

Customs Union Stalling on Expat Moving Duty

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Almost five months after customs duties were slapped on household goods of foreigners moving into the country, the government has yet to fulfill its promise to lift the regulations, which made relocating to Russia significantly more expensive.

The commission of the Customs Union between Russia, Belarus and Kazakhstan, which oversees the issue, did not sign a protocol to remove the duty at its Nov. 18 session, although a reversal had been expected.

The protocol is ready but needs “finalization at the national government level,” commission spokesman Alexander Korsunov told The Moscow Times on Friday.

Foreign business groups have asked the government to lift the duties since they suddenly took effect July 1. Business leaders voiced concern that progress could be delayed into next year.

“We hope that the change will be approved at the next [Customs Union Commission] session on Dec. 8,” said Vladimir Kobzev, head of the Russo-German Chamber of Commerce’s legal department. If the December date is not met, the next chance would be in mid-January, he added.

But Korsunov said the agreement might be signed before Dec. 8.

Approval is just a “technicality” and will be done soon, he said. “The main message is that the political will is there — all sides are interested in good conditions for businesspeople.”

But this delay is not the first. The changes, which would add a clause allowing foreign work-permit holders to bring in “personal belongings” without cost, were agreed on in late September, the commission says on its web site.

At its Sept. 20 session, member states’ governments [were asked to approve](#) the changes by Oct. 10.

That deadline was missed because of opposition by some Russian ministries, Kobzev said. Now, he said, the Kazakh government has raised new questions.

Korsunov declined to comment on the reasons for the delay, saying only that “scrupulous and very thorough work is being done right now.”

The new customs charges have riled expats and foreign businesses since coming into force with little prior announcement.

They stipulate that every kilogram of household items, formerly customs-exempt, is subject to a 4 euro (\$5) duty after the first 50 kilograms, which remain duty free.

The tariff can easily make an average family move to the country a pricey affair, with customs bills ranging up to \$10,000 and \$20,000.

Dmitry Degtyaryov, director of Team Allied Russia, a moving company, said his clients alone have paid some 500,000 euros in duties through late October.

The Russian government, facing an uproar from foreign businesses, promised in August to scrap the duty, prompting some expats to put their goods into storage until they can be imported for free.

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