ANNEX 23
to the Treaty on the
Eurasian Economic Union

PROTOCOL
on The Procedures, Management, Operation And Development Of Common Markets For Oil And Petroleum Products

1. This Protocol in accordance with Articles 79, 80 and 84 of the Treaty on the Eurasian Economic Union (hereinafter – the Treaty) defines a framework for cooperation in the oil sector, the principles of the common market of the EAEU, as well as the principles of access to services of natural monopolies in the field of transportation oil and petroleum products.

This Protocol is developed taking into account the provisions of the concept of a common energy market of the Eurasian Economic Community of 12 December 2008 and for the effective use of the potential of energy systems of the member States, as well as providing national economies oil and petroleum products.

2. Definitions used in this Protocol have the following meanings:

"Access to services of natural monopolies in transportation of crude oil and petroleum products" – is the right to use systems, transportation, natural monopolies controlled by member States for the transportation of crude oil and petroleum products;

"Oil and petroleum products" – are the products that are defined in accordance with the commodity nomenclature of foreign economic activity of the Eurasian Economic Union and the common customs tariff of the Eurasian Economic Union;

"Common market of crude oil and petroleum products of member States" - are a set of trade-economic relations between economic entities of member States in the sphere of production, transportation, supply, processing and marketing of petroleum and petroleum products in the territories of member States;

“Indicative (budget) balances of oil and petroleum products of the EAEU”- are the system of budget defined in the methodology of establishing indicative (budget) balances of gas, oil and petroleum products;

“Transportation of oil and oil products” – are the actions aimed at transportation of oil and petroleum products in any way, including the use of pipeline transportation from the point of its production to the delivery point, including filling, handling, storage and mixing.

3. When forming common markets of oil and petroleum products of the EAEU, member States are following the basic principles:

1) non-application of quantitative restrictions and export duties (other duties, taxes and charges having equivalent value). Procedure for payment of export customs duties on crude oil and petroleum products for the export outside the customs territory of the EAEU is governed by separate agreements including bilateral agreements of member States;

2) Priority to meeting the needs of member States in oil and oil products;

3) Harmonization of norms and standards for oil and oil products for member States;

4) Providing environmental safety;

5) Information support for the common markets of the oil and oil products of the EAEU.

4. Member States perform set of following measures in formation of the Common Markets of the oil and oil products of the EAEU:

1) Creation of the content sharing system based on the custom information including logistics reports, export and import of oil and oil products via multimodal transport;

2) Creation of the control mechanism preventing violations of terms of this Protocol;

3) Harmonization of norms and standards for oil and oil products for member States.

5. Specified measures in paragraph 4 of this Protocol are implemented by the signature of member States or their competent authority of the methods or rules under the relevant international treaties.

6. Member States according to the international treaties between member States within available technical capabilities provides the following conditions to:

1) Enable the long-term transportation of produced oil and its products in operational transport system inside member States territories, comprising the systems of main oil transmission pipelines and oil-products pipelines;

2) Obtain oil and oil products transport system access located inside the territory of every member States, for the economic entities registered in member States territories on the same terms as for member States economic entities, on those territories where oil and oil products transportation is occurred.

7. Oil and oil products transport services tariffs according to principles of oil and oil products transportation are established by the national authorities of each member State. Oil and oil products transport services tariffs are established for the economic entities of member States at the level not exceeding the tariffs established for the economic entities of member States, on those territories where oil and oil products transportation is occurred.

8. Competent authorities of member States in accordance with the methodology of forming indicative (predictive) balances of gas, oil and oil products are developing with the participation of the Commission and adjusting:

annually until October 1 for the following calendar year indicative (predictive) balance sheets of the EAEU for oil and oil products;

long-term indicative (predictive) balance sheets of the EAEU for oil and oil products which if necessary can be corrected due to de facto change of oil extraction, production and consumption of oil products of member States.

Volumes and directions of produced oil transportation on the territory one of member States, on the territory of another member State are annually determined via protocols between competent authorities of member States.

9. Regulation of home markets of oil and oil products for member States is performed by national authorities of member States. Member States shall take measures to liberalize the markets of oil and oil products in accordance with the legislation of each member State.

10. This Protocol shall not affect the rights and obligations of member States under any other treaties where they are participated.

11. The provisions of Section XVIII of the Treaty shall apply to natural monopolies holders engaged in the transportation of oil and oil products, with the specifications provided by this Protocol.

12. Bilateral agreements concluded between member States in the field of oil and oil products delivery, assessment and procedure for the payment of export customs duties (other duties, taxes and charges having equivalent effect), shall be valid until the entry into legal force an international agreement for the formation of common markets of oil and oil products of the EAEU provided by the paragraph 3 of Article 84 of the Treaty if member States do not agree otherwise.