and observance of the restrictions and prohibitions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. In case of non-observance of said terms and conditions, imported merchandise shall be liable for conditional release pursuant to Article 151 of this Customs Code.

§2. Export

Article 165. Content of Customs Procedure

Export constitutes a customs procedure under which the goods in free circulation in the customs territory of the Russian Federation are exported from this territory without any obligations to import them back.

Article 166. Terms and Conditions of Subjecting Goods to Customs Procedure

1. Export of goods is effected upon disbursement of all the requisite export customs duties, observance of the economic restrictions and prohibitions stipulated by the requirements of the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, and fulfilment of any other terms and conditions set forth by this Customs Code, other federal statutes and legal norms of the Russian Federation.

2. The goods exported in compliance with the customs export procedure shall be exempted from domestic taxes; the domestic taxes levied thereto shall be redeemed or reimbursed pursuant to the Russian legislation on taxes and duties.

§3. International Customs Transit

Article 167. Content of Customs Procedure

International customs transit constitutes a customs procedure under which foreign goods are transiting in the customs territory of the Russian Federation in customs custody between the point of their entry to and departure from the customs territory of the Russian Federation (if said transit constitutes a leg of their itinerary which begins and ends outside the boundaries of the customs territory of the Russian Federation) exempt from any customs taxes and duties or application of any economic restrictions and prohibitions of economic nature stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 168. Terms and Conditions of Subjecting Goods to Customs Procedure

1. Subject to the customs procedure of international customs transit may be any foreign merchandise except the goods whose transit is prohibited pursuant to federal laws, other statutes, and legal norms of the Russian Federation and the international treaties to which the Russian Federation is party.

2. Federal laws, other statutes, and legal norms of the Russian Federation and the international treaties of the Russian Federation may establish additional terms and conditions stipulating placement of merchandise under the customs procedure of international customs transit.

Article 169. Application to International Customs Transit of Rules and Requirements Applicable to Domestic Customs Transit in accordance with this Customs Code

1. Under conditions of international customs transit, issuance of permissions for international customs transit, as well as the rules stipulating the time limits for effecting international customs transit, identification of merchandise, measures ensuring fulfilment of the statutes of the customs legislation of the Russian Federation shall be exercised by customs authorities pursuant to the provisions contained in Articles 80 through 86 of this Customs Code regulating domestic customs transit and applicable to the international customs transit procedure.

2. The rights, obligations, and responsibility of the carrier or forwarder under the conditions of international customs transit shall be regulated by the provisions of Sub-Items 1) and 2) of Article 88, as well as Articles 90 and 91 of this Customs Code.

Article 170. Transshipment of International Transit Merchandise and Other Operations with Transit Merchandise

1. Transshipment of international transit merchandise from a means of transport by which said merchandise was imported to the customs territory of the Russian Federation to a means of transport that will carry said merchandise from this territory shall be effected upon permission in that regard issued by the customs office in whose region this transshipment occurs. If transshipment of transit goods from one means of transport to another may be effected without damaging any customs seals and stamps affixed to the merchandise, it may be effected with a preliminary notification of the customs office concerned.

2. Temporary placement of transit merchandise in warehouses (storage, breaking up, or accumulation of lots, and other operations) in the customs territory of the Russian Federation is permissible provided all terms and conditions stipulated by this Customs Code are observed.

3. Any operations with merchandise under the international customs transit procedure, which are not stipulated by Items 1 and 2 herein, may only be conducted in the event of real threat

of destruction, loss, irretrievable loss, or major damage pending to merchandise and/or a means of transport.

Article 171. Completion of Customs Procedure

1. The customs transit procedure is completed at the instance of exportation of transit merchandise from the customs territory of the Russian Federation.

The carrier shall be obliged to present transit merchandise for inspection, submit a customs declaration and other documents pertaining to merchandise international customs transit to the customs authorities at the point of destination (Item 1) in Article 92). The customs office concerned shall be obliged to perform all the operations required for the completion of the international customs transit procedure and issue permission for the departure of goods and means of transport (Article 120) from the customs territory of the Russian Federation on the day of presentation of transit merchandise and submission of requisite documents.

In case of exportation of transit merchandise by separate lots, the international customs transit procedure shall be regarded as completed upon the departure of the last lot thereof from the customs territory of the Russian Federation.

2. The international customs transit procedure may also be completed at the instance of placement of merchandise under other customs procedures provided all requirements stipulated by this Customs Code are observed.

Article 172. Peculiarities of Application of Customs Transit Procedure

1. In the instances when the point of entry of merchandise and means of transport to the customs territory of the Russian Federation coincides with the point of its departures from said territory the international customs transit procedure may be simplified. The carrier and the forwarder will only need to present the documents and the information which are required at the instance of arrival of merchandise and means of transport (Article 72), whereas permission for transit is issued on the day of presentation of merchandise and submission of documents and information to customs authorities.

2. In case transit merchandise is transhipped in the place specified in Item 1 herein, i.e., from a means of transport which was used for delivery of merchandise to the means of transport used merchandise departure, transhipment operations may only be permitted by customs authorities. Customs authorities may issue such permission to the carrier or forwarder provided the latter have submitted all the documents and information pursuant to Article 72 of this Customs Code.

3. Customs authorities may deny permission for cargo-handling operations with transit merchandise only in case such operations may lead to loss of merchandise or change of its consumer properties.

Chapter 19. CUSTOMS ECONOMIC PROCEDURES

§1. Inward Processing Procedure

Article 173. Content of Customs Procedure

1. The inward processing procedure constitutes a customs procedure under which imported goods are utilised in the customs territory of the Russian Federation within a designated period of time (goods processing period) for the purpose of their processing with complete conditional exemption from customs duties and taxes provided the goods compensating products are exported from the customs territory of the Russian Federation within prescribed time limits.

2. The imported goods subjected to the inward processing procedure shall be liable for all restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 174. Terms of Placement of Goods under Customs Procedure

1. Goods may be subjected to the inward processing procedure upon permission issued by the customs office concerned (Article 179).

2. The inward processing procedure is permitted when customs authorities are capable of identifying the imported merchandise in the resulting [compensating] products manufactured thereof (Article 175), except the case when this customs procedure is completed with exportation of the compensating products equivalent to the originally imported merchandise as per Article 186 of this Customs Code.

3. Subject to inward processing procedure may be foreign goods, which have undergone other customs procedures, provided the terms and conditions stipulated by this Customs Code are observed.

4. The Government of the Russian Federation has the right to determine the cases when the inward processing procedure with regard to specific categories of imported goods will be prohibited if goods identical in description, quality and specifications are manufactured in the Russian Federation, or impose restrictions on the quantities or value of the foreign goods imported to the customs territory of the Russian Federation for inward processing with a view to protecting the interests of domestic producers. The above-mentioned restrictions and prohibitions shall go into effect not earlier than in ninety days from the day of official publication of respective normative acts to that effect of the Government of the Russian Federation.

Article 175. Identification of Goods in Compensating Products

1. Identification of imported goods in the compensating products manufactured thereof may be effected by the following methods provided such methods are applicable proceeding from the nature of said goods and the processing operations they are subjected to:

(1) seals, stamps, digital and other markings affixed by the declarant, processor, or customs officer to the imported goods;

(2) detailed description of imported goods, their photographic images, and scaled drawings;

(3) comparison of the results of examination of samples and specimens of the imported goods and the compensating products manufactured thereof;

(4) use of serial numbers and other markings made by the manufacturer of the imported goods.

2. Customs authorities determine relevance of the declared method of identification of the goods, which were imported to the customs territory of the Russian Federation for inward processing, in compensating products manufactured thereof.

3. Upon a request of an interested person and with the consent of the customs office concerned, identification of goods for customs purposes may be achieved by analysing the submitted information pertaining to raw materials, construction elements and components used for manufacturing imported goods, as well as the technology applied for manufacturing the compensating products thereof, or by exercising customs control throughout the whole period of goods processing operations.

Article 176. Goods Processing Operations

1. The operations applied to the goods subjected to the inward processing procedure include:

(1) goods processing and machine-tooling operations;

(2) manufacture of new goods, including goods' assembly or disassembly;

(3) goods repairs, including their restoration, substitution of their components, and restoration of their consumer properties;

(4) complete processing of goods conducive to or facilitating manufacture of merchandise notwithstanding the goods complete or partial consumption during processing operations.

Article 177. Time Terms of Goods Processing Operations

1. The time required for goods processing operations shall be determined by the declarant in coordination with customs authorities and it may not exceed two years.

2. Duration of the inward processing procedure shall be determined proceeding from the time required for the goods processing operations, as well as based on the time required for disposal of the compensating product.

3. Upon a motivated request by the person duly authorised to subject goods to the inward goods processing procedure, customs authorities may extend the initially prescribed time terms of the goods processing operations within the time limits stipulated by Item 1 herein if said person is not capable of completing the customs procedure within the initially prescribed period without violating the terms and conditions stipulated by this Paragraph for the reasons beyond his (or her) control.

4. The goods processing period begins on the day of their placement under the terms of the inward processing procedure, or on the day when the first consignment is subjected to said procedure in case goods are imported by separate consignments.

Article 178. Rate of Yield for Compensating Products

1. The rate of yield of the compensating products (their quantities or pro rata share in the compensating products manufactured as a result of processing of a given quantity of imported goods) shall be determined by the declarant in coordination with the customs office concerned proceeding from the actual conditions of the goods processing procedure, as specified in Item 3 herein.

2. In determining the rate of yield of compensating products, customs authorities rely on the conclusions provided by expert organisations (including customs laboratories) based on the applied goods processing technology.

3. In case the processing operations with the goods featuring permanent properties and characteristics are conducted in compliance with specific technical conditions conducive to the output of the compensating products of invariable quality, the competent bodies duly authorised by the Government of the Russian Federation will establish, for customs clearance purposes, standardised rates of yield for the compensating products.

4. The description, quality, and quantity of the processing products shall be finalised following the approval of the rate of yield of the compensating products.

Article 179. Permit for Inward Processing Procedure

1. A permit for the inward processing procedure may be issued to any interested Russian person including the person who is not directly involved in goods processing operations.

2. A permit for the inward processing procedure is issued by a customs office based on an application submitted by an interested person.

3. A permit for the inward processing procedure contains:

- the description, quality and quantities of the imported goods and of the compensating products manufactured thereof;
- the goods processing operations and their methods;
- the rate of yield of compensating products;
- the methods of identification of imported goods in compensating products;
- the time terms of goods processing;
- other information determined by the Federal Customs Authority as required for customs clearance purposes.

The form of the permit for goods processing is determined by the Federal Customs Authority.

4. A permit for goods processing remains in effect throughout the prescribed time limit of goods processing.

5. Upon a written authorisation by customs authorities, the person holding a permit for goods processing may transfer this permit to another Russian person throughout the period of its validity provided the latter person assumes full responsibility for further observance of the terms and conditions of goods processing specified in this Paragraph.

Note: the person who received the initial permit for goods processing operations shall be obliged to submit to customs authorities a report of his (or her) fulfilment of the terms and conditions set forth herein for the whole period when the goods were used in compliance with the inward processing procedure and remit all requisite customs duties and taxes if given period featured the events necessitating dutiable payments in accordance with this Customs Code.

The person, to whom said permit for the inward processing procedure is transferred, shall be obliged to assume full responsibility for further observance of the terms and conditions stipulated herein and formalise the all required documents in his (or her) name if observance of this customs procedure is secured by necessary guarantees (Article 160). This person will enjoy all the rights and bear the same responsibility as the person who was issued the initial permit for goods processing beginning from the day the customs office passes a resolution transferring the permit for goods processing operations.

6. A permit for the inward processing procedure may be issued either before or after the goods have been brought to the customs territory of the Russian Federation provided the declarant has observed all the terms and conditions set forth in this Paragraph.

7. The person who was issued a permit for the inward processing procedure shall be responsible for the disbursement of customs duties and taxes as per Item 2 of Article 320 of this Customs Code.

Article 180. Issuance of Permit for Inward Processing Procedure

1. In order to obtain a permit for the inward processing procedure a person shall be obliged to submit an application to the customs office concerned containing the following details:

- on the applicant;
- on the person(s) directly involved in the goods processing procedure;
- on the goods intended for inward processing, compensating products thereof, wastes and residues;
- on the goods processing operations, their methods and duration;
- on location of production facilities involved in goods processing operations;
- on the rate of yield for compensating products;
- on the methods of identification of imported goods in the compensating products manufactured thereof;
- on substitution of imported goods by their equivalent goods;
- on the time terms of goods processing.

2. The form of the application and the form of presentation of information contained therein is determined by the Federal Customs Authority.

The application ought to be supplemented with the documents confirming the declared information.

3. The customs office concerned considered the submitted application the documents supplemented thereto within 30 days from the day of their acceptance. Within the designated period the customs authorities verify the observance by the applicant of the established terms and conditions and pass a resolution with regard to coordinating the declared rate of yield of the compensating products and duration of the processing procedure.

The customs office has the right to request that third parties, as well as the state agencies provide the documents verifying the information stated in Item 1 herein. Those persons shall be obliged to furnish the requested documents within ten days from the day they receive such a request from said customs office.

Note: the customs office has the right to extend the period of consideration of the application, but for not more than two months from the date of its acceptance.

4. Submitted as an application for goods processing may be the customs declaration whereby said goods were placed under the inward processing procedure provided the original goods at the instance of their importation and the compensating products manufactured thereof at the instance of their subsequent exportation are declared simultaneously to the same customs office in case:

- (1) the purpose of placement of goods under the inward processing procedure is their repairs, including the repairs effected on the compensatory basis;

(2) the customs value of the of goods placed under the inward processing procedure does not exceed 500,000 roubles;

(3) placed under the inward processing procedure are remnants of the earlier imported goods pursuant to Article 184 of this Customs Code.

5. In case said customs declaration is used as an application for the goods inward processing procedures, the time term of its consideration should not exceed the time limit set for the verification of customs declaration, as stipulated by Item 1 of Article 359 of this Customs Code.

6. Customs authorities will deny a permit for the goods processing procedure only in case the person who is submitting the application has not observed the terms and conditions set forth in this Paragraph, or in the event customs authorities resolved to refuse to coordinate the declared rate of yield of the compensating products and time terms of goods processing.

Refusal by customs authorities to issue a permit for the goods processing procedure ought to be properly substantiated and motivated. An applicant will be given a written notification with regard to the denial of said permit.

Article 181. Withdrawal of Permit for Goods Processing

1. A permit for goods processing may be revoked by customs authorities in case placement of goods under the inward processing procedure is precluded pursuant to the legal act of the Government of the Russian Federation adopted as per Item 4 of Article 174 of this Customs Code.

2. A decision to revoke the permit goes into effect on the date of entry into force of the respective legal act of the Government of the Russian Federation.

3. In the instance of withdrawal of a permit for goods processing, placement of goods under the inward processing procedure will be prohibited due to withdrawal of the permit, whereas the goods, which had been placed under the inward processing procedure before the permit was revoked, should complete the prescribed customs procedure pursuant to the requirements of this Paragraph.

4. The form of withdrawal of a permit for the inward processing procedure is determined by the Federal Customs Authority.

**Article 182. Exemption of Compensating Products from Export Duties.
Application to Compensating Products of Prohibitions and
Restrictions pursuant to Federal Law of the Russian Federation
on the State Regulation of Foreign Trade Activities**

1. At the instance of exportation from the customs territory of the Russian Federation, the compensating products resulting from the goods inward processing shall be exempted from export duties.

2. The compensating products resulting from the goods inward processing shall be liable for all restrictions and prohibitions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 183. Wastes

1. The wastes which have formed as a result of the goods inward processing procedure shall be liable for customs duties and taxes equivalent to those applicable to the goods imported to the customs territory of the Russian Federation in that state, except the cases when said wastes have been exported from the customs territory of the Russian Federation or processed into the state in which their further commercial utilisation on the customs territory of the Russian Federation is no longer possible and they cannot be restored to their original state by any economically feasible method.

The wastes liable for customs duties and taxes should be declared.

2. For the purpose of levying customs duties and taxes, wastes shall be regarded as goods imported to the customs territory of the Russian Federation.

The customs value applicable to wastes shall be determined pursuant to the Russian legislation on taxes and duties with consideration of the peculiarities specified by Item 3 herein.

3. Wherever it is impossible to determine the wastes' customs value using the method based on the value of a transaction with imported goods, the method based on the value of a transaction with identical goods, or the method based on the value of a transaction with homogeneous goods pursuant to the applicable law of the Russian Federation, the waste's customs value shall be determined as equivalent to one of the following values:

– the price of sale of the appraised wastes at the instance of their initial sale in the customs territory of the Russian Federation to a buyer who is not interdependent upon any participant of the goods processing transaction;

– the price of sale of the goods identical to or homogenous with appraised wastes provided said goods were manufactured as a result of analogous processing operations under the terms and conditions of the inward processing procedure at the instance of their initial sale in the customs territory of the Russian Federation to a buyer who is not interdependent upon any participant of the goods processing transaction;

- the price of a transaction with the goods identical to or homogenous with appraised wastes which were sold as export goods to the Russian Federation and imported to the Russian Federation in the period concurrent with the time of declaration of the appraised wastes;
- the price of the goods identical to or homogenous with appraised wastes transacted at the domestic market of the Russian Federation between independent buyers and sellers less the taxes levied on said goods at their sale in the Russian Federation.

Article 184. Residues

1. The unprocessed residual goods, which have been subjected to the inward processing procedure, may either be exported from the customs territory of the Russian Federation without payment of any export customs duties or subjected to the inward processing procedure.
2. The non-exported residual goods shall be subject to customs duties and taxes equivalent to those applicable to goods delivered to the customs territory of the Russian Federation in that state.

The wastes liable for customs duties and taxes should be declared.

The amount of customs duties and taxes shall be determined proceeding from the residues' quantities and value pro rata the amount of customs duties and taxes which would be levied on the goods whose processing resulted in the formation of said residues if said goods were released for free circulation on the day of their placement under the inward processing procedure.

Article 185. Completion and Suspension of Customs Procedure

1. The goods inward processing procedure shall be completed by exportation of compensating products from the customs territory of the Russian Federation or by placement of the imported goods and the compensating products manufactured thereof under other customs procedures not later than the date of expiration of the time term stipulated for the goods processing (Article 177).
2. In case the compensating products are exported from the customs territory of the Russian Federation in several lots, the final verification of their quantity specified in the goods processing (Article 179) may be conducted periodically upon exportation of the compensating products, but at least quarterly and not later than within 30 days following the exportation of the last lot of the compensating products. In case such verifications reveal that the holder of a processing permit is liable for dutiable payments, the amounts of such payments shall be exempted from any penalty fees provided they are reimbursed within 10 working days from the date when the customs office concerned issued a written resolution stipulating remittance of said amounts. Customs authorities will be obliged to send their resolution stipulating the exigency of dutiable payments to the holder of the processing permit not later than on the day following the day of passage of said resolution.

3. The inward processing procedure may be completed by way of release for free circulation of the imported goods and/or the compensating products manufactured thereof, or by placement of the imported goods and compensating products under other customs procedures provided the terms and conditions stipulated by this Customs Code are observed.

4. At the instance of their release for free circulation, the imported goods or/and compensating products manufactured thereof shall be liable for the customs duties and taxes equivalent to those which would be payable if the imported goods and compensating products manufactured thereof were declared for release for free circulation on the day of placement of said goods under the inward processing procedure plus the interest chargeable on the quoted amounts according to the refinance rates established by the Central Bank of the Russian Federation as though remittance of the quoted amounts were postponed from the date of their placement under the inward processing procedure.

5. Upon a request made by an interested person, the inward processing procedure may be suspended in the following situations:

– in case of placement of compensating products to a bonded warehouse as per Item 3 of Article 217 of this Customs Code;

– in case of placement of compensating products under other customs procedures, which do not stipulate release of goods for free circulation.

6. Suspension of the inward processing procedure shall entail suspension of the goods processing period (Article 177). The interests chargeable and disbursed in accordance with this Article shall not be charged or disbursed throughout the duration of suspension of the inward processing procedure.

Any goods processing operations (Article 176) are prohibited throughout the period when the inward processing procedure is suspended

7. The goods inward processing procedure may be completed by way of exportation of the imported goods in their original [unchanged] state (re-export).

Article 186. Equivalent Compensation

1. Upon permission of customs authorities, the imported goods, which have been placed under the inward processing procedure, may be replaced with other goods including Russian goods if their description, quality, and specifications coincide with those of the imported goods (equivalent compensation).

2. The products obtained as a result of processing of equivalent goods shall be regarded as compensating products of the imported goods in accordance with this Chapter.

3. For customs clearance purposes, the equivalent goods shall have the status of imported goods, whereas the imported goods shall have the previous status of the equivalent goods.

4. In case equivalent compensation is permissible, exportation of the compensating products may be performed prior to the importation of goods for inward processing provided a permit for processing said goods is available. The customs authorities shall establish the time limits for importation of such goods.

§2. Processing for Domestic Consumption

Article 187. Content of Customs Procedure

1. Processing for domestic consumption constitutes a customs procedure under which imported goods are utilised in the customs territory of the Russian Federation within a designated period of time (goods processing period) for the purpose of their processing with complete conditional exemption from customs duties and taxes, subsequent release of the compensating products obtained thereof for free circulation including payment of all required duties and taxes levied on compensating products.

2. The imported goods subjected to the processing for domestic consumption shall be liable for all restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 188. Terms of Placement of Goods under Customs Procedure

1. Processing for domestic consumption is permitted upon permission issued by the customs office concerned (Article 192).

2. Processing for domestic consumption is permitted with regard to the goods and commodities whose register is approved by the Government of the Russian Federation.

3. Goods processing for domestic consumption is permitted in the following situations:

(1) the amounts of customs duties and taxes payable for compensating products are below those which would be charged on the day of placement of imported goods to the customs procedure for domestic consumption if such goods were released for free circulation;

(2) customs authorities are capable of identifying imported goods in the resulting [compensating] products manufactured thereof (Article 189);

(3) compensating products cannot be restored to their original state by any economically feasible method.

4. Subject to processing for domestic consumption may be foreign goods, which have undergone other customs procedures, provided the terms and conditions stipulated by this Customs Code are observed.

Article 189. Identification of Goods in Compensating Products

1. Identification of imported goods in the compensating products manufactured thereof may be effected by the following methods provided such methods are applicable proceeding from the nature of said goods and the processing operations they are subjected to:

(1) seals, stamps, digital and other markings affixed by the declarant, processor, or customs officer to the imported goods;

(2) detailed description of imported goods, their photographic images, and scaled drawings;

(3) comparison of the results of examination of samples and specimens of the imported goods and the compensating products manufactured thereof;

(4) use of serial numbers and other markings made by the manufacturer of the imported goods.

2. Customs authorities determine relevance of the declared method of identification of the goods, which were imported to the customs territory of the Russian Federation for processing for domestic consumption, in compensating products manufactured thereof.

3. Upon a request of an interested person and with the consent of the customs office concerned, identification of goods for customs purposes may be achieved by analysing the submitted information pertaining to raw materials, construction elements and components used for manufacture of the imported goods, as well as the technology applied for manufacturing the compensating products thereof, or by exercising customs control throughout the whole period of goods processing operations.

Article 190. Goods Processing Operations

1. The operations applied to the goods subjected to processing for domestic consumption include:

(1) goods processing and machine-tooling operations;

(2) manufacture of new goods, including goods' assembly or disassembly.

Article 191. Time Terms of Goods Processing Operations

1. The time required for goods processing operations shall be determined by the declarant in coordination with customs authorities and it may not exceed one year.

2. Duration of the processing procedure for domestic consumption shall be determined proceeding from the time required for the goods processing operations, as well as the based on time required for disposal of the compensating product.

3. Upon a motivated request by the person duly authorised to effect the goods processing procedure for domestic consumption, customs authorities may extend the initially prescribed time

terms of the goods processing operations within the time limits stipulated by Item 1 herein if said person is not capable of completing the customs procedure within the initially prescribed period without violating the terms and conditions stipulated by this Paragraph for the reasons beyond his (or her) control.

4. The goods processing period begins on the day of their placement under the terms of the processing procedure for domestic consumption, or on the day when the first consignment is subjected to said procedure in case goods are imported by separate consignments.

Article 192. Permit for Processing Goods for Domestic Consumption

1. A permit for the processing goods for domestic consumption is issued by a customs office based on an application submitted by an interested person (Item 1 of Article 193).

2. A permit for the processing for domestic consumption contains:

- the description, quality and quantities of the imported goods and compensating products manufactured thereof;
- the goods processing operations and their methods;
- the rate of yield of compensating products;
- the methods of identification of imported goods in compensating products;
- the time terms of goods processing;
- other information determined by the Federal Customs Authority as required for customs clearance purposes.

The form of the permit for goods processing is determined by the Federal Customs Authority.

3. A permit for goods processing remains in effect throughout the prescribed time limit of goods processing.

4. A permit for the goods processing is issued prior to placement of goods under the customs procedure of processing for domestic consumption.

5. A permit for goods processing shall not be transferred to another person.

6. The person who was issued a permit for the processing goods for domestic consumption shall be responsible for the disbursement of customs duties and taxes as per Item 2 of Article 320 of this Customs Code.

Article 193. Issuance of Permit for Processing Goods for Domestic Consumption

1. In order to obtain a permit for the processing goods for domestic consumption a person shall be obliged to submit to the customs office concerned an application containing the following details:

- on the applicant;
- on the person(s) directly involved in the goods processing procedure;
- on the goods intended for processing, compensating products thereof, wastes and residues;
- on the goods processing operations, their methods and duration;
- on location of production facilities involved in goods processing operations;
- on the rate of yield for compensating products;
- on the methods of identification of imported goods in the compensating products manufactured thereof;
- on the time terms of goods processing.

2. The form of the application and the form of presentation of information contained therein is determined by the Federal Customs Authority.

The application ought to be supplemented with the documents confirming the declared information.

3. The customs office concerned considered the submitted application the documents supplemented thereto within 30 days from the day of their acceptance. Within the designated period the customs authorities verify the observance by the applicant of the established terms and conditions and pass a resolution with regard to coordinating the declared rate of yield of the compensating products, which is determined pursuant to the regulations stipulated by Article 178 of this Customs Code.

The customs office has the right to request that third parties, as well as the state agencies provide the documents verifying the information stated in Item 1 herein. Those persons shall be obliged to furnish the requested documents within ten days from the day they receive such a request from said customs office.

Note: the customs office has the right to extend the period of consideration of the application, but for not more than two months from the date of its acceptance.

4. Customs authorities will deny a permit for the goods processing procedure only in case the person who is submitting the application has not observed the terms and conditions set forth in this Paragraph, or in the event customs authorities resolved to refuse to coordinate the declared rate of yield of the compensating products and time terms of goods processing.

Refusal by customs authorities to issue a permit for the goods processing procedure ought to be properly substantiated and motivated. An applicant will be given a written notification with regard to the denial of said permit.

Article 194. Wastes and Residues

The wastes and residues, which have formed as a result of goods processing operations, as well as remnants of the goods placed under the customs processing procedure for domestic consumption, shall be liable for the rules and requirements stipulated by Articles 183 and 184 of this Customs Code.

Article 195. Completion of Customs Procedure

1. The goods processing procedure for domestic consumption by way of releasing compensating goods for free circulation. At the instance of their release for free circulation, the goods' compensating products shall be liable for the customs duties and taxes calculable proceeding from the rates applicable to compensating products. The customs value and quality of the compensating products shall be determined as of the date of their declared release for free circulation.

2. With a view to promoting the development of Russian economy and stimulating the process of substitution of imported investment goods on the territory of the Russian Federation by their domestic analogues, the Government of the Russian Federation has the right to determine specific kinds of goods and/or the compensating products manufactured thereof in whose regard for the purpose of calculating the value of dutiable payments the customs value and and/or quantity of foreign goods may apply at the instance of their placement under the customs procedure of goods processing for domestic consumption.

Article 196. Peculiarities of Application of Rates Customs Duties with regard to Compensating Products

Compensating products shall be liable for the rates of customs duties effective in the country of origin of the goods imported [to the customs territory of the Russian Federation] for their processing. In the instances when goods processing involves the use of foreign goods originating from different countries, the rates of pertinent customs duties shall be applied with consideration of the following peculiarities:

(1) in case goods processing has resulted in a change of a goods' classification code as per the Nomenclature of Goods subject to Foreign Trade on the level of any first digits, applicable to the resulting [compensating] products shall be the rates of customs duties established for the goods imported from the countries enjoying the status of a most favoured nation in trade and political relations; the rates applicable to the goods originating from a country enjoying the status of a most favoured nation in terms of its trade and political relations with the Russian Federation;

(2) in other instances, applicable shall be the rates of customs duties based on the country of origin of foreign goods whose customs value is highest.

§3. Outward Processing Procedure

Article 197. Content of Customs Procedure

1. The outward processing procedure constitutes a customs procedure under which goods are exported from the customs territory of the Russian Federation for the purpose of their processing within a designated period of time (goods processing period) and subsequent re-importation of compensating products manufactured of the exported goods with their complete or partial exemption from customs duties and taxes.

2. Goods are exported from the customs territory of the Russian Federation based on the outward processing procedure with complete conditional exemption from export duties. The exported goods shall not be liable for any economic restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

3. The goods exported based on the outward processing procedure shall not be exempted from any domestic taxes; the paid domestic taxes levied thereto shall not be redeemed or reimbursed.

Article 198. Terms of Placement of Goods under Customs Procedure

1. Goods may be subjected to the outward processing procedure upon permission issued by the customs office concerned (Article 203).

2. The outward processing procedure is permitted when customs authorities are capable of identifying the exported merchandise in the resulting [compensating] products manufactured thereof (Article 199), except the case when the compensating products are substituted by foreign merchandise as per Article 206 of this Customs Code.

3. For the goods to be subjected to the outward processing procedure, they ought to have the status of goods in free circulation. It would be permissible to place under the outward processing procedure the goods enjoying privileges with regard to customs duties and taxes in accordance with the statutes of Russian law provided they are subjected to the outward processing procedure for the purpose of their maintenance/repairs.

4. The Government of the Russian Federation has the right to determine the cases when the outward processing procedure will be prohibited with regard to specific categories of goods, as well as impose restrictions on the quantities or value of the goods targeted for the outward processing procedure with a view to protecting the interests of domestic producers. The above-mentioned restrictions and prohibitions shall go into effect not earlier than in ninety days from the day of official publication of respective normative acts to that effect of the Government of the Russian Federation.

Article 199. Identification of Goods in Compensating Products

1. Identification of exported goods in the compensating products manufactured thereof may be effected by the following methods provided such methods are applicable proceeding from the nature of said goods and the processing operations they are subjected to:

- (1) seals, stamps, digital and other markings affixed by the declarant, processor, or customs officer to the exported goods;
- (2) detailed description of exported goods, their photographic images, and scaled drawings;
- (3) comparison of the results of examination of the preliminarily taken samples and specimens of the exported goods and the compensating products manufactured thereof;
- (4) use of serial numbers and other markings made by the manufacturer of the exported goods;
- (5) documentary proofs that subject to the outward processing procedure have been the exported goods;
- (6) other identification techniques based on application of innovative technologies.

2. Customs authorities determine relevance of the declared technique applied identifying the goods exported for the outward processing procedure in the compensating products manufactured thereof with consideration of the nature of said goods and the processing operations to which they are subjected.

3. Upon a request of an interested person and with the consent of the customs office concerned, identification of goods for customs purposes may be achieved by analysing the submitted information pertaining to raw materials, construction elements and components used for manufacturing goods, as well as the technology applied for manufacturing the compensating products thereof.

Article 200. Goods Processing Operations

The operations applied to the goods subjected to the outward processing procedure include:

- (1) goods processing and machine-tooling operations;
- (2) manufacture of new goods, including goods' assembly or disassembly;
- (3) goods repairs, including their restoration, replacement of their components, and restoration of their consumer properties.

Article 201. Time Terms of Goods Processing Operations

1. The time required for goods processing operations shall be determined by the declarant in coordination with customs authorities and it may not exceed two years.

2. Duration of the outward processing procedure shall be determined proceeding from the time required for the goods processing operations and the time required for the haulage of compensating products within the goods processing period defined in Item 1 herein.

3. Upon a motivated request by the person duly authorised to subject goods to the outward goods processing procedure, customs authorities may extend the initially prescribed time terms of the goods processing operations within the time limits stipulated by Item 1 herein.

4. The goods processing period begins on the day of their placement under the terms of the outward processing procedure, or on the day when the first consignment is subjected to said procedure in case goods are exported by separate consignments.

Article 202. Rate of Yield for Compensating Products for Customs Clearance Purpose

1. The rate of yield of the compensating products (their quantities or pro rata share in the compensating products manufactured as a result of processing of a given quantity of exported goods) shall be determined by the declarant in coordination with the customs office concerned proceeding from the actual conditions of the goods processing procedure, except the instances specified in Item 4 herein, if such measure is acknowledged as expedient for customs control purposes. The rate of yield of the compensating products shall be determined prior to the exportation of goods from the customs territory of the Russian Federation.

2. The rate of yield of the compensating products is coordinated by customs authorities based on pertinent documentation submitted by the declarant containing comprehensive information on the goods processing technology. In determining the rate of yield of compensating products, customs authorities will also rely on the conclusions provided by expert organisations (including customs laboratories) based on the applied goods processing technology.

3. The description, quality, and quantity of the processing products shall be finalised following the approval of the rate of yield of the compensating products.

4. In case the processing operations with the goods featuring permanent properties and characteristics are conducted in compliance with specific technical conditions conducive to the output of the compensating products of invariable quality, the competent bodies duly authorised by the Government of the Russian Federation will establish, for customs clearance purposes, standardised rates of yield for the compensating products.

In case of use of standardised rates of yield of compensating products, their importation, for customs clearance purposes, shall not be permitted with complete or partial exemption from customs duties and taxes in the quantities exceeding the established rates of yield of compensating products.

Article 203. Permit for Outward Processing Procedure

1. Exportation of goods with a view to subjecting them to the outward processing procedure shall only be acceptable for the holder of a valid permit for goods' outward processing procedure.

2. A permit for the outward processing procedure is issued to a declarant.

3. A permit for the outward processing procedure contains:

– the description, quality and quantities of the goods stated for the outward processing procedure and of the compensating products manufactured thereof;

– the goods processing operations and their methods;

– the rate of yield of compensating products provided said rate is determined (Item 4 of Article 202) or coordinated on the date of issue of the permit;

– the methods of identification of exported goods in compensating products;

– the time terms of goods processing;

– other information determined by the Federal Customs Authority as required for customs clearance purposes.

The form of the permit for goods processing is determined by the Federal Customs Authority.

4. A permit for goods processing remains in effect throughout the prescribed time limit of goods processing.

5. The person holding a permit for goods processing shall bear full responsibility for disbursement of customs duties and taxes as per Item 2 of Article 320 of this Customs Code.

Article 204. Issuance of Permit for Outward Processing Procedure

1. In order to obtain a permit for the outward processing procedure a person shall be obliged to submit an application to the customs office concerned containing the following details:

– on the applicant;

– on the person(s) directly involved in the goods processing procedure, and his (her/their) location;

– on the goods intended for outward processing;

– on the goods processing operations, their methods and duration;

– on location of production facilities involved in goods processing operations;

– on the rate of yield for compensating products provided said rate is determined (Item 4 of Article 202) or coordinated on the date of issue of the permit;

– on the compensating products and their quantities;

– on the methods of identification of exported goods in the compensating products manufactured thereof;

– on substitution of compensating products by foreign goods;

– on the time terms of goods processing.

2. The form of the application and the form of presentation of information contained therein is determined by the Federal Customs Authority.

The application ought to be supplemented with the documents confirming the declared information.

3. The customs office concerned considered the submitted application the documents supplemented thereto within 30 days from the day of their acceptance. Within the designated period the customs authorities verify the observance by the applicant of the established terms and conditions and pass a resolution with regard to coordinating the declared rate of yield of compensating products and duration of the processing procedure.

The customs office has the right to request that third parties, as well as the state agencies provide the documents verifying the declared information.

Note: the customs office has the right to extend the period of consideration of the application, but for not more than two months from the date of its acceptance.

4. Submitted as an application for goods processing may be the customs declaration whereby goods were placed under the outward processing procedure provided the original goods at the instance of their exportation and the compensating products manufactured thereof at the instance of their subsequent exportation are declared simultaneously to the same customs office in case:

(1) the purpose of placement of goods under the outward processing procedure is their repairs, including the repairs effected on the compensatory basis;

(2) the customs value of the goods placed under the outward processing procedure does not exceed 500,000 roubles.

5. In case said customs declaration is used as an application for the goods outward processing procedures, the time term of its consideration should not exceed the time limit set for the verification of customs declaration, as stipulated by Item 1 of Article 359 of this Customs Code. In this situation, the compensating products shall be declared at the instance of their importation to the same customs office that issued a permit for their processing procedure.

6. Customs authorities will deny a permit for the goods processing procedure only in case the person who is submitting the application has not observed the terms and conditions set forth in this Paragraph, or in the event customs authorities resolved to refuse to coordinate the declared rate of yield of the compensating products and time terms of goods processing.

Refusal by customs authorities to issue a permit for the goods processing procedure ought to be properly substantiated and motivated. An applicant will be given a written notification with regard to the denial of said permit.

Article 205. Withdrawal of Permit for Goods Processing

1. A permit for goods processing may be revoked by customs authorities in case placement of goods under the outward processing procedure is precluded pursuant to the legal act of the Government of the Russian Federation adopted as per Item 4 of Article 198 of this Customs Code.

2. A decision to revoke the permit goes into effect on the date of entry into force of the respective legal act of the Government of the Russian Federation.

3. In the instance of withdrawal of a permit for goods processing, placement of goods under the outward processing procedure will be prohibited due to withdrawal of the permit, whereas the goods, which had been placed under the outward processing procedure before the permit was revoked, should complete the prescribed customs procedure pursuant to the requirements of this Paragraph.

4. The form of withdrawal of a permit for the outward processing procedure is determined by the Federal Customs Authority.

