

5) to determine the requirements for banking activities, insurance activities, and activities in the securities market (prudential requirements);

6) to determine the order of supervising of the financial market participants;

7) to ensure transparency of financial market participants.

2. In order to create the conditions within the financial market for free movement of capital the member States shall apply the following basic forms of cooperation, including:

1) exchange of information including the confidential one between the competent authorities of the member States on the matters related to regulation and development of banking activities, insurance activities and activities in the securities market, control and supervision in accordance with the international agreement within the EAEU;

2) conduction of the agreed actions concerning the discussion of current and potential issues in the financial markets and development of proposals for solution of those issues;

3) mutual consultations carried out by the competent authorities of the member States in respect of regulation of banking activities, insurance activities and activities in the securities market .

3. To achieve the objectives set out in paragraph 1 of this Article, the member States in accordance with an international agreement within the EAEU and subject to Annex 17 of this Treaty and Article 103 of this Treaty shall harmonize their legislation in respect of financial market.

SECTION XVII

TAXES AND TAXATION

Article 71

Principles of Member States Cooperation in the Field of Taxation

1. Goods imported from the territory of one member State into the territory of another member State shall be levied by indirect taxes.

2. Member States in mutual trade shall collect taxes, other charges and payments so that taxation in the member State in which territory the goods of other member States are sold is no less favorable than the taxation applied by this member State under the similar circumstances in respect of like goods, originating from its territory.”

3. Member States shall determine directions, as well as forms and procedure of harmonization of tax legislation that affect mutual trade in order to avoid violation of competition conditions and not to prevent free movement of goods, works and services at the national level or at the level of the EAEU, including:

- 1) harmonization (approximation) of excise rates on the most sensitive excisable goods;
- 2) further improvement of the system on collection of value added tax in mutual trade (including the use of information technologies).

Article 72

Principles of Indirect Taxes Collection in Member States

1. Collection of indirect taxes in mutual trade of goods shall be carried out by the principle of country of destination, provided for an application of zero rate of value added tax and (or) exemption from payment of excise taxes on export of goods, as well as levying of import of goods by indirect taxes.

Collection of indirect taxes and the mechanism of control over their payment on export and import of goods shall be carried out under the procedure, provided for in Annex 18 of this Treaty.

2. Collection of indirect taxes on performing work and services supply shall be carried out in a member State, which territory is recognized as a place of selling works, supply of services.

Collection of indirect taxes on performing works, services supply shall be carried out under the procedure, provided for in Annex 18 of this Treaty.

3. Exchange of information between tax authorities of member States, which is required to ensure the full payment of indirect taxes, shall be carried out in accordance

with separate international interagency agreement, which shall establish the procedure on exchange of information, form of application on import of goods and payment of indirect taxes, rules of filling and requirement for exchange format.

4. While importing goods to the territory of one member State from the territory of another member State indirect taxes shall be collected by tax authorities of the importing member State, unless otherwise provided by the legislation of this member State in relation to the goods subject to marking with excise stamps (accounting control marks, signs).

5. The rates of indirect taxes in mutual trade while importing goods to the territory of a member State shall not exceed the rates of indirect taxes levied on similar domestically produced goods that are being sold in the territory of this member State.

6. Indirect taxes should not be collected while importing to the territory of a member State:

1) goods, which in accordance with the legislation of this member State are not subject to taxation (exempted from taxation) when importing in its territory;

2) goods being imported into the territory of a member State by natural persons not for the purposes of business activity;

3) goods, import of which into the territory of one member State from the territory of another member State is carried out in connection with their transfer within one juridical person (obligation of notification tax authorities on import (export) of such goods could be established in accordance with the legislation of a member State).

Article 73

Income Taxation of Natural Persons

If one member State in accordance with its legislation and provisions of international treaties is entitled to levy the income of a tax resident (person with a permanent place of residence) of another member State earned in connection with employment in the first member State, such income shall be levied in the first member State as of the first day of employment at the rates established for such incomes of natural

persons that are tax residents (persons with permanent place of residence) of this first member State.

The provisions of this Article shall apply to taxation of income related to employment earned by the citizens of member States.

SECTION XVIII

COMMON PRINCIPLES AND RULES OF COMPETITION

Article 74

General Provisions

1. The subject of this Article is establishment of common principles and rules of competition, providing detection and restraint of anticompetitive practices in the territory of the member States and actions, adversely affecting competition on transboundary markets in the territory of two and more member States.

2. The provisions of this sector are applied to relationship, connected with implementation of competition (antimonopoly) policy in the territory of the member States, and to the relationship with participation of business entities (market participants) of the member States, which adversely affect or may affect competition on transboundary markets in the territory of two and more member States. Criteria of reference of the market to transboundary for the purposes of determining competence of the Commission are established by the decision of the Supreme council.

3. The member States are eligible to establish additional prohibitions in the legislation, and additional requirements and limitations regarding prohibitions, provided for in Article 75 and 76 of this Treaty.

4. The member States pursue the aligned competition (antimonopoly) policy regarding actions of business entities (market participants) of the third countries, if these actions may adversely affect the condition of competition on the goods markets of the member States.