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| **Russia’s Bogor Goals Progress Report (as at 30 September 2016)**[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* The average MFN tariff went down to 8.4% in 2014. Tariffs were reduced across agricultural and non-agricultural products, but some import duties were raised.
* Import licenses and import quotas are in place for some products.
* The import substitution plan has been launched aiming to reduce imports from various sectors such as manufacturing, oil and gas. It includes the implementation of some import restrictions.
* Mass media and data operation services have become less open to foreign investors.
* Policies on foreign investments have become more restrictive in strategic sectors considered as strategically important.
* Efforts to integrate into the international standardization system, but many specific trade concerns at the WTO TBT and SPS Committees have been raised in the recent two years.
* More customs procedures are employing technology to facilitate trade across borders.
* Established more patent prosecution highway (PPH) programs with other economies.
* Regulation on intellectual property rights (IPR) was updated to incorporate a broader definition of IPR.
* Competition policies were revamped with stricter pre-transaction clearance, extended definition of cartels and stricter controls over dominant companies.
* Government procurement policies regarding certain products have been tightened in favor of domestic producers.
* Visa-facilitation and visa-free agreements with other APEC economies have been in force.
* Increased transparency through online portals. Many draft laws have been published for comments.

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|   | **Summary of Topics** |

**Tariffs**

In 2014 and 2015, the Harmonized System (HS) of the Eurasian Economic Union (EEU) was amended to implement tariff commitments in the WTO. This affected around 4,800 subheadings. The simple average MFN applied tariff rate of products arriving to Russia dropped to 8.4% in 2014, due to lower tariffs for both agricultural and non-agricultural goods. For instance, import duties on selected food products and some watch parts were lowered. In August 2015, Russia reduced import duties on goods like fish, milk, cheeses, and potatoes, among others.

Import duties on a number of products were increased in recent years, for example: cutter-loaders, sinking machines, oil and gas separators.

**Non-Tariff Measures**

In March 2014, auctioning was excluded as a method of distributing volumes of tariff quotas given that this might create unequal trade opportunities. In May 2015, fish and substitutes, and steel pipes were removed from the list of imports that subject to restrictions. Nonetheless, some agricultural products, such as meat and milk, are subject to licensing and tariff-rate quotas (TRQ).

An export ban on unprocessed hides was introduced in September 2015. In August 2015, a food embargo was applied to products from specific economies in response to economic sanctions introduced against Russia.

In 2015, the Russian government started to introduce an import substitution plan, by establishing import restrictions aiming to reduce imports from sectors such as oil and gas, light industry, metalworking machines and tools and electrical engineering goods, among others.

**Services**

Russia signed the Treaty establishing the EEU in May 2014. This Treaty provides free movement of services within EEU members. In 2015, the EEU signed an agreement with Viet Nam which contains a chapter covering trade in services.

Legislation came into effect in August 2014 which simplified the procedure for securities issued by foreign firms to be admitted to the Russian financial markets. In October 2015, legislation governing mass media lowered the threshold limit of Russian mass media ownership by foreign entities from 50% to 20% and extended the restriction to all media firms, including web media. The data localization law came into force in September 2015 and applies to data operators collecting personal data on Russian citizens through electronic communications. It requires data operators to store data within the territory of Russia.

**Investment**

In November 2014, the legislation of foreign investments in strategic sectors was revised. On the one hand, it limited the scope of transactions which are subject to approval. On the other hand, it also imposed approval requirements for new types of transactions such as transactions involving property of strategic firms.

The legislation governing the procedure of foreign investment in strategic companies to ensure national defense and state security was revised at the end of 2014. In the amendment, it imposed pre-transaction clearance for acquisitions of 25% or more of the main production assets of a strategic entity owned by a foreign investor. Subsequently, a new amendment in March 2016 expanded the list of industries considered to be strategically important (e.g. rendering services in ports). The amendment has also extended its application to not only the acquisition of shares in strategic firms, but also the acquisition of fixed production assets.

The government also tightened rules to grant the right to extract aquatic biological resources in entities controlled by foreign investors. However, the requirements for foreign investors working in the subsoil were eased if they already own more than 75% of the shares of Russian entities.

**Standards and Conformance**

Russia continues to implement policies on standards with several federal legislations being signed into effect, in order to better integrate into the international standardization system and meet the provisions of the WTO Agreement on Technical Barriers to Trade (TBT). Russia has established a development plan towards 2020 in this area.