Article 206. Substitution of Compensating Products by Foreign Goods

Substitution of compensating products by foreign goods, whose description, quality and specifications coincide with those of the compensating products, will only be permitted provided the operations, to which said goods have been subjected pursuant to the outward processing procedure, constituted repairs, or in the instances when customs authorities do not perform identification of goods in accordance with this Customs Code. In case substitution of compensating products by foreign goods is acceptable, importation of foreign goods may be completed prior to the exportation of the Russian goods concerned for their outward processing procedure.

Article 207. Application of Partial of Complete Exemption of Compensating Products from Customs Duties and Taxes

1. Compensating products may be granted complete exemption from customs duties and taxes provided the goods concerned have been exported and subjected to the outward processing procedure for the purpose of warranty (gratuitous) repairs. As regards outward processing of the goods that were released for free circulation in the customs territory of the Russian Federation, such goods will not be granted complete exemption from customs duties and taxes if they were

release for free circulation with consideration of the defects constituting the reason for their repairs.

2. In other cases compensating products shall be partially exempted from customs duties and taxes, except excise taxes, in the following order:

(1) the amount of payable customs duties and taxes shall be defined as a difference between the total import duties levied on compensating products and the total import duties that would be levied on the exported goods as though they were released for free circulation provided their compensating products are subjected to specific rates of customs duties and their outward processing operation is not repairs, or based on the cost of the goods processing operations, which, in the absence of documents confirming the value of such operations, may be defined as a difference between the customs value of compensating products and the customs value of the goods exported for outward processing thereof.

(2) the payable VAT amount shall be determined based on the cost of the goods processing operations, which, in the absence of documents confirming the value of such operations, may be defined as a difference between the customs value of compensating products imported to the customs territory of the Russian Federation and the customs value of the goods exported for outward processing thereof.

3. The excise tax levied on compensating products shall be remitted in full except the instances when a goods outward processing operation constitutes repairs of the exported goods.

4. Compensating products shall not be granted partial or complete relief from customs duties and taxes in case of their importation after the expiry of their prescribed term of processing (Article 201), or in violation of other terms and conditions stipulated by this Paragraph or their inadequate confirmation.

Article 208. Completion of Customs Procedure

1. The goods outward processing procedure shall be completed by importation of compensating products to the customs territory or by another method stipulated by this Article.

2. In case the compensating products are imported to the customs territory of the Russian Federation in several lots, the final verification of their quantity specified in the goods processing permit (Article 203) may be conducted periodically upon importation of the compensating products, but at least quarterly and not later than within 30 days following the importation of the last lot of the compensating products. In case such verifications reveal that the holder of a processing permit is liable for dutiable payments, the amounts of such payments shall be exempted from any penalty fees provided they are reimbursed within 10 working days from the date when the customs office concerned issued a written resolution stipulating remittance of said amounts. Customs authorities will be obliged to send their resolution stipulating the exigency of dutiable payments to the holder of the processing permit not later than on the day following the day of passage of said resolution.

3. The outward processing procedure may be completed by re-importation of the exported goods and/or placement of said goods under the customs procedure applicable to exported goods provided all the terms and conditions stipulated by this Customs Code are observed. Substitution of the goods' outward processing procedure with the export customs procedure is prohibited if the exported goods and the compensating products manufactured thereof are liable for mandatory re-importation pursuant to conformable statutes of the Russian Federation. Substitution of the goods' outward processing procedure with the customs procedure applicable to imported goods is permissible without de facto presentation of goods for inspection to customs authorities.

In case of substitution of the outward processing procedure by the export procedure, the exported goods shall be liable for export duties, if such duties are stipulated, as well as for the interest thereon calculable as though disbursement of the export duties has been postponed from the date of acceptance of the pertinent customs declarations.

4. In case compensating products are placed under a customs processing procedure which does not stipulate their release for free circulation, the amounts of export customs and duties levied on such goods shall not exceed the amounts levied on goods pursuant to Items 2 and 3 of Article 207 of this Customs Code without consideration of penalty fees and interest, except the instance stipulated by Item 5 herein.

5. Upon importation of compensating products manufactured from the goods, which were exempted from customs duties and taxes prior to their exportation (Item 3 of Article 198), at the instance of their release for free circulation such compensating products shall be liable both for the customs duties and taxes payable as per Article 207 of this Customs Code and the import customs duties and taxes from which such products were exempted prior to their exportation for the outward processing procedure.

§4. Temporary Importation

Article 209. Content of Customs Procedure

Temporary importation constitutes a customs procedure under which foreign goods are utilised in the customs territory of the Russian Federation within a designated period of time (goods processing period) with complete or partial conditional exemption from customs duties and without subjecting such goods to any economic restrictions or prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 210. Terms of Placement of Goods under Customs Procedure

1. The customs procedure of temporary importation will be permitted when customs authorities are capable of identifying the imported merchandise at the instance of their re-exportation from the customs territory of the Russian Federation except the cases in accordance

with international treaties, to which the Russian Federation is party, such goods may be substituted by the same category of goods.

2. Customs authorities have the right demand that declarant of the temporary importation procedure provide adequate guarantees of his (or her) proper fulfilment of the terms and conditions set forth by this Customs Code (Article 160) including the declarant's commitment with regard to the goods re-exportation.

3. Subject to the customs procedure of temporary importation may also be foreign goods, which earlier enjoyed the status of other customs procedure provided all terms and conditions stipulated by this Customs Code are observed.

Article 211. Restrictions on Use and Disposal of Temporarily Imported Goods

1. Temporarily imported goods may only be used by the person who has been issued a permit for temporary importation of goods.

2. Customs authorities may permit transfer of temporarily imported goods to another person who will assume the responsibility of the goods declarant as per Article 126 of this Customs Code.

Customs authorities may permit transfer of temporarily imported goods to another person provided said person assumes full responsibility before the customs authorities for observing the terms and conditions stipulated by the customs procedure of temporary importation.

Note: the person who was issued the initial permit for temporary importation shall be obliged to disburse all the duties and taxes for the period when he or she was using the goods under the customs procedure of temporary importation provided said goods were subject to partial conditional exemption from customs duties and taxes, as stipulated by Item 2 of Article 212 of this Customs Code. In case observance of the temporary importation procedure has to be ensured by requisite guarantees (Article 160), the person, to whom said temporarily imported goods are transferred, shall be obliged to formalise respective documents to his (or her) name. This person will enjoy the rights and abide by the responsibilities stipulated by this Customs Code for the person who is issued a permit for temporary importation of goods from the day of authorisation of transfer of the temporarily imported goods by the customs office concerned.

3. The temporarily imported goods ought to be preserved in their original state, except the changes caused by the goods' natural wear and diminution under normal conditions of haulage (transportation), storage, and use (operation). The temporarily imported goods may be subjected to the operations requisite for their preservation, including repairs (except overhaul and upgrading), technical servicing, and other operations, which may be required for maintaining the goods consumer properties and preserving them in the same state as they were on the day of their placement under the customs procedure of temporary importation.

4. Disposal of the temporarily imported goods by the methods other than those stipulated by this Article are prohibited.

5. Transfer of temporarily imported goods to another person pursuant to Item 3 herein will neither suspend nor extend the time term of their temporary importation procedure.

Article 212. Application of Customs Duties and Taxes

1. The categories of goods, which may be temporarily imported with complete conditional exemption from customs duties and taxes, as well as the conditions for such exemptions including the maximum duration of the period of goods temporary importation, shall be determined and listed by the Government of the Russian Federation.

Complete conditional exemption from customs duties and taxes will be with regard to goods subject to the temporary importation if this customs procedure does not inflict any substantial economic damage on the Russian Federation as, in particular, in the following instances:

- subject to temporary importation are containers, pallets, and various kinds of multiple-use packaging;
- if temporary importation is effected in the framework of development of foreign trade relations, or international relations in the field of science, culture, cinematography, spots and tourism;
- if temporary importation is effected for the purpose of humanitarian aid.

2. Other categories of goods, as well as the cases of non-observance of the terms and conditions of complete exemption from customs duties and taxes stipulated by Item 1 herein shall be subject to partial conditional exemption from customs duties and taxes. The goods, which have been granted partial conditional exemption from customs duties and taxes, shall be charged the fees equivalent to 3 per cent of the customs duties and taxes, which would be levied on such goods for each complete and incomplete calendar month of their stay in the customs territory of the Russian Federation if said goods were released for free circulation.

3. In the event of the goods partial conditional exemption from customs duties and taxes, the person holding a permit for the goods temporary importation may opt to make requisite dutiable payments either at the instance of placement of goods under the customs procedure of temporary importation or periodically. Periodicity of payments of customs duties and taxes shall be determined by the holder of a permit for the goods temporary importation in agreement with the customs authorities concerned.

Note: specific terms of disbursement of customs duties and taxes must be determined proceeding from the premise that all dutiable payments should be made before the beginning of respective period.

4. The overall amount of customs duties and taxes levied on goods at the instance of their temporary importation with a partial conditional exemption from customs duties and taxes may not exceed the amount of customs duties and taxes which would be levied on the same goods on the

day of their placement under the temporary importation procedure if those goods were released for free circulation, disregarding any penalty fees due for delayed payment of customs duties and taxes and the banking interest that may be charged pursuant to the requirements the forth paragraph of Item 2 of Article 214 of this Customs Code.

5. In case the amount of customs duties and taxes levied on the goods enjoying partial conditional exemption from customs duties and taxes becomes equal to the amount of customs duties and taxes that would be charged to the goods if they were released for free circulation on the day of their placement under the customs procedure of temporary importation, such goods shall be regarded as released for free circulation provided said goods are not liable for any economic restrictions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities or the restrictions, which applied to the goods on the day of their placement under the customs procedure of temporary importation, have been rescinded.

6. In case of re-export of temporarily imported goods or their placement under other customs procedures, the amounts of customs duties and taxes, which were disbursed upon the goods' partial exemption from customs duties and taxes, shall not be reimbursed.

Article 213. Time Terms of Temporary Importation

1. The duration of the temporary importation procedure shall be two years.

The Government of the Russian Federation may establish shorter and longer the terms of temporary importation for individual categories of goods than those stipulated by Item 1 herein.

The merchandise comprising basic production assets (facilities) provided they are not owned by the Russian persons who are using them in the customs territory of the Russian Federation may be placed under the temporary importation procedure involving partial exemption from customs duties for 34 months.

2. The duration of goods temporary importation shall be determined by customs authorities in compliance with the terms and conditions specified in Item 1 herein proceeding from the application for a permit for temporary importation of goods submitted by an interested person with consideration of the circumstances of such importation.

3. Upon a motivated request of a person who has been issued a permit for the temporary importation procedure in the absence of any breaches of the terms and conditions stipulated by this Chapter, the duration of temporary importation of goods may be prolonged upon a resolution by the customs office concerned within the terms stipulated by Item 1 herein.

Article 214. Completion and Suspension of Customs Procedure

1. All merchandise shall be exported from the customs territory of the Russian Federation or declared for a different customs procedure in accordance with this Customs Code

not later than on the date of expiry of the term of temporary importation prescribed by customs authorities (Article 213).

2. The customs procedure of temporary importation may be completed by goods release for free circulation.

In case the customs procedure of temporary importation is completed by goods release for free circulation the merchandise customs value and quantities shall be determined as of the date of its placement under the customs procedure of temporary importation whereas the rates of customs duties and taxes, as of the date of the declarant's application for the customs procedure for the goods release for free circulation, except for the case stipulated by Item 5 or Article 212 of this Customs Code. The declarant has the right to claim deductions of goods customs value and quantities due to its natural wear and/or diminution under normal conditions of haulage (transportation), storage and use (operation), as well resulting from an accident or force majeure. The goods customs value and/or its quantities may be rectified based on true and documentarily certified information submitted by the declarant to customs authorities.

In determining the amount of customs duties and taxes payable at the instance goods release for free circulation, customs authorities take into account the amounts disbursed for the goods throughout their partial exemption from customs duties and taxes as per Item 2 and 3 of Article 212 of this Customs Code.

At the instance of release of free circulation of the goods which have enjoyed partial conditional exemption from customs duties and taxes, the permit holder shall be obliged to repay the interest for the period when said exemption was in force, which interest shall be charged to the amounts of customs duties and taxes that would have been applicable to the goods if redemption of said amounts were to be made by instalments starting from the day of application of partial exemption from customs duties and taxes, except the case stipulated in Item 5 or Article 212 of this Customs Code.

3. The term of the customs procedure of temporary importation may be suspended:

– in case the temporarily imported goods have been sequestered or withdrawn in accordance with law of the Russian Federation;

– in case the temporarily imported goods have been placed for storage in a bonded warehouse as per Item 3 of Article 217 of this Customs Code;

– upon a request by an interested person holding the permit for temporarily importation made at the instance of placement of the temporarily imported goods, which were partially exempted from customs duties and taxes, under another customs procedure, which does not warrant the goods release for free circulation.

When the period of suspension expires, the term of the temporary importation procedure shall be resumed.

Upon resumption of the term of the temporary importation procedure, the interests whose charging and redemption are stipulated by this Chapter shall be neither charged nor redeemed for the period of suspension of the term of the customs procedure of temporary importation.

§5. Bonded [Customs] Warehouse

Article 215. Content of Customs Procedure

The bonded [customs] warehouse constitutes a customs procedure under which the goods imported to the customs territory of the Russian Federation are stored in customs custody without payment of customs duties, taxes and without application of any economic restrictions established pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, whereas the goods intended for export are stored in customs custody on the terms and conditions stipulated by this Paragraph.

Article 216. Bonded Warehouses

1. Bonded warehouses are set up in specially allocated and equipped rooms or on specialised territories and/or open plots of land meeting the requirements set forth by Article 225 of this Customs Code.

The goods placed under the customs procedure of the bonded warehouse shall be stored in bonded warehouses, except the goods specified in Item 4 of Article 217 of this Customs Code.

2. Bonded warehouses constitute a customs control zone.

3. Goods may be placed for storage to any bonded warehouse with consideration of the restrictions stipulated by this Customs Code.

Article 217. Terms of Placement of Goods under Customs Procedure

1. Placed under the customs procedure of the bonded warehouse may be any merchandise, except the goods and commodities whose importation to and exportation from the Russian Federation is prohibited or the goods subject to the restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities and listed in the Register authorised by the Government of the Russian Federation, as well as the goods and commodities whose the “good-for-use” period on the date of their declaration for the customs procedure of the bonded warehouse is shorter than the terms stipulated by Item 2 of Article 218 of this Customs Code.

2. The goods capable of damaging other goods or requiring special storage conditions ought to be stored in specially equipped bonded warehouses or in isolated rooms thereof with the observance of all mandatory requirements predicated on the Law of the Russian Federation on Technical Regulations.

3. Placed under the customs procedure of the bonded warehouse may be merchandise that was previously subjected to other customs procedures. In the instances stipulated by this Customs Code, foreign goods may also be placed for storage in a bonded warehouse for the purpose of suspending their terms of customs procedures, which do not involve release of goods for free circulation.

4. The goods located in reasonable proximity from a bonded warehouse whose dimensions preclude their placement inside the warehouse may be subjected to the customs procedure of the bonded warehouse without their de facto storage therein upon a written resolution to that effect issued by the customs office concerned. In this case, the declarant of the goods' customs status of the bonded warehouse shall be obliged to submit to the customs office concerned his (or her) guarantee of the dutiable payments in the amount equivalent to that payable for the goods in the instance of their release for free circulation, as well as make a commitment to observe all the terms and conditions stipulated by this Paragraph.

Note: transfer of goods to any third person for use or disposal of by any other way, including the goods' alienation during their term of the customs procedural status of the bonded warehouse, is prohibited.

Article 218. Time Terms of Storage of Merchandise in Bonded Warehouse

1. The maximum term of storage of merchandise in a bonded warehouse is three years.

2. Merchandise with a limited "good-for-use" and/or "good-for-sale" period should be subjected to the customs procedure other than the bonded warehouse and removed from the warehouse not later than 180 days prior to the expiration of its "good-for-use" and/or "good-for-sale" periods with the exception of perishable products whose terms of storage may be shortened by the decision passed by the Federal Customs Authority.

3. Merchandise term of storage shall be stated in the customs declaration within the time terms stipulated by this Article by the person responsible for placing said merchandise under the customs procedure of the bonded warehouse.

4. Upon a motivated request by the person responsible for placing merchandise under the customs procedure of the bonded warehouse, a customs office concerned may extend its term of storage within the time terms stipulated herein.

Article 219. Operations with Goods Stored in Bonded Warehouse

1. The persons endowed with special powers with regard to merchandise placed for storage in bonded warehouses and their representatives have the right to perform ordinary operations required for ensuring the goods preservation in unchanging state including the goods' inspections, measurements and movement within the limits of the bonded warehouse provided

such operations will not entail any change of the goods condition, damage their packaging and/or change the identification facilities affixed to them.

2. Other operations with merchandise, which are not specified in Item 1 herein, including taking of the goods samples and specimens, performing repairs of damaged packaging, as well as the operations needed for preparing goods for departure from the bonded warehouse and their subsequent haulage, such as breaking up of consignments, formation of goods batches, goods grading, packaging, repackaging, marking and operations for improvement of their consumer properties, may be effected upon express permission of customs authorities by the persons endowed with special powers with regard to the goods and their representatives.

The customs authorities have the right to deny permission for such operations if their performance may cause loss of goods or change of their essential properties.

3. The samples and specimens of foreign goods shall be liable for customs duties and taxes identical to those payable for such goods at the instance of their release for free circulation, except the instance when such samples and/or specimens are returned to the bonded warehouse within one month.

4. Alienation of merchandise stored in a bonded warehouse, as well as re-assignment of its ownership rights, the rights to utilise and/or dispose of it will be permissible provided the customs authorities concerned have been preliminarily notified in writing of such measures, except the goods specified in Item 4 of this Customs Code. The person who has thereby acquired ownership rights of said merchandise should be obliged to submit to customs authorities his (or her) written obligation to observe the terms and conditions stipulated by this Paragraph with regard to that merchandise. Starting from the day following the day on which customs authorities received this written obligation, the person who has acquired ownership rights of said merchandise shall be endowed with the rights and assume the responsibilities stipulated by this Customs Code for the person who has placed merchandise for storage in a bonded warehouse.

5. Upon a written permission issued by customs authorities goods may be moved from one bonded warehouse to another before expiry of the time terms specified in Article 218 of this Customs Code. In this situation, the term of storage of merchandise in a bonded warehouse is not interrupted or suspended.

Article 220. Exemption of Export Goods from Dutiable Payments and Indemnity of Paid Taxes and Duties

1. When foreign goods designated for exportation from the customs territory of the Russian Federation, which have been subjected to other customs procedures, are placed for storage to a bonded warehouse, they shall be exempted from customs duties and taxes, or the previously paid amounts of customs duties and taxes shall be reimbursed by customs authorities provided such exemptions and indemnity were stipulated for the goods' de facto exportation from the customs territory of the Russian Federation. In case said foreign goods are not exported from the

customs territory of the Russian Federation, all the customs duties and taxes from which said goods were exempted or which were reimbursed shall be repaid to the customs authorities including the interests thereof. Calculations of the amounts of import duties and taxes, as well as of the interests thereof shall be based on the requirements regulating termination of the term of the preceding customs procedure and in compliance with the terms and conditions regulating placement of goods under the newly selected customs procedure opted by the goods declarant for disposal of said goods on the customs territory of the Russian Federation.

2. The Russian goods intended for exportation from the customs territory of the Russian Federation in accordance with the export customs procedure shall be exempted from domestic taxes, or the domestic taxes levied thereto shall be reimbursed or indemnified if such exemption, reimbursement or indemnity are stipulated for the goods' de facto exportation from the customs territory of the Russian Federation in accordance with the Russian legislation on taxes and duties. If such goods have not been exported within six months from the date of their placement in the bonded warehouse, said exemption, reimbursement and indemnity shall be charged including the interest calculable on the basis of the refinance rates established by the Central Bank of the Russian Federation which was in effect throughout the entire period of storage of goods in the bonded warehouse in accordance with the procedures specified by this Customs Code for levying customs payments.

Article 221. Broken Down, Perished or Damaged Merchandise

Merchandise which has been broken down, perished or damaged as a result of an accident or force majeure in the course of its temporary storage shall be subject to the customs procedure determined by the declarant, as if said merchandise were imported to the customs territory of the Russian Federation in broken down, perished or damaged condition.

Article 222. Determination of Goods Customs Value at instance of their Release for Free Circulation

Whereas calculation of customs duties and taxes levied based on this Customs Code is based on the customs value of goods and/or their quantities following their storage in a bonded warehouse, at the instance of goods release for free circulation, their customs value and/or quantities shall be determined as of the date of their release for free circulation.

Article 223. Completion of Customs Procedures

1. Merchandise stored in a bonded warehouse should be declared for a different customs procedure not later than on the day of expiry of its term of storage in a bonded warehouse (Article 218) in compliance with the terms and conditions stipulated by this Customs Code.

Upon expiry of said term of storage, disposal of such merchandise shall be regulated by Article 41.

2. Any person who is authorised to act as a declarant as per Article 126 of this Customs Code has the right to perform the customs operations required for completing the term of the customs procedure of the bonded warehouse in accordance with this Customs Code.

3. Upon release from the bonded warehouse of the merchandise, which previously enjoyed the customs procedure of temporary importation, for its subsequent use on customs territory of the Russian Federation in compliance with the terms and conditions of this procedure, the term of the merchandise's temporary importation is resumed. In case of its release for free circulation, calculation of dutiable payments thereto shall be made as per Article 214 of this Customs Code.

4. As regards the merchandise subject to the customs procedure of storage in a bonded warehouse, the bonded warehouse owner has the right to declare the customs procedure of merchandise destruction.

Article 224. Types of Bonded warehouses

1. Bonded warehouses may be of open or of closed type.

Bonded warehouses shall have the status of open-type warehouses if they are suitable for storage of any kinds of merchandise and are accessible by any persons.

Bonded warehouses shall have the status of closed-type warehouses if they are intended for the storage of goods belonging to the warehouse owner (Article 226).

2. The Government of the Russian Federation has the right to determine the categories of merchandise, which may be stored in closed-type bonded warehouses.

3. The open- and closed-type bonded warehouses may be used for storing specific kinds of merchandise requiring special storage conditions or capable of causing damage to other goods (specialised bonded warehouses).

Article 225. Technical and Engineering Requirements to Facilities and Location of Bonded Warehouses

1. The rooms and/or open plots of land intended for use as a bonded warehouse ought to be designed and equipped so as to ensure preservation and safety of merchandise, preclude admission to goods of any unauthorised persons (who are not the warehouse employees, who have no powers with regard to the goods and who are not representatives of the persons who have such powers), as well as enable customs control inspection of said goods. The place of location of bonded warehouses shall be chosen with consideration of the interests of trade organisations and other interested persons.

2. Based on Items 1 of this Article, the Federal Customs Authority establishes mandatory requirements to the technical facilities, equipment and the place of location of bonded warehouses and/or open plots of land designated for use as bonded warehouses.

Article 227. Owners of Bonded warehouses

1. A bonded warehouse may be owned by a Russian juridical person included in the Register of Owners of Bonded Warehouses.

2. The owner of a bonded warehouse shall be obliged to ensure storage of goods in customs custody in the instances and on the terms stipulated by this Customs Code.

3. Relations between the owner of the bonded warehouse and the persons committing their goods for storage are established on a contractual basis. The owner of an open-type bonded warehouse is not permitted to decline concluding a goods storage contract provided he (or she) has adequate storage facilities.

4. Bonded warehouses may be owned by customs offices without entering them in the Register of Owners of Bonded Warehouses. The Federal Customs Authority shall be obliged to publish in its official releases at least once in six months the register of bonded warehouses owned by customs authorities, as well as the changes made in said register.

Article 228. Terms of Entry into Register of Owners of Bonded Warehouses

1. The terms of entry into the Register of Owners of Bonded Warehouses are, as follows:

(1) ownership (possession as private property, lease or economic administration) of rooms and/or open plots of land suitable for use in capacity of a bonded warehouse and meeting all laid requirements thereto (Article 225);

(2) guarantee of dutiable payments as per Article 339 of this Customs Code;

(3) availability of the applicant's civil liability insurance policy covering the cases, which may occur as a result of damage caused to the goods belonging to other persons trusted for storage to the owner of said bonded warehouse, or due to breach by other persons of their commitments pursuant to their goods storage contracts. The insurance premium, which the insurer shall be obliged to cover in the event of occurrence of each insurance case to the persons whose property interests have been damaged, shall be determined proceeding from the useful area or useful volume, and it shall be calculated on the basis of 3,500.00 roubles per square metre of useful area if goods were stored at an open plot of land used as a bonded warehouse, or on the basis of 1,000.00 roubles per cubic metre of useful volume if goods were stored in the room used as a bonded warehouse, but it may not be below the sum of two million roubles.

2. In case ownership of rooms and/or open plots of land is exercised on the basis of a lease agreement, such an agreement ought to be concluded for the period of at least one year as on

the date of submission of the application for entry into the Register of Owners of Bonded Warehouses.

Article 228. Application for Entry into Register of Owners of Bonded Warehouses

1. The record certifying entry of a person into the Register of Owners of Bonded Warehouses shall be made based on an application submitted by the person meeting the criteria specified in Article 226 of this Customs Code.

2. Said application for the entry into the Register of Owners of Bonded Warehouses should contain:

(1) an application to the customs office concerned with a request to be entered into the Register of Owners of Bonded Warehouses;

(2) information pertaining to the applicant's name, organisational and juridical form, location, open bank accounts, as well as the size of the authorised (equity) capital, the authorised investment fund or the applicant's share therein;

(3) information pertaining to the type of the bonded warehouse (in case of setting up a bonded warehouse of closed type, substantiation of the necessity and expediency of setting up a bonded warehouse of such type);

(4) information on the available rooms and/or open plots of land owned by the applicant and intended for use as a bonded warehouse, their location, arrangement, facilities, and equipment;

(5) information on dutiable payments as per Article 339 of this Customs Code;

(6) information on the applicant's civil liability insurance policy.

3. The application for entry into the Register of Owners of Bonded Warehouses should be supplemented with the following documents certifying the declared information, including:

– the applicant's incorporation documents and the document certifying the applicant's entry as a juridical person in the General State Register of Juridical Persons;

– the certificate of the applicant's state registration as a juridical person;

– the certificate of the applicant's registration by the tax authorities;

– the documents certifying the applicant's right of ownership of the rooms and/or open plots of land intended for use as bonded warehouses;

– the plans and drawings of the rooms and/or open plots of land intended for use as bonded warehouses;

– the documents certifying the size of the completely formed authorised (equity) capital, the authorised investment fund or the applicant's share therein;

– the documents certifying the applicant's guarantee of dutiable payments as per Article 339 of this Customs Code;

- the bank references certifying the applicant’s accounts opened in them;
 - the applicant’s insurance policy.
4. Each territorially separate room and/or territorially separate open plot of land intended for use as a bonded warehouse shall require a separate application.

Article 229. Certificate of Entry into Register of Owners of Bonded Warehouses

1. Entry of the owner of a bonded warehouse into the Register of Owners of Bonded Warehouses shall be effected with regard to each territorially separate room and/or territorially separate open plot of land used as a bonded warehouse. The owner of the bonded warehouse is issued an individual Certificate of Entry into the Register of Owners of Bonded Warehouses for each territorially separate room and/or territorially separate open plot of land used as a bonded warehouse.

2. The certificate on entry into the Register of Owners of Bonded Warehouses shall contain:

- (1) the name of the owner of a bonded warehouse, the definition of his (or her) organisational and juridical entity and its location;
- (2) information on ownership of each room and/or open plot of land which are used as a bonded warehouse;
- (3) information on the amounts and form of guarantee of dutiable payments to be made as per Article 339 of this Customs Code;
- (4) designation of the type of the bonded warehouse;
- (5) designation of location of the bonded warehouse.

3. The Certificate of Entry into the Register of Owners of Bonded Warehouses shall remain in force for the period of five years.

Article 230. Obligations of Owner of Bonded Warehouse

1. The owner of a bonded warehouse shall be obliged to:

- (1) observe the terms and requirements stipulated by this Customs Code with regard to goods stored in a bonded warehouse;
- (2) keep record of the stored goods in customs custody and submit to customs authorities reports on storage of said goods (Article 364);
- (3) ensure safety of merchandise stored at the bonded warehouse;
- (4) preclude access to the stored goods of any unauthorised persons without permission of customs authorities;

(5) pay customs duties and taxes in the instances stipulated by Item 2 herein, as well as per Item 1 of Article 90 of this Customs Code if the owner of said bonded warehouse holds a valid permit for the domestic customs transit procedure.

2. The owner of a bonded warehouse shall be responsible for payment of customs duties and taxes levied on the goods kept at the bonded warehouse in case of their loss or release without requisite permission by customs authorities. The owner of a bonded warehouse shall not be responsible for payment of customs duties and taxes levied on the goods that have been irretrievably lost as a result of an accident, due to force majeure or their natural diminution under normal storage conditions.

Article 231. Withdrawal of Certificate of Entry into Register of Owners of Bonded Warehouses

The Certificate of Entry into the Register of Owners of Bonded Warehouses may be revoked by customs authorities in the following situations:

(1) breach by the owner of a bonded warehouse of at least one of the terms of entry into the Register of Owners of Bonded Warehouses set forth by Article 227 of this Customs Code;

(2) breach by the owner of a bonded warehouse of his (or her) obligations stipulated by Sub-Item 5) of Item 1 in Article 230 of this Customs Code;

(3) multiple cases of application of administrative penalties to the owner of the bonded warehouse due to non-fulfilment by the latter of his (or her) responsibilities or the administrative offences in the sphere of customs system stipulated by Articles 16.1, 16.2, 16.3, 16.9, 16.11, 16.13, 16.14 and 16.15 of the Code of the Russian Federation on Administrative Offences.

Article 232. Operations with Merchandise in case of Exclusion of Owner of Bonded Warehouse from Register of Owners of Bonded Warehouses

In case the Certificate of Entry into the Register of Owners of Bonded Warehouses has been revoked or the owner of the bonded warehouse excluded from the Register of Owners of Bonded Warehouses due to other reasons, the goods stored in the bonded warehouse ought to be transferred to another bonded warehouse within two months following the date of said exclusion. The owner of the bonded warehouse shall be obliged to notify the persons who placed their merchandise for storage in said bonded warehouse within three days from the date of his (or her) exclusion from the Register of Owners of Bonded Warehouses. Placement of goods to said bonded warehouse shall be precluded beginning from the date following the date of exclusion of the owner of said temporary storage warehouse from the Register of Owners of Bonded Warehouses.

Article 233. Storage of Merchandise at Bonded Warehouses Owned by Customs Offices

1. The bonded warehouses owned by customs offices are warehouses of open type, and they should meet the criteria set forth by Article 225 of this Customs Code.

2. Throughout storage of merchandise at bonded warehouses owned by customs offices, the relations between customs authorities and the persons placing goods for storage at said warehouses shall be regulated by this Customs Code and the Civil Code of the Russian Federation. The contract for storage concluded by a customs office with a person placing goods at a customs-owned bonded warehouse shall be regulated by the requirements of civil law of the Russian Federation pertaining to a public contract. Customs authorities are not permitted to decline conclusion a storage contract if said warehouse has adequate storage facilities.

Acceptance of merchandise for storage by a customs office shall be certified by a receipt to that effect issued to the person who places his (or her) merchandise for storage at a customs-owned bonded warehouse, the form of the receipt being determined by the Federal Customs Authority.

3. The rights, obligations, and responsibilities vested in customs authorities owing to the fulfilment by customs offices of their obligations pursuant to storage of merchandise in bonded warehouses stem from the essence of said obligations based on the general storage requirements stipulated by the Civil Code of the Russian Federation with consideration of the provisions set forth by this Customs Code.

Customs authorities shall be responsible for reimbursement of customs duties and taxes levied on the goods kept in a customs-owned bonded warehouse in case of loss of the goods stored therein, except the cases when the goods have been irretrievably lost as a result of an accident, due to force majeure, or as a result of their natural diminution under normal storage conditions.

4. Storage of goods at a customs-owned bonded warehouse is free of charge. The person who has placed his (or her) goods for storage in a customs-owned bonded warehouse shall be obliged to cover the expenses incurred by the storage of goods as per Item 2 of Article 897 of Part Two of the Civil Code of the Russian Federation pursuant to the procedure approved by the Government of the Russian Federation.

Chapter 16.
COMPLETION OF CUSTOMS PROCEDURES

§1. Re-Import

Article 234. Content of Customs Procedure

1. Re-import constitutes a customs procedure under which the goods under which were previously exported the customs territory of the Russian Federation are imported back to the

customs territory of the Russian Federation within prescribed terms of time (Sub-Item 2) of Item 1 in Article 253) without payment of customs duties and taxes or application of economic restrictions pursuant to Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. For customs clearance purposes, the goods placed under the customs re-import procedure are regarded as goods released for its free circulation.

Article 235. Terms of Placement of Merchandise under Customs Procedure

1. Placement of merchandise under the re-import customs procedure shall be permitted in the following instances:

(1) at the moment of exportation from the customs territory of the Russian Federation, merchandise had the status of the goods released for free circulation or constituted compensating products resulting from processed of foreign goods (Paragraph 1 of Chapter 19);

(2) merchandise has been declared for the customs re-import procedure for three years beginning from the date following the date of its exportation from the customs territory of the Russian Federation. Upon a motivated request by an interested party, the Federal Customs Authority may authorise the extension of the terms with regard to building equipment, equipment used for industrial production, extraction of mineral resources, and similar purposes provided all the other requirements contained herein are observed;

(3) merchandise remains in the same state as it was at the moment of its exportation from the customs territory of the Russian Federation, except the changes resulting from natural wear or natural diminution under normal haulage, storage and utilization (operation) conditions;

(4) all dutiable amounts of import duties, taxes, subsidies and other payments, which are liable for redemption to the state budget at the instance of goods re-import, have been paid.

2. Use of goods outside the customs territory of the Russian Federation for making profit, and/or operations with goods required for their preservation, including repairs (except overhaul and upgrading), technical servicing, and other operations, which may be needed for maintaining the goods consumer properties and preserving them in the same state as they were on the day of their exportation from the customs territory of the Russian Federation, does not preclude placement of said goods under the customs re-import procedure, except the instances when goods repairs have resulted in an increase of their value in comparison with their value on the day of their exportation.

3. Placed under the customs re-import procedure may be the goods, which earlier were subject to other customs procedures.

Article 236. Reimbursement of Import Duties, Taxes, Subsidies and other Charges at Goods Re-Import

1. At the instance of goods re-import, the following charges should be reimbursed to the federal budget:

– the amounts of import duties, taxes, and/or interests thereof when such duties, taxes, and/or interests thereof were not charged or were refunded owing to the goods exportation from the customs territory of the Russian Federation;

– the amounts of domestic taxes, subsidies and other charges unpaid or received directly or indirectly as repayments, privileges or indemnities owing to the goods exportation from the customs territory of the Russian Federation.

2. The amounts of import duties, taxes, and/or interests thereof shall be calculated according to the rules specified in Item 4 of Article 185 of this Customs Code for determining the payable amounts of import duties and taxes at the instance of release of goods for free circulation.

The amounts of domestic taxes shall be calculated proceeding from the rates effective on the date of acceptance of the customs declaration at the instance of exportation of goods from the customs territory of the Russian Federation, as well as the customs value of goods and/or their quantities, as were determined during the exportation of goods from the customs territory of the Russian Federation.

3. The order of calculation of subsidies and other amounts, which are not specified in Item 2 herein, is determined by the Government of the Russian Federation. The Government of the Russian Federation has the right to determine the instances when the specified amounts are levied with interests thereof based on the refinance rates established by the Central Bank of the Russian Federation.

4. The above amounts of customs duties, taxes, subsidies and others including interests charged thereof stipulated by this Article shall be levied by customs authorities in the order established by this Customs Code for levying dutiable payments.

Article 237. Documents and Information Required for Placing Goods under Customs Re-Import Procedure

1. In order to obtain permission for placement of goods under the customs re-import procedure the declarant shall be obliged to inform customs authorities of the circumstances of the goods exportation from the customs territory of the Russian Federation and submit information pertaining to the goods repairs if they underwent any repairs outside the customs territory of the Russian Federation.

2. In order to certify the information contained in Item 1 herein the declarant shall submit to customs authorities the customs declaration which was accepted at the instance of the goods exportation from the customs territory of the Russian Federation, the documents certifying the date

of the goods' conveyance across the customs border of the Russian Federation at the instance of their exportation, and the documents confirming observance by the declarant of the provisions set forth by Article 236 of this Customs Code, as well as the other documents certifying the declared information.

Article 238. Reimbursement of Export Duties at Goods Re-Import

1. The paid amounts of export duties shall be reimbursed if the goods are imported to the customs territory of the Russian Federation in accordance with the re-import procedure not later than in six months from the day following the day of conveyance of goods across the customs border at the instance of their exportation from the customs territory of the Russian Federation.

2. The customs authorities reimburse the paid amounts of customs duties in accordance with the provision of this Customs Code.

§ 2. Re-Export

Article 239. Content of Customs Procedure

Re-export constitutes a customs procedure under which the goods, which were previously imported to the customs territory of the Russian Federation, are exported from said territory exempt from or with reimbursement of the paid customs import duties and taxes and without subjecting them to the economic restrictions or prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 240. Terms of Placement of Goods under Customs Procedure

1. The customs re-export procedure applies to foreign goods, including those imported to the customs territory of the Russian Federation in violation of the prohibitions imposed pursuant to the provisions of the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities (Item 1 of Article 13).

The goods released for free circulation may be placed under the customs re-export procedure provided the requirements stipulated by Article 242 of this Customs Code are observed.

2. Placed under the customs re-export procedure may be the goods, which were previously subjected to other customs procedures, for the purpose of completing their term of such customs procedure in accordance with this Customs Code.

3. Federal laws and other legal norms and statutes of the Russian Federation and/or international treaties to which the Russian Federation is party may establish additional terms and conditions for placement of goods under the customs re-export procedure.

