



FOREIGN GOODS, WORKS AND SERVICES PERFORMED (PROVIDED) BY FOREIGN ENTITIES ARE RESTRICTED FOR PROCUREMENT FOR THE NATIONAL DEFENSE AND STATE SECURITY NEEDS IN RUSSIA



The Decree of the Government of the Russian Federation No. 9 dated 14 January 2017 (hereinafter - the 'Decree No. 9') imposed a ban for the admission of goods originating from foreign states, works (services) performed (rendered) by foreign entities for procurement for the needs of national defense and state security, except for the cases where such goods, works and services are not produced, performed or rendered in the territory of the Eurasian Economic Union (EAEU).

The ban applies to the goods included into the list according to the annex to the Decree No. 9 (hereinafter - the 'List'), except for the goods originating from the member-states of the EAEU. The ban does not apply to the works and services performed (rendered) by the member-states of the EAEU.

Besides, a ban established on the admission of goods originating from foreign states included into the List for procurement for the needs of national defense and state security, except for the cases where such goods are not produced in the territory of the Russian Federation. The said ban shall be effective till 16 January 2019.

The absence of production in the territory of Russia of industrial goods shall be confirmed by the relevant opinion of the Ministry of Industry and Trade of the Russian Federation (Minpromtorg) issued in compliance with the provisions of the Decree of the Government of the Russian Federation No. 719 dated 17 July 2015 'On the Criteria for Classification of Industrial Goods to the Industrial Goods that Has No Analogues Produced in the Russian Federation'.

Minpromtorg was instructed to arrange consultations/discussions with the interested executive authorities of the member-states of the EAEU by the end of June 2017, in order to determine the mechanism of classification of goods as the goods produced in the territory of member-states of the EAEU, and the industrial goods not produced in the territory of the member-states of the EAEU.

The Decree No. 9 provides for the cases where the bans established thereby do not apply, in particular:

- it is necessary to provide for interaction of foreign goods with the goods used by the customer due to their incompatibility with the goods bearing other trademarks (except for certain types of goods);
- spare parts and consumables are purchased for equipment used by the customer in accordance with the technical documentation for such equipment (except for certain types of goods).

The List contained in the annex to the Decree No. 9 includes 132 products, including a various vehicles, equipment, clothing, footwear and materials.

The Decree became effective on 16 January 2107 and does not contain any transitional provisions in terms of its implementation.

Best Regards,

GRATA International Law Firm (Moscow)

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What we do:

- advising and legal support in participating in public procurement;
- advising on the statutory requirements and restrictions regarding the import and circulation of various goods in Russia and other states of the EAEU;
- advising on legal compliance of advertising and marketing materials and events, marking, packing, and labels;
- development/review of distribution agreements, supply contracts, agent agreements, contract agreements, services and other contracts;
- development/review of the procedure for selection of counter-parties, commercial/trade policies, in view of the requirements of antitrust and tax authorities;

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