



Mr. Andrey Aleksandrovitch Slepnev
Minister for Trade,
Eurasian Economic Commission

119121, Москва, Смоленский б-р, д.3/5
Russian Federation

16 April 2013

Dear Minister,
Dear Mr. Slepnev,

I would like to thank you for the constructive and interesting discussions we had during the visit of BUSINESSEUROPE in Moscow on 7 February 2013. As a follow-up to our agreement on sharing with the Eurasian Economic Commission our concerns on the impact to bilateral trade and investments that Customs Union measures may have, I would like to raise a number of such cases notified by our members.

- Technical regulation on safety of light industry products

1. Certification issues

Our concerns with regards to this piece of legislation lie with the procedure of issuing certificates – particularly long term certificates – for the production of adult underwear and swimwear, home and kitchen textiles.

With regards to long term certificates, some certification agencies require production audits (*1C certification scheme*) or a “management system certificate” from the factory (*2C certification scheme*). Investors seek clarification on:

1. Whether an ISO certificate is the only acceptable “management system certificate”;
2. Whether this “management system certificate” should be required from every factory in which the particular product is manufactured, according to the production agreement and under the control of the brand owner, or;
3. Whether a “management system certificate” provided by the trademark/brand owner, who is responsible for the quality of the product, is sufficient as documentation.

As far as the issuing of batch certificates is concerned (*3C certification scheme*), investors would like to know whether batch certificates could be issued for similar products, which will be imported in several shipments, in cases where the application for certification is accompanied by a delivery contract and a specification of certified products¹.

¹ The delivery contract number as well as specifications and the total number of items delivered will be included in the certificate.



2. Harmonisation/standardisation issues

Another problematic area of the regulation in question is the observed lack of harmonisation with international standards and norms. Although international standards are mentioned in the text, the regulation also makes reference to regional and national standards, without clarifying however which standards will be recognised under which occasions.

At this point, I would like to stress the Customs Union authorities' decision to apply throughout the Eurasian Economic Area the commitments that Russia undertook following its accession to the WTO. We have already seen this practice applied in the area of tariffs. A similar practice in the field of standardisation would particularly facilitate trade and further open the markets of the other members of the Customs Union.

- Technical Regulation on alcoholic beverages

During our meeting of 7 February 2013, our delegation raised with you our concerns on certain aspects of the Customs Union Technical Regulation on alcoholic beverages, namely the definition of beer, labelling and the PET bottles ban.

I would like to bring to your attention another element of this particular Regulation, with regards to notification requirements. The investors' concern is that under the current draft text of the Technical Regulation the notification procedure remains a sine qua non condition for the release of products to the market. This will not only create an extremely burdensome procedure for the companies, but will also duplicate existing reporting requirements that alcoholic operators must comply with. I specifically refer to the electronic system for excise stamps (UFAIS/EGAIS), the Russian state registration, declarations of conformity as well as customs procedures.

- Obstacles to the footwear industry

1. Declaration of conformity

Our concerns lie with the substitution of GOST certification with the new declaration of conformity procedure, which was expected to ease market access and exports to the Eurasian Economic Area. The implementation of the new system seems to have however created a series of additional burden, especially to European SMEs. This is due to the fact that the declaration of conformity requires to be presented only by judicial entities or persons (importer, trade operator, distributor) of the Eurasian Economic Area. We fear that this type of measures exclude direct access – in particular of small enterprises – to markets.

Moreover, a disproportionate burden of information is requested in the documentation, concerning production and origin of goods, since all production units (address and contacts) must be reported. It is our view that in a rather internationalised manufacturing sector such as footwear industry the mandatory character of information is far too invasive and unnecessary.



2. Carnet ATA for temporary exports of goods

In the occasion of business and marketing events of the footwear industry that are organised in the Customs Union members, it is important that customs temporary import procedures are used, that are less time and resource-consuming for exporters, SMEs especially.

Russia has already joined that Carnet ATA convention for temporary exports of goods, significantly facilitating procedures. I would like to stress the importance of the other members of the Customs Union, Kazakhstan and Belarus, to also join the Carnet ATA convention and accept Carnet ATA temporary export documents. This will allow for smoother procedures at customs throughout the Eurasian Economic Area and a level playing field for traders.

Your clarifications in these two cases will be important to European investors operating in the Customs Union Territory as they will significantly facilitate their business. In a spirit of cooperation between BUSINESSEUROPE and the Eurasian Economic Commission, I thank you, dear Mr. Slepnev, for taking our concerns into consideration.

Yours sincerely,

Adrian van den Hoven