Article 241. Application of Customs Duties and Taxes to Goods under Re-Export Procedure

1. At the instance of re-export, goods shall be exempted from import duties and taxes, and/or the amounts, which were previously levied on them, reimbursed provided said exemption and/or reimbursement are stipulated by the terms of the customs procedure said goods have been subject to during their stay in the customs territory of the Russian Federation.

2. At the instance of re-export, goods shall be exempted from import duties.

Article 242. Application of Customs Re-Export Procedure to Goods Released for Free Circulation

1. The goods released for free circulation may be subject to the re-export procedure if it has been established that at the instance of their conveyance across the customs border said goods featured various defects or otherwise failed to comply with the conditions of the foreign economic transaction with regard to their quantity, quality, description, or packaging for which reason said goods are returned to the supplier or to another person designated by the supplier provided the following terms and conditions are observed:

- the goods have not been used or repaired in the Russian Federation, except for the cases when the use of said goods was necessitated for the purpose of detecting their defects or revealing other circumstances causing the return of said goods;

- the goods are identifiable by customs authorities;

- the goods are re-exported within six months beginning from the day of their release for free circulation.

2. During re-export of goods as per Item 1 herein, the paid amounts of customs duties and taxes are reimbursed pursuant to Article 356 of this Customs Code.

§ 3. Destruction**Article 243. Content of Customs Procedure**

The destruction constitutes a customs procedure under which foreign goods are destroyed under customs control without payment of customs duties and taxes or application of any economic restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 244. Terms of Placement of Goods under Customs Procedure

1. Destruction of goods is permissible provided the goods subjected to the destruction procedure cannot be restored in their original state by any economically beneficial method.

2. The customs destruction procedure may not be applied to the following categories of goods:

- (1) cultural values;
- (2) the kinds of animals and plants under the threat of extinction, their parts and derivatives, except the cases when their destruction is necessitated by prevention of epidemics and epizooties;
- (3) the goods accepted by customs authorities as collateral until the collateral-based relations are completed;
- (4) the goods which have been withdrawn or sequestered in accordance with law of the Russian Federation;
- (5) the other goods listed in the register approved by the Government of the Russian Federation.

3. Destruction of goods is prohibited when:
- it may inflict substantial damage on environment or pose direct or potential threat to human life and health;
 - it involves their consumption in accordance with their regular intent;
 - it may incur expenses on the state bodies of the Russian Federation.

Article 245. Time Terms and Place of Merchandise Destruction

1. The time terms for merchandise destruction are determined by customs authorities based on the declarant's applications proceeding from the time which could be reasonably required for accomplishing the operations for destroying said category of merchandise by the declared method, as well as the time that may be required for hauling the merchandise from the place of its storage to the place of its destruction.

2. The place intended for merchandise destruction shall be designated by the declarant with consideration of the requirements of Russian law on environmental protection.

Article 246. Application of Customs Destruction Procedure to Merchandise Destroyed by an Accident or *Force Majeure*

1. The customs destruction procedure may be applied to the goods, which have been destroyed, irretrievably lost, or damaged as a result of an accident or force majeure.

2. At the instance of placing any destroyed or damaged merchandise under the customs destruction procedure the provisions of Item 1 of Article 244 and Article 247 of this Customs Code shall apply.

Article 247. Wastes

1. The wastes, which have formed as a result of destruction of foreign goods, shall be liable for customs duties and taxes equivalent to those payable for the goods imported to the customs territory of the Russian Federation in the state of said wastes, except for the instances when the wastes have been exported from the customs territory of the Russian Federation or processed into the state in which they become unsuitable for further commercial utilization in the customs territory of the Russian Federation and in which they cannot be restored to their original state by any economically beneficial method.

The wastes liable for customs duties and taxes should be declared.

2. For the purpose of levying customs duties and taxes, wastes shall be regarded as goods imported to the customs territory of the Russian Federation.

3. The wastes customs value shall be determined based on the rules stipulated by Article 183 of this Customs Code.

4. The wastes declarant bears full responsibility for the disbursement of requisite customs duties and taxes.

§ 4. Rejection in Favour of State

Article 248. Content of Customs Procedure

Rejection of goods in favour of the state constitutes a customs procedure under which goods are transferred to the state property free of charge and without payment of customs duties and taxes or application of economic restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 249. Terms of Placement of Goods under Customs Procedure

1. Rejection of goods in favour of the state should not involve any expenses on the part of the state bodies of the Russian Federation, which cannot be reimbursed by the funds raised as a result of sale of said goods.

2. The customs procedure of goods rejection in favour of the state may not be applied to the goods prohibited for circulation in accordance with the law of the Russian Federation.

3. The list of goods and commodities, which may not be placed under the customs procedure of goods rejection in favour of the state, is approved by the Government of the Russian Federation.

Article 250. Status of Goods Rejected in Favour of State

1. The goods placed under the customs procedure of goods rejection in favour of the state shall be transferred to federal property in accordance with this Customs Code.
2. Beginning from the moment of their transfer to federal property, the goods and commodities rejected by a person in favour of the state, for customs clearance purpose, shall acquire the status of goods released for free circulation in the customs territory of the Russian Federation.

Article 251. Responsibility for Non-Observance of Customs Procedures

Responsibility for the lawful disposal of goods through their placement under the customs procedure of goods rejection in favour of the state shall be vested in declarant. Customs authorities shall not indemnify any property claims raised by the persons who have powers with regard to the goods, which the declarant has rejected in favour of the state.

**Chapter 21.
SPECIAL CUSTOMS PROCEDURES**

§1. Temporary Exportation

Article 252. Contents of Customs Procedure

1. Temporary exportation constitutes a customs procedure under which the goods in free circulation in the customs territory of the Russian Federation may be temporarily used outside the customs territory of the Russian Federation with their full conditional exemption from export duties and taxes and free from any restrictions of economic nature stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.
2. The goods exported pursuant to the customs temporary exportation procedure shall not be exempted from domestic taxes; the domestic taxes levied thereto shall not be redeemed or reimbursed.

Article 253. Terms of Placement of Goods under Customs Procedure

Temporary exportation of goods shall be permissible provided the temporarily exported goods may be identified by customs authorities at the instance of their re-importation, except the instances when temporarily exported goods may be substituted by goods of the same make pursuant to the international treaties to which the Russian Federation is party.

Article 254. Time Terms of Temporary Exportation

1. The time terms of temporary exportation are prescribed by customs authorities based on the declarant's request proceeding from the purpose and circumstances of given exportation and with consideration of the provisions of Item 2 herein.

Upon the declarant's motivated request, the declared time terms of temporary exportation of goods may be prolonged with consideration of the provisions of Item 2 herein.

2. The Government of the Russian Federation has the right to prescribe the time limits regulating the terms of temporary exportation for individual categories of goods whose re-importation to the customs territory of the Russian Federation is mandatory under law of the Russian Federation.

Article 255. Application of Customs Duties and Taxes to Goods under Temporary Exportation Procedure

1. The goods under the customs temporary exportation procedure shall be conditionally exempted from customs duties and taxes.

2. In case of non-importation of the temporarily exported goods, the export customs duties and taxes applicable to said goods shall be repaid proceeding from the goods customs value and/or quantity at the instance of the exportation, as well as the rates of customs duties effective on the date of the goods declaration for the customs procedure of temporary exportation. In addition, the declarant shall be charged interest on said dutiable payments based on the refinance rates established by the Central Bank of the Russian Federation as though said dutiable payments were postponed on the day of placement of goods under the customs procedure of temporary exportation. No interest shall be charged on the amounts of customs export duties at the instance of declaration of the customs export procedure with regard to natural gas, which has been temporarily exported through a pipeline for storage in an underground reservoir outside the customs territory of the Russian Federation.

Article 256. Completion of Customs Procedure

1. The goods under the customs temporary exportation procedure shall be liable for re-importation to the customs territory of the Russian Federation (Article 254) or declared for a different customs procedure not later than on the date of expiry of the time term stipulated by customs authorities for their temporary exportation.

2. Upon a request made by a person responsible for the placement of goods under the customs temporary exportation procedure, customs authorities may substitute the customs procedure of temporary exportation by the customs export procedure provided all conditions and requirements stipulated by this Customs Code are observed, except in the instances when, in

accordance with law of the Russian Federation, the temporarily exported goods shall be subject to mandatory re-importation to customs territory of the Russian Federation.

3. In case the property rights to the temporarily exported goods have been transferred to a foreign person, the Russian person responsible for the placement of said goods under the customs procedure of temporary exportation shall be obliged to change the customs procedure of temporary exportation for the customs export procedure, except in the instance stipulated by Item 2 herein.

4. Substitution of the goods customs procedure of temporary exportation by the customs export procedure may be effected without actual presentation of the goods concerned to customs authorities for inspection.

Article 257. Responsibility for Dutiable Payments

Responsibility for the dutiable payments pursuant to Item 2 of Article 320 of this Customs Code shall be borne by the person who has placed the goods under the customs procedure of temporary exportation.

§2. Duty-Free Trade

Article 258. Content of Customs Procedure

1. Duty-free trade constitutes a customs procedure under which foreign goods imported to the customs territory of the Russian Federation or Russian goods are sold by retail in duty-free shops directly to natural persons at the instance of their departure from the customs territory of the Russian Federation without payment of customs duties and taxes, or application of any economic restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. Sale of the goods specified in Item 1 herein in duty-free shops is effected under customs control in the customs territory of the Russian Federation at the border gates established at the State Border of the Russian Federation.

3. Upon placement of Russian goods under the duty-free trade customs procedure, said goods shall be exempted from domestic taxes; the paid domestic taxes levied thereto shall be redeemed or reimbursed in accordance with the Law of the Russian Federation on Duties and Taxes.

4. Upon placement of foreign goods under the duty-free trade customs procedure, the disbursed domestic import duties and taxes levied thereto shall be redeemed provided such redemption is stipulated for de facto exportation of said goods from the customs territory of the Russian Federation in compliance this Customs Code.

Article 259. Terms of Placement of Goods under Customs Procedure

1. Subject to the duty-free trade customs procedure may be any merchandise, except the goods whose importation to and exportation from the Russian Federation or whose circulation in the territory of the Russian Federation is prohibited, as well as the other goods listed in the register approved by the Government of the Russian Federation.

2. The goods, which are placed under the duty-free trade customs procedure, may only be declared by the owner of a duty-free shop. The owner of a duty-free shop may only be a Russian juridical person.

3. Placement of goods under the duty-free trade customs procedure will be permitted in the following instances:

(1) the goods are intended for retail sale in a duty-free shop which was set up in accordance with Article 261 of this Customs Code;

(2) payment of customs duties and taxes has been guaranteed as per Article 31 of this Customs Code.

4. The goods used for ensuring functioning of a duty-free shop shall not be subjected to the duty-free trade customs procedure.

Article 260. Customs Requirements to Facilities, Equipment Duty-Free Shop

1. The rooms of a customs-duty shop may comprise a sales area, backrooms, and storerooms.

The sale area, the back- and storerooms ought to be equipped so as to ensure sale of goods exclusively in the sales area of a duty-free shop, as well as preservation of goods and possibilities of subjecting them to customs control measures.

2. The Federal Customs Authority has established special mandatory requirements to the facilities and equipment of the storerooms serving the needs of a duty-free shop if said storerooms are located outside the border-gate area of the State Border of the Russian Federation, as per provisions stipulated in Article 107 of this Customs Code.

3. The sales areas of duty-free shops ought to be situated so as to preclude any possibility of leaving purchased duty-free goods in the customs territory of the Russian Federation including the possibility of handing them over to natural persons staying in said territory.

4. All rooms comprising a duty-free shop constitute a customs control zone.

Article 261. Setting Up Duty-Free shop

1. Duty-free shops are set up and inaugurated in accordance with the requirements of the customs procedures established at the border-gate areas of the State Border of the Russian Federation provided the duty-free shop owners have obtained all requisite registrations and

licences for effecting retail trade operations with duty-free goods whenever availability of said registrations and licences is predicated on respective statutes of the Russian Federation, the statutes of the constituencies of the Russian Federation, and/or the normative legal acts adopted by the local self-governance bodies concerned.

2. The owner of a duty-free shop shall be obliged to send a preliminary notification to the customs office concerned designating the date of inauguration of the duty-free shop. Release of goods in compliance with the terms and conditions of the duty-free trade customs procedure shall only be permissible following the receipt of said notification.

Article 262. Obligations and Responsibilities of Duty-Free Shop Owner

1. The owner of a duty-free shop shall be obliged to:

- (1) observe the terms and conditions stipulated by the duty-free trade customs procedure;
- (2) observe the requirements laid to the equipment and facilities of a duty-free shop (Article 260);
- (3) exclude any possibility of utilisation of goods supplied to a duty-free shop for any purpose other than their retail sales;
- (4) keep record of the goods supplied to and sold by a duty-free shop, and submit to customs authorities respective reports thereof (Article 364);
- (5) preserve the goods placed under the duty-free trade customs procedure only in the store- and backrooms of the duty-free shop;
- (6) pay the customs duties and taxes stipulated by Item 2 herein and Item 2 of Article 263 of this Customs Code, as well as in the instance stipulated by Item 1 of Article 90 of this Customs Code if the owner of the duty-free shop also holds a permit for the domestic customs transit procedure;
- (7) observe the requirements established by law of the Russian Federation in the sphere of trade operations with consideration of the peculiarities stipulated by this Customs Code;
- (8) notify the customs office concerned of the decision to close down a duty-free shop.

The owner of a duty-free shop shall be responsible for paying duties and taxes levied on the foreign goods placed under the duty-free trade customs procedure in case of their losses or utilisation for the purposes other than their retail sales in duty-free shops to the natural persons departing from the customs territory of the Russian Federation in compliance with the terms and conditions stipulated in this Chapter. The owner of a duty-free shop shall not be responsible for paying duties and taxes on the goods only in the instance of their destruction or irretrievable loss due to an accident or force majeure or their natural wear and diminution under normal storage and sales conditions.

Article 263. Operations with Goods in case of Closing Down of Duty-Free Shop

1. In case of closing down of a duty-free shop, the foreign goods enjoying the status of the duty-free customs procedure shall be subject to another customs procedure within fifteen days from the day following the date of closing down of said shop.

2. In case of closing down of a duty-free shop, the redemptions of the domestic taxes, which were levied on the Russian goods at the instance of their placement under the duty-free trade customs procedure which still remained in the duty-free shop, shall be repaid pursuant to the Law of the Russian Federation on Duties and Taxes including the interest charged on said amounts based on the refinance rates of the Central Bank of the Russian Federation which were effective at the time of the goods' storage in the duty-free shops in accordance with the order stipulated by this Customs Code for levying dutiable payments.

3. Beginning from the day following the date of closing down a customs-duty shop, the goods placed under the duty-free trade customs procedure shall be regarded for customs clearance purposes as the goods subjected to a temporary storage procedure. Sale of such goods or placement of other goods in the duty-free shop is prohibited.

4. The exigency of closing down a duty-free shop does not relieve its owner of the responsibility to observe the terms and conditions stipulated by this Customs Code.

§3. Relocation of Stores**Article 264. Content of Customs Procedure**

1. Relocation of stores constitutes a customs procedure under which the merchandise intended for consumption on board sea- and riverboats, aircraft or railway trains used for paid international haulage of passengers or for the paid or free of charge international industrial or commercial haulage of goods and commodities, as well as the goods intended for sale to crewmembers and passengers of such on board sea- and riverboats, aircraft or railway trains shall be conveyed across the customs border exempted from customs duties and taxes and free of any prohibitions and restrictions of economic nature stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. Upon exportation of merchandise under the customs procedure of relocation of stores, such goods shall be exempted from either payment or redemption of domestic taxes unless the Russian legislation on taxes and duties contains other provisions thereto.

Article 265. Placement of Goods under Customs Procedure

1. Placed under the customs stores relocation procedure may the merchandise (hereinafter, stores):

- required for ensuring normal operation, technical maintenance and servicing of sea- and/or riverboats, aircraft, and/or railway trains en route to their destinations or at their intermediate ports of call, air terminals, or train stations (including fuels and lubricants);
 - intended for consumption by the passengers and crewmembers on board sea- and riverboats, aircraft and/or railway train whether such stores are intended for sale or not;
 - intended for sale to passengers and crewmembers on board sea- and riverboats and aircraft rather than for consumption of such stores on board said vessels.
2. The stores are placed under the customs relocation procedure regardless of the country of registration or national identity of sea- and/or riverboats, aircraft, and/or railway train coaches.
 3. The customs stores relocation procedure shall not apply to the spare parts and equipment required for ensuring normal operation, technical maintenance and servicing of sea- and/or riverboats, aircraft, and/or railway trains en route to their destinations or at their intermediate ports of call, air terminals, or train stations (including fuels and lubricants).
 4. The customs stores relocation procedure shall apply to the stores used on board sea- and riverboats for merchant marine purposes, on board civil aviation, state-owned or experimental aircraft, except the instances when said means of transport are used by natural persons for private purposes (Chapter 23).

Article 266. Terms of Exemption from Dutiable Payments

1. Upon importation to the customs territory of the Russian Federation, the stores on board sea- and/or riverboats and/or aircraft shall be exempted from customs duties and taxes provided the stores remain on board said vessels throughout their stay in the customs territory of the Russian Federation.
2. Upon importation to the customs territory of the Russian Federation, the stores on board railway trains required for normal operation, technical servicing and maintenance of train coaches, as well as the stores intended for consumption by the train passengers and train crews shall be exempted from customs duties and taxes provided said stores remain on board the train throughout their stay in the customs territory of the Russian Federation.
3. In case foreign goods, which are intended for sale to the passengers and crewmembers on board sea- and/or riverboats, aircraft, and/or railway trains without their consumption on board said vessels and/or trains, are placed under the customs procedure of stores relocation, such goods will be exempted from customs duties and taxes provided they are sold outside the customs territory of the Russian Federation with consideration of the provisions of Item 3 or Article 267 of this Customs Code.
4. At the instance of exportation from the customs territory of the Russian Federation, the stores on board sea- and/or riverboats and/or aircraft shall be exempted from customs duties and taxes if said stores are exported in the quantities corresponding to the number of passengers and

crewmembers, the voyage or flight duration and sufficient for ensuring normal operation and technical maintenance of said vessels with consideration of the quantities of stores already available on board said vessels.

5. At the instance of exportation from the customs territory of the Russian Federation, the stores on board railway trains, which are required for ensuring normal operation and technical maintenance of said trains, as well as the stores intended for consumption by the passengers and crew aboard the train, shall be exempted from customs duties and taxes provided said stores are exported in the quantities required for ensuring normal operation and technical maintenance of said trains and for consumption by the train passengers and crew en route to the train destination with consideration of the quantities of stores already available on board said train.

6. Upon permission issued by the customs office concerned the stores may be temporarily unloaded and transferred to other vessels or trains performing international haulage of merchandise and passengers provided the terms and conditions stipulated by this Paragraph are observed.

Article 267. Utilisation of Stores

1. The stores intended for consumption by passengers and crewmembers on board sea- and/or riverboats, and the stores intended for ensuring normal operation and technical maintenance of said vessels may be consumed and/or utilised on board said vessels throughout their stay in the customs territory of the Russian Federation in the quantities corresponding to the number of passengers and crewmembers, duration of stops, including the stops required for repairs of sea- and/or riverboats in docks or dockyards provided their crewmembers remain on board said vessels.

2. At the instance of making planned landings in one or several airports situated in the customs territory of the Russian Federation, the stores intended for ensuring normal operation and/or technical maintenance on board the aircraft as well as the stores intended for consumption by passengers and crewmembers during the stay of said aircraft at the premises of the intermediate airports and in flight between such airports, may be consumed during such stays or in flight between the intermediate airports.

3. The stores, which are intended for sale to passengers and crewmembers on board aircraft without their consumption on board, may be sold throughout the stay of said aircraft in the customs territory of the Russian Federation provided such stores are sold on board aircraft.

4. The stores on board railway trains intended for consumption by the passengers and crew aboard the train as well as the stores required for ensuring normal operation and technical maintenance of said trains may be consumed and/or utilised on board said trains en route to the train destinations or during the train stops at intermediate stations, while in the customs territory of the Russian Federation, in the quantities corresponding to the number of train passengers and crew as well as with consideration of the duration of stops and travel.

5. Customs authorities have the right to oblige the carrier to take adequate measures for ensuring the observance of terms and conditions of utilisation and consumption of stores as per this Paragraph through the stay of sea- and/or riverboats, aircraft, and/or railway trains in the customs territory of the Russian Federation. Upon the resolution by customs authorities, the rooms used for the keeping stores may be secured by customs seals and stamps affixed thereto.

§ 4. Other Special Customs Procedures

Article 265. Other Special Customs Procedure

Other special customs procedures may be applied to the following goods at the instance of their conveyance across the customs border:

(1) the goods, which are exported from the customs territory of the Russian Federation for the purpose of ensuring functioning of the embassies, consular offices, representative offices accredited to international organisations, and other official representative offices of the Russian Federation abroad;

(2) the goods, which are conveyed across the customs border between military units of the Russian Federation located both in the customs territory of the Russian Federation and beyond;

(3) the goods, which are conveyed across the customs border for the purpose of preventing and liquidating the consequences of natural calamities and other extraordinary situations, including the goods intended for free distribution among the persons who have suffered from natural disasters, the goods required for performing emergency rescue operations and other exigent tasks, as well as the goods supplied to support the functioning of emergency rescue teams;

(4) the goods, which are exported to the former Soviet Union republics for the purpose of ensuring functioning of medical institutions, sports and health resorts, and other social sphere institutions whose property remains in the ownership of the Russian Federation or its constituencies, as well as for enabling Russian organisations to pursue non-commercial scientific investigation activities on said territories in the interests of the Russian Federation;

(5) the Russian goods, which are conveyed between customs border gates across the territory of a foreign country.

Article 269. Content of Special Customs Procedures and Terms of Placement of Goods under Special Customs Procedures

1. The special customs procedures stipulate complete exemption of goods under said procedures from customs duties and taxes, and non-application to them of the economic restrictions and prohibitions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. Placement of goods under the special customs procedures does not involve either reimbursement of the paid customs duties and taxes or redemption and indemnity of the domestic taxes, except the instances when the selected special customs procedure is substituted by the customs export procedure.

3. The other terms and conditions regulating placement of goods under the special customs procedures, as well as imposition of various restrictions on the use and disposal of the goods placed under said customs procedures are approved by the Government of the Russian Federation.

Section 3. SPECIAL CUSTOMS PROCEDURES

Chapter 26. CONVEYANCE OF MEANS OF TRANSPORT

Article 270. Customs Procedures Applicable to Means of transport

Means of transport are conveyed across the customs border in accordance with the customs procedures of temporary importation or temporary exportation in the order as specified by this Chapter.

Article 271. Temporary Importation of Means of transport

1. Temporary importation of means of transport to the customs territory of the Russian Federation with complete exemption from customs duties and taxes shall be permissible provided:

(1) said means of transport is registered by a foreign person and (on) the territory of a foreign country;

(2) said means of transport is imported to the customs territory of the Russian Federation and used by a foreign person, except the situations when said means of transport is used by the Russian person who has been duly authorised by a foreign person in that regard;

(3) said means of transport are not used in the customs territory of the Russian Federation for domestic haulage;

(4) following its importation, said means of transport is not rented (or sub-rented if said means of transport has already been imported as a rented vehicle), except for the cases when a (sub-)rental contract is concluded with a view to completing a goods haulage operation by immediate exportation of the means of transport.

2. The Government of the Russian Federation has the right to prescribe regulations for the cases of temporary importation of means of transport to the customs territory of the Russian Federation with complete exemption from customs duties and taxes if the temporarily imported means of transport is used or registered by a Russian person and the other terms and conditions stipulated by Sub-Item 1) through 4) of Item 1 herein are not observed provided the property rights

to said means of transport are not transferred to a Russian person throughout the entire period of its temporary importation.

3. In the instances when complete exemption from customs duties and taxes is not applied as per Items 1 and 2 herein and the terms and conditions stipulating the application of complete exemption from customs duties and taxes are not observed, such a means of transport shall be subject to a partial exemption from customs duties and taxes in accordance with the procedures stipulated by this Customs Code with regard to temporarily imported goods (Article 212).

4. The customs procedure of temporary importation with regard to means of transport is completed at the instance of their re-exportation within the time terms stipulated by Article 272 of this Customs Code. Upon permission of customs authorities, the customs procedure of temporary importation with regard to temporarily imported means of transport may also be completed pursuant to the requirements stipulated by Article 214 of this Customs Code regulating the completion of the customs procedure of goods temporary importation.

Article 272. Time Terms for Temporary Importation of Means of transport

1. Re-exportation of imported means of transport ought to be effected immediately following the completion of a goods haulage operation for which it has been temporarily imported.

2. In excusive situations for customs clearance purposes the customs authorities have the right to prescribe the time limits to the temporary importation of a means of transport proceeding from the carrier's request and with consideration all the circumstances associated with intended haulage operation.

Upon a motivated request of an interested party, the customs authorities may extend the initially prescribed term of temporary importation.

Article 273. Operations with Temporarily Imported Means of transport

The temporarily imported means of transport may be subjected to regular servicing and repairs operations that may be required in the course of its travel to the customs territory of the Russian Federation or its operation on said territory.

Article 274. Temporary Exportation of Means of transport

1. Temporary exportation of a means of transport is permissible provided said means of transport enjoys the status of free circulation in the customs territory of the Russian Federation and it is registered by a Russian person, except the case stipulated by Item 3 herein.

2. The means of transport subject to temporary exportation shall be exempted from customs duties and taxes.

3. The temporary exportation of a means of transport, which was previously temporarily imported to the customs territory of the Russian Federation with partial exemption from customs duties and taxes will be permissible provided said temporary exportation is effected by Russian person who has no property rights with regard to said means of transport regardless of the fact whether it is registered by the Russian person or not.

Note: the customs procedure of temporary importation is applied to such means of transport with regard to payment of customs duties and taxes prior to the expiry of the term of this procedure pursuant to the regulations stipulated by Article 214 of this Customs Code.

4. Temporary exportation of means of transport is permissible regardless of the person exporting it or its intended use outside the customs territory of the Russian Federation.

Article 275. Time Terms of Temporary Exportation

The time terms of temporary exportation of means of transport are unlimited.

Article 276. Re-Importation of Temporarily Exported Means of transport

1. In the instance of re-importation of the temporarily exported means of transport to the customs territory of the Russian Federation, it shall be exempted from customs duties and taxes unless said means of transport was subjected to processing operations outside the customs territory of the Russian Federation, except:

- repairs, technical servicing, maintenance, or other operations which were required for preserving its safety and serviceability, as well as maintaining it in the same state as it was on the day of its placement under the customs procedure of temporary importation;
- the repair operation effected gratis owing to law or a contract;
- the repair operations, including overhaul, which are effected for the purpose of restoring said means of transport after it has been damaged due to an accident or force majeure outside the customs territory of the Russian Federation.

2. In case the means of transport which has been subjected to repairs and/or other operations outside the customs territory of the Russian Federation is not exempted from customs duties and taxes as per Item 1 herein, that means of transport shall be partially exempted from customs duties and taxes as per provisions of Article 204 of this Customs Code which are applicable to the customs duties and taxes levied on the compensating products pursuant to the customs outward processing procedure.

In determining the cost of a processing operation, the expenses incurred by the relocation of said means of transport to the processing site and back shall not be taken into consideration if said relocation constitutes international haulage of freight or passengers.

Article 277. Change of Customs Procedure of Temporary Exportation

1. The customs procedure temporary exportation applicable to the temporarily exported means of transport may be substituted by the customs export procedure or another customs procedure provided all terms and conditions stipulated by this Customs Code are observed.

2. In case the property rights to the temporarily imported means of transport have been transferred to a foreign person, the person, who placed said means of transport under the customs procedure of temporary exportation, shall be obliged to change the customs procedure of temporary exportation for the customs export procedure.

3. A change of the customs procedure of temporary exportation may be effected without actual presentation of the means of transport concerned to customs authorities for inspection.

Article 287. Temporary Importation and Temporary Exportation of Equipment and Spare Parts

1. The temporarily imported special-purpose equipment intended for loading, unloading, tackling, and preservation of cargoes, which is conveyed to the customs territory of the Russian Federation together with the means of transport, irrespective of whether or not said equipment might be used independently from the means of transport, shall enjoy complete conditional exemption from customs duties and taxes.

2. The temporarily imported spare parts and equipment intended for repairs, technical servicing, or operation of the means of transport, shall enjoy complete conditional exemption from customs duties and taxes.

3. The temporarily imported spare parts intended as replacements for the built-in parts and equipment installed in the temporarily exported means of transport in the process of repairs or technical servicing, shall enjoy complete conditional exemption from customs duties and taxes at the instance of their temporary exportation from the customs territory of the Russian Federation.

Importation to the customs territory of the Russian Federation of the replaced spare parts and equipment may be permitted with complete conditional exemption from customs duties and taxes applicable to the customs re-import procedure.

Article 279. Customs Registration of Means of transport, Spare Parts and Equipment

1. The customs registration of means of transport, spare and equipment thereto may be simplified at the point of their entry to or departure from the customs territory of the Russian Federation.

The customs registration of means of transport is performed at the places of location of customs offices during their working hours.

2. In the process of customs registration of means of transport customs authorities will accept as a customs declaration the carrier's standard documents stipulated by the international treaties to which the Russian Federation is party in the sphere of transportation provided they contain requisite information on the means of transport, its route, freight, stores, crew, and passengers, the information explicating the purpose of importation (exportation) of a means of transport and/or the names (descriptions) of the spare parts and equipment which are conveyed across the customs border for the purpose of repairs or operation of the means of transport.

In case the standard documentation submitted by the carrier do not contain all the required information, the lacking information shall be furnished to the customs office by way of submission, respectively, of the exit or the entry declaration based on the form approved by the Federal Customs Authority.

Note: the standard documentation submitted by the carrier shall be regarded as an inseparable part, respectively, of the exit or the entry declaration.

The customs authorities have no right to demand from the carrier any other information.

The carrier shall be obliged to submit to customs authorities the exit or the entry declaration, respectively, at the instance when the means of transport is departing from or arriving at the customs territory of the Russian Federation.

3. Placement of means of transport under the customs procedure of temporary importation or temporary exportation in the instances stipulated by Item 1 of Article 271, Article 274 and Item 1 of Article 276 of this Customs Code is effected upon submission by the carrier, respectively, of the exit or the entry declaration.

In other situations, means of transport are declared in accordance with the regulations stipulated by this Customs Code for declaring goods and commodities (Article 14).

In case spare parts and equipment are conveyed across the customs border together with a means of transport as per Article 278 of this Customs Code, information pertaining to them may be declared in the exit or the entry declaration submitted with regard to this means of transport.

4. In case the requirements applied to the documents submitted to customs authorities at the instanced of entry or exit of means of transport are stipulated by international treaties in the sphere of transportation to which the Russian Federation is party, used for customs clearance purpose shall be the documents stipulated by said treaties of the Russian Federation/

5. In case a means of transport has not been declared for any customs procedure as merchandise, for customs clearance purposes beginning from the moment of the customs registration of said means of transport it will be regarded as placed under the customs procedure, respectively, of temporary exportation of temporary importation which status stipulates the obligation of all persons involved to abide by the provisions of said customs procedures.

6. Customs registration of replaced spare parts and equipment imported to the customs territory of the Russian Federation shall be effected in accordance with the regulations applied to the goods imported in accordance with the customs re-export procedure.

7. The spare parts and equipment, which have been utilised and not re-exported, shall be released for free circulation or placed under another customs procedure provided all the terms and conditions stipulated by this Customs Code are observed.

Article 207. Conveyance across Border of Seagoing Vessels (Riverboats) and Aircraft Which Are Not Used for International Haulage of Goods and/or Passengers

1. The seagoing vessels (riverboats), which are temporarily exported from customs territory of the Russian Federation with a view to using them for trawling aquatic biological resources, conducting survey and development of mineral and other fossil resources in the seabed and sea subsoil, performing pilot and icebreaking navigation, search, rescue and towing operations, lifting sunk property, carrying out hydro-technical, subsurface technical and other similar operations, effecting sanitary, quarantine and other control, protection and preservation of marine environment, conducting marine science investigation, training, sports and cultural activities as well as for other purposes related to merchant marine navigation, shall be conveyed across the customs border for their temporary exportation or re-importation in accordance with the regulations stipulated by this Chapter, with the exception of the means of transport conveyed across the customs border by natural persons for personal, family-related, household and other needs which are not associated with the person's entrepreneurial activities.

2. The civilian, state-owned, and experimental aircraft, which are not used for international haulage of goods and/or passengers, shall be conveyed across the customs border for their temporary exportation or re-importation in accordance with the regulations stipulated by this Chapter.

Chapter 27.
CONVEYANCE OF GOODS BY NATURAL PERSONS

Article 281. Conveyance of Goods across Customs Border by Natural persons for Personal, Family-Related, Household and Other Needs Not Associated with Person's Entrepreneurial Activities

1. The goods declared for personal, family-related, household and other needs which are not associated with entrepreneurial activities of natural persons (hereinafter, for personal use), shall be conveyed across the customs border by said persons pursuant to the provisions stipulated by this Chapter or pursuant to the general procedures specified by this Customs Code whenever the regulations of this Chapter do not apply.

2. The purpose of goods shall be determined by customs authorities proceeding from the declaration made by the natural person concerned with regard to the goods conveyed across the

customs border, the goods' nature, quantity, as well as frequency of their conveyance across the border.

3. Conveyance across the customs border by natural persons of the goods declared for their personal use predicates the goods complete exemption from customs duties and taxes, application to them of general rates of customs duties and taxes, charging of dutiable payments in the form of a combined payment, as well as the goods' exemption from the restrictions and prohibitions of economic nature stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, mandatory confirmations of the goods conformity, and application of the simplified customs registration procedure.

Article 282. Importation and Exportation of Goods and Means of transport for Personal Use and Application of Customs Duties and Taxes to Such Goods and Means of transport

1. Imported goods shall be exempted from customs duties and taxes partially or completely provided the overall value of the goods imported to the customs territory of the Russian Federation, except means of transport, amounts to not more than 65,000.00 roubles.

The values of means of transport and/or goods above 65,000.00 roubles but not exceeding 650,000.00 roubles shall be charged general rates of customs duties and taxes. The order of application of said general rates of customs duties and taxes is determined by the Government of the Russian Federation based on the average established rates of customs duties and taxes levied on the goods and means of transport whose categories are conveyed across the customs border in greatest quantities.

Complete exemption from customs duties and taxes or levying of the general rates of customs duties and taxes shall be applied in the quantitative limits established by the Government of the Russian Federation.

2. The Government of the Russian Federation has the right to impose quantity and cost restrictions on the goods imported by natural persons with complete exemption from customs duties and taxes or with application of the general rates of customs duties and taxes with regard to the goods liable for excise taxes and the goods subject to quantitative restrictions on their importation to the Russian Federation pursuant to the Federal Law on Measures for Protecting Economic Interests of the Russian Federation in Foreign Trade Operations with Goods and Commodities.

3. The Government of the Russian Federation has the right to determine the instances when complete exemption from customs duties and taxes is not granted, or is applied with limitations to the goods conveyed to the customs territory of the Russian Federation by underage natural persons, as well as the natural persons who frequently cross the customs border.

4. The Government of the Russian Federation has the right to determine the cases when complete exemption from customs duties and taxes or the general rates of customs duties and taxes

are applied in the amounts exceeding the limits stipulated by Item 1 herein with regard to the goods conveyed across the border by natural persons at the instance of their resettlement to a new place of permanent residence, the goods moved by refugees or forced migrants, as well as with regard to inherited property.

5. The cultural values imported to the customs territory of the Russian Federation shall be completely exempted from customs duties and taxes at the instance of their written declaration, as well as their special registration stipulated by the Law of the Russian Federation on Importation and Exportation of Cultural Values.

6. The goods imported to or exported from the customs territory of the Russian Federation in accordance with this Article shall be regarded for customs clearance purposes, respectively, as the goods released for free circulation or the goods exported pursuant to the customs export procedure.

7. The goods exported by natural persons will be exempted from dutiable payments or the domestic taxes levied thereon redeemed in accordance with the regulations set forth in the Russian legislation on taxes and duties.

8. The provisions of this Article shall not apply to the goods temporarily imported (exported) or re-exported (re-imported) by natural persons.

Note: for the purpose of application of this Article of the Customs Code, a means of transport shall be defined as motor vehicles and trailers, seagoing vessel (riverboat) or aircraft complete with spare parts, tools and appliances thereto imported and exported by natural persons for their personal use.

Article 283. Temporary Importation of Goods by Natural Persons

1. The goods temporarily imported to the customs territory of the Russian Federation by foreign natural persons shall be completely exempted from customs duties and taxes provided these goods are imported exclusively for personal use by said persons throughout the period of their temporary stay in the customs territory of the Russian Federation.

2. The exemption from customs duties and taxes stipulated by Item 1 herein applies to the means of transport owned, rented, or otherwise hired for personal use by foreign natural persons, which are imported to the customs territory of the Russian Federation concurrently, prior to, or after the entry of said foreign person to the customs territory of the Russian Federation.

The means of transport conveyed across the customs border by natural persons for the purpose of paid haulage of person or for commercial or industrial haulage of cargoes shall be conveyed across the customs border based on the rules stipulated by Article 22 of this Customs Code.

3. In case temporarily imported goods are subject to a written declaration as per Item 2 of Article 286 of this Customs Code, the time limits of their temporary importation shall be

prescribed by customs authorities proceeding from the declaration made by said foreign natural persons with consideration of his (or her) intended duration of stay in the Russian Federation within the time limits established by the Government of the Russian Federation as per Item 4 herein.

Upon a motivated request by a foreign natural person, the time term of goods temporary importation prescribed by customs authorities may be extended within the time limits established by the Government of the Russian Federation as per Item 4 herein

4. The Government of the Russian Federation has the right to prescribe the time limits for temporary importation of specific categories of goods including the means of transport, which are temporarily imported to the customs territory of the Russian Federation by foreign natural persons.

