

ANNEX 23
to the Treaty on the Eurasian
Economic Union

PROTOCOL
on Organisation, Management, Functioning
and Development of the Common Markets of Oil and Petroleum
Products

1. This Protocol has been developed in accordance with Articles 79, 80 and 84 of the Treaty on the Eurasian Economic Union (hereinafter - "the Treaty") and determines the framework for cooperation in the oil sphere, the principles of establishing of the common market of oil and petroleum products of the Union, as well as the principles of access to services of natural monopoly entities in the sphere of transportation of oil and petroleum products.

This Protocol has been developed taking into consideration the provisions of the Concept of the establishment of a common energy market of the Eurasian Economic Community of December 12, 2008, for the purposes of ensuring effective use of the potential of fuel and energy complexes of the Member States, as well as for providing oil and petroleum products to their national economies.

2. The terms used in this Protocol shall have the following meanings:

"access to services of natural monopoly entities in the sphere of oil and petroleum products transportation" means provision of the right to use oil and petroleum products transportation systems controlled by natural monopoly entities of the Member States for the transportation of oil and petroleum products;

"oil and petroleum products" means the goods specified in accordance with the Single Commodity Nomenclature of Foreign Economic Activity of the Eurasian Economic Union and the Common Customs Tariff of the Eurasian Economic Union;

"common market of oil and petroleum products of the Member States" means a set of commercial and economic relations of economic entities of the Member States in the sphere of production, transportation, supply, processing and marketing of oil and petroleum products on the territories of the Member States required to meet the demands for them of the Member States;

"indicative (projected) balances of oil and petroleum products of the Union" means a system of estimated values determined under the methodology of determining indicative (projected) balances of gas, oil and petroleum products;

"transportation of oil and petroleum products" means commission of actions aimed at movement of oil and petroleum products by any means, including with the use of pipelines from the point of their reception from the sender to the point of delivery to the recipient, including discharge, filling, transfer between vehicle types, storage, and mixing.

3. When establishing the common markets of oil and petroleum products of the Union, the Member States shall be guided by the following basic principles:

1) non-application in mutual trade of quantitative restrictions and export customs duties (other equivalent duties, taxes and fees). The payment procedure for export customs duties on oil and petroleum products exported outside the customs territory of the Union shall be governed by treaties, including bilateral treaties, between the Member States;

2) ensuring priority supply of demands of the Member States in oil and petroleum products;

3) unification of norms and standards of the Member States regarding oil and petroleum products;

4) ensuring environmental safety;

5) information support of common markets of oil and petroleum products of the Union.

4. The Member States shall carry out the following set of measures to establish the common markets of oil and petroleum products of the Union:

1) creation of an information exchange system based on customs information, including information on the supply, export and import of oil and petroleum products by all modes of transport;

2) establishment of control mechanisms to prevent violation of the terms of this Protocol;

3) unification of norms or standards of the Member States regarding oil and petroleum products.

5. The measures referred to in paragraph 4 of this Protocol shall be implemented through the signing by the Member States or their authorised authorities of methodologies or rules within the framework of respective international treaties.

6. The Member States, in compliance with the international treaties between the Member States, within the existing technical capabilities, shall ensure the following conditions:

1) guaranteed feasibility of long-term transportations of produced oil and petroleum products manufactured from it using the existing transport system on the territories of the Member States, including systems of main pipelines and main petroleum product pipelines;

2) access to oil and petroleum products transportation systems located on the territory of each Member State for economic entities registered on the territories of the Member States under the same conditions as those provided to economic entities of the Member States on the territories of which the transportation of oil and petroleum products is carried out.

7. Tariffs for services for the transportation of oil and petroleum products using systems for the transportation of oil and petroleum products shall be set in accordance with the legislation of each Member State.

Tariffs for services for transportation of oil and petroleum products shall be set for economic entities of the Member States at a level not exceeding the tariffs set for economic entities of the Member State on the territory of which the transportation of oil and petroleum products is carried out.

The Member States shall not be obliged to set tariffs for services for the transportation of oil and petroleum products for economic entities of the Member States below the tariffs set for economic entities of the Member State on the territory of which the transportation of oil and petroleum products is carried out.

8. In accordance with the methodology for calculating indicative (projected) balances of gas, oil and petroleum products and with the participation of the Commission, authorised authorities of the Member States shall develop and agree:

indicative (projected) balances of oil and petroleum products of the Union for the following calendar year, annually before October 1;

long-term indicative (projected) balances of oil and petroleum products of the Union, which may be adjusted, if necessary, based on the actual

changes in oil production, manufacture and consumption of petroleum products of the Member States.

The volumes and directions of transportation of oil produced on the territory of a Member State across the territory of another Member State shall be annually determined in the protocols between the authorised authorities of the Member States.

9. Internal markets of oil and petroleum products of the Member States shall be regulated by the national authorities of the Member States. The Member States shall take measures to liberalise their markets for oil and petroleum products in accordance with the legislation of each Member State.

10. This Protocol shall not affect the rights and obligations of the Member States under other international treaties to which they are participants.

11. The provisions of section XVIII of the Treaty shall apply to natural monopoly entities engaged in transportations of oil and petroleum products with account of the specific features provided for by this Protocol.

12. Pending the entry into force of the international treaty on the establishment of common markets of oil and petroleum products of the Union provided for by paragraph 3 of Article 84 of the Treaty, bilateral treaties between the Member States regarding supplies of oil and petroleum products, determination and payment of export customs duties (other equivalent duties, taxes and fees) shall apply, unless otherwise agreed by the respective Member States.