In 2014 and 2015, Russia made 18 notifications under the WTO Agreement on TBT.[[2]](#footnote-2) Currently, there are 13 unresolved specific trade concerns (STCs) against Russia at the WTO TBT Committees where nine of them were raised in the period 2014-2015. Recently-raised STCs include technical regulation of alcoholic beverages safety and safety issues on products for children. 10 STCs against Russia remain unresolved at the WTO sanitary and phytosanitary (SPS) Committees. Likewise, six of them were raised in the last two years including import restrictions on processed fishery products, fruits and vegetable and requirements for veterinary certificates.

**Customs Procedures**

More customs procedures are using technology to speed up and reduce errors. For example, the process of verification of the customs value of the goods is done electronically since the end of 2014. In addition, documents can be submitted and saved electronically. Russia has declared that the list of documents required to move goods across borders is decreasing.

In December 2015, 12 customs stations introduced automatic registration for containers with goods for import. This feature was already available for containers with goods for export.

**Intellectual Property Rights**

Rospatent has been involved in the pilot Global Patent Prosecution Highway (GPPH) program since January 2014. Furthermore, a pilot PPH program with Portugal was launched and the pilot PPH program with China was extended. In April 2014, the authority ratified the Agreement between Russia and the World Intellectual Property Organization (WIPO) on establishing an office in Russia.

In March 2014, amendments to the Civil Code of the Russian Federation were approved and included issues concerning intellectual property. The amendments prohibit the transfer of exclusive rights to intellectual activity without compensation, introduce new definitions for dependent inventions, utility models and industrial designs. In addition, the amendments allow that patents to be challenged after its expiration.

In 2015, several legislations were issued to step up the enforcement of intellectual property rights of goods in pharmaceutical and information technology industries.

**Competition Policy**

In 2015, amendments to the Federal Law on Protection of Competition were issued. Among the changes, competitors entering into joint venture agreements are now subject to mandatory pre-transaction clearance if the combined value of assets exceeds RUB 7 billion or the turnover exceeds RUB 10 billion. The amendments also abolish the notification of firms representing less than 35% of the market share. In addition, the definition of cartel has been extended to cover agreements between competitors involving the purchase of goods or service and imposed stricter controls over dominant companies where the government can set rules for non-discriminatory access to a firm’s products and services.

**Government Procurement**

In May 2014, the Administrative Code established administrative liability for the failure of entities and their officers to comply with the Federal Law “On Procurement of Products, Works and Services for Certain Categories of Legal Entities” which entered into force three years ago.

In February 2015, the government issued a decree that restrict the access of certain types of medical devices originating abroad for the purposes of procurement for state and municipal needs. Subsequently in November 2015, similar restrictive measures were introduced on certain foreign medicines. Likewise, more restrictions were imposed on purchasing software originating from abroad for the purposes of procurements for federal and municipal needs.

**Deregulation/Regulatory Review**

As part of an effort to develop the Regulatory Impact Assessment (RIA) Institution, Russia expanded its scope of assessment, implemented RIA at regional and local level, and broadened methodological base. Obligatory requirements on self-regulated organizations (SROs) were also updated in order to improve standards of practices and efficiency of controls, among others.

**Implementation of WTO Obligations**

In order to comply with the WTO obligations, Russia passed a decree to amend rates of export customs duties on exports in July 2015. The decree covers export duties of more than 300 tariff lines.

**Mobility of Business People**

A visa-facilitation agreement with China entered into force in April 2014. Visa-free agreements with Korea and Singapore became effective in January 2014 and January 2016, respectively.

**Transparency**

In 2015, the web portal of regulation information has been revamped with added functionalities. As of January 2016, more than 24,000 drafts of regulations had been published for comments.

The Ministry of Finance has also developed a portal with information on budgets for its citizens.

**RTA/FTAs**

Currently, Russia is a member of one Customs Union, the Eurasian Economic Union (EEU) and has eight RTA/FTAs[[3]](#footnote-3) in force. Russia, as a member of the EEU, has reported its participation in RTA/FTA negotiation with Israel. A Free Trade Agreement with Viet Nam was signed on 29 May 2015 and it is under ratification.

1. \* This brief report was prepared with information from Russia’s submission of 2016 APEC Individual Action Plan (IAP) template; the WTO SPS and TBT Information Systems; UNCTAD Investment Policy Hub, information from the Federal Antimonopoly Service of the Russian Federation website, the Eurasian Economic Union website, the Russian government website. [↑](#footnote-ref-1)
2. Including Addenda and Corrigenda [↑](#footnote-ref-2)
3. Russia’s RTA/FTAs in force are the following ones: Russia-Armenia (1993), Russia-Kyrgyz Republic (1993), Russia-Georgia (1994), Commonwealth of Independent States (1994), Russia-Ukraine (1994), Russia-Serbia (2000), Russia-Belarus-Kazakhstan-Ukraine (2004), and New Commonwealth of Independent States (2012). [↑](#footnote-ref-3)