5. The temporarily imported goods may be re-exported from the customs territory of the Russian Federation through any customs border gate. At the instance of their re-exportation, the temporarily imported goods shall be exempted from customs duties and taxes or free from any restrictions of economic nature stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

6. Re-exportation of temporarily imported goods, including means of transport, may be unnecessary if said goods, including means of transport, have been seriously damaged as a result of an accident or force majeure.

7. Russian natural persons have the right to temporarily import means of transport provided said means of transport are registered in the territory of a foreign country and their aggregate terms of temporary importation do not exceed six months within a single a single calendar year with regard to each imported means of transport.

Article 284. Temporary Exportation of Goods by Natural Persons

1. Russian natural persons have the right to temporarily export from the customs territory of the Russian Federation the goods intended for their personal use throughout the period of their temporary stay in the territory of a foreign country and re-import said goods with their complete exemption from dutiable payments.

2. Upon a request made by a natural person, customs authorities may perform identification (Article 390) of temporary exported goods provided said identification will contribute to the goods re-importation with a complete exemption from customs duties and taxes. Such identification is stated in the customs declaration of which one copy is returned to the natural person who is exporting said goods. Absence of the goods identification does not preclude their re-importation by natural persons with a complete exemption from customs duties and taxes.

Article 285. Customs Registration of Goods Conveyed across Customs Border by Natural Persons for Personal Use

1. Customs registration of the goods conveyed across the border by a natural person for personal use shall be regulated by the order determined by the Government of the Russian Federation in conformity with this Customs Code.

2. Natural persons crossing the customs border in their owned motor vehicles, as well as inside commercial motor vehicles or on board a train, as a rule, may complete all requisite customs formalities without leaving said vehicles.

3. The goods, including means of transport conveyed across the border by natural persons, shall be subject to placement in a temporary-storage warehouse in the following instances:

- (1) upon request by said persons;
- (2) when instant completion of the goods customs registration formalities and/or payment of customs duties and taxes thereon becomes impossible due to reasons beyond the customs authorities' control.

4. Temporary storage of goods is effected in accordance with the procedure specified by Chapter 12 of this Customs Code at the expense of the person whose goods have been placed in a temporary-storage warehouse.

5. With a view to simplifying the customs registration formalities with the goods conveyed by natural persons using motor vehicles or by railway, the Federal Customs Authority shall conclude agreements with the customs authorities of the bordering countries with regard to effecting joint customs registration formalities and customs control of said goods.

Article 286. Declaration of Goods by Natural Persons

1. Declaration of goods conveyed across the border by natural persons as their hand luggage or attended baggage shall be performed at the instance of their crossing the border gate at the State Border of the Russian Federation.

2. Liable for declaring shall be the goods, including means of transport:

- (1) which are conveyed by natural persons as unattended baggage;
- (2) which are dispatched to the address of natural persons for their personal use, except the goods dispatched by international mail;
- (3) whose importation is restricted pursuant to Russian law or whose value and/ quantity exceed the limits established for conveyance across the customs territory of the Russian Federation of the goods enjoying complete exemption from customs duties and taxes as per Article 282;
- (4) whose exportation is restricted pursuant to Russian law;

(5) whose mandatory written declaration at the instance of exportation is stipulated by Russian law;

(6) means of transport.

3. In the instances which are not specified in Item 2 herein, the goods are declared orally.

A natural person, upon his (or her) wish, has the right to declare in writing the goods conveyed across the customs border, which are not liable for mandatory written declaration.

4. In the cases and according to the procedures prescribed by the Federal Customs Authority, the goods liable for oral declaration shall be declared by performing actions proving that neither the person's hand luggage nor the attended baggage contains any goods liable for written declaration (declaration in contracting bargain form). For this purpose the customs border is equipped with the corridors for natural persons specially designated so that a person may make a conscious choice of the form of declaration of his (or her) goods. Passage of a natural person through the gate specially designated for the persons who have no goods in his (or her) hand luggage or attended baggage liable for written declaration shall be regarded as a declaration to customs authorities of the fact that said natural person carries no goods liable for written declaration.

5. The goods in possession of underage persons below sixteen years old shall be declared by the person's accompanying parent, stepparent, guardian, or trustee, or by a group leader in the instance of an organised exit (entry) or return entry (exit) of a group of underage persons unaccompanied by parents, stepparents, guardians, or trustees.

6. A written customs declarations pertaining to the goods conveyed across the customs border in unattended baggage should be submitted to customs authorities within the time limits specified in Article 129 of this Customs Code in case of their importation to the customs territory of the Russian Federation, or concurrently with presentation of goods for inspection to customs authorities in case of their exportation.

The goods conveyed across the customs border in unattended baggage may be declared by the person who is conveying said goods, or by another person acting upon the power of attorney of the person conveying said goods across the customs border.

The goods contained in the unattended baggage of an underage person below sixteen years old should be declared by his (or her) parent, stepparent, guardian, or trustee, or by a person acting upon a power of attorney of said persons.

Article 214. Dutiable Payments by Natural Persons

1. Dutiable payments shall be made by natural persons at the instance of filling out their written customs declarations with regard to their goods based on the customs receipt whose form is approved by the Federal Customs Authority. One copy of the receipt is handed to the person responsible for customs payments.

2. The customs duties and taxes levied on the goods conveyed across the border for personal use shall be made by natural persons in the form of a combined customs payment (payment to be made as a lump amount without dividing it into specific customs duties and taxes) or in the form of a customs payment based on the general rates of customs duties and taxes (Article 282).

Article 288. Customs Value of Goods Conveyed by Natural Persons

1. The goods customs value is declared a natural person conveying said goods at the instance of their declaration. The goods declared value may be confirmed by receipts, invoices, and other confirming purchase of the declared goods and their value.

2. At the instance of importation of goods to the customs territory of the Russian Federation by a natural person, the goods customs value does not include the expenses incurred for haulage of said goods to the air or sea terminal or any other place of the goods entry to the customs territory of the Russian Federation.

3. In the absence of documents and information confirming the correctness of the goods customs value declared by a natural person, customs authorities have the right to determine the goods customs value based on the data contained in relevant catalogues published by foreign trade organisations, or using other price reference information available at the customs office concerned.

In using said price reference information, customs authorities adjust the goods customs value depending on the goods quality, their market reputation, their country of origin, the date of their manufacture, and other factors affecting their value.

Article 289. Spare Parts and Fuel for Means of transport Conveyed by Natural Persons

1. The spare parts required for repairing a means of transport, which was temporarily imported to the customs territory of the Russian Federation by a natural person, may be conveyed across the customs border subject to the temporarily importation procedure with complete exemption from the customs duties and taxes for a period not exceeding the prescribed time limits of temporary importation of said means of transport.

2. The fuel, which is contained in the tank(s) arranged in accordance with the design of the means of transport conveyed across the border by a natural person, may be imported to, or exported from the customs territory of the Russian Federation exempt from customs duties and taxes.

Article 290. Information Regulating Conveyance across Customs Border of Goods by Natural Persons

The Federal Customs Authority and other customs offices shall ensure availability of information regulating the conveyance of goods by natural persons, including circulation of information bulletins in Russian and other languages through transportation and tourist organisations, as well as by installing information boards at the places of customs registration of the goods conveyed by natural persons.

Chapter 28.
CONVEYANCE OF GOODS BY INTERNATIONAL MAIL

Article 291. International Mail

1. For the purpose of application of the provisions of this Chapter, international mail shall be defined as any postal items accepted for dispatch from the customs territory of the Russian Federation, arriving in customs territory of the Russian Federation, or transiting in said territory. International mail comprises the following categories:

- (1) letters (ordinary, registered, registered with statement of value);
- (2) postcards (ordinary, registered);
- (3) parcels and special “M” bags (ordinary, registered);
- (4) cecograms (ordinary, registered);
- (5) small bags (registered);
- (6) packages (ordinary, with statement of value);
- (7) international express-mail items.

2. International mail shall not be released to recipients by postal service organisations or dispatched to the addressees located outside the customs territory of the Russian Federation without authorisation by customs authorities.

Article 292. Prohibitions and Restrictions on Importation to and Exportation from Customs Territory of the Russian Federation of Goods by International Mail

1. Prohibited for dispatch by international mail shall be the following goods:
- (1) the goods prohibited for importation to and exportation from the customs territory of the Russian Federation;
 - (2) the goods whose dispatch by mail is prohibited by the regulations of the Universal Postal Union;

(3) other goods subject to restrictions imposed pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities whose register may be determined by the Government of the Russian Federation.

2. With regards to the goods whose importation to or exportation from the customs territory of the Russian Federation is restricted by Russian law or international treaties, to which Russia is party, the senders or recipients thereof or the persons acting on their behalf shall be obliged to submit to customs authorities all the requisite permits, licenses, certificates, and other documents confirming their observance of the above-mentioned restrictions.

3. The goods dispatched by international mail shall not be liable for any restrictions of economic nature stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities in the following instances:

- if the goods' customs value does not exceed the limits stipulated by Sub-Item 2) of Item 2 in Article 319 of this Customs Code;
- if the goods are dispatched to natural persons and are intended for personal use;
- in the other instances determined by the Government of the Russian Federation.

4. Withdrawal of the goods prohibited and/or restricted for posting by international mail as well as disposal thereof is effected by customs authorities in pursuant to this Customs Code or in the order prescribed by the Government of the Russian Federation wherever the provisions of this Customs Code do not apply.

Article 293. Customs Registration of Goods Posted by International Mail

1. The customs registration of goods posted by international mail accompanied with the documents stipulated by the Universal Postal Union (UPU) shall be conducted in accordance with this Customs Code and with consideration of the peculiarities stipulated by this Chapter.

2. The customs registration of goods dispatched by international mail shall be conducted as a priority procedure within the shortest possible time, which should not exceed three days. The specific time limits of customs registration formalities are determined by the Federal Customs Authority in coordination with the Federal Postal Authority.

3. Customs registration of the goods dispatched by international mail shall be carried out at international postal exchange offices, except the case stipulated by Item 6 herein. The register of post offices authorised to operate as international postal exchange offices is determined and approved by the Federal Customs Authority in coordination with the Federal Postal Authority.

4. In the instance when all the details, which customs authorities may require for customs clearance purposes, are contained in the documents stipulated the statutes and regulations of the Universal Postal Union accompanying international mail items, no separate customs declaration will be required, except in the instances stipulated by Item 5 herein.

5. A separate customs declaration pertaining to posted goods shall be required in the following instances:

[1] the customs value of the goods imported to the customs territory of the Russian Federation exceeds the limits prescribed for the conveyance of goods by international mail exempt from customs duties and taxes, as per Item 1 of Article 295 in this Customs Code, except the cases when such goods are addressed to natural persons and are intended for personal, family, household and other use which is not associated with any entrepreneurial activities;

[2] the goods sender ought to confirm their exportation from the customs territory of the Russian Federation to customs and/or tax authorities;

[3] the goods imported to the customs territory of the Russian Federation are intended for placement under a customs procedure which does not stipulate their release for free circulation.

6. The customs registration formalities pertaining to the goods, whose posting needs to be formalised in a separate customs declaration, as per Item 5 herein, may be effected by the customs office whose sphere of activities covers the goods' senders or recipients in compliance with the procedures prescribed by the Federal Customs Authority in coordination with the Federal Postal Authority.

7. The customs registration of goods exported from the customs territory of the Russian Federation by international mail, whose dispatch needs to be formalised by a separate customs declaration, as per Item 5 herein, shall be fulfilled by their senders or the persons acting on their behalf prior to the submission of said goods to a postal offices for their dispatch.

Article 294. Customs Inspection and Customs Control of International Mail

1. Upon a request by customs authorities, postal offices will submit international mail for the purpose of customs inspection and customs control. The methods of such submission are determined by customs authorities.

2. Customs authorities shall not request presentations for inspection of the following international mail items:

- postcards and letters;
- cecograms [literature for blind people].

Customs authorities have the right to demand that postal offices present specific international mail items for inspection and customs control when they have sufficient reasons to suppose that that said mail items contain the goods prohibited or limited for importation to the customs territory of the Russian Federation, as well as in the instances when customs control and customs inspections are conducted on a random or selective basis.

3. Customs authorities have the right to demand that postal offices present to them the exportable international mail items which they deem to subject to customs control or customs inspections on a random or selective basis.

4. In performing customs inspections or customs control, customs authorities shall make maximum use of the customs control technical facilities.

Article 295. Customs Duties and Taxes Levied on Goods Mailed by international mail

1. The goods dispatched from the customs territory of the Russian Federation by international mail shall be exempted from customs duties and taxes provided the value of such goods addressed within one week to the same recipient does not exceed 10,000.00 roubles.

2. The goods intended for personal use dispatched by international mail to natural persons shall be exempted from customs duties and taxes completely or partially. The Government of the Russian Federation pursuant to Article 282 of this Customs Code establishes general rates of customs duties and taxes applicable to the goods whose value exceeds the cost of the goods dispatched exempt from customs duties and taxes with regard to said excess.

3. The customs duties and taxes with regard to the goods, whose dispatch by international mail does not require submission of a separate customs declaration, shall be calculated and charged by the customs office responsible for the customs registration formalities at international exchange offices with the issuance of a customs receipt (Item 1 of Article 287). The calculation of dutiable payments is based on the information pertaining to the goods' value, as stated in the documents stipulated by the statutes of the Universal Postal Union, which are applied for customs clearance purposes. The amounts of customs duties and taxes to be levied on international mail items with declared value shall be calculated proceeding from the goods declared value only when it exceeds the goods' value specified in the reference documents used for customs clearance purposes.

4. International mail items containing the goods, which have been levied dutiable payments by customs authorities, shall be released to their recipient at international postal exchange office only after the post office concerned has received full amount full amount of dutiable payments due for said goods. Said dutiable payments are levied based on a postal cash transfer form filled in by a customs officer in charge. The paid amounts are subsequently credited to the bank account of the customs office that has levied them after said international postal item has been released to the recipient. The postal fee for the cash transfer is covered by the person making such dutiable payments and it may not exceed 1 percent of the paid amount. The postal cash transfer forms are supplied to customs offices free of charge.

5. In the event of loss of an international mail item or its release to the recipient without authorisation by customs authorities, responsible for the dutiable payments shall be the postal office which has lost or released said mail item.

6. Calculation of the customs fees and duties and their disbursement for the goods specified in Item 5 of Article 293 of this Customs Code shall be regulated by the procedures set forth in Part III of this Customs Code.

Article 296. Domestic Customs Transit of International Mail

The domestic customs transit procedure (Chapter 10) shall be applied to international mail pursuant to the regulations specified by the Federal Customs Authority in coordination with Federal Postal Authority based on the requirements and restrictions prescribed by this Customs Code.

Article 297. Transit of International Mail

International mail transiting in the territory of the Russian Federation shall not be subject to customs registration.

Chapter 25.
CONVEYANCE OF GOODS
BY SPECIFIC CATEGORIES OF FOREIGN PERSONS

Article 298. Sphere of Application of This Chapter

1. The provisions of this Chapter shall be applicable to the goods conveyed across the customs border by diplomatic, consular, and other official representative offices of foreign countries, international organisations, the staff of such representative offices and organisations, as well as to the goods intended for personal or family use by specific categories of foreign citizens enjoying advantages, privileges and/or immunity in the customs territory of the Russian Federation pursuant to the international treaties to which the Russian Federation is party.

2. Customs registration of the goods specified in Item 1 herein shall be conducted in a simplified manner.

Article 299. Conveyance of Goods by Diplomatic Representative Offices of Foreign Countries

Foreign diplomatic representative offices of foreign countries located in the territory of the Russian Federation may import to and export from the customs territory of the Russian Federation the goods intended for official use in said offices. Such goods will be exempted from customs duties and taxes and not liable for the economic restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 300. Conveyance of Goods by Head of Foreign Diplomatic Representative Office and Members of Diplomatic Staff of Representative Office of Foreign Country

1. Head of a diplomatic representative office of a foreign country, members of the diplomatic staff of said representative office, and their family members residing with them may import to the customs territory of the Russian Federation the goods intended for their personal and family use, including the goods intended for their setting up, and export from the customs territory of the Russian Federation the goods intended for their personal and family use with complete exemption of said goods from customs duties and taxes and non-application to them of any economic restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

2. Personal luggage belonging to head of the diplomatic representative office of a foreign country, members of diplomatic staff of said representative office, and their family members residing with them shall be relieved of customs inspections unless customs authorities have serious reasons to presume that their luggage contains the goods which are not intended for personal and family use or the goods whose importation to or exportation from the Russian Federation is prohibited by law of the Russian Federation, the international treaties, to which the Russian Federation is party, or is regulated by quarantine rules. Such customs inspections should only be conducted in the presence of the persons specified in this Article or their duly authorised representatives.

Article 301. Conveyance of Goods by Members of Administrative and Technical Staff of Diplomatic Representative Office of Foreign country

Members of the administrative and technical staff of a diplomatic representative office of a foreign country, and their family members residing with them, provided said persons and their family members are neither permanent residents nor citizens of the Russian Federation, may import to the customs territory of the Russian Federation the goods intended for their setting up with their complete exemption from customs duties and taxes and non-application to said goods of economic restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 302. Application of Customs Privileges Accorded to Members of Diplomatic Staff of Representative Offices of Foreign Countries to Administrative, Technical and Service Staff of said Representative Offices

Based on special agreements with foreign countries, the customs privileges accorded to members of diplomatic staff of representative offices of foreign countries in accordance with this Customs Code may also be accorded to administrative and technical staff of said representative

offices and members of their families, who are neither permanent residents nor citizens of the Russian Federation, proceeding from the principle of reciprocity with regard to each specific foreign country.

Article 303. Conveyance of Goods by Consular Offices of Foreign Countries by their Staff Members

1. The consular offices of foreign countries, the consular officials of foreign countries including head of the consular office of a foreign country, the consular staff of foreign countries, and members of their families are accorded the customs privileges stipulated by this Customs Code for the diplomatic representative offices of foreign countries or respective staff of diplomatic representative offices of foreign countries.

2. Based on special agreements with foreign countries, members of the administrative and technical staff of consular offices of foreign countries and members of its families, who are not permanent residents in the Russian Federation, may be accorded the same customs privileges as those granted, in accordance with this Customs Code, to respective diplomatic staff of representative offices of foreign countries, proceeding from the principle of reciprocity with regard to each specific foreign country.

Article 304. Conveyance of Diplomatic Mail and Consular Valise of Foreign Countries across Customs Border

1. The diplomatic mail and consular valise of foreign countries conveyed across the customs border shall not be subject to either opening or detention. In case customs authorities have serious reasons to presume that the consular valise is contains the documents and/or goods other than those specified in Item 3 herein, they have the right to demand that the consular valise be opened by the authorised officials of the represented foreign country in the presence of a customs officer. In case of denial, the consular valise should be returned to the place of its departure.

2. All the items comprising diplomatic mail or consular valise ought to have clearly visible external markings indicative of the nature of said items.

3. The diplomatic mail may only contain diplomatic documents and the goods intended for official use; the consular valise may only contain 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 import to and export from the customs territory of the Russian Federation the goods intended for their personal use which, proceeding from the principle of reciprocity with regard to each specific foreign country, will be free from customs inspections, exempted from customs duties and taxes, and without application to said

goods of economic restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

Article 306. Customs Privileges Accorded to Representatives and Members of Delegations of Foreign Countries

Official representatives of foreign countries, members of parliamentary and governmental organisations, as well as, pursuant to the principle of reciprocity, members of foreign country delegations arriving in the Russian Federation for participation in international negotiations, international conferences and forums, or with other official assignments shall be accorded the customs privileges, which are stipulated by this Customs Code for members of diplomatic staff of representative offices of foreign countries. The same privileges shall be granted to the family members accompanying said persons.

Article 307. Conveyance of Goods by Members of Diplomatic Staff, Consular Officers, Representatives and Members of Delegations of Foreign Countries Transiting in Customs Territory of the Russian Federation

Members of diplomatic staff of representative offices of foreign countries and consular officers of consular offices of foreign countries, members of their families, as well as the persons specified in Article 306 of this Customs Code transiting in the customs territory of the Russian Federation shall be accorded the same customs privileges as those stipulated by this Customs Code for members of foreign diplomatic staff.

Article 308. Customs Privileges Accorded to International, Interstate and Inter-Governmental Organisations, Representative Offices of Foreign Countries Accredited Thereto, and Staff Members of Said Organisations and Representative offices

Customs privileges accorded to international, interstate, and inter-governmental organisations, representative offices of foreign countries accredited thereto, and staff members of said organisations and representative offices, as well as members of their families shall be stipulated by respective international agreements of the Russian Federation.

Chapter 26.

CONVEYANCE OF COMMODITIES BY PIPELINES AND VIA ELECTRIC POWER LINES

Article 309. Sphere of Application of this Chapter

Conveyance of commodities across the customs territory of the Russian Federation using pipeline transport or through electric power lines shall be effected in accordance with the provisions contained in this Chapter, or based on general procedures established by this Customs Code wherever the provisions of this Chapter do not apply.

Article 310. Importation and Exportation of Commodities Conveyed by Pipeline Transport

1. Importation to and exportation from the customs territory of the Russian Federation of commodities using pipeline transport shall only be permitted following the acceptance by customs authorities of the customs declaration and release of commodities in compliance with the terms and conditions of the customs procedure declared in it.

2. At the instance of submission of a customs declaration, physical presentation of commodities for inspection will not be required.

3. During importation to and exportation from the customs territory of the Russian Federation of commodities using pipeline transport, mixing of commodities as well as change of their quantity and condition (quality) resulting from the technological peculiarities of the commodity transportation and specifications will be permissible based on requisite technical regulations and national standards adopted in the Russian Federation.

4. The customs procedures of temporary storage and domestic customs transit shall not apply to the commodities conveyed by pipeline transport.

Article 311. Declaration of Commodities Conveyed by Pipeline Transport

1. During conveyance across the customs border of commodities using pipeline transport, the commodities periodic temporary declaration will be permissible pursuant to the regulations specified by Article 138 of this Customs Code with consideration of the peculiarities stipulated by this Article.

The commodities periodic temporary declaration is effected by way of submission of a temporary customs declaration.

Contained in the temporary customs declaration may be the information predicated on the quantities of commodities intended for exportation or importation within a designated period of time, not exceeding term of validity of the foreign trade agreement [contract], the commodities conventional customs value (valuation) determined based on the quantities of commodities

scheduled for conveyance across the customs border and/or the commodity price determination procedure stipulated by the terms and conditions of the external trade agreement.

Customs authorities may accept a single temporary customs declaration submitted to them with regard to the commodities imported or exported by the same person in compliance with the terms and conditions of the same customs procedure in the process of fulfilment of obligations assumed by said person pursuant to several foreign trade agreements [contracts] (including the contracts stipulating different terms of supply, pricing and payments).

2. A temporary customs declaration should be submitted by a declarant for the period of time not exceeding three months, or one calendar year with regard to natural gas, not later than on the 20th day of the month preceding said period.

In case the terms of supply and/or quantities of supplied commodities stated in the temporary customs declaration accepted by customs authorities have been changing inside a calendar month, the declarant has the right to submit an additional temporary customs declaration within the month when said supply is effected.

3. The declarant shall be obliged to submit one or several duly filled out complete customs declarations for the commodities imported or exported within the duration of each calendar month of supply of said commodities. A complete customs declaration should be submitted by a declarant not later than on the 20th day of the month following the commodity supply calendar month. Upon the declarant's motivated request, customs authorities may extend the term of submission of the complete customs declaration with regard to the exported commodities for the period not exceeding ninety days. Any extension of the term of submission of the complete customs declaration will not prolong the terms of dutiable payments.

4. In case the commodities declared for importation or exportation in the temporary customs declaration have not been either imported or exported, the declarant shall be obliged to submit a written notification in that regard to the customs office concerned prior to expiry of the term of submission of the complete customs declaration.

Article 312. Application of Rates of Customs Duties and Taxes and their Payment Procedure in case of Conveyance of Commodities by Pipeline Transport

1. Dutiable payments are charged on the goods and commodities exported from the customs territory of the Russian Federation for each calendar month of their supplies based on the rates of customs import duties effective on the 15th day of the commodity supply month.

At least 50 percent of the amounts of export duties calculated based on the information stated by the declarant in the temporary customs declaration are paid on the 20th day of the month preceding each commodity supply calendar month. Note: calculation of the amounts of export customs duties is made proceeding from the quantity of goods pro rata one supply calendar month in case the supply period stated in the temporary customs declaration exceeds a calendar month.

If the declarant opts to submit an additional temporary customs declaration, as per the second paragraph of Item 2 in Article 311 of this Customs Code, the chargeable export duties should be paid in full not later than on the date of acceptance of said additional declaration.

The remaining calculated amount of the export customs duties based on the verified information on the exported commodities and the export duty rate effective on the 15th day of the commodity supply month shall be paid not later than on the 20th day of the month following each commodity supply calendar month.

2. In the instance of commodity importation by pipeline transport, the applicable customs import duties and taxes should be paid not later than on the 20th day of the month preceding each commodity supply calendar month based on the information stated in the temporary customs declaration. For the purpose of calculation and disbursement of dutiable payments applicable to the commodities should be the rates of customs duties and taxes effective on the 15th day of the month preceding the commodity supply month.

The verified details on the commodities imported each commodity supply calendar month should be submitted to the customs office concerned not later than on the 20th day of the month following each commodity supply calendar month. In case the amounts of payable customs duties and taxes have increased as a result of verifications, the additional amounts should be disbursed concurrently with submission of the verified details. In this case, penalty fees are not charged.

The excessively paid amounts are reimbursed in accordance with Article 355 of this Customs Code.

Article 313. Application of Restrictions and Prohibitions Stipulated by Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities

Commodities conveyed with the use of the pipeline transport shall be subjected to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities from the day of acceptance of the temporary customs declaration.

Article 314. Peculiarities of Importation, Exportation and Declaration of Commodities Conveyed through Electric Power Lines

1. Importation to and exportation from the customs territory of the Russian Federation of the commodity conveyed through electric power lines may be effected without a preliminary permission of customs authorities provided said conveyance will be subsequently declared and the customs duties and taxes chargeable thereto disbursed pursuant to the regulations stipulated by this Article.

2. The customs procedures of temporary storage and domestic customs transit are not applied to the commodity conveyed through electric power lines.

3. Declaration of electric power transmitted across the customs border is effected by way of submission of a customs declaration not later than on the 20th day of the month following each calendar month of the commodity de facto supply. Upon the declarant's motivated request, customs authorities may extend the term of submission of the customs declaration by not more than five days.

4. Subject to declaring is actual quantity of transmitted electric power determined based on the readings of the registering instruments installed in the technologically stipulated locations for recording transmission of electric power.

The quantity of electric power conveyed between two countries is determined as a power-flow balance (which constituted an algebraic sum of electric power flows in opposite directions through the operational inter-state electric power lines of all classes of voltages) for every calendar month.

The calculated power-flow balance is adjusted by the value of losses of electric power occurring in the grid during transmission of electric power.

Declaration is effected based on the acts of the electric power actual supplies pursuant to a respective foreign trade agreement.

5. Customs duties and taxes shall be disbursed not later than on the day of submission of the customs declaration for the commodity conveyed across the customs border within a single calendar month.

Article 315. Guarantees of Dutiable Payments

Customs authorities have the right to demand that the declarant provide a guarantee for requisite dutiable payments in case the declarant has been conducting said foreign economic activities for less than one year. The actual value of such guarantee shall be determined pursuant to provisions of Article 338 in this Customs Code.

Article 316. Non-Application of Requirements for Merchandise Identification with regard to Commodities Conveyed by Pipeline Transport or via Electric Power Lines

Identification of merchandise conveyed by pipeline transport or through electric power lines is not conducted, which fact does not prevent customs authorities from determining the commodities' quantities, quality, and other characteristics based on the information contained in respective documents, as well as the readings of meters and other measuring and registering instruments for customs clearance purposes.

Article 317. Conveyance of Russian Commodities between Two Points Situated in Territory of the Russian Federation across Territory of Foreign Country

Conveyance of Russian commodities between two points situated in the territory of the Russian Federation across the territory of a foreign country using pipeline transport or electric power lines is regulated by the provisions of Item 4 of Chapter 21 of this Customs Code with regard to the special customs procedure of conveyance of Russian goods and commodities between customs offices across the territory of a foreign country.

**PART III.
CUSTOMS PAYMENTS**

**Chapter 27.
GENERAL PROVISIONS.
CATEGORIES OF CUSTOMS PAYMENTS**

Article 318, Customs Payments and their Categories

1. The customs payments include:
 - [1] import duties;
 - [2] export duties
 - [3] value-added tax levied on the goods imported to the customs territory of the Russian Federation;
 - [4] excise tax levied on the goods imported to the customs territory of the Russian Federation;
 - [5] customs fees.
2. Customs duties shall be levied in the instances stipulated by law of the Russian Federation.
3. Special antidumping and compensational duties stipulated by the Federal Law on Measures for Protecting Economic Interests of the Russian Federation in Foreign Trade Operations with Goods and Commodities are levied in accordance with this Customs Code with regard to import duties.

Article 319. Commencement and Termination of Responsibility with regard to Payment of Customs Duties and Taxes. Instances When Customs Duties and Taxes Are Not Disbursed

1. Responsibility for payment of customs duties and taxes on the goods conveyed across the customs border shall commence:

[1] in the instance of importation, from the moment of goods crossing the customs border;

[2] in the instance of exportation, from the moment of submission of a customs declaration or other activities with a direct intent to export goods from the customs territory of the Russian Federation.

2. Customs duties and taxes shall not be levied on goods, provided:

[1] in accordance with law of the Russian Federation or this Customs Code:

– the goods are exempt from customs duties and taxes;

– the goods have been accorded complete conditional exemption from customs duties and taxes. Customs duties and taxes shall not be levied on such goods throughout the period of validity of said exemption provided the terms and conditions stipulating said exemption are observed.

[2] the overall customs value of the goods imported to the customs territory of the Russian Federation within a single week addressed to the same recipient does not exceed 5,000.00 roubles;

[3] prior to the goods release for free circulation and in the absence of any violations by persons of the terms and conditions stipulated by this Customs Code, foreign goods were destroyed or irretrievably lost as a result of an accident or force majeure, or as a result of their natural wear or diminution under normal conditions of their haulage, storage and utilization (operation);

[4] goods are converted to federal property in accordance with this Customs Code and other federal statutes.

3. Responsibility for disbursement of customs duties and taxes for the goods released for free circulation in the customs territory of the Russian Federation or exported from said territory is terminated in the instances stipulated by the Tax Code of the Russian Federation.

Article 320. Persons Responsible for Customs Payments

1. Responsibility for the disbursement of customs duties and taxes shall be vested in the declarant. In case the goods are declared by a customs broker (agent), the latter shall be responsible for the disbursement of all dutiable payments as per Item 2 of Article 144 of this Customs Code.

2. In the instance of non-observance of the provisions stipulated by this Customs Code with regard to the use and disposal of goods, or observance of other terms and conditions

stipulated by this Customs Code with regard to the application of customs procedures envisaging partial or complete exemption of goods from customs duties and taxes, responsibility for the disbursement of customs duties and taxes in the instances, which are directly stipulated by this Customs Code, shall be the owner of a temporary-storage warehouse, the owner of a bonded warehouse, the carrier, the persons obliged to ensure the observance of the terms and conditions of specific customs procedures.

3. In the instance of non-payment of customs duties and taxes, as well as in case of their incorrect calculation and/or delayed payment, answerable to customs authorities shall be the person responsible for the payment of customs duties and taxes.

4. In case of illegal exportation of goods and means of transport across the customs border, jointly responsible for the payment of customs duties and taxes levied on to goods and means of transport shall be the persons who have illegally conveyed the goods and means of transport across the border, as well as the persons who have participated in said conveyance if they were aware or were supposed to be aware of the illegal nature of said conveyance; in the instance of illegal importation, responsible for the payment of customs duties and taxes levied on to goods and means of transport shall be the persons who have owned or come in possession of the illegally imported goods and means of transport if at the time of the purchasing transaction they were aware, or were supposed to be aware of the illegal nature of said importation, which fact was duly certified by the procedures stipulated by law of the Russian Federation. Said persons shall also be responsible for the payment of customs duties and taxes equivalent to those payable by the declarant of the illegally imported or exported goods.

Article 321. Restrictions to Overall Amount Dutiable Payments Levied on Goods Imported to Customs Territory of the Russian Federation

The overall amount of customs duties and taxes levied on the goods imported to the customs territory of the Russian Federation should not exceed the amount of customs duties and taxes payable for the same goods at the instance of their importation to the customs territory of the Russian Federation for their release for free circulation exempt from any penalty fees and/or interests, except in the instance of an increase of the overall amount of the payable customs duties and taxes due to the change of rates of customs duties and taxes when applied to the goods are the rates of customs duties and taxes which were effective on the day of acceptance by customs authorities of the customs declaration stating the changed of the goods customs procedure. In such situations, the amounts of customs duties and taxes disbursed under the preceding customs procedure shall be taken into account during the payment of customs duties and taxes stipulated by the terms and conditions of the newly selected customs procedure.

Chapter 28.

CALCULATION OF CUSTOMS DUTIES AND TAXES

Article 322. Subject to Customs Duties, Taxes

Subject to customs duties and taxes shall be the goods conveyed across the customs border, defined by the Russian legislation on taxes and duties and by this Code. The taxable basis of customs duties and taxes comprises the goods customs value and/or their quantity.

Article 323. General Provisions for Defining and Declaring Goods Customs Value

1. The goods customs value is determined by the declarant in accordance with the methods of appraising customs value approved by law of the Russian Federation; the customs value determined thereby shall be stated to customs authorities at the instance of goods declaration.

2. The customs value stated by the declarant and the factual details used for appraising the goods customs value furnished by the declarant ought to be based on authentic documentarily certified information.

3. Customs authorities verify the goods declared customs value based on the procedures approved by the Federal Customs Authority pursuant to the provisions on this Customs Code.

Based on the documents and details furnished by the declarant and with consideration of the reference information at the disposal of said customs office which is used for appraising the goods customs value, the customs authorities will evaluate the method chosen by the declarant for appraising the goods customs value, as well as the accuracy of the goods customs value stated by the declarant.

4. In case customs authorities deem insufficient the documents and information furnished by declarant for passing a resolution with regard to the stated goods customs value, the customs office concerned makes a written request to the declarant asking him (or her) to provide additional documents and details pertaining to said goods, and designate the time limit for their submission.

In order to prove the correctness of the stated goods value, the declarant should be obliged, on the request issued by customs authorities, to furnish all the necessary additional documents and details or submit a formal written explanation stating the reasons preventing him (or her) from furnishing to customs authorities the required documents and details. The declarant has the right to substantiate the correctness of the selected method of appraising the goods customs value and prove the authenticity of the information furnished to customs authorities.

5. In the absence of facts proving the correctness of the goods customs value stated by the declarant or when customs authorities have discovered evidence that the documents and the information submitted by the declarant are inauthentic or insufficient, the customs office has the right to take a decision to disapprove of the method chosen by the declarant for appraising the

goods customs value and recommend that the declarant apply a different method for appraising the goods customs value. In this situation, the customs authorities and the declarant may hold consultations with regard to the method applicable for appraising the goods customs value.

6. If the goods customs value has not been determined within the time terms prescribed for the goods release (Article 152), said goods will be released against the declarant's guarantee to disburse the dutiable payments that may be additionally levied on said goods. The customs office issues a written notification to the declarant informing him (or her) of the required guarantee of dutiable payments. No additional guarantee of dutiable payments will be required in the instance of exported stock-exchange commodities whose sale price remains unknown on the date of customs registration formalities.

7. In case the declarant failed to present requisite additional facts and documents requested by customs authorities within the time limits prescribed by the customs office, or if customs authorities have discovered evidence that the documents and the information submitted by the declarant are not authentic and/or sufficient, or if the declarant refused to determine the goods customs value by using another method recommended by customs authorities, the customs office will determine the goods customs value on its own by way of consecutive application of the available methods of appraising goods customs value. The customs office shall be obliged to inform the declarant in writing of the decision taken with regard to the goods customs value not later than on the day following the day when said decision is made. In the instance when the customs office has determined the goods customs value following the goods release, the customs authorities will issue an invoice for customs payments (Article 350) in case additional redemption of customs duties and taxes is required. Settlement of the additionally charged amounts of customs duties and taxes should be completed within ten working days from the day when said invoice is received. If the additional amounts of customs duties and taxes are settled within the prescribed time limits, they shall be exempt from any penalty fees.

Article 324. Customs Duties and Taxes Calculation Procedure

1. Customs duties and taxes are calculated by the declarant or the other persons responsible for dutiable payments independently, except the instances stipulated by Item 3 of Article 295 of this Customs Code and Item 2 herein.

2. When an invoice for dutiable payments is issued as per Article 350 of this Customs Code, calculation of the customs duties and taxes is effected by the customs office concerned.

3. Calculations of the payable amounts of customs duties and taxes shall be made in using the legal tender of the Russian Federation.

Article 325. Application of Rates of Customs Duties and Taxes

1. Customs duties and taxes are calculated based on the rates effective on the day of acceptance by customs authorities of the customs declaration, except the instance stipulated by Articles 150, 312, and Item 1 of Article 327 of this Customs Code.

2. Calculation of customs duties and taxes are based on the rates corresponding to the name and classification code of the goods and commodities stipulated by the Customs Tariff of the Russian Federation and the Tax Code of the Russian Federation, except the instances stipulated by the second paragraph herein, as well as the instances stipulated by Article 282 of this Customs Code pertaining to the application of general rates of customs duties and taxes to the goods conveyed across the customs border by natural persons for their personal use.

3. In the instance of declaring several names of goods under the same classification code, as per the Nomenclature of Goods subject to Foreign Trade, as per Article 128 of this Customs Code, such goods shall be liable for the customs duties and taxes corresponding to this classification code.

