PROTOCOL on Common Customs Tariff Regulation

I. General Provisions

- 1. This Protocol has been developed in accordance with Section IX of the Treaty on the Eurasian Economic Union and determines the principles and procedure for applying measures of customs tariff regulation on the customs territory of the Union.
 - 2. The terms used in this Protocol shall have the following meanings:

"like products" means goods that are, in terms of their functional purpose, application, qualitative and technical characteristics, fully identical to goods imported into the customs territory of the Union under the tariff quota or (in the absence of fully identical goods) goods the characteristics of which are similar to the characteristics of goods imported into the customs territory of the Union within the tariff quota, allowing to use these goods for the same functional purpose as goods imported into the customs territory of the Union within the tariff quota, which may commercially replace such goods;

"major suppliers from third countries" means suppliers of goods having a share in the import of goods into the customs territory of the Union of 10 percent or more; "tariff quota volume" means the quantity of goods in kind or in value that may be imported within the tariff quota;

"preceding period" means a period for which the consumption rates of goods on the customs territory of the Union and the production rates of like products on the customs territory of the Union are analysed;

"actual import volume" means the volume of import in the absence of any restrictions thereof;

"agricultural goods" means goods rated as Groups 1-24 in CN of FEA EAEU, as well as such goods as mannitol, D-glucitol (sorbitol), essential oils, casein, albumins, gelatin, dextrins, modified starch, sorbitol, hides, skins, raw furskins, raw silk, silk waste, animal hair, raw cotton, cotton waste, brushed cotton fibre, raw flax and raw hemp;

"tariff quota" means a measure to control the import into the customs territory of the Union of certain types of agricultural goods originating in third countries envisaging the application of differential rates of CCT EAEU import customs duties in respect of goods imported within a specified period up to the specified amount (in kind or in value) and in excess of this amount.

II. Tariff Exemptions

- 3. Tariff exemptions in the form of exemption from import customs duty shall be granted in respect of the following goods imported into the customs territory of the Union from third countries:
- 1) goods that represent contributions of foreign founders into the authorised (share) capital (fund) within the time limits determined in the founding documents for the formation of such capital (fund). The procedure

for the application of tariff exemptions in respect of such goods shall be determined by the Commission;

- 2) goods imported within the international cooperation in the field of exploration and use of outer space, including the provision of services to launch spacecraft, in accordance with the list approved by the Commission;
- 3) products of deep sea fishing of vessels of the Member States, and vessels leased (chartered) by juridical persons and/or natural persons of the Member States;
- 4) currencies of the Member States, currencies of third countries (except for those used for numismatic purposes), and securities in accordance with the legislation of the Member States;
- 5) goods imported as humanitarian aid and/or in order to eliminate the effects of natural disasters, accidents or catastrophes;
- 6) all goods, except for excisable goods (except for passenger cars specially designed for medical purposes), imported by third countries, international organisations and governments for charitable purposes and/or recognised in accordance with the legislation of the Member States as gratuitous aid (assistance), including technical aid (assistance).
- 4. Tariff exemptions with regard to goods imported into the customs territory of the Union from third countries may be granted in other cases determined by the Treaty on the Eurasian Economic Union, international treaties of the Union with a third party and decisions of the Commission.

III. Terms and Mechanisms of Applying Tariff Quotas

5. The tariff quota volume in respect of a certain type of agricultural goods originating from third countries and imported into the customs territory of

the Union shall be determined by the Commission and shall not exceed the difference between the volume of consumption of such goods on the customs territory of the Union and the production of like products on the customs territory of the Union.

If the production of like products in a single Member State is equal to or exceeds the volume of consumption of such goods, this difference may be disregarded when calculating the amount of the tariff quota for the customs territory of the Union.

- 6. If the production of like product on the customs territory of the Union is equal to or exceeds the volume of consumption of such products on the customs territory of the Union, no tariff quota shall be allowed.
 - 7. The following conditions shall be met when setting the tariff quota:
- 1) the setting of tariff quota for a certain period (regardless of the results of consideration of the distribution of the tariff quota volume between third countries);
- 2) notification of all interested third countries of the tariff quota volume assigned thereto (when a decision to distribute the tariff quota volume between third countries is adopted);
- 3) publication of information on the setting of tariff quota, its duration and volume, including the tariff quota volume allocated to third countries (when a decision to distribute the tariff quota volume between third countries is adopted), as well as on import customs duty rates applicable to goods imported within the tariff quota volume.
- 8. The distribution of the tariff quota volume between the participants of foreign trade activities of a Member State shall be based on their equal

rights in respect of obtaining the tariff quota and non-discrimination on the grounds of the form of ownership, place of registration or market position.

9. The tariff quota volume between the Member States shall be distributed within the difference between the volumes of production and consumption in each Member State taken into account in the calculation of the tariff quota volume for the customs territory of the Union in accordance with paragraphs 5 and 6 of this Protocol.

The tariff quota volume for a Member State that is a member of the World Trade Organisation may be set on the basis of the obligations of the Member State to the World Trade Organisation.

10. The tariff quota volume shall be distributed between third countries by the Commission or, in accordance with the decision of the Commission, by a Member State following consultations with all major suppliers from third countries, unless otherwise determined by international treaties within the Union, international treaties of the Union with a third party or decisions of the Supreme Council.

Should it be impossible to distribute the tariff quota volume in consultations with major suppliers from third countries, the decision on the distribution of tariff quota volume between third countries shall be made with account of the volume of deliveries of goods from these countries in the preceding period.

The preciding period, for this purpose, shall generally be represented by the preceding 3 years for which information is available reflecting the actual volume of import. If it is impossible to select a preceding period, the tariff quota volume shall be distributed on the basis of assessment of the most likely distribution of the actual volume of import.

- 11. With regard to the supply of goods within the period of validity of the tariff quota, no conditions and/or formalities may be set to prevent any third country from fully utilising the tariff quota volume allocated thereto.
- 12. At the request of a third country interested in supplying goods, the Commission shall hold consultations on the following:
 - 1) redistribution of the allocated tariff quota volume;
 - 2) changing of the preceding period selected;
- 3) cancellation of any conditions, formalities or other provisions determined unilaterally in relation to the distributed tariff quota volume or its unrestricted use.
- 13. In connection with the setting of tariff quotas, the Commission shall:
- 1) at the request of a third country interested in supplying goods, provide information concerning the method and procedure of distribution of tariff quota volume between the participants of foreign trade activities, as well as the tariff quota volume in respect of which licenses are issued;
- 2) publish information on the total amount or value of goods intended for supply within the allocated tariff quota volume, the date of commencement and expiry of the tariff quota and any changes thereof.
- 14. Except for the distribution of the tariff quota volume between third countries, the Commission shall not be entitled to demand the use of licenses for the import of goods from a particular third country.