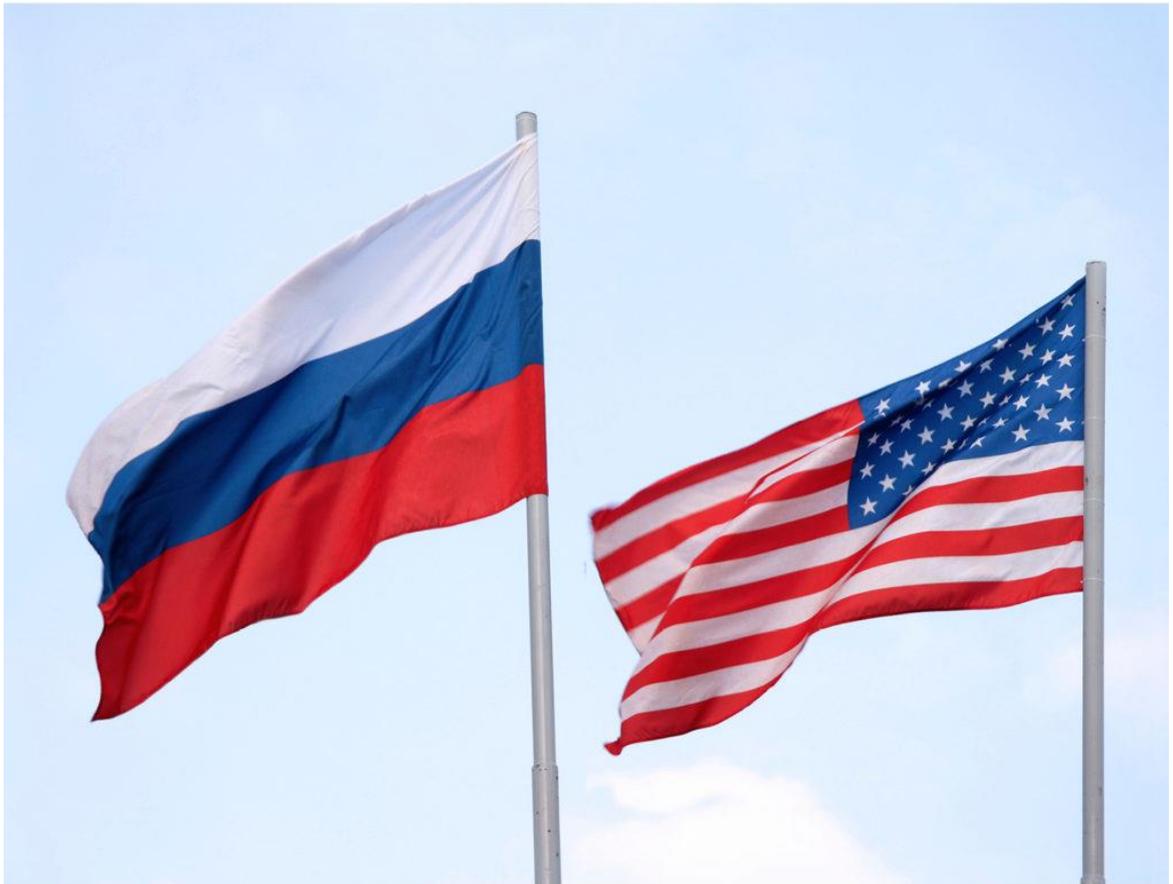




CUSTOMS DUTIES FOR CERTAIN GOODS ORIGINATING FROM THE UNITED STATES ARE INCREASED IN RUSSIA



On 23 March 2018, the United States of America introduced a special protective measure in the form of increased customs duties on imports for steel and aluminium products, including those originating from the Russian Federation.

Pursuant to the World Trade Organisation (WTO) rules, a WTO member state affected by special protective measures shall have the right to introduce compensatory measures provided that the requirements set forth by WTO rules are met. Such compensatory measures may be i.e. an increase in the rates of import customs duties in excess of the maximum tariff rates agreed upon in accession to the WTO.

The Government of the Russian Federation by its Decision No. 788 dated July 2018, therefore, introduced import customs duties rates for certain goods originating in the United States and imported into the Russian Federation, which differ from the rates of the EAEU Uniform Customs Tariff.

The rates of import customs duties in the amount of 25 to 40% of the customs value of the goods were introduced in respect of, in particular, equipment such as pipelayers with a capacity of 90 or more tons, forklift trucks with forklift, stacking forklifts and other trucks equipped with lifting or loading-unloading devices, graders with a capacity of 350 h.p. and more, tamping machines, as well as tools for cutting internal and external threads, optical fibres.

The abovementioned increased customs duties become effective from 6 August 2018.

On 29 June 2018, the Russian Federation sent a request to the WTO front office for consultations on the dispute with the United States in connection with the introduction by the latter of the increased customs duties on imports of steel and aluminium. In accordance with Clause 8.1 of the Treaty on Special Protective Measures, a WTO member intending to apply a special protective measure shall offer an equivalent concession to the country, which has not been done by the US. If the US does not agree to begin consultations with Russia to reach a mutually acceptable solution within a period set forth by the WTO rules, the Russian Federation will be entitled to convene a panel of arbitrators to settle the dispute.

Best Regards,

GRATA International Law Firm (Moscow)

Corporate and Commercial Law Department

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What we do:

- advising on the issues of contract, administrative, and customs law in connection with the import and export of goods, state registration, certification and declaring of goods conformity;

- representing clients' interests in public discussions of draft laws and regulatory acts of the Russian Federation and the Eurasian Economic Commission;
- representing clients with customs, tax and other competent authorities.

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