Article 326. Recalculation of Foreign Currency for Determining Customs Duties and Taxes

In the instances when calculation of customs duties and taxes, including appraisal of goods customs value, involves foreign currency, conversion of said foreign currency into the legal tender of the Russian Federation shall be based on the exchange rate established by the Central Bank of the Russian Federation for accounting and customs payments purposes effective on the day of acceptance of the customs declaration.

Article 327. Calculation of Customs Duties and Taxes Levied on Goods Illegally Conveyed across Customs Border or Use of Goods in Breach of Established Restrictions

1. The amounts of customs duties and taxes levied on the goods, which have been imported to the customs territory of the Russian Federation in breach of the terms and conditions stipulated by this Customs Code and for which due customs duties and taxes remain unpaid, shall be calculated based on the rates of customs duties and taxes effective on the day of crossing the customs border or on the day when said goods were discovered by customs authorities if the date of the goods border crossing cannot be established. In case of loss, non-delivery or release without authorization by customs authorities of the goods which were hauled subject to the domestic customs transit or stored under the temporary-storage procedure, the amounts of dutiable payments shall be calculated based on the using the rates effective for the date of when said goods were placed under the conformable customs procedure.

In case of the goods illegal export from the customs territory of the Russian Federation, the amounts of dutiable payments shall be calculated based on the rates of customs duties and taxes,

effective on the day of the goods conveyance across the Customs border, or on the first day of the month or on the first day of the first month of the year within which said goods were exported if the date of the goods border crossing cannot be established.

2. The customs duties and taxes levied on the goods imported to the customs territory of the Russian Federation shall be calculated based on the goods customs value, their quantity or other characteristics, which were used for determining the goods tax basis, on the day of application of the customs duties and taxes pursuant to Item 1 herein. In case the sum of dutiable payments cannot be established due to non-submission to the customs office of accurate information on the goods nature, names, descriptions, quantities, countries of origin, and customs values, the amount of dutiable payments will be determined proceeding from the highest rates of customs duties, taxes, quantities and customs values of the goods which may be determined based on the available information. In case precise information on said goods is established within one year from the date of disbursement of dutiable payments and release of goods, the excessively paid amounts of customs duties and taxes shall be reimbursed, and underpaid amounts, charged on the released goods in accordance with this Section.

Deductible from the paid amount of customs duties and taxes levied on the goods, which have been imported to the customs territory of the Russian Federation, shall be the valued-added tax (VAT) charged during the goods circulation in the amount certified by the documents used for calculating the VAT pursuant to the Russian legislation on taxes and duties.

3. If the goods, which have been conditionally released, are used for the purposes other than those that served as the reason for their complete or partial exemption from customs duties and taxes, such goods shall be liable for the rates of customs duties and taxes effective on the day of acceptance of the customs declaration by customs authorities. The customs value of the goods, their quantity, or other characteristics, which were used for determining the goods tax basis, shall be determined as on the day of application of customs duties and taxes.

Chapter 29.

PAYMENTS OF CUSTOMS DUTIES. TERMS AND PROCEDURES

Article 328. Payers of Customs Duties and Taxes

1. Payers of customs duties and taxes may be goods declarants and any other persons responsible for disbursement of customs duties and taxes pursuant to this Customs Code.

2. Every person has the right to pay customs duties and taxes levied on the goods conveyed across the customs border.

Article 329. Terms of Payments of Customs Duties and Taxes

1. In the instance of goods importation, import duties and taxes should be disbursed not later than within fifteen days from the day said goods were presented to customs authorities for inspection at the point of entry to the customs territory of the Russian Federation or within fifteen days from the day of completion of the goods domestic customs transit procedure in case goods were not declared at their point of entry.

2. In the instance of goods exportation, export duties and taxes should be disbursed not later than on the day of submission of a customs declaration unless this Customs Code contains other provisions hereto.

3. In the instance of change of the goods customs procedure, customs duties and taxes should be disbursed not later than on the day stipulated by this Customs Code for the completion of the changed customs procedure.

4. In case conditionally released goods are used for the purposes other than those stated as the reason for the customs privileges and exemptions for the purpose of calculation of requisite penalty fees (Article 349) the date of disbursement of the customs duties and taxes shall be the first day when the person responsible for said goods breached the restrictions stipulating the goods use and disposal. In case such date cannot be established, the date of payment of customs duties and taxes shall be the day of acceptance by customs authorities of the customs declaration pertaining to said goods.

5. In case of violation of the terms and conditions stipulated by specific customs procedures applied to the goods, which violation pursuant to this Customs Code entails the declarant's responsibility for payment of customs duties and taxes, the date of disbursement of the customs duties and taxes for the purpose of calculation of requisite penalty fees shall be the day when said terms and conditions were breached. In case such date cannot be established, the date of payment of customs duties and taxes shall be the day of commencement of the respective customs procedure.

6. This Customs Code stipulates the terms of payment of customs duties and taxes levied on the goods conveyed across the customs border by natural persons for personal use, on the goods dispatched by international mail, on the commodities conveyed through pipeline transport and electric power lines, on the goods imported with partial conditional exemption from customs duties and taxes, and on the illegally imported goods and commodities discovered in possession of their buyers (organisations involved in wholesale and retail sale operations with imported goods and commodities) in the territory of the Russian Federation.

Article 330. Advance Payment

1. An advance payment is defined as the moneys placed on the bank account of the customs office concerned in terms of forthcoming customs payments. Advance payments are not

identified by the payers as any specific kinds of dutiable payments with regard to any specific goods or commodities.

2. An advance payment may be disbursed to the cashier's desk or placed to the bank account of the customs office concerned in the currency of the Russian Federation or in foreign currency in accordance with the Law of the Russian Federation on Currency Regulations and Currency Control.

3. The amount of an advance payment received by customs authorities constitutes the property of its payer and it cannot be regarded as customs payments until said person issues an explicit instruction in that regard to the customs office concerned, or the customs office levies its charges on the person's advance payment pursuant to Article 353 of this Customs Code. The person who made said advance payment will instruct the customs office to use the advanced amount by submitting personally or having someone submit on his (or her) behalf a pertinent customs declaration or taking other measures indicative of his (or her) intention to use said moneys as dutiable payments.

4. Upon the payer's request, customs authorities shall be obliged to present a written report on the usage of the amount of the advanced payment within 30 days from the day of their receipt of such request. In case the payer disagrees with the results of the report furnished by the customs office concerned, customs authorities and the payer conduct a joint verification of the use of the payer's funds. The results of such verification shall be formalised as an act stipulated by the Federal Customs Authority. Said act is made in two copies signed by the customs authorities and the payer. Upon signing, one copy of the act is handed to the payer.

5. Redemption of advance payments shall be regulated by the rules stipulated by this Customs Code for redemption of customs duties and taxes (Chapter 33) provided an application for the refund is submitted within three years from the date when said funds were disbursed to the cashier's desk or credited to the bank account of the customs office concerned.

Article 331. Procedure and Forms of Dutiable Payments

1. The customs duties and taxes shall be disbursed to the cashier's desk or placed on the designated account of the customs office opened for such purpose in accordance with law of the Russian Federation, except the instances stipulated by Item 4 of Article 295 of this Customs Code.

2. Upon the payer's preference, dutiable payments are made either in the currency of the Russian Federation or in the foreign currencies whose rate of exchange is quoted by the Central Bank of the Russian Federation pursuant to the Law of the Russian Federation on Currency Regulation and Currency Control.

3. Conversion of the currency of the Russian Federation into a foreign currency for the purpose of customs duties and taxes levied in the currency of the Russian Federation shall be based on the currency exchange rate effective on the day of acceptance by customs authorities of the

customs declaration, or on the day when dutiable payments are disbursed, as in the instances when dutiable payments are predicated by the submission of a customs declaration.

4. Dutiable payments can be made in the form stipulated by law of the Russian Federation.

5. Upon a payer's request, the customs office concerned shall be obliged to issue a written receipt certifying payment by said person of customs duties and taxes.

Article 332. Fulfilment of Obligation to Make Dutiable Payments

With consideration of the peculiarities stipulated by this Customs Code, a person's responsibility for requisite dutiable payments shall be deemed fulfilled:

[1] from the moment when the necessary funds have been debited from the payer's bank account;

[2] from the moment of disbursement of said funds in cash to the cashier's desk of the customs office;

[3] from the moment when all excessively paid or excessively charged amounts of dutiable payments have been settled, or from the moment when customs authorities accepted the payer's request for such a settlement if said settlement was initiated by the payer;

[4] from the moment of receipt by customs authorities of due customs duties and taxes, advance payments, or cash deposits, or from the moment when customs authorities receive the payer's instructions thereto if said payments or deposits were initiated by the payer;

[5] from the moment of receipt by customs authorities of due customs duties and taxes or the funds, which are advanced by a bank or by another credit or insurance organisation owing to a bank guarantee or an insurance agreement, as well as receipt of the funds paid by the person acting on the payer's behalf in accordance with a relevant guarantee agreement;

[6] from the moment of placement of a claim on the arrears with regard to the goods' duties and taxes or the payer's mortgaged or other property

if said funds comprise the amount exceeding that of the payer's arrears of due customs duties and taxes.

Chapter 30.

CHANGE OF TIME LIMITS FOR DUTIABLE PAYMENTS

Article 333. General Provisions for Changing Terms of Dutiable Payments

1. Upon a written request made by the payer of customs duties and taxes, pursuant to the provisions stipulated by Article 334 of this Customs Code, the Federal Customs Authority or a customs office duly nominated by it may change the time limits for completing dutiable payments.

2. The time limits established for the payment of customs duties and taxes may be extended by deferral or payment by instalments.

3. A request for deferral or payment by instalments of customs duties and taxes may be denied by customs authorities based exclusively on the reasons stipulated by Article 335 of this Customs Code.

4. Deferral or payment by instalments of customs duties and taxes may be approved with regard to one or several categories of customs duties and taxes, as well as to the total dutiable amounts or part thereof.

5. Deferral or payment by instalments of customs duties and taxes may be approved provided the payer has guaranteed all dutiable payments as per Chapter 31 of this Customs Code. A decision with regard to deferral or payment of dutiable payments by instalments shall be approved within the time not exceeding 15 days from the day of submission of such a request.

6. Deferral or payment by instalments of customs duties and taxes may be approved for a period from one to six months.

7. A resolution issued by customs authorities containing approval or denial of requested deferral or payment by instalments of customs duties and taxes shall be made in writing and forwarded to the applicant. Such resolution shall specify either the time limit of the deferral or payment by instalments of due customs duties and taxes or the reason for denial of any such deferral or payment by instalments of due customs duties and taxes.

Article 334. Provisions for Deferral or Payment by Instalments

Deferral or payment by instalments is approved for the payer of customs duties and taxes based on none of the following reasons:

- [1] damage caused to the payer resulting from of a natural calamity or force major;
- [2] delayed allocation of funds from the federal budget due to the payer or delayed compensation for a state order fulfilled by the payer;
- [3] conveyance of perishable goods across the customs border;
- [4] supplies effected by the payer pursuant to intergovernmental agreements.

Article 335. Circumstances Ruling Out Deferral or Payment by Instalments

1. Deferral or payment by instalments shall not be approved for a person in the following circumstances:

- [1] the applicant is prosecuted for a crime associated with breach of the customs legislations of the Russian Federation;
- [2] the applicant is sued for insolvency.

2. In the event of the circumstances stated in Item 1 herein, a resolution for deferral or payment for instalments may not be passed whereas a resolution, which has been passed to that effect under said circumstances, ought to be rescinded with a written notification of the person who applied for such deferral or payment by instalments within three working days.

Article 336. Interests Charged for Deferral or Payment by Instalments of Customs Duties and Taxes

1. The deferral or payment by instalments of customs duties and taxes as well as in other instances stipulated by Section 2 of Part II of this Customs Code shall be liable for an interest chargeable on the sum of the arrears for customs duties and taxes proceeding from the refinance rate of the Central Bank of the Russian Federation effective in the period of deferral or payment by instalments of due customs duties and taxes.

2. The interest is repaid prior to or concurrently with the disbursement of the sum of the arrears due for the customs duties and taxes, but not later than the day following the expiry date of the time limits approved for the deferral or payment by instalments of customs duties and taxes.

3. Payment, charge, and redemption of the interest shall be effected based on the provisions stipulated by this Customs Code for the payment, charge, and redemption of customs duties and taxes.

Chapter 31. GUARANTEES OF DUTIABLE PAYMENTS

Article 337. General Provisions for Guarantees of Dutiable Payments

1. Guarantees of payments of customs duties and taxes shall be provided in the following instances:

- [1] deferral or payment by instalments of customs duties and taxes;
- [2] conditional release of goods;
- [3] haulage or storage of foreign goods;
- [4] other customs-related activities.

2. Guarantees of payments of customs duties and taxes shall not be required if the amount of customs duties, taxes, penalty fees, and interests due to be paid is below 20,000.00 roubles, as well as in the instances when customs authorities have good reasons to believe that the commitments assumed before them shall be fulfilled.

3. If the same person performs several customs operations within a finite period of time, the customs office concerned shall be obliged to accept the person's guarantees of payment of the customs duties and taxes required for effecting all such operations (the general guarantee).

Customs authorities shall accept the general guarantee for the payment of customs duties and taxes due for customs operations in several customs offices provided said general guarantee might be used by any customs office in case of breach of the obligations secured by the general guarantee in accordance with this Customs Code.

4. The payment guarantee of customs duties and taxes shall be secured by the person responsible for their disbursement, or by any other person acting on behalf of the person responsible for the payment of customs duties and taxes.

5. The funds disbursed as a security for the payment of customs duties and taxes are reimbursed not later than in three days after the customs office has verified the fulfilment of the secured obligations or upon termination of the activities which have been conducted based on a guarantee amount securing the payment of customs duties and taxes, with the exception of cash deposits which are refunded as per the provisions contained in Article 375 of this Customs Code.

Article 338. Guarantees of Dutiable Payments

1. The security amount guaranteeing the payment of customs duties and taxes is determined by the customs office concerned proceeding from the sums of dutiable payments and the interests payable at the instance of release of goods for free circulation or their exportation in accordance with the declared customs export procedure. The security amount may not exceed the above sums of dutiable payments.

2. In case the exact amount of customs duties and taxes required for determining the security amount for dutiable payments and interests cannot be established since the payer has failed to provide accurate information pertaining to the goods nature, their names and descriptions, their quantities, countries of origin and customs value, customs authorities shall determine the security amount proceeding from the highest rates of customs duties and taxes, the highest goods value and/or their quantities which may be established based on of the information at the disposal of customs authorities.

3. In the instance stipulated by Item 3 of Article 153 of this Customs Code the security amount guaranteeing payment of the customs duties and taxes due for the goods shall be determined by the customs office concerned as a difference between the sum of the customs duties and taxes that may be levied on said goods additionally in view of the requirements stipulated by Items 1 and 2 herein and the sum of paid customs duties and taxes.

4. The Federal Customs Authority has the right to designate a fixed security amount for guaranteeing dutiable payments with regard to specific categories of merchandise with consideration of the provisions stipulated by Items 1 and 2 herein.

Article 339. Security Amounts for Dutiable Payments Required of Persons Involved in Customs-Related Activities

1. A person's activities in capacity of a customs broker, owner of a temporary storage warehouse, owner of a bonded warehouse, and/or customs carrier shall said person's stipulates security for guaranteeing requisite dutiable payments.

2. Such security amounts guaranteeing dutiable payments by a person performing the above-mentioned activities shall not be less than

- 50 million roubles, on the part of a customs broker;
- 2.5 million roubles, and, additionally, 1000 roubles per one square metre of useful area of an open plot land used as a warehouse, or 300 roubles per one square metre of useful volume of a room used as a warehouse, on the part of the owners of open-type temporary-storage and bonded warehouses;
- 2.5 million roubles, on the part of the owners of temporary-storage and bonded warehouses;
- 20 million roubles, on the part of customs carriers.

Article 340. Methods for Securing Dutiable Payments

1. Dutiable payments shall be secured by the following methods:

- [1] mortgaging of goods and other property;
- [2] bank guarantee;
- [3] disbursement of cash to the cashier's desk or transfer of funds to the account of the customs office at the federal treasury (cash deposit);
- [4] personal guarantee.

2. Security of dutiable payments may be realised, at the payer's discretion, by any method stipulated by Item 1 herein of this Chapter.

3. In addition to the methods specified in Item 1 herein, the Federal Customs Authority in coordination with the Federal Supervisor of Insurance Activities determines the instances when dutiable payments may be secured by insurance agreements (Article 347). The legal statutes of the Russian Federation may also stipulate other methods of securing the payment of customs duties and taxes.

Article 341. Mortgage of Goods and Other Property

1. Subject to mortgage may be goods imported to the customs territory of the Russian Federation as well as any other property, which may be subject to mortgage pursuant to the Civil Code of the Russian Federation.

2. A mortgage agreement is concluded between a customs office and a mortgager. A mortgager may be any person responsible for the disbursement of customs duties and taxes, as well as any other person.

3. If a mortgager fails to fulfil his or her obligations secured by mortgage, customs authorities shall be obliged to transfer the arrears for the mortgager's dutiable payments to the federal budget at the expense of the value of mortgaged property.

4. At case subject to mortgage are the goods in customs custody, the claims lodged by customs authorities shall be satisfied at the expense of said goods without any court litigation as per Chapter 41 of this Customs Code. The claims lodged by customs authorities with regard to other mortgaged property shall be regulated by the Civil Code of the Russian Federation.

Article 342. Bank Guarantee

1. Customs authorities shall accept bank guarantees issued by the banks, credit organisations or insurance companies recorded in the Register of Banks and Other Credit Organisations (hereinafter in this Chapter, the Register), which is kept by the Federal Customs Authority, as security for dutiable payments as per the order determined by the Federal Customs Authority.

2. The Federal Customs Authority shall be obliged to ensure regular publications in its official issues of the lists of banks, credit, or insurance organisations recorded in the Register.

3. The legal relations predicated on the issue of a bank guarantee, claims thereto, fulfilment by the guarantor of his (or her) obligations stipulated by a bank guarantee, and termination of the terms of a bank guarantee shall be subject to the provisions of law of the Russian Federation on the banks and banking operations, as well as the Civil Code of the Russian Federation.

4. With regard to banks, credit organisations and insurance companies included in the Register of Banks and Other Credit Organisations, the Federal Customs Authority determines the minimal amount of a bank guarantee and the maximal amount of all concurrent bank guarantees issued by the same bank or the same credit organisation or insurance company for ensuring acceptance of such bank guarantees by customs authorities for the purpose of securing dutiable payments.

Article 343. Terms of Entry of Banks, Credit Organisations, and Insurance Companies into Register

1. Entry of banks, credit organisations, and insurance companies into the Register is stipulated by their adherence to the terms and conditions stipulated by this Article. Entry of a bank into the Register is free of charge.

2. The terms of entry of a bank into the Register are, as follows:

[1] availability of certified license for banking operations issued by the Central Bank of the Russian Federation and minimum five years of banking experience;

[2] absence of arrears before customs authorities;

[3] availability of the bank authorised capital amounting to minimum 200 million roubles;

[4] availability of the bank's assets (capital) amounting to minimum one billion roubles;

[5] observance of the established mandatory economic standards on all reporting dates within the preceding calendar year.

3. The terms of entry of a bank branch into the Register are, as follows:

[1] entry of the banks branch into the State Register of Credit Organisations;

[2] availability of the right to issue bank guarantees stipulated by the statute of said branch;

[3] compliance of the head bank to the terms and conditions of entry into the Register or its entry in the Register/

4. The terms of entry of an insurance company into the Register are, as follows:

[1] availability of a valid permanent licence issued by the Federal Insurance Authority to perform insurance activities in all categories of liability insurance adopted in customs operations;

[2] absence of arrears before customs authorities;

[3] availability of the registered authorised capital amounting to minimum 500 million roubles;

[4] at least five years of experience in capacity of an insurance company;

[5] positive balance within the preceding calendar year;

[6] availability of free assets as per last reporting date in the amount not less than the normative amount;

[7] availability of net wealth upon the end of the preceding reporting period whose value should not be less than the volume of the paid authorised capital.

5. A bank, a credit organisation or an insurance company applying for the entry to the Register will submit to customs authorities a written application therefore containing the details confirming its compliance with the terms and conditions stipulated by the Register and submit the following documents:

[1] a bank will be obliged to submit:

– the bank certificate of incorporation;

– the bank registration certificate as a juridical person;

– the bank registration certificate as a credit organisation issued by the Central Bank of the Russian Federation;

- the license of the Central Bank of the Russian Federation to perform banking operations;
 - the duly certified signature card with specimen signatures of the bank officials who are authorised to affix their signatures and the bank seal on bank guarantees;
 - the document containing the estimates of the bank assets (capital) as per reporting dates for the preceding calendar year signed by the bank manager, the chief accountant and certified by the bank official seal;
 - the bank balance report as per preceding reporting date signed by the bank manager, the chief accountant and certified by the bank official seal;
 - the bank income and loss report as per preceding reporting date signed by the bank manager, the chief accountant and certified by the bank official seal;
 - the certified reference confirming fulfilment by the bank of its mandatory economic norms and values of the indexes used for their computation as per each reporting date for the preceding calendar year signed by the bank manager, the chief accountant and certified by the bank official seal;
 - a copy of the bank auditing conclusion certifying the authenticity of the bank accounting reports for the preceding year signed by the bank manager, the chief accountant and certified by the bank official seal;
- [2] a bank branch will be obliged to submit:
- the branch statute;
 - the bank registration certificate as a juridical person;
 - the information letter issued by the Central Bank of the Russian Federation certifying the entry of said branch in the Book of the State Registration of Credit Organisations;
 - the duly certified signature card with specimen signatures of the branch officials who are authorised to affix their signatures and the branch seal on bank guarantees;
- [3] an insurance company will be obliged to submit:
- the company certificate of incorporation;
 - the company registration certificate as a juridical person;
 - the duly certified signature card with specimen signatures of the insurance company officials who are authorised to affix their signatures and the company seal on bank guarantees;
 - the company balance report for the preceding two quarter years signed by the company manager, the chief accountant and certified by the company seal;
 - the company income and loss report as per each quarter year for the preceding calendar year signed by the company manager, the chief accountant and certified by the company seal;

- the company assets and liabilities report as per each quarter year for the preceding calendar year signed by the company manager, the chief accountant and certified by the company seal;

- the certified reference containing information explicating the company performance indexes for the preceding calendar year signed by the company manager, the chief accountant and certified by the company seal;

- a copy of the company auditing conclusion certifying the authenticity of the company accounting reports for the preceding year signed by the company manager, the chief accountant and certified by the company seal.

6. The documents stipulated by Item 5 herein may be submitted as originals or as duly certified copies.

As soon as the application has been considered, the Federal Customs Authority shall be obliged to return, upon the applicant's request, the originals of all submitted documents.

7. The Federal Customs Authority shall consider the application for entry into the Register within the period not exceeding 30 days from the day of submission of the application, and makes a decision with regard to including the applicant bank, a credit organisation, or an insurance company into the Register. The Federal Customs Authority will resolve to reject an application for entry into the Register in case the applicant does not meet the terms and conditions stipulated by Item 2 herein.

The customs authorities shall notify the applicant in writing of their passed decision within three days from the date of the decision-making.

8. The Federal Customs Authority considering the application for entry to the Register has the right to request that third parties, as well as the state agencies provide the documents verifying the information and the documents submitted by the applicant. Those persons shall be obliged to furnish the requested documents within ten days from the day they receive such a request from said customs office.

9. The decision denying the applicant's entry to the Register may only be passed in case the applicant has breached the terms and conditions stipulated herein.

The customs authorities shall notify the applicant in writing of their decision to deny his entry to the Register substantiating the reasons thereof within three days from the date of said decision-making.

10. The applicant bank, credit organisation, or insurance company shall be entered into the register starting from the first day of the month following the month when said decision is passed.

Article 344. Exclusion of Bank, Credit Organisation or Insurance Company from Register

1. A bank, a credit organisation or an insurance company may be excluded from the Register upon a decision in that regard made by the Federal Customs Authority in the following instances:

- liquidation or reorganisation of the bank, credit organisation or insurance company;
- withdrawal by the Central Bank of the Russian Federation of its licence from a bank to perform banking operations or by the Federal Insurance Authority of its license from an insurance organisation to perform insurance operations;
- breach of at least one of the terms of entry into the Register;
- breach of the obligations as per a bank guarantee;
- expiration of one year from the date of entry into the Register provided the bank, credit organisation or insurance company has not applied for the re-entry to the Register in accordance with the established procedure.

2. Exclusion of a bank, a credit organisation or an insurance company from the Register shall not terminate the validity of the bank guarantees issued by it and accepted by customs authorities nor relieve them of the responsibility for improper fulfilment of the terms of the bank guarantees issued by them.

3. A bank, a credit organisation or an insurance company, which have been excluded from the Register, may be reinstated in the Register in one year's time provided they have eliminated the reasons for their exclusion from the Register.

Article 345. Placement of Funds to Bank Account of Customs Office (Cash Deposit)

1. Disbursement of cash to the cashier's desk or to the bank account of the customs office in terms of a guarantee for payment of customs duties and taxes (cash deposit) may be effected using the legal tender of the Russian Federation or foreign currency whose exchange rate is quoted by the Central Bank of the Russian Federation.

2. The amount of the cash deposit shall not be charged any interest.

3. In the event of breach of an obligation secured by a cash deposit, the amounts payable as dutiable payments, penalty fees, and the interests shall be deducted to the federal budget from the deposited cash amounts.

4. Following the fulfilment of the obligations secured by a cash deposit, the deposited cash shall be reimbursed as per Article 357 of this Customs Code, or, upon the payer's request, said funds may be retained for making or securing future dutiable payments, or for securing the dutiable payments predicated on the payer's other obligations before the customs authorities.

5. Customs authorities shall issue a customs receipt in confirmation of the cash deposit disbursed by the payer as security for dutiable payments to the cashier's desk or the credited to the bank account of the customs office concerned. The form and application of said customs receipt is regulated by the Federal Customs Authority in coordination with the Federal Fiscal Authority as per Article 357 of this Customs Code.

Article 346. Guarantee

A guarantee can be formalised pursuant to the Civil Code of the Russian Federation through a contract concluded between a customs office and a guarantor. Acting in capacity of guarantors may be customs brokers, owners of temporary-storage warehouses, owners of bonded warehouses, duty-free shops and other persons.

Article 347. Application of Insurance Contract as Security for Dutiable Payments

1. In the instances determined by the Federal Customs Authority in coordination with the Federal Insurance Authority, an insurance contract made in accordance with the Civil Code of the Russian Federation may serve as security for a person's dutiable payments.

2. With a view to securing dutiable payments, customs authorities shall accept the insurance contracts concluded with the insurance companies included into the Register of Insurance Organisations whose insurance contracts may be accepted as security for dutiable payments. The procedures, terms, and conditions of the entry of insurance organisations into the Register, as well as the order of its keeping are regulated by the Federal Customs Authority in coordination with the Federal Insurance Authority.

Chapter 32. COLLECTION OF DUTIABLE PAYMENTS

Article 348. General Provisions Stipulating Compulsory Collection of Customs Duties and Taxes

1. In case of due customs duties and taxes have not been paid in full in the prescribed period of time, customs authorities shall collect said customs duties and taxes using a compulsory procedure stipulated by this Chapter.

2. The unpaid amounts due for customs duties and taxes may be collected compulsorily from the persons responsible for the payment of said customs duties and taxes (Article 320) or at the expense of the merchandise whose due customs duties and taxes remain unpaid (Article 352).

3. The compulsory collection of customs duties and taxes from juridical persons shall be performed by way of collecting from them the unpaid amounts due for customs duties and taxes at

the expense of the funds deposited at payers' bank accounts (Article 351) or the payers' other property (Article 353), as well as through the court. The compulsory collection of customs duties and taxes from natural persons shall be performed through the court.

4. Prior to applying the measure of compulsory collection of unpaid customs duties and taxes, customs authorities shall issue a payment order to the person responsible for the payment of customs duties and taxes (Article 350), except the instances stipulated by item 2 of Article 352 of this Customs Code.

5. The compulsory collection of dutiable payments shall not be applied in the following situations:

– when the payment order for the customs duties and taxes (Article 350) has not been issued within three years from the date of expiry of their term of payment or from the date of occurrence of the event predicating the persons' responsibility to disburse customs duties and taxes in accordance with this Customs Code;

– if the total amount of the customs duties and taxes levied on the goods stated in the customs declaration or on the goods dispatched at the same time, by the same sender to the same recipient amounts to less than 150 roubles.

Article 349. Penalty Fees

1. The penalty fee shall be charged for non-payment (delay of payment) of customs duties and taxes within prescribed time limits

2. With the exception of the circumstances stipulated by Items 3 through 5 herein, penalty fees shall be charged for each calendar day of a delay in payments of customs duties and taxes beginning from the day following the date of expiry of the time limit prescribed for the disbursement of due customs duties and taxes until the day when the payer fulfils his (or her) obligations as per dutiable payments, or until the day when customs authorities resolve to approve a deferment for the payment of customs duties and taxes or their disbursement by instalments including the interest thereon equivalent to one three-hundredth of the refinance rate established by the Central Bank of the Russian Federation chargeable on the amount of unpaid dutiable customs duties and taxes (arrears). Calculation of penalty fees is based on the refinance rate established by the Central Bank of the Russian Federation effective during the payment delay period.

3. In lodging a demand to the guarantor for the payment of due customs duties and taxes, penalty fees shall be charged for the period of not exceeding three months from the day following the date of expiry of the time limit prescribed for the fulfilment of the obligations secured by a bank or other guarantee.

4. In lodging a demand to the person responsible for the payment of due customs duties and taxes, penalty fees shall be charged as per day of lodging said demand. In case customs duties and taxes have not been disbursed within prescribed time limits, penalty fees shall be charged pursuant to the provisions of Item 2 herein.

5. In the event when the time limit stipulated for the submission of a customs declaration was breached, with merchandise being stowed in a temporary-storage warehouse (Article 9), no penalty fees shall be charged or disbursed for the period of the goods temporary storage.

6. Penalty fees shall be disbursed in addition to the sums of the payer's arrears regardless of other liability measures applied due to a violation of the customs legislation of the Russian Federation.

7. Penalty fees shall be disbursed concurrently with the due customs duties and taxes or after said payments, but not later than in one month from the date of payment of customs duties and taxes.

8. An application for a deferment of payment of customs duties and taxes or their disbursement by instalments shall not affect the penalty fees charged to the payer's arrears

9. Disbursement, collection and reimbursement of penalty fees shall be regulated by the provisions stipulated by this Customs Code for disbursement, collection and reimbursement of customs duties and taxes.

Article 350. Demand for Dutiable Payments

1. The demand for dutiable payments constitutes a written notification issued by customs authorities with regard to the amount of dutiable payments which have not been disbursed by the payer within prescribed time limits as well as the payer's obligation to disburse due amount of customs duties and taxes, penalty fees and/or the interest thereon within the time limit prescribed by this demand.

2. The demand for payment of customs duties and taxes ought to contain the information pertaining to the due amounts of payable customs duties and taxes, the due amount of penalty fines and/or the interest accrued to the dutiable payments as per the day of issuance of said demand, the time terms for completing the dutiable payments as stipulated by this Customs Code, the time limits prescribed for the fulfilment of this demand, the measures that may be applied to the payer for enforcing and securing compulsory collection of dutiable payments in case the payer has ignored the demands lodged by customs authorities, as well as the legal grounds for such a demand. The form of the demand for dutiable payments is approved by the Federal Customs Authority.

3. The demand for dutiable payments ought to be dispatched to the payer not later than in ten days from the day when customs authorities reveal the fact of non-payment or incomplete payment of customs duties and taxes.

4. The time limit prescribed for the fulfilment of the demand for dutiable payments should not be less than ten and not more than twenty working days beginning from the date of receipt of said demand by the payer. In case the payer has not fulfilled said demand within the prescribed period of time, customs authorities apply compulsory measures for collecting due customs payments in accordance with this Chapter.

5. The demand for dutiable payments shall be handed directly to the head or other authorised representative of the payer organisation or to a natural person concerned against a written receipt or by any other way confirming the fact and the date and time of receipt of said demand. In case such persons opt to evade receipt of said demand, it should be posted as registered mail. The demand for dutiable payments shall be regarded as received after six days following its dispatch by the registered have elapsed.

6. In case the payer fails to fulfil the demand for dutiable payment within the time terms stipulated by Item 4 herein, customs authorities take measures for enforcing compulsory collection of unpaid dutiable payments in accordance with this Chapter.

7. The demand for dutiable payments will be dispatched to the payer irrespective of the payer's criminal or administrative charges.

Article 351. Collection of Dutiable Payments at the Expense of Cash Deposits at the Payer's Bank Accounts (Indisputable Collection)

1. In case of the payer's failure to complete dutiable payments a within prescribed time limits, customs authorities resolve collect the unpaid funds from the payer's bank accounts according to the indisputable order.

The form the customs authorities' resolution with regard to the collection due amounts according to the indisputable order (hereinafter, indisputable collection) is approved by the Federal Customs Authority.

2. Customs authorities shall be obliged to pass a resolution with regard to application to the payer of the indisputable collection not later than in thirty days from the date of expiry of their demand for dutiable payments.

In case a resolution with regard to indisputable collection has been passed after the designated time limit has elapsed, such resolution will neither have any power nor be subject to execution. In such situation the customs office will sue the payer in court by way of lodging a lawsuit for compulsory collection of due customs payments. In such situation the customs office concerned will sue the payer in court lodging a claim for the unpaid amounts of dutiable payments.

3. A resolution mandating the indisputable collection of the payer's arrears provides grounds for customs authorities to forward a collection order (instruction) to the payer's bank instructing the bank to debit from the payer's account(s) the due amount and transfer it to the bank account of the customs office concerned.

4. The indisputable collection of dutiable payments is effected from the payer's checking accounts, except the payer's loan accounts, unless the Russian legislation on taxes and duties contains other provisions thereto. Dutiable payments from the payer's foreign currency account(s) are debited in the amounts equivalent to those in Russian roubles calculated on the basis of the currency exchange rate established by the Central Bank of the Russian Federation on the date of factual collection of due funds. At the instance of collection of due funds from the payer's foreign

currency accounts, the chief of the customs office in charge or his (or her) deputy shall be obliged to supplement the collection order (instruction) with an instruction to the payer's bank to sell the requisite amount of foreign currency from the payer's checking account not later than on the day following said instruction.

5. The collection order (instruction) issued by a customs office shall be executed by the bank pursuant to the terms and conditions stipulated by the Russian legislation on taxes and duties for the enforcement of the collection orders (instructions) issued by tax authorities.

Article 352. Collection of Customs Duties and Taxes at the Expense of Goods Whose Due Customs Duties and Taxes Remain Unpaid

1. In the instances stipulated by this Customs Code, as well as in case of absence of an adequate amount on the payer's checking accounts or insufficient information thereof, customs authorities have the right to collect the unpaid customs duties and taxes at the expense of the goods, for which due customs duties and taxes have not been paid, provided such goods have been released for free circulation in accordance with the procedure stipulated by this Customs Code.

2. The unpaid customs duties and taxes may only be collected at the expense of the goods, for which due customs duties and taxes have not been paid, without sending the payer a demand for dutiable payments in the following instances:

– if the time limit for the storage of such goods at the temporary-storage warehouse or bonded warehouse has expired (Articles 103 и 218);

– if customs authorities have not identified the person responsible for the payment of due customs duties and taxes.

3. Due customs duties and taxes shall be collected at the expense of goods based on the ruling passed by a court of justice provided the payer is a natural person or the person responsible for the payment of said customs duties and taxes has not been identified by customs authorities, or on the ruling passed by an arbitration tribunal in case the person responsible for the payment of due customs duties and taxes is juridical entity or an individual entrepreneur, except the instances when such goods have been transferred to customs authorities as mortgage (Article 341), or when subject to said collection are the goods whose storage time limit at the temporary-storage warehouse or bonded warehouse has expired.

4. Due customs duties and taxes may only be collected at the expense of goods provided the customs duties and taxes due for them have not been disbursed completely or partially in the order and within the time terms stipulated by this Customs Code.

5. Due customs duties and taxes shall be collected at the expense of goods irrespective of their owner.

6. Disposal of the amounts accrued as a result of sale of said goods shall be effected in accordance with the provisions contained in Article 432 of this Customs Code.

Article 353. Collection of Dutiable Payments at the Expense of Payer's Other Property

1. In case the payer has not fulfilled the demand for dutiable payments, or in case of insufficiency or lack of required amounts at the payer's checking accounts, or in the absence of any details on the payer's checking accounts, customs authorities have the right to collect the unpaid customs duties and taxes at the expense of the payer's available unclaimed amounts of advance payments, the payer's cash deposit or his (or her) other property including cash.

2. Collection of due customs duties and taxes at the expense of the payer's advance payments or cash deposit shall be enforced upon a resolution in that regard made the chief of the customs office or his (or her) deputy within the period when said funds are deposited at the customs office account provided the payer has been formally notified thereof in the demand for dutiable payments (Article 350). The customs office concerned shall forward a written notification to the person who placed said amounts to the customs office account informing him (or her) of the collection of due customs duties and taxes at the expense of the payer's advance payments or cash deposit within one working day following the date of said collection.

3. Collection of due customs duties and taxes at the expense of the payer's other property shall be enforced by way of forwarding of a resolution in that regard passed by the chief of the customs office or his (or her) deputy in accordance with the procedure stipulated by Tax Code of the Russian Federation to the bailiff within a period of three working days. The enforcement of said resolution by the bailiff shall be effected pursuant to the provisions of the Tax Code of the Russian Federation and the Russian legislation on law enforcement.

Article 354. Obligation of Banks and Other Credit Organisations to Abide by Resolutions Passed by Customs Authorities with regard to Collection of Dutiable Payments

1. The banks and other credit organisations shall be obliged to abide by the resolutions passed by customs authorities with regard to indisputable collection of dutiable payments.

