

# Customs Union Issues

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Development of the customs union is approaching the next landmark — actual formation of the unified customs territory of Belarus, Kazakhstan and Russia.

Starting from July 1, 2011, customs control on the inner borders of the three countries will be abolished; veterinary, phytosanitary and transport control will be moved to the CU's external borders. As of Jan. 1, 2011, there are unified forms and instructions on declaring goods.

At the same time there are still unsolved problems connected with the functioning of the unified customs territory:

1) The uniform application of international customs conventions. The agreement on TIR convention applications on the CU territory has not yet been signed because of the position of Kazakhstan that lies in the possibility of TIR procedures being applied for international goods transportation on the CU territory. At present by TIR procedure Kazakh carriers perform a great volume of cargo transportation from the Chinese-Kazakh border to Russia and Belarus. Unfortunately, in the CU customs code there is no analogue and quite simple guarantee system that can be used instead of the TIR procedure.

Kazakhstan still has not joined the Istanbul convention on temporary import/export of goods, which is why the agreement on the application of this convention on the CU territory was not even developed. Meanwhile Belarus and Russia have not yet solved the problem of guaranteeing transportation of goods through the territory of Belarus to Russia by the Belarussian Chamber of Commerce and Industry.

2) In the CU customs code the principle of residence is left for regular people participating

in customs declaration in the CU: customs applicant of the customs procedure, customs representative and authorized economic operator, which makes the process of logistics optimization of commodity flows at the unified customs territory. For example, a freight forwarder of FLLC AsstrA Weisrussland — an approved economic operator in Belarus — cannot conduct the procedure of customs transit to Russia or Kazakhstan without payment of customs duties, taxes under his status of the AEO. Russian trade operator Perekryostok cannot put goods under the customs procedure of transfer for free turnover in Belarus in the immediate vicinity from the CU external border at TLC Brest-Beltamozhservice. With this purpose he has to register a residential company in Belarus.

3) In the field of tariff regulations there are no unified trade rules of procedure and impressments of country-members of the CU with third countries. In Kazakhstan there are still transitional rates of customs duties by 400 commodity items, different from the rates of the CU customs duties. In customs services of the CU, the indicatives for application of additional measures of documental control by determination of customs prices of goods differ.

4) In the field of non-tariff regulations there is the burning issue of developing unified technical rules of procedure for technical regulation. Belarus and Kazakhstan are against the transfer of veterinary control functions to the customs bodies at the border, which comes into force in Russia from July 1, 2011.

We would like to mark the problem of absence of actual simplifications in the work of customs representatives in the process of declaring goods, of a higher level of trust on the part of the customs officials to their work, despite quite a big size (1 million euros) of provision of customs duty payment.

The unified instruction for the CU on CMR note filling-in was developed as a simple sum of national instructions, it requires indication of the information not only for purposes of tariff and non-tariff regulation, statistics of foreign commerce and currency exchange regulations, but also the information necessary for different bodies of public administration, and that is why it is quite difficult and labor-intensive. All these factors led to the increase of prices for the services of customs representatives.

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