2. The banks and other credit organisations shall be obliged to implement a resolution passed by customs authorities with regard to indisputable collection of dutiable payments within one bank trading day following the date of receipt of said resolution.

3. In case the payer had sufficient funds in his (or her) checking account the banks and other credit organisations shall not have the right to defer execution of the resolution passed by customs authorities with regard to indisputable collection of dutiable payments.

4. The banks and other credit organisations shall be liable for non-execution or improper execution of the responsibilities vested in them pursuant to the provisions of this Article in accordance with applicable law of the Russian Federation.

5. The provisions of this Article shall also apply to the obligations of banks and other credit organisations to fulfil the resolutions passed by customs authorities with regard to indisputable collection of dutiable penalty fees and the interest thereon.

Chapter 33.

REIMBURSEMENT OF CUSTOMS DUTIES, TAXES AND OTHER PAYMENTS

Article 355. Reimbursement of Excessively Paid or Excessively Collected Customs Duties and Taxes

1. The excessively paid or excessively collected amounts of customs duties and taxes shall be defined as the amounts of customs duties and taxes which have been de facto disbursed or collected in excess of the amounts stipulated by the statutes of law of the Russian Federation and by this Customs Code.

2. The excessively paid or excessively collected amounts of customs duties and taxes shall be returned by the customs office concerned upon the payer's request. Such a request should be submitted to the customs office to whose account(s) said amounts were credited or which effected the collection of said amounts within three years following the date of their disbursement or collection by the customs office concerned.

3. In case of discovery of the fact of excessively paid or excessively collected dutiable payments, customs authorities shall be obliged to notify the payer of the amount of the excessively paid or collected customs duties and taxes within one month's time from the day of discovery a such a fact.

4. Reimbursement of the excessively paid or excessively collected amounts of customs duties and taxes shall be effected upon a resolution in that regard passed by the customs office to whose accounts said amounts of customs duties and taxes have been credited. The overall period for considering the payer's request for reimbursement, passing a resolution in that regard and reimbursement of the excessively paid or excessively collected amounts of customs duties and taxes shall not exceed one month from the date of submission of a written request thereto and supply of all required documents. In case the time limit stipulated herein has not be observed, the excessively paid or excessively collected amounts of customs duties and taxes which have not been reimbursed within the designated period of time shall be subject to an interest chargeable thereto for each day of non-fulfilment of the time terms of the funds reimbursement. The interest rate shall be equivalent to the refinance rate established by the Central Bank of the Russian Federation effective within the period of violation of the terms of reimbursement. In case payments or collection of customs duties and taxes was made in foreign currency, the interest stipulated by this Item shall be charged to the amount of the excessively paid or excessively collected amounts of customs duties and taxes re-calculated in accordance with the exchange rate

determined by the Central Bank of the Russian Federation into the legal tender of the Russian Federation effective on the day when said excessive payment or excessive collection occurred.

5. Reimbursement of the excessively paid or excessively collected amounts of customs duties and taxes shall be made to the account specified in the payer's request for reimbursement.

6. Reimbursement of the excessively paid or excessively collected amounts of customs duties and taxes shall be made in the legal tender of the Russian Federation. In case payments or collection of customs duties and taxes was made in foreign currency, reimbursement of the excessively paid or excessively collected amounts of customs duties and taxes shall be made in accordance with the exchange rate determined by the Central Bank of the Russian Federation effective on the day when said excessive payment or excessive collection occurred.

7. In the instance of reimbursement of the excessively paid or excessively collected amounts of customs duties and taxes, the penalty fees and the interest paid or collected on the amounts of reimbursed customs duties and taxes, with the exception of the dutiable payments stipulated by Article 356 of this Customs Code, shall also be refunded.

8. Upon the payer's request, reimbursement of the excessively paid or excessively collected amounts of customs duties and taxes may be accounted for as fulfilment of the payer's liabilities with regard to other dutiable payments, penalty fees, interests and fines. Compensation for the excessively paid or excessively collected amounts of customs duties and taxes shall be effected in accordance with this Article with regard to the reimbursement procedure with consideration of the provisions stipulated by Item 9 herein.

9. Excessively paid or excessively collected amounts of customs duties and taxes shall not be refunded in the following instances:

- if the payer's arrears in dutiable payments are equivalent to the refundable amount. In this situation, said arrears may be compensated by the excessively paid or excessively collected amounts of customs duties and taxes;

- if the amount of refundable dutiable payments is less than 150 roubles, except the instances when such dutiable payments were excessively disbursed by or collected from natural persons;

- if the request for return was submitted after the expiration of the proscribed time limit.

- if the payer submit the claim for reimbursement of the excessively paid or excessively collected amounts of customs duties and taxes after the expiry of the prescribed time limits.

- If the payer has arrears in dutiable payments, penalty fees and interest thereon, the customs office concerned has the right to redeem said amounts at the expense of the amounts of the excessively paid or excessively collected dutiable payments. In such situation, the customs office concerned shall be obliged to inform the payer of said compensation within three days.

10. In the instance of reimbursement of excessively made dutiable payments, the interest thereon shall not be refunded, except in the case stipulated by Item 4 herein; such amounts shall not be subject to indexing.

Article 356. Other Cases for Reimbursement of Dutiable Payments

1. Customs duties and taxes shall also be refunded in the following instances:

[1] a customs declaration submitted to customs authorities is regarded as void in accordance with this Customs Code;

[2] withdrawal of the customs declaration;

[3] provision of tariff privileges in the form of refund of the disbursed amount of dutiable payments;

[4] reinstatement of the status of the most favoured nation or of tariff preferences;

[5] if this Customs Code stipulates reimbursement of the disbursed amounts of customs duties and taxes at the instance of exportation of foreign goods from the customs territory of the Russian Federation, or their destruction, or rejection in favour of the state, or in the instance of goods re-importation;

[6] a change of the previously declared customs procedure, which has been authorised by customs authorities, provided the amounts of customs duties and taxes payable at the instance of placement of said goods under the newly elected customs procedures is smaller than that disbursed upon placement of said goods under the initially opted customs procedure, except the case stipulated by Item 6 of Article 212 of this Customs Code;

[7] application of temporary, special, antidumping or compensatory duties stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activity.

2. Reimbursement of customs duties and taxes in the cases stipulated by Item 1 herein shall be effected upon the payer's submission of a request in that regard within one year from the day following the date of occurrence of the circumstances predicating reimbursement of the customs duties and taxes disbursed as per Article 355 of this Customs Code, which provision is applicable to the refund of excessively paid or collected dutiable payments. In this instance, the provisions stipulated by Item 7 of Article 355 of this Customs Code shall not apply.

Article 357. Refund of Cash Deposit

1. Cash deposits shall be refunded after the payer's obligations secured by the cash deposit have been fulfilled provided the payer submits his (or her) request for the refund to the customs office concerned within three years from the day following after the date of fulfilment of the payer's obligations. After the expiry of said time term, the unclaimed amounts of cash deposits shall be transferred to the Federal Budget and shall no longer be subject to reimbursement.

2. A cash deposit shall be refunded by the same customs office to whose account said amount was credited or to whose cashier's desk it was disbursed, or by the customs office where the customs procedure declared by the payer is completed provided its fulfilment has been secured by the cash deposit.

3. The cash deposit shall be refunded upon the submission of the pertinent customs receipt (Item 5 of Article 345) in the same currency as the cash payment. In case said cash deposit was made in the foreign currency which is no longer available, the customs office has the right to refund the payer in a different currency whose exchange rate is quoted by the Central Bank of the Russian Federation or, upon the payer's request, in the legal tender of the Russian Federation. Recalculation of foreign currencies shall be based on the exchange rate established the Central Bank of the Russian Federation on the day of refund the cash deposit.

4. If the amount of cash deposit was disbursed in cash to the cashier's desk of the customs office, said amount, on the payer's request, may be refunded by was of a cash transfer to the bank account designated by the payer.

5. A cash deposit shall not be refunded if the payer has arrears with regard to the dutiable payments, penalty fees or the interest in the amount equivalent to that of the arrears. The customs office has the right to collect said cash deposit in compensation for the payer's arrears as per Article 353 of this Customs Code.

6. At the instance of refund of the cash deposit, the interest charged thereon shall not be reimbursed, the amounts shall not be indexed, and the bank commission on banking operations shall be repaid from the transferred amounts.

PART IV. CUSTOMS CONTROL

Chapter 34. CUSTOMS CONTROL GENERAL PROVISIONS

Article 358. Principles of Customs Control

1. In conducting customs control measures, customs authorities proceed from the principle of selectivity and, as a rule, confine themselves to the forms of customs control sufficient for ensuring the observance of the customs legislation of the Russian Federation.

2. In opting for the most appropriate form of customs control, customs authorities will rely on the risk management system, said risk being regarded as a probability of breaches of the customs legislation of the Russian Federation.

The risk management system is based on efficient utilisation of customs resources for preventing breaches of the customs legislation of the Russian Federation, as follows:

- recurring;
- predicated on evasion of dutiable payments in considerable amounts;
- undermining competitiveness of domestic producers;
- infringing on vital interests of the state whose observance is vested in customs authorities.

3. Customs authorities apply the risk assessment methods for determining the goods, means of transport, documents, and the persons that should be subjected to customs control and determine the degree of such customs control measures.

4. The Federal Customs Authority determines the customs control strategy proceeding from the risk assessment evaluation system.

5. With a view to further improving the customs control measures, the Federal Customs Authority cooperates with customs authorities of foreign countries, concluding mutual assistance agreements.

6. With a view to raising the effectiveness of customs control measures, the Federal Customs Authority and other customs authorities shall seek to promote cooperation with the participants of foreign economic activities, customs carriers, and other organisations, whose activities are associated with foreign trade, as well as with their trade unions (associations).

7. Customs control procedures are carried out exclusively by the officers of customs bodies in accordance with the provisions stipulated by this Customs Code.

Article 359. Terms of Examination of Customs Declarations and Other Documents and Inspection of Goods during Customs Registration

1. In the process of customs registration of merchandise, the examination of the customs declaration and other relevant documents submitted to customs authorities, as well as the inspection of merchandise aimed at verifying the compliance of the information stated in said customs declarations and other documents with the goods names, origin, quantity and value ought to be accomplished not later than within three working days from the date of receipt by the customs office concerned of the customs declaration, the accompanying documents, and presentation of goods for inspection, except the instances when this Customs Code stipulates shorter time limits for such measures.

2. Customs authorities have the right to extend the time terms of goods inspection in case the consignment of said goods is not divided into separate packing lots based on the goods categories and/or descriptions, and/or in case the information explicating the goods packing and marking is not stated in commercial and/or shipment documents and waybills pertaining to said consignment. The extension of time terms of the goods inspection will be resorted to in case the

circumstances stated above prevent customs officers from performing the required operations with a view to establishing the compliance of merchandise with the information thereof contained in the submitted customs declaration. The time terms of the goods inspection may be extended by the period that may be required for the person responsible for said goods to break the consignment into separate categories of goods.

Article 360. Goods and Means of transport under Customs Control

1. The goods and means of transport imported to the customs territory of the Russian Federation shall be regarded under customs control from the moment of their conveyance across the customs border upon their entry to the customs territory of the Russian Federation until they are:

- released to free circulation;
- destroyed;
- rejected in favour of the state or otherwise converted into federal property or other form of disposal as per Chapter 41 of this Customs Code;
- de facto exported from the customs territory of the Russian Federation.

Utilization and disposal of the imported goods and means of transport under customs control shall only be permitted in the order and on the terms stipulated by this Customs Code.

2. Russian goods and means of transport shall have the status of goods under customs control during their exportation from the customs territory of the Russian Federation from the moment of acceptance by customs authorities of the customs declaration thereof or performance of another operations directly stipulating the exportation of said goods from the customs territory of the Russian Federation until their de facto crossing of the customs border.

3. Customs authorities shall verify the fulfilment of persons' obligations with regard to re-importation of the Russian goods and means of transport which were previously exported from the customs territory of the Russian Federation or re-importation of their compensating products in accordance with the terms of the applicable customs procedures in the order stipulated by the provisions of this Section of the Customs Code provided such goods or their compensating products are liable for mandatory re-importation in accordance with law of the Russian Federation.

Article 361. Verification of Authenticity of Information Following Release of Goods and/or Means of transport for Free Circulation

1. Following the release of goods and/or means of transport for free circulation, customs authorities have the right to verify the authenticity of information declared at the instance of the goods customs registration pursuant to the order stipulated by Chapter 35 of this Customs Code.

2. Customs authorities have the right to verify the authenticity of information following the release of goods and/or means of transport for free circulation within one year from the date when said goods and/or means of transport have relinquished their customs control status.

3. In the instances and in the order stipulated by this Customs Code and other legal statutes of the Russian Federation customs authorities exercise customs control measures in the course of turnover of the goods imported to the customs territory of the Russian Federation by verifying the information certifying the release of said goods and/or means of transport by customs authorities in accordance with the terms and conditions stipulated by this Customs Code, as well as by verifying the availability of marking or other identification signs used for certifying the legality of importation of said goods to the customs territory of the Russian Federation.

Article 362. Customs Control Zones

1. Customs control zones are set up for effecting customs control measures through customs examination and customs inspection of goods and/or means of transport, as well as their storage and haulage in customs custody.

Customs control zones may be set up along the customs border, in the places designated for customs registration formalities, performance of customs operations, in the places of goods transshipment, their examination and inspection, in the places of goods temporary storage, parking grounds of means of the transport involved in haulage of goods in customs custody, as well as in other places stipulated by this Customs Code.

2. The customs control zones can be permanent, as in the instances when the goods subject to customs control are stowed there on a regular basis, or temporary. The temporary customs control zones may be set up:

- for the performance of customs registration formalities with goods beyond the places designated for the performance of customs operations (Article 406) within the time limit required for the completion of such operations provided performance thereof predicates the designation of a customs control zone based on the necessity to ensure unobstructed discharge by customs authorities of their functions;

- in case of need to execute inspection and examination of goods and/or means of transport which were discovered by customs authorities outside permanent customs control zones.

A written resolution with regard to setting up a temporary customs control zone is passed by the chief of a customs office or by the person substituting him (or her).

3. The order of setting up and marking customs control zones as well as defining the requirements thereto are approved by the Federal Customs Authority except the instances when customs control zones are set up along the customs border of the Russian Federation. The customs control zones located along the customs border are established in the order determined by the Government of the Russian Federation.

The order of inception of marking of customs control zones, as well as requirements thereto in the instances when such zones established on the premises of the checkpoint at the State Border of the Russian Federation shall be determined by the Federal Customs Authority with consideration of the provisions of the statutes of the Federal Law on the State Border of the Russian Federation.

4. The activities associated with goods production and other commercial operations, conveyance of goods, means of transport and persons including officials of other state bodies across the boundaries of customs control zones and inside their perimeter may only be permitted by customs authorities and under their surveillance, except the instances stipulated by this Code and other federal laws. In such cases, admission to the customs control zones will be permitted upon preliminary notification of the customs authorities.

On the premises of the checkpoint at the State Border of the Russian Federation, such restrictions with regard to the activities, conveyance of goods, means of transport and persons across the boundaries of customs control zones shall be regulated by the Federal Law on the State Border of the Russian Federation.

5. Customs inspection of goods may only be performed in designated customs control zones.

Article 363. Submission of Documents and Information Required for Customs Control

1. The persons, conveying goods and transportation means across the customs border, customs brokers (proxies), owners of temporary-storage and bonded warehouses, and customs carriers shall be obliged to submit to customs authorities the documents and information required for customs control purposes whose submission is stipulated by this Customs Code.

2. Customs authorities request that the documents and information required for customs control be submitted in writing and establish sufficient time limits for their submission. Upon a person's motivated request, customs authorities may extend said time limits by the period required for submission of required documents and information.

3. For customs control purposes, customs authorities have the right to obtain from the banks and other credit organisations the information and references with regard to the persons associated with foreign trade activities and disbursement of dutiable payments specified in Article 16 of this Customs Code, as well as references with regard to the operations conducted by customs brokers, owners of temporary-storage and bonded warehouses, and customs carriers.

4. With a view to verifying the authenticity of information pertaining to imported goods following the release of goods for free circulation, customs authorities have the right to request and obtain commercial documents, bookkeeping documents and reports, and other information, including electronic versions thereof, relating to foreign economic operations with such goods, as well as obtain information from the goods declarant or any other persons, who have been directly

or indirectly connected with the operations with said goods, on subsequent operations with the goods imported to the customs territory of the Russian Federation.

5. Customs authorities have the right to obtain from the bodies responsible for registering juridical persons as well as the other agencies the information they require for exercising customs control measures.

6. The documents required for exercising customs control measures must be preserved by the persons concerned for at least three calendar years following the year when the goods relinquish the status of the goods subject to customs control. The customs brokers (proxies), owners of temporary-storage and bonded warehouses, and customs carriers shall be obliged to preserve said documents for five calendar years following the year when said customs control operations were exercised.

Article 364. Submission of Reports for Customs Control Purposes

Upon a request by customs authorities, the customs brokers (proxies), owners of temporary-storage and bonded warehouses, customs carriers, the persons who are entitled to special simplified customs procedures (Article 68), as well as the persons using and/or owning the conditionally released goods shall be obliged to submit to customs authorities their reports with regard to the goods they stow, haul, sell, process and/or utilise in goods in accordance with the forms approved by the Federal Customs Authority.

Article 365. Inadmissibility of Unwarranted Damage in the Process of Customs Control Measures

1. Any unwarranted damage to the carrier, declarant, their proxies, owners of temporary-storage and bonded warehouses, other interested persons, as well as the goods and means of transport is inadmissible.

2. Any unwarranted losses caused by improper decisions, actions (inaction) of customs offices or their officers in the process of customs control procedures shall be reimbursed in full measure including forfeited profit.

3. The customs offices or their officers shall bear responsibility for the damage caused to persons in accordance with federal law.

4. Any losses caused to persons by customs officers' lawful decisions or actions shall not be reimbursed, except the instances stipulated by the federal law.

CHAPTER 35. FORMS AND ORDER OF CUSTOMS CONTROL MEASURES

Article 337. Forms of Customs Control

Customs control measures may have the following forms:

- [1] verification of documents and information;
- [2] verbal inquiry;
- [3] acquirement of explanations;
- [4] customs monitoring;
- [5] customs examination of goods and means of transport;
- [6] customs inspection of goods and means of transport;
- [7] personal search;
- [8] verification of special markings or other identification of goods;
- [9] customs inspection of rooms and territories for customs control purposes;
- [10] customs auditing.

Article 367. Verification of Documents and Information

1. Customs authorities verify the documents and the information submitted to them at the instance of customs registration of goods and means of transport in accordance with the provisions of this Customs Code for the purpose of verifying the authenticity of documents and of the information contained therein, as well as the compliance of their formats.

2. Verification of the authenticity of the information submitted to customs authorities in the process of goods customs registration shall be performed by way of comparing said information with the data acquired from other sources including the data obtained based on the results of application of other forms of customs control measures, analysing the available special customs statistics data, processing the available data using computer software, and by other ways which are not prohibited by law of the Russian Federation.

3. In the process of goods customs registration formalities, customs authorities have the right to request additional documents and data exclusively for the purpose of verifying the information contained in the goods customs declaration and other goods-related customs documents. The customs office shall request such documents in writing and stipulate sufficient time limits for their submission.

4. Request of additional documents and information or their verification shall not impede the release of goods (Article 149) unless this Customs Code stipulates different provisions thereto.

Article 368. Verbal Inquiry

In the process of customs registration formalities with the goods and means of transport conveyed across the customs border, customs officers have the right to perform verbal inquiry of natural persons and the person representing the organisations endowed with powers with regard to said goods and means of transport without formalising the explanations provided by said persons in writing.

Article 369. Acquirement of Explanations

1. Acquirement of explanations is defined as an act of obtaining by a customs officer of the information pertaining to the circumstances, which have special significance for effecting customs control measures, from the persons specified in Article 16 of this Customs Code including goods declarants and the other persons involved in the conveyance of goods and means of transport across the customs border who possess such information.

2. The explanations obtained therefore shall be formalised in writing. The form of explanatory statements is approved by the Federal Customs Authority.

Article 370. Customs Monitoring

Customs monitoring constitutes open, purposeful, systematic or occasional, direct or indirect visual surveillance (with the use of technical facilities) exercised by authorised customs authorities for monitoring haulage of goods and means of transport under customs control, as well as various cargo-handling and other operations with such goods and means of transport.

Article 371. Customs Inspection of Goods and Means of transport

1. The customs inspection of goods and means of transport constitutes external visual inspection goods, hand luggage and baggage carries by natural persons, means of transport, cargo compartments, customs seals, stamps and other goods identification facilities for customs control purposes performed by the customs officers provided such inspection does not involve unsealing of means of transport or their cargo compartments and damage of the goods packaging.

2. In the territory of customs control zones, the customs inspection of goods and means of transport may be conducted in the absence of the goods declarants or the other persons in charge of said goods and means of transport and/or their representatives, except the instances when said persons have expressed their wish to attend the inspection.

3. In case a customs inspection of goods and means of transport has revealed that the actual quantity of goods does not tally with the goods quantity as stated in the customs declaration, customs authorities shall determined the quantity of goods on their own for customs clearance purposes.

4. Based on the results of a customs inspection of goods and means of transport, customs authorities may draw up a customs inspection report compiled in accordance with the form approved by the Federal customs Authority provided the results of said customs inspection may be required in the future. Upon a request by a person responsible for said goods and/or means of transport, customs authorities shall be obliged either to draw up a customs inspection report or affix a requisite stamp on the goods waybill thereby certifying the fact of said customs inspection. The duplicate copy of the customs inspection report shall be given to the person responsible for said goods and/or means of transport.

Article 372. Customs Examination of Goods and Means of transport

1. The customs examination constitutes examination of the goods and means of transport by customs officers involving removal of customs seals, stamps and other goods identification facilities, opening of the goods packaging or unsealing of the cargo compartments or reservoirs, containers and other places in the means of transport applicable for stowing goods.

The goods customs examination is normally performed following the acceptance by customs authorities of the customs declaration pertaining to said goods. The customs examination can be conducted prior to the submission of a customs declaration pertaining to the goods imported to the customs territory of the Russian Federation with the view to identifying said goods for customs clearance purposes, or in the instance when customs authorities have received information suggesting a breach of the customs legislation of the Russian Federation, with a view to verifying such information, as well as for effecting customs control measures based on a spot-checking principle.

2. Upon making a decision to conduct goods customs examination, a customs officer shall state said decision to the declarant or another person responsible for said goods and/or means of transport provided he (or she) has been identified. The declarants, the persons in charge of said goods and/or means of transport or their proxies may attend, and, upon the customs authorities' demand, shall be obliged to attend the customs examination of said goods and/or means of transport. In the absence of any proxy specially authorised by the carrier, the customs examination shall be attended by a natural person driving the means of transport's driver.

3. The customs have the right to perform the customs examination of the goods and/or means of transport in the absence of their declarant, or the other persons in charge of the goods and/or means of transport, and/or their proxies in the following instances:

[1] said persons have failed to report to the customs office within the period stipulated by bi Item 1 of Article 129 of this Customs Code;

[2] said goods pose threat to national security, public order, human life and health, animals, plants, the environment, cultural values, as well as under other circumstances that brook no delay (including evident signs indicating that the goods comprise inflammable, explosive or

toxic materials, dangerous chemical and biological substances, drugs, psychotropic, virulent, poisonous, toxic, radioactive substances, nuclear materials and other malodorous goods);

[3] posting of goods in international mail (Chapter 24);

[4] retention of goods and/or means of transport in the customs territory of the Russian Federation in violation of the applicable customs procedure stipulating exportation of such goods and/or means of transport from the customs territory of the Russian Federation.

In such instances customs examination of goods and/or means of transport shall be executed in the presence of witnesses.

4. In case customs officers have examined some of the goods, which were entered into the customs declaration under the same name, the results of said examination apply to all such goods contained in the customs declaration. The declarant or the other person responsible for the goods has the right to demand an additional examination of the remaining goods if he (or she) believes that the goods examination results cannot be applied to all the goods.

5. In case a customs examination of goods and means of transport has revealed that the actual quantity of goods does not tally with the goods quantity as stated in the customs declaration, customs authorities shall determine the quantity of goods on their own for customs clearance purposes.

6. Based on the results of the customs examination customs authorities compile a goods examination record which is made in two copies. The goods customs examination record contains the following details:

- the information identifying the customs officers of the customs office who carried out the customs examination as well as the persons who attended said customs examination;
- the reasons for carrying out said customs examination in the absence of the declarant or the other person responsible for the goods and/or means of transport;
- the customs examination results.

The format of the customs examination report is approved by the Federal customs Authority.

The duplicate copy of the customs examination report shall be given to the person responsible for said goods and/or means of transport or to his (or her) proxy provided said person has been identified.

Article 373. Personal Search

1. A personal search constitutes an exclusive form of customs control measures which may be performed upon a resolution to that effect passed by the chief of the customs office or his (or her) deputy provided there is sufficient evidence to suppose that a specific natural person present in the customs control zone or in the airport international transit zone, who is crossing the State Border of the Russian Federation, conceals and refuses to surrender voluntarily the goods

forbidden, respectively, for importation to or exportation from the customs territory of the Russian Federation, or the goods conveyed across the border in violation of the order prescribed by this Customs Code.

A resolution to conduct a personal search is made by the chief of the customs office or his (or her) deputy by way of appending a written instruction to that effect onto the report submitted by the customs officer in charge. Such a resolution may also be issued in the form of a separate written instruction.

2. Before starting the search, the customs officer in charge shall inform the natural person concerned with regard to the resolution to perform a personal search thereof, explain to said natural person his (or her) rights and responsibilities during the search, and propose that said person voluntarily surrender the concealed goods.

The natural person concerned shall be obliged to append his (or her) signature to the document containing a resolution to subject him (or her) to a personal search in confirmation of his (or her) knowledge of said resolution.

3. Personal search is conducted by a customs officer of the same sex with the examined person in the presence of two witnesses in an isolated room meeting proper sanitary and hygienic standards.

Access to the search room of other natural persons ought to be precluded as much as any possibility to observe the performance of a personal search. Examination of the searched person's body ought to be conducted by a certified physician who has no right to refuse to fulfil the resolution passed by the chief of the customs office or his deputy with regard to subjecting said person to a personal search.

In the instance when subjected to a personal search is an underage or disabled natural person, his (or her) lawful representatives (parents, stepparents, guardians and custodians) or the persons accompanying them have the right to attend the search procedure.

4. Personal search ought to be conducted in a polite manner excluding humiliation of the searched person's dignity or damage to the person's health or property within the limits required for detecting the goods concealed on the natural person concerned.

5. During the search procedure, the person concerned (his or her legitimate representative) shall be obliged to fulfil all lawful demands of the customs officer conducting the search. The search person has the right to:

- demand that the resolution with regard to conducting a search passed by the chief of the customs office or his (or her) deputy be announced to him (or her);
- be familiarised with his (or her) rights and obligations;
- provide explanations and submit petitions;
- examine the record of his (or her) personal search and make statements following the search termination which should be entered into the record;

- use his (or her) native language, as well as resort to the interpreter's services;
- lodge complaint to the actions of customs officers following the search termination in case the searched person reasons that his (or her) lawful rights and interests have been infringed on in the process of conduct of said personal search pursuant to the provisions of said Customs Code/

Based on the results of the personal search, customs authorities compile a personal search record in accordance with the format approved by the Federal customs Authority.

6. The search record is signed by the customs officer responsible for the search, the natural person subjected to the personal search (his [or her] lawful representative), the witnesses thereof and the physician in case the search procedure included examination of the person's body. The duplicate copy of the personal search report shall be given to the person subjected to the search (his [or her] lawful representative).

Article 374. Verification of Special Marking or Other Identification of Goods

1. Customs authorities verify presence and/or intactness presence of special identification facilities marking the goods (or their packaging) used for certifying the legality of their importation to the customs territory of the Russian Federation in the instances stipulated by federal laws and other legal statutes of the Russian Federation.

2. The absence on the goods or their packaging of requisite special marks or other identification facilities, as per Item 1 herein, shall be regarded as a confirmation of the fact that such goods have been imported to the customs territory of the Russian Federation without the required customs registration and customs clearance procedures unless the carrier or the other person in possession of said goods proves the opposite.

Article 347. Customs Inspection of Rooms and Territories for Customs Control Purposes

1. The customs inspection of rooms and territories is performed with a view to verifying the inventory of goods in customs custody including the conditionally released goods stowed in temporary-storage warehouses, bonded warehouses, on the trading floor and in the storerooms of duty-free shops, as well as in possession of the persons who are obliged to preserve such goods in compliance with the terms and conditions stipulated by the customs procedures applicable to said goods pursuant to this Customs Code. The customs inspections of rooms and territories shall be conducted based on the information pertaining to losses of goods and/or means of transport, their alienation or disposal of by other methods, or their utilisation in violation of the terms and conditions stipulated by this Customs Code for verification of such information, as well as pursuant to the spot-check inspection principle.

2. Customs authorities may conduct inspections of rooms and territories, other than those specified in Item 1 herein, at the checkpoints established at the State Border of the Russian

Federation, in the customs control zones along the customs territory of the Russian Federation, as well as at the premises of the persons involved in wholesale and retail trade operations with imported goods, based on the information specifying the location of in such rooms or at such territories of the goods and/or means of transport which have been imported to the customs territory of the Russian Federation in violation of the importation order stipulated by this Customs Code for verification of such information.

3. Customs inspections of living quarters are not permissible.

4. Customs authorities initiate inspection of rooms and territories upon producing the official order for such inspection signed by the chief of the customs office or his (or her) deputy and their identification cards. The register customs positions whose officers have authorised access such rooms and territories, as well as the form of their authorisation order are approved by the Federal Customs Authority.

In the instance when federal laws stipulate other provisions regulating the access of state officials to specific installations, the above customs officers will be given access to such installations in the order determined by the above federal laws.

5. In the event of denial of access to customs officers to the rooms and territories subject to customs inspections, the customs officers have the right to penetrate into such rooms or/and territories by way of overcoming offered resistance and by forcing the locks thereof in the presence of two witnesses, except the situations when federal laws stipulate other procedures for providing access of the state officials to specific installations. Customs authorities shall be obliged to inform the district prosecutor 24 hours in advance of all the instances when the customs officers' penetration into the rooms and territories presupposes overcoming of resistance and forcing of the locks thereof.

6. The customs inspection of rooms and territories should be performed within the shortest possible time period required for its performance, and such an inspection may not last longer than 24 hours.

7. The customs inspection report shall be compiled in accordance with the form approved by the Federal Customs Authority. The duplicate copy of said report is handed to the person whose premises have been subjected to the customs inspection.

Article 376. Customs Revision

1. The customs authorities perform the customs revisions, which constitute verification of the fact of release of the imported goods and the authenticity of information stated in the goods' customs declaration and the other documents submitted to customs authorities in the process of the customs registration. In the process of a customs revision, customs authorities compare the details contained in said documents, the accounting and reporting information with the accounts and other information provided by the persons specified in this article below.

The forms of the customs revision may be general and special.

2. Customs authorities conduct the general customs revision of the declarants and the persons specified in Article 16 of this Customs Code who do not act in capacity of a declarant.

The general customs revisions are conducted upon a written resolution in that regard passed by the chief of the customs office or his (or her) deputy. A copy of said resolution is handed to the person subject to such an inspection before its commencement.

In the process of conducting the general customs inspection customs authorities, within the framework of their competence, shall have access to the databanks of the automated information systems of the person subject to the general revision with consideration of the requirements stipulated by the provisions of the law of the Russian Federation on protection of information.

The customs revision should be conducted within the minimal reasonable time period required for its performance, and it may not last longer than three working days. Said revision procedures should not impede the commercial or industrial activities of the person subjected to the revision.

Repetition of the customs revision with regard to the same goods is not permissible.

3. Subject to the special customs revision procedures conducted by customs authorities may be the following persons:

- the persons specified in Item 2 herein in the instances when based on the results of the general customs revision or application of other customs control methods stipulated by this Chapter, customs officers have revealed the information indicative of falseness of some of the details submitted to customs authorities in the process of the goods customs registration or during the goods utilisation or disposal of in violation of the established requirements and restrictions;

- the customs brokers (proxies), owners of the temporary-storage and bonded warehouses and customs carriers upon discovery of the evidence proving violations in the goods registration practices in the process of their conveyance across the customs border as well as the persons' reporting thereof or breaches of other terms and conditions regulating the operations stipulated by the provisions of this Customs Code.

- the persons involved in wholesale and retail operations with imported goods in case customs authorities have revealed evidence that said goods have been imported to the customs territory of the Russian Federation in violation of the terms and conditions set forth by this Customs Code, which violations have entailed breaches of the payment procedures stipulated for customs duties and taxes or non-observance of the restrictions and prohibitions established pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

The special customs revisions are conducted upon a written resolution in that regard passed by the chief of the customs office or his (or her) deputy. A copy of said resolution is handed to the person subject to the special inspection before its commencement.

4. In the process of the special customs revision, customs authorities have the right to:

- demand free of charge submission of documents and information (including the persons' banking information) and documents made in electronic format pertaining to the person's industrial, commercial, and other operations with the goods imported to the customs territory of the Russian Federation, and examine such information;

- inspect the rooms and territories belonging to the inspected person and conduct the goods customs inspection and examination in accordance with this Customs Code in the presence of authorised representatives of the person subjected to the special customs revision procedure or in the presence of two witnesses in the instance of the special customs revision of an individual entrepreneur;

- perform the goods inventory in accordance with the regulations stipulating the inventory procedures conducted by tax authority pursuant to the Tax Code of the Russian Federation;

- effect withdrawal of goods or sequester them as per Article 377 of this Customs Code.

5. The special customs revision should be conducted within the minimal possible time period required for its completion, and it may not last longer than two months from the date when a resolution authorising the special customs revision is passed by the customs authority in charge. The above revision period does not include the time elapsing from the moment of handing to the person concerned of the demand with regard to documents and information required for the revision until the moment when the person submits said information and documents to customs authorities. In exclusive situations, the superior customs office has the right to extend the duration of the customs special revision by one additional month.

Repetition of the special customs revision of the same person is not permissible.

6. The customs revisions (in either special or general form) may only be applied to juridical persons and individual entrepreneurs.

7. For the purpose of conducting a customs revision (in either special or general form) customs authorities may make use of the inventory results produced by the person with relevant powers with regard to said goods, by the person responsible for the goods storage, or by the supervisory bodies, as well as of the auditing conclusions, the deeds, and the conclusions made by the state authorities.

8. The results of a customs revision (in either special or general form) shall be compiled into a report the form of which is approved by the Federal Customs Authority. Said act shall be drawn up:

- on the day following the date of completion of the general customs revision;
- within ten days following the date of completion of the special customs revision.

The duplicate copy of the revision report shall be handed to then person subjected to the customs revision.

9. In the event when the customs revision (in either special or general form) has revealed evidence of a crime of an administrative violation in the field of customs procedure, the revision conducted with regard to the established lawbreakers shall be rescinded. In that situation the report on the revision results shall be compiled without delay. Further operations shall be effected by customs authorities pursuant to the Criminal Code of the Russian Federation or the Law of the Russian Federation on Administrative Offences.

Article 377. Sequester or Withdrawal of Goods in the Process of Special Customs Revision

1. Goods may be subjected to sequester or withdrawal in the process of special customs prevision procedures in the following situations:

[1] upon detection the imported goods without any special marks, symbols, or other facilities applied in accordance with this Customs Code, other federal laws, legal statutes and regulations of the Russian Federation for identifying said goods thereby certifying the legality of their importation to the customs territory of the Russian Federation, or the goods featuring counterfeit markings;

[2] the commercial documents of the person under special revision contain no details validating the goods release by customs authorities provided the applicable legal statutes of the Russian Federation require the entry of such details as a mandatory provision for releasing said goods for free circulation in the territory of the Russian Federation, as well as in the instances when customs authorities deem such entries fictitious or the commercial documents where such entries are made are missing;

[3] upon discovery of the facts of utilization and/or disposal of the conditionally released goods for the purposes other than those in for said goods were partially or completely exempted from the customs duties and taxes.

2. The sequestered goods are transferred for stowage to their owner or any other person who has proper powers with regards to said goods. The place of storage of such goods acquires the status of the customs control zone (Article 362). Usage or disposal of the sequestered goods may only be permitted by the chief of the customs office responsible for the performance of the special customs revision or by the person duly authorised by him (her). In such situation, transfer of the sequestered goods to other persons, their waste, alienation, or disposal of by any other means will be prohibited.

3. In case pursuant to the Russian legislation, the sequestered goods are prohibited for importation to the customs territory or circulation in the territory of the Russian Federation, as well as in the instance when customs authorities have serious grounds to suppose that sequester of such goods would not provide sufficient guarantee of their preservation, they resolve to confiscate such goods.

The withdrawn goods are therefore stowed at the temporary-storage warehouse or at any other place with the status of a customs control zone.

4. Withdrawal or sequester of goods may be unnecessary in case the person, at whose premises such goods are discovered, presents a payment guarantee for the customs duties and taxes that may be charged on said goods, except the instances when law of the Russian Federation prohibits importation of such goods to the Russian Federation or their circulation therein, or when the goods were subjected to quantitative restrictions at the instance of their importation pursuant to the law of the Russian Federation on measures for protecting economic interests of the Russian Federation in foreign trade.

Computation of customs dues and taxes with the view to determining the amounts of requisite payment guarantees thereof shall be made in accordance with Article 248 of this Customs Code.

5. Withdrawal of goods and their sequester shall be executed based on a motivated resolution in that regard passed by a customs officer in charge of the special revision procedure in the presence of the person at whose premises said goods were discovered, or his (or her) representative, as well as in the present of two witnesses.

Whenever required, an expert may be invited for performing goods withdrawal or sequester (Article 356).

Prior to initiating the goods withdrawal or sequester procedure the customs officer in charge shall be obliged to produce to the person, whose goods are subject to withdrawal or sequester, the order mandating the withdrawal or sequester of said goods.

6. The fact of goods withdrawal and sequester shall be recorded in a formal report containing, as an attachment, the inventory of withdrawn or sequestered goods including the goods detailed description, their quantities and specific features. Said report shall be signed by the customs officer in charge of the withdrawal or sequester, the person whose goods have been withdrawn or sequestered or his (or her) representative, and the witnesses. A duplicate copy of said report shall be handed to the person at whose premises said goods were discovered, or his (or her) representative.

7. The return of withdrawn goods to their owner and their release from a sequester thereon is effected no later than on the date of termination of the special customs revision, except the instances when said goods may be confiscated, used as material evidence or as the source of collection of the outstanding dutiable payments. The costs of stowing withdrawn goods at the temporary-storage warehouse shall be borne by the person whose goods have been withdrawn.

In case the special customs revision has not revealed any infringements on the customs legislation of the Russian Federation, the withdrawn goods shall be returned to their owner or the sequester thereon effected immediately whereas all the expenses incurred by the goods temporary storage shall be recompensed from the federal budget.

8. The disposal of withdrawn or sequestered goods shall be specified in the special customs revision report as per Item 8 of Article 376.

9. Disposal of unclaimed withdrawn goods shall be effected upon the expiry of two months following the termination of the special customs revision procedures in the order stipulated by Chapter 41 of this Customs Code.

Chapter 36.

EXPERT ANALYSES AND INVESTIGATION IN CUSTOMS CONTROL

Article 378. Purpose of Expert Analyses in Process of Customs Control

1. The expert analysis of goods, means of transport, and the documents containing the information pertaining to said goods, means of transport or the operations (activities) associated with them shall be conducted in the instances when the customs control procedure requires special skills and knowledge for clarifying arising questions.

2. The expert analysis is conducted by the expert staff of customs laboratories, as well as by the experts attracted from other specialised organisations, or the other experts appointed by customs authorities. Appointed as an expert may be any duly qualified person who has adequate skills and knowledge for drawing up an expert conclusion. Customs authorities recruit such experts for performing required expert analyses on a contractual basis. In case an expert analysis is initiated by an interested person, such a person has the right to submit to customs authorities his (or her) proposal with regard to the candidate expert.

3. In the instance when the necessity of an expert analysis has been acknowledged, the customs officer in charge acting upon an approval passed by the chief of the customs office or the his deputy shall draw up a resolution in that regard specifying the grounds for such expert analysis. Said resolution includes the expert's full name, the name of the organisation where the assigned analysis is to be conducted, the questions to be resolved by the expert(s), the materials and the documents provided to the expert(s), as well as the time period assigned for performing said expert analysis and submitting the conclusion thereof to customs authorities.

The above resolution also contains a clause of the expert's administrative responsibility for a premeditated distortion of the analytical conclusion.

4. The time period of the expert analysis may not exceed:

- the time terms stipulated for the goods temporary storage (Article 103) in case the goods may not be released prior to the results of the ongoing expert analysis;
- six months if subject to said expert analysis are means of transport;
- one year, in other instances.

5. The customs officer shall be obliged to inform the declarant or the other person responsible for the goods, in case said person has been identified, with regard to the resolution to perform an expert analysis, and explain to said person his (or her) rights stipulated by Article 382 of this Customs Code which fact should be certified by an appropriate mark made by the person concerned or his (or her) representative.

6. The expenses incurred by customs authorities, the customs laboratories and other experts and organisations responsible for the expert analyses shall be reimbursed from the federal budget, except for the expert analyses which were not initiated by customs authorities.

Article 351. Expert's Conclusions (Report)

1. The expert shall render his (or her) conclusions of the conducted investigation in a written report based on and with consideration of the achieved results.

2. The expert's report should specify the time and place where the investigation was conducted, identify the person(s) who conducted the investigation and specify the reasons for it, list the questions posed before the expert, define the investigation objective(s), designate the documents and materials provided to the expert, explicate the contents and findings of the investigation including the methods applied in the course of the investigation, for the evaluation of its results, the expert's conclusions with regard to the investigation objectives and their substantiation.

The materials and the documents supporting the conclusions made by the expert(s) should be attached thereto and remain its inseparable component.

Should the expert reveal any essential circumstances pertaining to the case under investigation which were not assigned to the expert for investigation, he (or she) will have the right to include those expert findings in the final conclusions.

3. When an expert investigation involves participation of several experts, the conclusions thereof shall be signed by all experts. If case of a disagreement among the experts, each of them shall draw and submit his (or her) conclusions separately.

4. The customs office that initiated the expert investigation shall be obliged to hand a duplicate copy of the expert investigation report (conclusions) to the declarant or the other persons responsible for the goods and means of transport, provided such persons have been identified, or advise the declarant that such conclusions cannot be drawn.

5. In the process of decision making, customs authorities shall take into consideration the conclusions with regard to the investigations drawn by the expert(s), as well as the conclusions of the expert investigations initiated by he declarant or another interested person.

Article 380. Additional and Second Expert Analysis

1. In case the available conclusions are not sufficiently clear or comprehensive, customs authorities have the right to appoint an additional expert analysis which may be assigned to the same or other exports or expert organisations.

2. In case the export conclusions are unsubstantiated or there are reasons to doubt their correctness, customs authorities may assign a second expert analysis to be conducted by another expert.

3. The additional and the second expert analyses are assigned and conducted pursuant to Articles 378 and 379 of this Customs Code.

Article 353. Expert's Rights and Responsibility

1. An expert has right to:

[1] examine the materials pertaining to the subject of the investigation;

[2] upon permission of customs authorities, to attract other experts for conducting the assigned expert analysis;

[3] request additional materials requisite for conducting the assigned expert analysis;

[4] refuse to draw conclusions if the expert deems insufficient the materials and information provided to him (or her), in the instance the expert has to acknowledge that his (or her) skills and experience are insufficient for conducting the assigned expert analysis. The expert's written report substantiating his (or her) incapability to draw the conclusion shall be submitted to the customs office that assigned said expert analysis;

[5] upon permission of customs authorities, to participate in various activities in the process of effecting the customs control measures.

2. The information obtained in the process of expert investigation or during preparations for its conduct which constitutes commercial, banking or any other secret protected by law, as well as any other confidential information should not be revealed or used of any other purposes, or be transferred to a third person, except in the instances stipulated by federal laws.

Article 382. Rights of Declarant and Other Person Responsible for Goods and Means of transport and Their Representatives upon Resolution to Conduct Expert Analysis (Investigation)

1. In case the export analysis (investigation) has been assigned, the declarant or another person responsible for the goods and/or means of transport and their representatives have a right:

1) to state a motivated demurrage of an expert;

2) to request appointment of a specific expert or organisation;

- 3) to request assignment to the export of additional questions with regard to obtaining the expert conclusions thereto;
- 4) upon permission of the customs office that assigned the expert investigation, to be present during the expert analysis procedures and provide explanations to the expert;
- 5) to take the goods samples and specimens (Article 383);
- 6) to be familiarised with the expert conclusions or the expert's statement with regard to his (or her) incapability to draw the conclusion and obtain a duplicate copy of said conclusion or statement;
- 7) to request an additional or a second expert analysis.

2. In case the request made by the declarant or another person responsible for the goods and/or means of transport or by their representatives has been satisfied, the customs office in charge of the expert investigation shall pass a requisite resolution in that regard.

In case said request has been declined, the customs officer in charge of the expert investigation shall be obliged to hand a motivated written response to that effect to the person who made such a request.

Article 383: Samples and Specimens

1. In the process of customs control procedures, customs authorities have the right to take samples and specimens of the goods required for investigation. The fact of samples and specimens shall be formalised in a report made in accordance with the form approved by the Federal Customs Authority. The duplicate copy of said report is handed in to the person responsible for the goods, provided said person has been identified.

Whenever necessary the specimens and samples will be taken with participation of an expert or a specialist.

2. Specimens and samples of the goods in customs custody may also be taken by declarants, by persons with proper powers with regard to said goods and their representatives specified in Item 1 of Article 398 of this Customs Code and the employees of other state agencies.

3. Samples and specimens shall be taken in the minimal quantities providing their investigation.

The authorisation for taking samples and specimens may be issued to the persons specified in Item 2 herein provided such taking:

- does not impede pursuance of the customs control procedures;
- does not affect the goods properties;
- is not conducive to evasions of dutiable payments or non-observance of the restrictions and prohibitions stipulated by the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

4. A separate customs declaration will not be submitted with regard to the taken samples and specimens provided said samples are entered in the customs declaration for the imported goods.

A declarant has the right to reduce the customs value of the declared goods by the customs value of the taken samples and specimens in case said samples and specimens were seized by the customs office and not returned within the specified time period.

5. The declarants and the other persons responsible for the goods and their representatives have the right to be present at the instance of taking of samples and/or specimens of the goods by customs officers and employees of other state agencies.

6. The customs officers have the right to be present at the instance of taking of samples and/or specimens of the goods by the employees of other state agencies, as well as the other persons specified in Item 2 herein.

7. Declarants and their representatives shall be obliged to provide assistance to customs officers when the latter take samples and specimens of goods including the performance at their expense of cargo-handling and other operations with goods.

8. The customs officers shall be entitled to take samples in the absence of the declarant and his (or her) representatives in the instances stipulated by Item 3 of Article 372 of this Customs Code. Taking of samples and specimens in such situations shall be performed in the presence of at least two witnesses.

9. Customs authorities should be informed of the results of the conducted investigation of the samples and specimens taken by the employees of other state agencies and notify about them the persons specified in Item 2 herein.

10. The order of taking samples and specimens of goods, as well as their investigation procedures are approved by the Federal Customs Authority in accordance with this Customs Code and other legal statutes of the Russian Federation.

11. Upon completion of the investigation, the samples and specimens will be returned to the goods owner, except the instances when such samples and specimens are subject to destruction or utilization in accordance with the Russian legislation, as well as in the instances when the expenses for return of the samples and specimens to their owner exceed their value.

Article 384. Participation of a Specialist in Customs Control Procedures

1. Whenever required, an unbiased specialist possessing special knowledge and skills, which are required for rendering assistance to customs authorities in the process of customs control procedures, may be invited for participating in specific activities including those involving use of various technical facilities.

2. Invitation of a person to participate in customs control procedures in capacity of an expert is effected on a contractual basis.

3. The invited specialists will have the following rights:

[1] to examine the materials relating to the subject of the activities performed with his immediate participation;

[2] upon permission of the customs officer in charge, to question the other participants of such actions on the issues pertaining to the substance of said actions;

[3] to examine the documents drawn up based on the results of the actions performed in the process of customs control procedures, in which said specialist was taking part, and make statements and comments with regard to the actions performed by him (or her) liable for recording in such documents.

4. The specialist shall be obliged:

[1] to participate in the actions requires special knowledge and/or skills, and make comments with regard to the actions performed by his (or her);

[2] to append his (or her) signature for certifying the fact of performance such actions, their contents and outcome.

5. The information obtained by the specialist in the process of his (or her) involvement in the customs control procedures constituting commercial, banking, or any other secrets protected by law, as well as any other confidential information shall not be made public, used for other purposes, transferred to a third party, except in the instances stipulated by the statutes of federal law.

6. The expenses incurred by customs authorities in connection with the invitation of a specialist shall be reimbursed from the federal budget except the instances when the expert was invited an interested person rather than customs authorities.

Article 385. Attraction of Specialists from other State Agencies for Assisting in Customs Control Procedures

1. In accordance with the Russian legislation, customs authorities have the right to attract specialists from the law-enforcement or supervisory agencies for rendering them assistance in the process of customs control procedures.

2. The expenses incurred by customs authorities in connection with the attraction of specialists from other state agencies, in case such activities performed by them do not comply with their lines of duty, shall be reimbursed in the order determined by the Government of the Russian Federation.

Chapter 37. ADDITIONAL PROVISIONS TO CUSTOMS CONTROL PROCEDURES

Article 386. Exemption from Specific Forms of Customs Control

1. Exemption of persons from specific forms of customs control procedures exercised by customs authorities shall be effected pursuant to the provisions of this Customs Code.

2. Exempt from customs examination shall be the personal luggage of the incumbent President of the Russian Federation, the personal luggage of the former President of the Russian Federation, and the personal luggage of their accompanying family members.

3. The personal luggage of members of the Council of the Federation of the Federal Assembly of the Russian Federation, the personal luggage of deputies of the State Duma of the Federal Assembly of the Russian Federation, and that of the judges enjoying immunity in accordance with law of the Russian Federation shall be exempted from customs examination in the instances when said persons cross the State Border of the Russian Federation in the line of their duty or other official duties.

4. Foreign naval ships (vessels), combat aircraft, and self-propelled military hardware shall be exempt from customs inspection.

5. Exemption from specific forms of customs control procedures in accordance with international treaties, of which the Russian Federation is party, shall be enforced following the ratification of said treaties by the State Duma of the Federal Assembly of the Russian Federation.

6. Head of the Federal Customs Authority or his deputy has the right to exempt individual persons, specific goods, and means of transport from various forms of customs control procedures when such exemptions are predicated on the interests of security of the Russian Federation.

Article 387. Persons Database

1. Collection of information on the persons whose operations are associated with conveyance of goods and/or means of transport across the customs border or on the persons involved various customs-related activities (Article 3) is effected by customs authorities in the process of customs control procedures and customs registration of goods and means of transport conveyed across the customs border in the instances and in accordance with the requirements stipulated by this Customs Code.

2. With a view to conducting customs control procedures and levying dutiable payments customs authorities have the right to accumulate the following information with regard to juridical and natural persons:

- the founders or a company and juridical entity;

- the state registration of a juridical person as an individual entrepreneur;
- composition of the inventory engaged in the person’s entrepreneurial activities;
- available bank accounts;
- peculiarities of the person’s foreign economic activities;
- location of a company and juridical person;
- the taxpayer’s registration of a company and juridical person in the Register of the State Tax Authority including the person’s individual taxpayer identification numbers;
- solvency of the persons included in the Registers of the persons involved in customs-related activities;
- with regard to natural persons, the citizen’s personal details (full name [surname, first name and patronymic name], the place and date of birth, sex, residence address, the individual taxpayer identification number [if available], as well as frequency of conveyance of goods across the customs border.

3. The persons specified in Item 1 herein have the right to access the above documentary information thereon in possession of customs authorities as well as to update such information in order to improve its accuracy and authenticity. Customs authorities shall be obliged to provide such access to persons free of charge.

**Article 388. Use of Technical Facilities during Customs Control Procedures.
Use of Patrol Boats for Exercising Customs Control Procedures**

1. With a view to shortening the duration of customs control formalities, further optimising the procedures and enhancing their efficiency customs authorities may apply various technical facilities whose register is approved by the Federal Customs Authority.

2. The said technical facilities should be harmless for human life and health.

3. The customs control formalities with the goods and means of transport within the territorial seas and interior waters of the Russian Federation, as well as in the territories adjacent to the customs border are effected with the use seagoing (river) patrol boats and the aircraft in service with customs authorities.

4. The use customs seagoing (river) patrol boats and the aircraft for customs control purposes shall be determined by the Government of the Russian Federation in accordance with the provisions of this Customs Code.

Article 389. Cargo-Handling and Other Operations with Goods and Means of transport Required for Customs Control Procedures

1. Upon customs authorities’ request, a declarant, owner of a temporary-storage or bonded warehouse, customs broker, or any other persons responsible for goods shall be obliged to

haul, weigh or perform other operation for determining the goods quantity, effect the goods loading, unloading, transshipment, correction of damaged packaging thereof, opening of the packaging, packaging, and repackaging of the goods under customs control, as well as open the rooms, containers, and other places where said goods are located or may be stowed.

2. The Carrier shall be obliged to assist the performance of cargo-handling or other operations with the goods and/or with means of transport conveyed across the customs border.

Article 390. Identification of Goods and Means of transport

1. Identification of the goods and means of transport under customs control / in customs custody may be effected by the application of seals, stamps, alphanumeric and other markings, special identification marks, shipment documents (waybills), commercial and other documents, the appended stamps and seals, the goods reference samples and specimens, detailed descriptions of goods and means of transport, the goods drawings, scale-down representations and photographic images, illustrations, and have other identification facilities.

2. The means of identification may only be destroyed or changed (altered) by customs authorities or upon their express permission, except in the instances of a threat of destruction, loss, or essential damage pending to goods and/or means of transport. The customs office concerned shall be immediately notified of every instance of change, removal, destruction or damage of the goods identification marks and provided proofs of pending threat thereto. Any instance of a change, removal, destruction or replacement of the goods identification mark should be reflected in a report drawn up in accordance with the form approved by the Federal Customs Authority.

3. The provisions of Item 2 herein shall apply to the instances when used as identification facilities are the seals, stamps, and other identification marks appended by customs authorities of foreign countries.

4. Upon a declarant's request, customs authorities shall effect identification of the Russian goods declared for exportation from the customs territory of the Russian Federation at the place of declaration of said goods.

Article 391. Additional Powers of Customs Offices upon Discovery of Goods Illegally Imported to Customs Territory of the Russian Federation

1. In case customs officers discover the goods illegally conveyed across the customs border of the Russian Federation, which fact entailed non-payment by the carrier of the customs duties and taxes payable thereto or non-observance of the restrictions and prohibitions established pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities, said goods, had they been acquired by persons in the line of their entrepreneurial activities, shall be subject to sequestering or confiscation and shall be stowed at a temporary-storage warehouse pursuant to the stipulations of Article 377 of this Customs Code with regard to

goods withdrawal or sequestering in the process of customs revision procedures. For customs clearance purposes, such goods shall be regarded as in customs custody.

2. The persons specified in Item 1 herein, shall be have the right to make their dutiable payments as per Article 327 of this Customs Code and fulfil the other terms and conditions of the goods simplified customs registration procedure approved by the Federal Customs Authority.

Note: in such a situation, the goods are not withdrawn in case the persons responsible for the goods have paid the dutiable payments not later than in five days from the date of discovery of said goods, or provide a guarantee for the dutiable payments thereto in accordance with the provisions of Chapter 31 of this Customs Code. Penalty fees shall not be charged onto the said amounts of dutiable payments.

3. The provisions of Item 2 herein with regard to the persons' rights to make dutiable payments and complete customs registration of the goods which have been illegally imported to the customs territory of the Russian Federation shall not be apply to the goods prohibited for importation to the Russian Federation, the goods whose turnover is prohibited according to law of the Russian Federation, as well as the goods subject to quantitative restrictions as per their importation pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities.

4. In the instance of making dutiable payments and undergoing customs registration formalities by the persons specified in Item 1 herein, such goods shall be regarded for customs clearance purposes as the goods released for free circulation which fact does not prevent the customs authorities to conduct the actions required for identifying the persons involved in illegal conveyance of goods across the customs border.

5. In case the person, who have purchased the goods that were illegally imported to the customs territory of the Russian Federation, refuse to make dutiable payments and complete the requisite customs registration formalities, disposal of said goods shall be effected based on Article 352 of this Customs Code. The goods specified in Item 3 herein shall be converted into the federal based on the ruling passed by the court of justice or arbitration tribunal upon a lawsuit lodged by the customs authorities concerned.

Article 392. Application of Customs Control Results for Proceedings of Administrative Offences in Civil and Criminal Cases

The customs control results formalised in accordance with the provisions stipulated by Part IV of this Customs Code may be accepted as evidence in the process of consideration by court of criminal, civil, and administrative offences. The customs control results shall be subject to appraisal by the court of justice, the arbitration tribunal or the officials responsible for resolving such cases as well as the persons' complains to a decision, action (inaction) of customs offices and their officers, or the cases with regard to various economic disputes addressed by the arbitration tribunal alongside the other evidence stipulated by the criminal procedural law of the Russian

Federation, the law of the Russian Federation on proceedings in the arbitration tribunal, or the law of the Russian Federation on administrative offences.

Chapter 38. **MEASURES APPLIED BY CUSTOMS AUTHORITIES** **WITH REGARD TO SPECIFIC GOODS**

Article 393. Grounds for Suspending Goods Release

1. This Chapter stipulates that based on statement made by the holder of exclusive rights (intellectual property) to the products protected by copyright or shared right thereto, the rights to the brand names, trademarks, as well as the holder of a franchise to use the goods place of origin (hereinafter, rights-holder), customs authorities will undertake requisite measures for suspending the release of such goods. The measures stipulated herein shall be undertaken in the process of conveyance of said goods across the customs border or performance of other actions with the goods in customs custody.

2. The measure undertaken by customs authorities pursuant to the provisions of this Chapter shall not impede other measures the rights holder may resort to for ensuring protection of his (or her) rights in accordance with law of the Russian Federation.

Article 394. Rights-Holder's Statement and Its Consideration Procedure

1. The rights-holder, who has sufficient grounds to deduce a possibility of an infringement upon his (or her) rights, as stipulated by law of the Russian Federation on protection of intellectual property due to conveyance across the border of the goods, which the rights-holder deems counterfactual, or performance of other actions with said goods under customs control, has the right to apply to the Federal Customs Authority with a request to take measures for suspending the release of such goods. Such a statement may be made on the rights-holder's behalf or his (or her) representative.

2. The statement containing a request to take measures for suspending release of goods should contain the following details:

- information on the rights-holder, or on his (or her) representative if the statement is made by the rights-holder's representative;
- information on the intellectual property object;
- information on the goods that the rights-holder deems counterfactual which should contain sufficient details for enabling customs authorities to identify such goods;
- information on the time terms throughout which customs authorities are requested to take measures pursuant to this Chapter.

The statement containing a request to customs authorities to take measures for suspending a release of goods should be supplemented by the documents confirming the person's rights to said object of intellectual property (certificates, agreements [including a licence agreement] with regard to the transference of the person's exclusive rights, as well as any other documents which the rights-holder may opt to present for authenticating his [or her] rights to said intellectual property objects); in case such a statement is made by the rights-holder's representative, it should be supplemented by a formal power of attorney issued by the rights-holder and authorising said representative to act on the rights-holder's behalf.

The rights-holder (or his /or her) representative) may also attach to the statement the goods specimens proving the fact of infringement upon his (or her) rights.

3. The statement submission order and the requirements to the information contained therein, depending on the category of intellectual property in question, are determined by the Federal Customs Authority.

4. The statement should also contain the rights-holder's written obligation to compensate any damage to the property rights that may be inflicted on the goods declarant, owner, recipient or the person specified in Article 16 of this Customs Code due to the suspension of the goods release.

5. The Federal Customs Authority considers such applications within one month from the date of their submission and passes resolutions with regard to the undertaking the measures stipulated by this Chapter or refusing to undertake such measures.

With a view to verifying the authenticity of the information provided by the rights-holder or his (or her) representative, the Federal Customs Authority has the right to request reference information and documents from the third parties as well as from the state bodies confirming the submitted information. Those persons shall be obliged to furnish the requested documents within ten days from the day they receive such a request from said customs office.

Note: the customs office has the right to extend the period of consideration of the application, but for not more than two months from the date of its acceptance.

A resolution to deny the rights-holder the measures stipulated herein will be passed in case the rights-holder (or his/or her representative) has presented to customs authorities fictitious information or failed to observe the requirements stipulated by Item 2 of Article 395 of this Customs Code .

The rights-holder (or his/or her representative) are notified about such resolution in writing within three days from the date of its passage.

6. In the event of any changes of the information details contained in the statement or in the documents attached thereto, the rights-holder (or his/or her representative) shall be obliged to advise the Federal Customs Authority in that regard without delay.

Article 395. Customs Register of Intellectual Property Objects

1. The intellectual property objects, in whose regard the Federal Customs Authority resolves to take measures stipulated by this Chapter, are entered in the Customs Register of Intellectual Property Objects (hereinafter, the Register). Entry of intellectual property objects into the Register is free of charge.

This Register is kept by the Federal Customs Authority in accordance with order determined by this said Authority.

2. An intellectual property object will be entered into the Register provided its rights-holder guarantees the fulfilment of the other obligations pursuant to Item 4 of Article 394 of this Customs Code by the methods stipulated by the Civil Code of the Russian Federation. The intellectual rights-holder has the right to substitute the security ensuring the fulfilment of the above obligations by submitting a risk-insurance agreement covering the person's liability for any damage caused to the persons specified in Item 4 of Article 394 of this Customs Code. The overall security sum of said obligation or the insurance premium should amount to at least 500,000 roubles.

3. The intellectual property object shall be excluded from the Register in the following instances:

- upon an express wish to that effect by the rights-holder (or his / or her representative);
- in case the rights-holder has failed to fulfil the terms and conditions stipulated by Item 2 herein;
- upon the expiry of the term of legal protection of the intellectual property object;
- in case the rights-holder has not applied to the office authorised by law of the Russian Federation with a request to secure protection of his (or her) rights within the period when the goods release was suspended (Article 397).

4. The Federal Customs Authority shall publish the list of intellectual property objects included in the Register in its official releases.

Article 396. Terms of Application of Measures by Customs Authorities in case of Suspension of Goods Release

The time terms within which customs authorities are obliged to undertake measures predicated on suspension of the goods release shall be determined based on an application in that regard made by the rights-holder (his / or her representative) for not more than five years from the date of entry of said intellectual property object into the Register. This period may be extended on the basis of the rights-holder application (or his / or her representative) provided all the terms and conditions stipulated by Article 394 and Item 2 of Article 395 of this Customs Code have been observed.

The time limits, within which customs authorities are obliged to take measures associated with suspension of goods release, may not exceed the time terms stipulated for legal protection of intellectual property objects.

Article 397. Suspension of Goods Release

1. In case the customs control procedure exercised by customs authorities has revealed the goods which the rights-holder (or his / or her representative) claims to be as counterfactual, the release of such goods shall be suspended for the period of ten working days. Upon a motivated request made by the rights-holder (or his / or her representative), said suspension period may be extended for maximum ten additional working days provided said person has made a formal application to the respective authority stipulated by the Russian legislation with a request to protect the rights-holder rights.

A resolution with regard to the suspension of goods release and extension of the suspension period is passed in writing by the chief of the customs office concerned or his n(or her) deputy.

2. The customs office shall be obliged to notify both the declarant and the rights-holder (his / or her representative) about the imposed suspension on goods release not later than on the day following the date of enactment of said suspension specifying the reasons and terms of said suspension. In addition, the declarant is informed of the name (the surname, the first name and the patronymic name) and the address details of the rights-holder (his / or her representative). The rights-holder (or his /or her representative) is informed of the name (the surname, the first name and the patronymic name) and address details of the declarant.

3. In accordance with the Civil Code of the Russian Federation, the rights-holder shall bear responsibility for any property damage inflicted on the goods' declarant, owner, recipient, or the persons specified in Article 16 of this Customs Code, as a result of suspension of the goods release procedures pursuant to this Chapter unless, based on the order stipulated by law of the Russian Federation, said goods (including their packaging and labels) have been found as counterfactual.

Article 398. Submission of Information. Goods Samples and Specimens

1. Upon a written permission issues by the customs office in charge, the rights-holder and the declarant (their representatives) have the right to take samples and specimens of the goods under customs control whose release has been suspended, conduct the research thereof, as well as inspect, take photographs, or otherwise identify said goods.

2. Upon a request made by the goods rights-holder (his / or her representative), the customs office may furnish additional information which may be required by the rights-holder for proving his (or her) claim of his (or her) rights violation except the instances stipulated by federal law.

3. The information obtained by the rights-holder (his / or her representative) or a declarant pursuant to the provisions of this Article shall be regarded as confidential and should not be revealed or transferred to any third parties, including the state bodies, except in the instances stipulated by federal law.

Article 399. Cancellation of Goods Release Resolution

1. In case the authorities duly empowered in accordance with the Russian legislation have not enacted the goods withdrawal, sequester or confiscation prior to the expiry of the term of suspension of said goods release, the resolution suspending the release of said goods shall be revoked on the day following the date of expiry the term of suspension of the goods release.

2. The resolution suspending release of goods shall be revoked prior to the expiry the term of suspension endorsed by customs authorities for the goods release in the following instances:

[1] the right-holder (his / or her representative) has applied to the customs office with a request to rescind the resolution suspending the release of goods;

[2] the intellectual property object has been excluded from the Register.

3. The resolution suspending release of goods shall be revoked on the day when customs authorities become aware of the grounds stipulated by Item 2 herein.

4. Cancellation of the resolution suspending release of goods shall be enacted in writing by the chief of the customs office who passed said resolution or by the person substituting him (or her). Following the cancellation of said resolution, the goods release shall be conducted in accordance with the provisions stipulated by Chapter 16 of this Customs Code.

Article 400. Goods Exempted from Release Suspension Measures Applied by Customs Authorities

Customs authorities shall not apply the measures stipulated by the resolution suspending release of goods pursuant to the provisions of this Article to the goods containing intellectual property objects conveyed across the customs border by natural persons or posted by international mail in insignificant quantities provided such goods are intended for personal, family, household or other use unrelated to entrepreneurial activities.

PART V. CUSTOMS AUTHORITIES

Chapter 39. CUSTOMS OFFICES AND THEIR FUNCTIONING

§1. Customs Offices

Article 401. Customs Offices and Their Place in System of State Bodies of the Russian Federation

1. The customs offices comprise an integrated federal centralised system.
2. The state power bodies of the constituencies of the Russian Federation, the local self-governance bodies and public organisations shall not interfere in the functioning of customs offices.

Article 402. Organisation of Customs Authorities

1. The customs authorities structure includes:
 - [1] the Federal Customs Authority;
 - [2] regional customs departments;
 - [3] customs offices;
 - [4] customs checkpoints.
2. The inception, reorganisation and dissolution of regional customs departments, customs offices and customs checkpoints is effected by the Federal Customs Authority.

The Federal Customs Authority determines the competence of individual customs bodies with regard to discharge by them of various specific customs functions and defines the boundaries of their operating regions. The Federal Customs Authority has the right to set up special-purpose customs bodies whose competence is determined by the specific powers vested in them for the fulfilment of specially assigned functions, or for the purpose of carrying out specific functions assigned to the customs authorities, or for effecting customs operations with specific kinds of merchandise.

3. The activities of the regional customs departments, customs offices and customs checkpoints shall be regulated by statutes approved by the Federal Customs Authority. The customs checkpoints do not necessarily have the status of a legal entity.

4. The organisation of customs authorities also incorporates various institutions other than law-enforcement bodies which are established by the Federal Customs Authority for rendering support to customs offices in discharge of their duties.

Article 403. Functions of Customs Offices

The customs offices are assigned to:

[1] effect the customs registration and customs control measures, create favourable conditions for expediting goods conveyance across the customs border;

[2] levy customs duties, taxes, antidumping, special and compensating fees, customs fees, verify the correctness of calculation and timeliness of payment of said duties, fees and taxes, and take measures for their compulsory collection;

[3] ensure the observance of the requirements regulating the conveyance across the customs border of goods and means of transport;

[4] ensure the observance of the restrictions and prohibitions pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities and the international treaties, to which the Russian Federation is party, with regard to the goods conveyed across the customs border

[5] ensure protection of the intellectual property rights provide within the scope of their competence;

[6] prevent smuggling and other crimes and administrative offences in the sphere of customs system, obstruct illegal conveyance across the customs border of drugs, weapons, cultural values, radioactive agents, plants and animals under the threat of extinction, their components and derivatives, intellectual property objects and other goods, as well as render assistance in the struggle against international terrorism and prevent unlawful interference in the operations of international civil aviation at the premises of the airports of the Russian Federation;

[7] within the sphere of their competence pursuant to the provisions of the Law of the Russian Federation on Currency Regulation and Currency Control, customs offices exercise currency control over the operations involving conveyance of goods and means of transport across the customs border;

[8] keep customs statistics pertaining to foreign trade operations;

[9] ensure the fulfilment by the Russian Federation of its international obligations with regard to customs procedures, cooperate with customs authorities and other competent bodies of foreign countries, as well as with the international organisations involved in customs activities;

[10] provide information and legal advice with regard to customs system; in accordance with the established order, provide information to state bodies, various organisations and citizens;

[11] carry out science research applicable to needs of customs procedures.

Article 404. Customs Flag, Customs Ensign and Customs Emblem

The customs bodies are authorised the Customs Flag and the Customs Emblem. The customs sea- river patrol boats are authorised the Customs Ensign. The customs motor vehicles and aircraft feature the Customs Emblem. The descriptions and design of the Customs Flag, Customs Ensign, and the Customs Emblem are approved by the President of the Russian Federation.

Article 405. Places of Location of Customs Offices

1. The customs offices are located at the checkpoints set up at the border gates of the State Border of the Russian Federation. Any other locations of customs offices are authorised by the Federal Customs Authority proceeding from the passenger and merchandise flows, the intensity of development of foreign economic relations of the specific regions, the requirements of shipment organisations, exporters, importers, other participants of foreign economic activities.

2. The customs offices are set up at the premises directly owned by customs authorities. The customs checkpoints and structural divisions may be located at the premises of temporary-storage warehouses, bonded warehouses and duty free shops allocated to customs authorities by their owners, as well as in the offices belonging to the participants of foreign economic activities involved in regular export and import operations.

Article 406. Places for Performing Customs Operations

The customs operations involving customs registration/clearance of goods and means of transport are performed in the places of location of customs offices and their structural divisions. Upon a motivated request of an interested person approved and with a written approval by the chief of the customs office or his (or her) authorised officer, requisite customs registration/clearance operations may be performed in other designated places. Customs authorities shall not object to performing the customs registration/clearance operations with goods and means of transport at the places of location of said goods and means of transport provided the efficiency of customs control procedures is not impaired.

Article 407. Customs Office Operating Hours

1. The working operating hours are determined by the chiefs of customs offices pursuant to the Russian legislation.

The customs operating hours in the sea- and river ports, the airports and other checkpoints at the State Border of the Russian Federation should comply with the working hours established for the border guard control bodies and services operating the border gates. The customs operating hours in other places set up for effecting customs control formalities are determined based on the requirements of shipment organisations and the participants of foreign economic activities.

The customs operating hours at the checkpoints at the State Border of the Russian Federation located adjacently to the border gates of their neighbouring countries should be coordinated with those established for the customs offices of such neighbouring countries.

2. Upon a motivated request of an interested person, some of the customs operations may be performed beyond the customs operating working hours.

§2. Duties, Rights and Responsibilities of Customs Authorities

Article 408. Legal Rights of Customs Authorities and their Offices

In carrying out the functions vested in them the customs authorities are vested with the following legal rights to:

[1] take measures stipulated by this Code for enforcing the observance of the customs legislation of the Russian Federation;

[2] demand the documents and information stipulated by this Customs Code;

[3] check the identification documents of the individuals and officials involved in customs-related operations;

[4] demand that individuals and officials certify their powers for performing specific operations or effecting specific activities in the field of customs system;

[5] in accordance with law of the Russian Federation on criminal investigation procedures, perform investigations with a view to detecting, preventing, stopping and exposing crimes, conduct on-the-spot investigations and interrogations pursuant to the provisions of the criminal procedural law of the Russian Federation assigning the investigation of such crimes to customs authorities, expose and identify the persons responsible for preparing committing or having committed such crimes, as well as ensure safety of customs officers in discharge of the duties;

[6] conduct on-the-spot investigations and interrogations in their line of duty of the offences pursuant to the Criminal Procedural Code of the Russian Federation;

[7] investigate the cases of administrative offences and prosecute the persons responsible for administrative offences pursuant to the provisions the Law of the Russian Federation on Administrative Offences;

[8] in case of emergency, to use the communications facilities and means of transport belonging to organisations or public associations (except the communications facilities and means of transport owned by diplomatic missions, consular and other institutions of foreign countries or by international organisations) for preventing customs-related crimes, pursue and detain the perpetrators of such crimes or the persons suspected of having committed such crimes. Customs authorities shall be obliged to compensate any damages suffered by the owners of said communications facilities or means of transport in such instances upon their request for

compensation submitted the customs office concerned in accordance with the order determined by the Government of the Russian Federation;

[9] detain and escort to the service premises of the customs offices or to the offices of the Ministry of the Interior of the Russian Federation the persons suspected of customs-related administrative offences or the perpetrators of such offences pursuant to the Russian legislation;

[10] perform documentary filing, video-taping, audio-recording, motion- or still-picture photography of the facts and events associated with the conveyance across the customs border of the goods and means of transport under the customs control and performance of other cargo-handling operations with such goods and means of transport;

[11] obtain from the information from various state bodies and agencies, as well as from natural persons which may be required for carrying out their duties pursuant to this Customs Code;

[12] make written reprimands to heads of various state bodies and agencies, directors of enterprises, leaders of public unions and associations containing requirements to rectify their breaches of the customs regulations of the Russian Federation with subsequent verification of the implementation by said persons of requisite measures;

[13] bring lawsuits to the courts of justice or the arbitration tribunals pertaining to:

- compulsory collection of unpaid customs duties and taxes;
- compulsory collection of unpaid customs duties and taxes at the expense of the goods;
- in other cases stipulated by this Customs Code and other federal laws;

[14] establish and maintain official relations of advisory and consultative nature with various participants of foreign economic activities, the other persons whose functioning is associated with foreign economic activities, as well as with their trade unions (associations) for the purpose of interacting with them in the issues of introduction and adoption of the advanced customs registration and customs control mechanisms;

[15] carry out other functions stipulated by this Customs Code and other federal laws.

Article 409. Legal Rights of Customs Authorities in Effecting Customs Control Measures Using Customs Patrol Boats

1. In the process of exercising customs control measures with the use of customs patrol boats case of using customs patrol boats customs are vested with the following legal rights to:

[1] upon discovery of signs of illegal conveyance of goods liable for customs control onboard a means of transport, apprehend said means of transport and subject it to the customs examination (Article 372);

[2] detain the individuals onboard a means of transport suspected of committing the crimes subject to on-the-spot investigation pursuant to the provisions of the criminal procedural law of the Russian Federation assigning the investigation of such crimes to customs authorities

unless the international treaties, to which Russian Federation is party, contain other provisions thereto;

[3] pursue and apprehend the seagoing vessels (riverboats), which have exited the customs territory of the Russian Federation without permission of customs authorities, beyond the territorial waters of the Russian Federation up to their entry into the territorial waters of a foreign country if such pursuit has been continuing since its initiation in the territorial waters of the Russian Federation following a transmission of a visual or acoustic signal to said seagoing vessel (riverboat) to halt from the distance sufficient for observing or hearing said signal;

[4] in case of detecting signs of administrative violation of customs regulations, apprehend such means of transport for their subsequent withdraw pursuant to the Russian legislation on administrative offences;

[5] in the instances stipulated by this Customs Code, escort apprehended means of transport with or without customs officers on board.

2. The crews of the customs seagoing (river) patrol boats and aircraft authorised to exercise:

[1] free use of water- and airspace of the Russian Federation , the sea harbours and river ports, as well as the airports, the airfields (runways) on the territory of the Russian Federation regardless of their attributes and purposes;

[2] free use of the priority right of entry to and exit from ports and harbours in accordance with the order coordinated with the interested federal executive authority;

[3] free access to navigation, hydrological, meteorological, hydrographical, and other information;

[4] free flight control and navigation services.

Article 410. Rights of Customs Authorities with regard to Motor Vehicles Hauling Goods under Customs Control

1. The customs authorities have the right to apprehend the motor vehicles including those which are not involved in international haulage of goods if such vehicles are carrying goods under the customs control for the purpose of inspecting said goods and the documentation thereto. Customs authorities may only apprehend such motor vehicles in the customs control zones established along the customs border. In other places such vehicles are apprehended by the traffic safety authority of the Ministry of the Interior in coordination with customs authorities.

2. In the event of apprehension of a motor vehicle beyond the customs control zone, the permissible time limit designated for inspecting goods and waybills thereto shall not exceed two hours. The fact of inspection of goods the waybills thereto is registered in a report whose form is approved by the Federal Customs Authority, with one copy of said report being handed to the goods carrier. Compulsory placement of motor vehicles to the territory of a temporary-storage

warehouse or another place constituting a customs control permanent zone (Article 362) shall only be permitted in case of initiation of a lawsuit for an administrative offence when a copy said ruling is handed to the goods carrier or the driver of the apprehended motor vehicle. In such situation, said motor vehicle may remain in the temporary-storage a warehouse or in another place constituting the customs control zone within the period of time required for its unloading, except the instances when said motor vehicle is liable for withdrawal pursuant to law of the Russian Federation.

Article 411. Interaction and Cooperation of Customs Authorities with Other State Bodies

1. The customs authorities shall fulfil their functions independently and in cooperation with other public bodies.

2. Pursuant to this Customs Code and other federal statutes, the customs authorities have the right authorised to permit execution by other state bodies of individual actions relating to their competence.

3. In the instances when customs authorities have discovered signs of administrative transgressions (offences) whose consideration, pursuant to the Russian legislation, is in the competence of other state bodies the customs authorities shall be obliged to convey such information to respective state bodies without delay.

Article 412. Departmental Supervision over Customs Activities

Unless this Customs Code and other federal statutes contain other provisions thereto, the superior customs office or the superior customs officer are vested with the right, in terms of the departmental supervision, to rescind or correct the resolution passed by a subordinate customs office or its officer which does not meet the requirements laid down by Russian law or take any other measures stipulated by the Russian legislation with regard to unlawful actions (inaction) of the subordinate customs offices and/or their officers.

Article 413. Responsibility of Customs Offices and their Officers

1. In accordance with the Russian legislation, customs officers shall bear disciplinary, administrative, criminal and other responsibility for their unlawful decisions, actions (inaction).

2. Customs offices shall be obliged to reimburse any damage inflicted on persons and their property as a result of unlawful decisions, actions (inaction) of their customs officers and other employees in discharging their duties or professional obligations pursuant to the provisions stipulated by the Labour Code and budgetary law of the Russian Federation

3. Any damage caused by the lawful actions of customs offices and their officers shall not be subject to indemnity unless this Customs Code and other federal statutes contain other provisions thereto.

§3. Use of Physical Force, Special Devices and Firearms by Customs Officers

Article 414. Conditions Stipulating Use of Physical Force, Special Devices and Firearms by Customs Officers

1. The customs officers have the right to resort to physical force, special devices and firearms in accordance with the procedures stipulated by this Customs Code.

2. Use of physical force, special devices and/or firearms shall be preceded by an explicit warning of officer's intent to use them, or by firing warning shots, as in the instance of use of firearms.

Note: the customs officer concerned shall be obliged to:

[1] offer sufficient time for fulfilling his (or her) lawful demands, except for the instances when a delay in the use of physical force, special devices and/or a firearm is likely to pose immediate threat to the officer's life and health or entail other grave consequences, as in the instance of a sudden or armed assault, an attack with the use of combat matériel, vessels or means of transport, as well as under other circumstances when a warning is deemed inappropriate or impossible;

[2] provide first aid to the persons who have suffered body injuries and immediately advise the chief of the customs office of the occurrence, the latter being obliged to report the incident to the prosecutor within 24 hours.

3. In the instance of use of physical force, special devices and/or firearms, depending on the nature and gravity of the offence and the intensity of offenders' resistance, customs officers shall seek to minimise the damage incurred in the act of elimination of danger.

4. In case of the use of physical force, special devices and/or firearms in violation of the established procedures the customs officers shall be held responsible in accordance with the Russian legislation.

Article 415. Use of Physical Force by Customs Officers

1. Customs officers have the right to use physical force, including martial art techniques, only in the situations when the use of non-violent methods cannot ensure the fulfilment of the duties vested in the customs office.

2. Physical force shall be used for:

[1] stopping an offence in progress;

- [2] apprehending the offender;
- [3] overcoming the counteractions to customs officers' lawful demands;
- [4] preventing access to the rooms, the territory, or to the goods or means of transport under customs control.

Article 416. Use of Special Devices by customs Officers

1. The customs officers have the right to use handcuffs, rubber batons, tear gas, the implements for unlocking rooms, the devices intended for causing a forcible halt of a means of transport, and other special means devices in the following situations:

- [1] for repelling assaults at customs officers and other persons;
- [2] for repelling assaults at buildings, installations or means of transport belonging to or utilised by customs authorities, at the goods and means of transport in customs custody, as well as for releasing said objects in case of its capture;
- [3] for apprehending the offender(s) and/or delivering him (or her) to the service room of a customs office or a law-enforcement department in case said offender(s) show disobedience, offer resistance, or are likely to cause injuries to the people or themselves;
- [4] for deterring physical resistance offered to a customs officer;
- [5] for blocking the means of transport whose driver has not fulfilled a customs officer's lawful demand to stop.

2. Special devices may not be used against the women with evident signs of pregnancy, the persons with evident signs of disability and juvenile offenders, except for the cases when said persons offer armed resistance, perpetrate a team attack or another form of assault threatening human life and health and/or endangering safety of goods and means of transport under customs control.

3. The register of special devices in the inventory of customs authorities is approved by the Government of the Russian Federation.

Article 417. Use of Firearms by Customs Officers

1. Under the conditions of requisite (self-)defence or in extreme emergency, customs officers have the right to resort to firearms and make use of any other available implements provided no special devices are available.

2. The customs officers in the line of duty have the right to use firearms in the following situations:

- [1] for repelling assaults at customs officers when their life or health are in imminent danger provided the assault may not be deterred by other methods and devices;

[2] for preventing attempts to seize the firearms in possession of customs officers including the attempts undertaken by an apprehended offender to approach the customs officer by shortening the distance designated by the latter, or reach for the firearm held by said customs officer;

[3] for repelling a team attack or an armed assault at the buildings, installations, means of transport, seagoing vessels or riverboats owned or operated by customs authorities, as well as at the goods and means of transport in customs custody, or the installations where said goods and means of transport are stored;

[4] for apprehending the person(s) offering armed resistance, as well as armed person(s) refusing a customs officer's lawful demand to surrender arms;

[5] for halting means of transport, seagoing vessels and riverboats by damaging them if they pose real threat to the customs officers' life and health or ignore the customs officers' repeated demands to halt following warning shots;

[6] for neutralizing the animals posing threat to customs officers' life and health;

[7] for warning the offender(s) of the customs officers' intent to resort to firearms, for signalling alarm or calling for help.

3. Firearms may not be used against the women with evident signs of pregnancy, the persons with evident signs of disability and juvenile offenders, except for the cases when they offer armed resistance, perpetrate a team or other assault threatening human life and health, as well as under the condition of a significant concentration of people when random people are likely to suffer.

4. The customs officers shall be obliged to report each case of the use of firearms to the chief of the customs office involved within the shortest possible time, the latter being obliged to report the incident to the prosecutor within 24 hours from the moment of the use of a firearm.

5. The register of firearms and ammunition thereto in the inventory of customs authorities is approved by the Government of the Russian Federation.

6. A customs officer has the right to prepare his (or her) firearm for fire if he (or she) presumes that the ongoing developments are likely to create conditions for its use pursuant to Item 2 of herein.

§4. Customs Logistics

Article 418. Customs Logistics and Social Security of Customs Officers

1. Customs logistics is effected through the allocation of funds from the federal budget and the other sources designated by the Russian legislation.

2. In case the structural divisions of customs offices and checkpoints, which are intended for effecting customs operations, are set up at the temporary-storage warehouses, bonded

warehouses and/or the other facilities in accordance with this Customs Code, the logistics required by the customs structural divisions for their functioning, such as communications facilities and office equipment, shall be provided by the owners of said facilities on a contractual basis.

3. In the event of death of a customs officer in discharging his (or her) duties, the family of said officer and his (or her) dependents shall be entitled to a lump-sum benefit amounting to the officer's tenfold annual salary as per his (or her) last position in the customs office. The demised customs officer's underage dependents shall be entitled to monthly benefits amounting to said officer's average monthly salary in his (or her) last position in the customs office until they have come of age or obtained an independent source of income. The dependent students of day-time secondary vocational or higher vocational educational establishments shall be entitled to such benefits until they complete their term of training. The other dependents shall be granted the pensions stipulated for the loss of a breadwinner in the amount of the demised officer's average monthly salary.

In case a customs officer in discharging his (or her) duties suffers body injuries precluding his (or her) further professional activities, said officer shall be entitled to a lump-sum benefit amounting to the officer's fivefold annual salary as per his (or her) last position in the customs office, as well as the difference deducted between the sum of said officer's average monthly salary in his (or her) last position in the customs office and the sum of his (or her) pension payable in the forthcoming ten years.

In case a customs officer in discharging his (or her) duties suffers other body injuries, he (or she) shall be entitled to a lump-sum benefit amounting to the officer's five average monthly salaries.

The damage inflicted on the property owned by the customs officer or his (or her) near relation in discharging his (or her) duties shall be reimbursed in full.

Payment of benefits and indemnity of the damage inflicted on the officer's property shall be effected by the federal budget allocations with subsequent collection of the repaid amounts from the persons responsible for the above losses.

The decision with regard to the payment of benefits shall be made by the chief of the respective customs office based on the court findings or the ruling passed by the investigating body or the prosecutor pursuant to the cessation of the criminal case investigation or suspension of the case preliminary investigation.

In case the investigating body refuses or evades to initiate a lawsuit against the offender, its actions may be appealed by the customs office before the prosecutor or in court based on the results of the official investigation or other available evidence.

Damage inflicted on property shall be reimbursed in accordance with the court ruling (sentence).

A customs officer's annual salary used for calculating the amounts of lump-sum benefits shall include all kinds of payments to which said person would have been entitled in the year of his (or her) demise or body injury.

A customs officer's monthly salary shall be calculated pursuant to the requirements and set forth by the Russian legislation with regard to the mandatory social insurance from industrial accidents and occupational hazards.

A customs officer's monthly salary, as per this Article of the Customs Code, shall also include the officer's wage according to his (or her) special rank, long-service bonus, knowledge of foreign languages, and other bonuses.

Payment of benefits and indemnities for material damages shall be provided by the customs office in which said officer served up to the moment of his (or her) demise body injury or property damage, or by said office's legal successor or its superior office in case said customs office has been reorganised or dissolved.

The payment procedure of the amounts specified in this Article is approved by the Federal Finance Authority in coordination with the Federal Customs Authority.

4. The customs officers are liable for mandatory individual life insurance by the state insurance company using the funds allocated for that purpose from the federal budget.

The sum insured shall be payable:

– in the event of death (demise) of the insured customs officer in the period of his (or her) service in customs offices or prior to the expiration of one year following said officer's retirement from the customs office due to an injury (concussion), other body injuries, diseases acquired in discharging his (or her) duties, to the officer's heirs (upon submission of their rights to said officer's inheritance) amounting to the officer's 12.5-fold annual salary;

– in the event of entitlement of the insured officer to the disablement benefits owing to the discharge of his (or her) duties during the officer's tour of service or up to the expiry of a year following said officer's retirement from the customs:

group I disablement: 12.5-fold annual salary;

group II disablement: 5-fold annual salary;

group III disablement: 2.5-fold annual salary;

– in case the insured officer has suffered a grave body injury in the discharge of his (or her) duties: in the amount of an annual salary, or in the amount of half annual salary in case of less grave body injury.

5. The insurance premium predicated on this category of insurance shall be repaid to the officer regardless of the other payments or indemnities the officer is entitled to pursuant to his (or her) other insurance policies.

The customs officer's annual salary shall be determined based of his (or her) last position in the customs office, and this salary includes all categories of cash payments which said officer would have received throughout the year of the occurrence of the insurance case.

The other terms and procedures of the state mandatory insurance of customs officers are determined by the agreement to that effect concluded between the Federal Customs Authority and the customs organisation.

Article 419. Deployment of Customs Offices

1. The plots of land designated for accommodating customs installations shall be allocated based on the land allocation procedure for the state needs stipulated by the Land Code of the Russian Federation.

The plots of land designated for accommodating customs installations shall be allocated to customs authorities for permanent (eternal) gratuitous use.

2. In case the structural units of the customs offices and customs checkpoints are set up at the premises owned by the organisations specified in Item 2 of Article 405 of this customs Code, such organisations shall be obliged to allocate to the customs authorities the required service rooms on the basis of gratuitous usage agreements.

Article 420. Protection of Information Relating to customs authorities

1. The documents and materials containing information with regard to the customs personnel, the customs organisation, the customs tactics, methods and means applied for carrying out investigations shall be preserved in the customs archives pursuant to the Russian legislation.

2. The customs archives materials constituting historic and scientific values, which have been unclassified pursuant to the Russian legislation, shall be transferred for preservation to the archives of the Russian Archives Service pursuant to the order stipulated by the Russian legislation.

3. The customs authorities shall ensure protection of the state, banking and tax secrets and other confidential information pursuant to the Russian legislation.

Article 421. Customs Departments and State Unitary Entities

1. With a view to ensuring the operation of customs offices, the Federal Customs Authority has established customs laboratories, science-research institutions, academic institutions providing higher education, vocations and auxiliary training, health institutions, publishing houses, information processing centres, as well as other state-owned unitary enterprises providing assistance to customs authorities in fulfilling the missions assigned to them.

2. The functions vested in the aforesaid customs entities and state-owned unitary enterprises shall be effected based on the requirements set forth by antimonopoly regulations of the Russian Federation.

Article 422. Property of Customs Offices and Customs Organisations

The property of the customs offices, departments, and the state unitary enterprises shall remain in federal ownership. The Federal Customs Authority disposes of said property pursuant to the Russian legislation.

**Chapter 40.
INFORMATION SYSTEMS AND INFORMATION TECHNOLOGIES
IN CUSTOMS SYSTEM**

Article 423. The Use of Information Systems, Information Technologies and their Support Facilities Used by Customs Authorities

1. In accordance with this Customs Code and other federal statutes, customs authorities shall undertake development, construction and application of the information systems, information technologies and their support facilities, including those based on the electronic means of information exchange, as well as the facilities ensuring their operation.

2. The introduction of information systems, information technologies and their support facilities in customs system based on the use of computer hardware and communication facilities shall be effected based on the standards approved and adopted in the Russian Federation and the international standards.

3. The information systems, information technologies and their support facilities developed and produced by customs bodies or purchased by them shall be regarded as federal property. The Federal Customs Authority exercises its ownership powers pursuant to the Russian legislation.

4. The use by customs authorities of information systems, information technologies and their support facilities other than those in federal property shall be effected on a contractual basis.

5. The terms and order of the use of information systems, information technologies and their support facilities for customs-related purposes shall be established by the Federal Customs Authority.

Article 424. Certification of Information Systems, Information Technologies and their Support and Protection Facilities

The information systems, information technologies and their support and protection applied in customs system shall be certified in the cases and in the order stipulated by the Russian legislation.

Article 425. Customs Information Resources

1. The customs information resources comprise the documents and data, submitted by persons in course of customs operations stipulated by this Customs Code, as well as other documents and information available at the disposal of customs authorities in accordance with this Customs Code and other federal statutes.

2. The information resources of customs authorities constitute federal property. The Federal Customs Authority exercises its owner's powers pursuant to the Russian legislation.

3. The order of formation of the customs information resources and the requirements applied to their filing system are determined by the Federal Customs Authority pursuant to the Russian legislation.

4. The documents whose submission is stipulated by this Customs Code based on the order set forth by this Customs Code, including the customs declarations, may be submitted through the mediation of electronic means of information exchange based on the requirements stipulated by the Federal Customs Authority to the information filing procedures and other provisions of the Russian legislation.

5. The order of access by persons to the information resources under the jurisdiction of customs authorities is determined by the Federal Customs Authority based on this Customs Code and other federal laws.

Article 426. Information Systems, Information Technologies and their Support Facilities Used by Participants of External Economic Activities

1. The Federal Customs Authority determines the requirements to the information systems, information technologies and their support facilities utilised by:

1) the persons in the process of application of simplified customs clearance procedures (Article 68);

2) the owners of temporary-storage warehouses, bonded warehouses, customs brokers, as well as the other persons upon their request to receive the documents and/or the information stipulated by this Customs Code;

2. The use of such facilities for customs clearance purposes shall only be permitted following the verification of their compliance with the requirements stipulated thereto. Such verification shall be effected by the Federal Customs Authority.

Article 427. Protection of Information and Rights of Persons Involved in Information Processes and Information Systems

1. Customs authorities shall be responsible for the development, construction and application of special information protection soft- and hardware compatible with the soft- and hardware of the information systems and information technologies intended for ensuring protection of information and upholding the rights of the participants in the information related activities and informatisation pursuant to the provisions of this Customs Code.

2. The level of information protection ensured by the information protection capabilities should comply with requirements applicable to specific information categories. Such compliance of the information protection level to specific information categories should be ensured by the customs authorities in charge of given information resources.

3. The Federal Customs Authority and other state bodies acting in accordance with the Russian legislation shall exercise supervision over observance of the requirements laid to information protection and application of the information protection capabilities.

Chapter 41.
TERMS AND CONDITIONS STIPULATING DISPOSAL
OF GOODS AND MEANS OF TRANSPORT

Article 428. Conversion of Goods and Means of transport into Federal Property

1. The goods and means of transport shall be converted into the federal property:

1) based on the court findings (resolution of the arbitration tribunal) in the event of application of confiscation of property as per administrative or criminal lawsuits, effective from the date of enactment of the court ruling (resolution of the arbitration tribunal);

2) based on the court findings (resolution of the arbitration tribunal) in case the goods and/or means of transport in question are to be converted into the federal property pursuant to Item 9 of Article 377 and Item 5 of Article 391 of this Customs Code, effective from the date of enactment of the court ruling (resolution of the arbitration tribunal);

3) based on a rejection of goods and/or means of transport by a person in favour of the state, effective from the date of acceptance by customs authorities of the goods and/or means of transport in compliance with an acceptance act.

2. Disposal of the goods and/or means of transport which have been converted in to the state property on the basis of a court ruling shall be effected based on the court procedural legislation of the Russian Federation with consideration of the provisions of Article 433 of this Customs Code.

Article 429. Disposal of Goods whose Term of Storage in Temporary-Storage or Bonded Warehouse Expired

The disposal of the goods whose term of storage in a temporary-storage or bonded warehouse has expired, shall be effected based on a report certifying the fact of expiry of the term of storage of said goods and/or means of transport at the premises a temporary-storage or bonded warehouse, which report is drawn up by the customs office in charge in accordance with the form approved by the Federal Customs Authority. The duplicate copy of said report shall be handed to the goods legitimate owner provided said person has been identified by the customs authorities. A copy of said report is also handed to the owner of the temporary-storage or bonded warehouse concerned.

Article 430. Disposal of Goods and/or Means of transport Constituting Material Evidence to Administrative Offences Cases

1. Customs authorities may dispose of the goods and/or means of transport which constitute material evidence in the lawsuits on administrative offences provided estimated expenses incurred by the storage of said goods exceed their value, as well as in the instances stipulated by the Code of the Russian Federation on Administrative Offences and other federal statutes.

2. In case the consideration of a lawsuit with regard to an administrative offence has resulted in a decision to confiscate the goods and/or means of transport as per Item 1 herein, the amounts produced by the sales of said goods shall be transferred to the federal budget.

3. The goods and/or means of transport constituting material evidence to the lawsuits on administrative offences, which, according to the court ruling, are to be returned to their legitimate owner and which have not been claimed by their owner within one month following the date of enactment of the court ruling with regard to said administrative offence, shall be disposed of by customs authorities in accordance with this Chapter provided their storage was performed by customs authorities or in customs custody.

The disposal of said goods and means of transport shall be effected based on the customs office report certifying the fact of expiration of the time limit stipulated by their claim in accordance with the form approved by the Federal Customs Authority.

Article 431. Order and Methods of Disposal of Goods and Means of transport

1. The disposal of goods and means of transport shall be effected by an organisation duly authorised by the Government of the Russian Federation by way of their sales, destruction or utilization in accordance with the procedure approved by the Government of the Russian Federation.

2. The customs office in charge shall be obliged to notify the legitimate owner of said goods or the person specified in Article 16 of this Customs Code (if such persons have been identified by customs authorities) at least fifteen days in advance of the forthcoming transfer of said goods and/or means of transport to the duly authorised organisation.

3. The sales of goods and/or means of transport shall be effected pursuant to the prices determined based on the federal law stipulated for goods appraisal procedures.

4. The customs officers, the employees of the authorised organisation and their family members shall not be permitted to purchase any goods and/or means of transport subject to sales pursuant to the provisions contained herein.

5. Unless the international treaties, to which the Russian Federation is party, the federal laws and other legal statutes of the Russian Federation contain other provisions thereto, the goods and means of transport whose circulation on the territory of the Russian Federation is prohibited, as well as the goods, whose expenses for storage and sales exceed their commercial value, shall be subject to destruction or utilization in accordance with federal laws and other legal statutes of the Russian Federation.

6. The destruction or utilisation of goods and/or means of transport shall be performed at the expense of the person designated in Article 16 of this Customs Code; in the instance when said person has not been identified, or at the expense of their owner; in the absence of the goods owner, by the funds allocated from the federal budget unless the federal laws and other legal statutes of the Russian Federation contain other provisions with regard to specific categories of goods.

Article 432. Disposal of Funds Raised as Result of Sales of Goods and means of transport

1. The funds raised as a result of sales of goods and/or means of transport, which have not been converted to the federal property, shall be remitted to the their legitimate owner in accordance with the order approved by the Government of the Russian Federation within three days following their sales. Deductible from said funds shall be the customs duties and taxes equivalent to those levied on imported foreign goods upon its release for free circulation, as well as the expenses incurred by the goods shipment (haulage), storage and sales (including the goods expert analysis and valuation) which have been incurred by customs authorities and other persons.

2. In case the amounts raised as a result of sales of said goods prove to be insufficient for covering the dutiable payments chargeable to said goods, as well as and the other expenses incurred by the customs office and other persons involved who, based on the Civil Code of the Russian Federation, have the right to claim compensations of their expenses from the goods sales amounts, the latter shall be repaid based on the following priority:

- 1) as the first priority: remittance of customs duties and taxes to the federal budget;
- 2) as the second priority: reimbursement of the expenses incurred by the goods shipment (haulage), storage and sales.

3. The above expenses shall be refunded based on the calendar order of submission by the persons involved of the documents certifying the their claims for such compensations pursuant to the provisions of the Civil Code of the Russian Federation, as well as based on the person's estimates of their expenses.

4. Upon the expiry of the term stipulated by Item 1 herein, the funds raised as a result of sales of the goods and means of transport shall be credited to the federal budget.

5. The amounts raised as a result of sales of goods and/or means of transport, which have been converted to the federal property, shall be credited to the federal budget less the expenses incurred by the goods shipment (haulage), storage and sales, as per Item 1 herein.

Article 433. The Right of Federal Customs Authority to Gratuitous Allocation of Goods Transferred to Federal Property

The Federal Customs Authority has the right to effect gratuitous allocation of the goods converted to the federal property, specifically, medications, perishable food products, baby-food products, as well as clothing, footwear and other essential goods are distributed among social security organisations, health, educational, childcare institutions, and social protection bodies; the historical artefacts, the objects of science and the works of arts which do not constitute cultural values may be likewise allocated to respective museums; flora and fauna artefacts, to zoological parks, sanctuaries, and museums; various religious objects, to respective religious organisations.

Article 434. Peculiarities of Disposal of Specific Categories of Goods

The disposal of precious metals, precious stones, of the goods manufactured thereof, cultural values, the goods liable for marking, and the other goods whose circulation of the territory of the Russian Federation is restricted, shall be effected in accordance with federal laws and other legal statutes of the Russian Federation.

**Chapter 60.
CONTROLLED SUPPLY OF GOODS
CONVEYED ACROSS CUSTOMS BORDER**

Article 435. Peculiarities of Controlled Supplies of Goods Conveyed across Customs Border

1. A controlled supply of goods conveyed across the customs border constitutes special-investigation operations conducted in coordination with or under the control of law-enforcement bodies involving importation to or exportation from the customs territory of the Russian Federation of goods or transit of imported goods in said territory.

The controlled supplies of goods conveyed across the customs border are conducted with a view to preventing, detecting, precluding and exposing the crimes associated with illegal circulation of goods.

The other bodies involved in law-enforcement investigations may organise a controlled supply of goods in coordination with customs authorities. The coordination procedures for supplies are specified in the agreement in that regard between concluded between the Federal Customs Authority and the federal special-investigations authority concerned.

2. In the instance of a resolution passed to carry out a controlled supply of goods exported from the customs territory of the Russian Federation pursuant to the international agreements of the Russian Federation or in coordination with the competent bodies of foreign countries, a lawsuit shall not be initiated in the Russian Federation whereas head of the body effecting the controlled supply of goods shall be obliged to immediately inform the prosecutor of said resolution pursuant to the provisions of the Russian legislation.

Article 447. Withdrawal or Substitution of Goods Conveyed across Customs Border under Conditions of Controlled Supply

In carrying out a controlled supply across the customs border of the goods whose free sales are prohibited or whose circulation is regulated by special permits issued based on the Russian legislation, such goods may be withdrawn or substituted partially or completely in compliance with the terms and conditions determined by the Government of the Russian Federation. The goods endangering human health, the environment, or constituting the basis for the production of weapons of mass destruction shall be subject to substitution in accordance with the procedures prescribed by the Government of the Russian Federation.

PART VI. CONCLUDING PROVISIONS

Chapter 437. Terms of Entry into Force of this Customs Code

This Customs Code shall go into effect on the first day of January of the year 2004.

Chapter 438. Compliance of Normative and Legal Statutes of Russian legislation with Provisions of this Customs Code

1. Invalidated as from the 1st of January 2004 shall be:

– The Customs Code of the Russian Federation as per “Ведомости Съезда народных депутатов Российской Федерации и Верховного Совета Российской Федерации,” 1993, № 31, ст. 1224, except Chapter 12 thereof which shall be rescinded on the date of entry into force of

the federal law regulating the legal relations pursuant to the introduction and establishment of the free customs zone (free warehouse);

– Article 3 of the Federal Law dated July 19, 1995, No. 89-ФЗ “On Amendments and Supplements to Legislative Statutes of the Russian Federation Pursuant to Adoption of the Laws of the Russian Federation “On Standardisation,” “On Unification of Measurements,” “On Certification of Products and Services” («О внесении изменений и дополнений в законодательные акты Российской Федерации в связи с принятием законов Российской Федерации «О стандартизации», «Об обеспечении единства измерений», «О сертификации продукции и услуг»), as per “Собрание законодательства Российской Федерации,” 1995, № 26, ст. 2397;

– Item 8 of Article 1 of the Federal Law dated December 27, 1995, № 211-ФЗ “On Amendments and Supplements to Separate Legislative Statutes of the Russian Federation Pursuant to Adoption of the Laws of the Russian Federation “On Fire Safety” («О внесении изменений и дополнений в отдельные законодательные акты Российской Федерации в связи с принятием Федерального закона «О пожарной безопасности»), as per “Собрание законодательства Российской Федерации,” 1996, № 1, ст. 4;

– Item 12 of Article 1 of the Federal Law dated November 16, 1997, № 144-ФЗ “On Amendments and Supplements to Separate Legislative Statutes of the Russian Federation Pursuant to Arbitration of the Russian Federation” and the Arbitration Procedural Code of the Russian Federation («О внесении изменений и дополнений в отдельные законодательные акты Российской Федерации в связи с принятием Федерального закона «Об арбитражных судах в Российской Федерации» и Арбитражного процессуального кодекса Российской Федерации»), as per “Собрание законодательства Российской Федерации,” 1997, № 47, ст. 5341;

– Item 11 of Article 46, Item 11 of Article 64, Item 7 of Article 69, the second paragraph of Item 2 of Article 72, Item 12 of Article 78, Item 8 of Article 79, Article 87¹, Item 2 of Article 122 of Part One of the Tax Code of the Russian Federation, as per “Собрание законодательства Российской Федерации,” 1998, № 31, ст. 3824; 1999, № 28, ст. 3487;

– Article 12 of the Federal Law dated February 10, 1999, № 32-ФЗ “On Amendments and Supplements to Separate Legislative Statutes of the Russian Federation Pursuant to Adoption of the Laws of the Russian Federation “On Production Sharing Agreements” («О внесении изменений и дополнений в отдельные законодательные акты Российской Федерации в связи с принятием Федерального закона «О соглашениях о разделе продукции»), as per “Собрание законодательства Российской Федерации,” 1999, № 7, ст. 879;

– Sub-Item 6) of Item 37, Sub-Item 7) of Item 55, the second paragraph of Sub-Item 10) of Item 68, Sub-Item 5) of Item 69, Item 80, Sub-Item 2 of Item 108 of Article 1 of the Federal Law dated July 9, 1999, № 154-ФЗ “On Amendments and Supplements to Part One of the Tax Code of the Russian Federation” («О внесении изменений и дополнений в часть первую

Налогового кодекса Российской Федерации)), as per “Собрание законодательства Российской Федерации,” 1999, № 28, ст. 3487;

– Item 2 of Article 150 of Part Two of the Tax Code of the Russian Federation as per “Собрание законодательства Российской Федерации,” 2000, № 32, ст. 3340;

– Article 7 of the Federal Law dated May 29, 2002, № 57-ФЗ “On Amendments and Supplements to Part Two of the Tax Code of the Russian Federation” («О внесении изменений и дополнений в часть вторую Налогового кодекса Российской Федерации»), as per “Собрание законодательства Российской Федерации,” 2002, № 22, ст. 2026;

– Item 5 of Article 4 of the Federal Law dated June 30, 2002, № 78-ФЗ “On Salaries Payable to the Employees of Specific Federal Authorities, Other Payments to Said Employees under the Terms of Transfer of Specific Categories of the Federal Tax Authority Officers and the Federal Customs Authority Officers to Other Conditions of Service (Operation)”, («О денежном довольствии сотрудников некоторых федеральных органов исполнительной власти, других выплатах этим сотрудникам и условиях перевода отдельных категорий сотрудников федеральных органов налоговой полиции и таможенных органов Российской Федерации на иные условия службы (работы)»), as per “Собрание законодательства Российской Федерации,” 2002, № 27, ст. 2620).

2. The Legislative Statutes of the Russian Federation shall be amended, as follows;

1) in Part One of the Tax Code of the Russian Federation , as per “Собрание законодательства Российской Федерации, 1998,” № 31, ст. 3824; 1999, № 28, ст. 3487:

Item 4 of Article 6 shall read, as follows:

“4. Subject to the legal statutes regulating the order of collection of the customs duties and taxes chargeable owing to the conveyance of goods across the customs territory of the Russian Federation, shall be the provisions stipulated by the Customs Code of the Russian Federation”;

Article 11 to be supplemented with Item 4, as follows:

“4. Subject to the relations resulting from the collection of dutiable payments chargeable owing to the conveyance of goods across the customs territory of the Russian Federation shall be the notions defined by the customs territory of the Russian Federation and by this Customs Code in the instances where said notions do not apply”;

Item 9 of Article 47 shall be supplemented with the wording, “in consideration of the provisions stipulated by the Customs Code of the Russian Federation”;

Article 49 shall be supplemented with Item 5, as follows:

“5. The provisions stipulated herein shall also apply for the payments of the customs duties and taxes chargeable for conveyance of goods across the customs border”;

Article 50 shall be supplemented with Item 13, as follows:

“13. The provisions stipulated herein shall also apply for the payments of the customs duties and taxes chargeable for conveyance of goods across the customs border”;

Sub-Item 6) of Item 2 of Article 64 shall read, as follows:

“6) the grounds for deferment of payment or payment by instalments of the customs duties and taxes chargeable for conveyance of goods across the customs border of the Russian Federation shall be stipulated by the Customs Code of the Russian Federation”;

in Item 2 of Article 82, the wording “the customs offices and bodies” shall be replaced by the word “bodies.” The words “customs offices” shall be deleted;

In Item 3 of Article 122, the wording “Items 1 and 2” shall be replaced with the wording “Items 1”;

2) in Part Two of the Tax Code of the Russian Federation, as per “Собрание законодательства Российской Федерации,” 2000, № 32, ст. 3340; 2001, № 1, ст. 18; 2002, № 22, ст. 2026):

in Item 1 of Article 150, the wording “1. Shall not be subject to” shall be replaced by the wording “Shall not be subject to”;

in Article 151:

in Item 1:

Sub-Item 1) shall be rendered in the following wording:

“1) at the instance of release for free circulation, the tax shall be levied in full measure;”

in Sub-Item 3), the words “of the shop” and the words “processing under the customs control” shall be deleted;

Sub-Item 4) shall be rendered in the following wording:

“4) at the instance of subjecting goods to the inward processing procedure, the tax shall not be levied provided the compensating products are exported from the customs territory of the Russian Federation within the specified period of time”;

Sub-Item 7 shall be rendered in the following wording:

“7) at the instance of subjecting goods to the processing procedure for the domestic consumption, the tax shall be levied in full measure”;

Item 3 shall be rendered in the following wording:

“3. At the instance of conveyance by natural persons of the goods intended for personal, family-related, household, and other needs, which are not associated with said persons’ entrepreneurial activities, payment of the tax chargeable owing to the conveyance of such goods across the customs territory of the Russian Federation shall be regulated by the Customs Code of the Russian Federation”;

in article 185:

in Item 1:

Sub-Item 1) shall read, as follows:

“1) at the instance of release of goods liable for the excise tax for free circulation or placement of the goods liable for excise tax under the customs processing procedure for domestic consumption, the excise tax shall be levied in full measure”;

in Sub-Item 3), the words “of the shop” and the words “processing under the customs control” shall be deleted;

Sub-Item 4 shall read, as follows:

“4) At the instance of subjecting the goods to the inward processing procedure, the tax shall not be levied provided the compensating products are exported from the customs territory of the Russian Federation within the specified period of time. At the instance of release of the compensating products for free circulation, the excise tax shall be levied in full measure with consideration of the provisions stipulated by the Customs Code of the Russian Federation;”;

Item 3 shall read, as follows:

“3. At the instance of conveyance by natural persons of the goods subject for excise tax intended for personal, family-related, household, and other needs, which are not associated with said persons’ entrepreneurial activities, payment of the excise tax chargeable owing to the conveyance of such goods across the customs territory of the Russian Federation shall be regulated by the Customs Code of the Russian Federation;”;

3) in Item 2 of Article 5 of the Federal Law dated November 21, 1996, № 129-ФЗ “On Accounting Procedures,” (“О бухгалтерском учете”), as per “Собрание законодательства Российской Федерации,” 1996, № 48, ст. 5369; 2003, № 1, ст. 2:

In Sub-Item “в),” the word “procedure.” shall be replaced by the word “procedure;”;

add Sub-Item “г)” with the following wording:

“г) the provisions and the standards establishing the principles, rules and methods of accounting and accountability for customs purposes.”

Article 439. Transitional Provisions

1. The terms of validity of the licenses and permits issued by January 1, 2004, to apply the goods inward processing procedures, the goods processing under the customs control, the goods outward processing procedures, the goods temporary importation (exportation) shall remain in effect up to the expiry of the term of validity of said licences and permits provided said conditions do not contradict the terms and conditions set forth by this Customs Code. Complete or partial exemption from the customs duties and taxes, the restrictions and prohibitions imposed pursuant to the Federal Law of the Russian Federation on the State Regulation of Foreign Trade Activities with regard to the goods placed under the above-mentioned customs procedures prior to the entry into force of this Customs Code shall be regulated by the provisions of the customs legislation effective on the date of issuance of such licences and/or permits.

2. The licences authorising a person to function in capacity of a customs broker or customs carrier, to set up a temporary-storage or bonded warehouse, as well as qualification certificates of the customs registration specialist issued prior to January 1, 2004, shall remain valid until their expiry dates with consideration of the provisions stipulated by sub-Items 2) and 5) of Article 94), Sub-Items 2) and 3) of Item 1, Article 109, Sub-Items 3) and 4), Article 140 and Sub-Items 2 and 3 of Item 1 of Article 227 of this Customs Code.

The licenses issued for setting up a duty-free shop shall expire from January 1, 2004.

3. With regard to the goods placed under the customs procedure of the free warehouse prior to January 1, 2004, the application of said customs procedure following the entry into force of this Customs Code shall be permitted until the expiry of the terms of licences issued prior to January 1, 2004, but not exceeding the time terms stipulated for the completion of the investment projects.

President
of the Russian Federation

V. Putin