

Freezers, Refrigerators, Washing Mashines, Air-Conditioning machines - Export from the Hashemite Kingdom of Jordan to – Export from the Hashemite Kingdom of Jordan to Kazakhstan

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Republik of Kazakhstan

General overview Kazakhstan

Territory

2.7249 mio. sqkm

Population

18.5 mio. (2018)¹

Business Languages

Kazakh, Russian, English

Legal holidays

January 01.- 02.	New Year
January 07.	Russian Orthodox Christmas Day
March 08.	International Women´s Day
March 21.-23.	Nauryz (Eastern New Year)
May 01.	National Unity Day
May 07.	Defender of the Fatherland Day
May 09.	Victory Day
July 06.	Day Of The Capital Kurban Ait *
August 30.	Constitution Day
December 01.	First President Of The Republic Of Kazakhstan Day
December 16.-17.	Independence Day

* depending on the lunar calendar

In all these holidays, if the holiday lands on a weekend, the days will be reimbursed after the weekend.

Religions:

Muslims (70%), Russian Orthodox (26%)

Currency and exchange rate

Kazakh Tenge (KZT): 1 KZT = 100 Tjin

Currency converter ²

¹ GTAI „WIRTSCHAFTSDATEN KOMPAKT Kasachstan“ November 2018

² <https://www1.oanda.com/currency/converter/>

Average wage

150,827.00 (KZT, gross, Monthly wage, annual average 2017)³

Gross domestic product

USD 184.2 bn. (2018)⁴

GDP composition by sectors

(2016, %)⁵: Mining / Industry 27.3; Trading/Restaurants/Hotels 19.4; Transport/Logistic/Communication 11.0; Construction 6.3; Agriculture/Forestry/Fishing Industry 4.9; Other 31.1

Main imported goods

(2017, in% of the total import)⁶: Machinery 15.1; Chemical Products 13.5; Food 9.4; Iron and Steel 6.2; Electrical Engineering 6.1; Electronics 5.8; Motor Vehicles and Parts 5.6; Metal Goods 4.5; Raw Materials (except fuels) 4.0; Petrochemistry 3.5; Other 26.3

Main exported goods

(2017, in% of the total export)⁷: Mineral Oil 55.0; Non-Iron Metals 9.8; Iron and Steel 8.6; Raw Materials (except fuels) 7.2; Natural Gas 4.7; Chemical Products 4.4; Food 3.8; Petrochemistry 2.4; Coal 1.0; Machinery 0.5; Other 2.6

Main supplier countries

(2017, share in %)⁸

Russian Federation (39.1)

People`s Republic of China (16.0)

Federal Republic of Germany (5.1)

United States of America (4.3)

Italy (3.2)

Uzbekistan (2.5)

Turkey (2.5)

Other countries (27.3)

Main buyer countries

(2017, share in %)⁹

Italy (17.9)

People`s Republic of China (12.0)

Netherlands (9.8)

Russian Federation (9.3)

Switzerland (6.4)

France (5.9)

Spain (3.0)

Other countries (35.7)

³ GTAI „WIRTSCHAFTSDATEN KOMPAKT Kasachstan“ November 2018

⁴ GTAI „WIRTSCHAFTSDATEN KOMPAKT Kasachstan“ November 2018

⁵ GTAI „WIRTSCHAFTSDATEN KOMPAKT Kasachstan“ November 2018

⁶ GTAI „WIRTSCHAFTSDATEN KOMPAKT Kasachstan“ November 2018

⁷ GTAI „WIRTSCHAFTSDATEN KOMPAKT Kasachstan“ November 2018

⁸ GTAI „WIRTSCHAFTSDATEN KOMPAKT Kasachstan“ November 2018

⁹ GTAI „WIRTSCHAFTSDATEN KOMPAKT Kasachstan“ November 2018

Kazakh exports and imports from The Hashemite Kingdom of Jordan 2017

Product Group	Export to the Hashemite Kingdom of Jordan (USD Thousand) ¹⁰	Import from the Hashemite Kingdom of Jordan (USD Thousand) ¹¹
All Products	1,36	562,4
Capital goods	0	1,52
Consumer goods	0	456,34
Intermediate goods	0	21,02
Raw materials	1,36	4,37
Chemicals	0	422,23
Food Products	0	2,74
Footwear	0	0,05
Mach and Elec	0	1,52
Metals	0	3,5
Minerals	0	0,17
Miscellaneous	0	79,14
Plastic or Rubber	0	0,71
Stone and Glass	0	0,76
Textiles and Clothing	0	47,17
Vegetable	0	4,29
Wood	0	0,14

Bilateral Investment treaties

Bilateral Investment Treaties between Kazakhstan and the Hashemite Kingdom of Jordan came into force in July 2008.¹²

Brief description of the Kazakh market of electric domestic appliances

1. Production in Kazakhstan 2017 (Unit 1 pcs.)¹³

Manufacture of electric domestic appliances	
Refrigerators and freezers, of the household type and I washing and drying machines, of the household type	75
Manufacture of non-domestic cooling and ventilation equipment	
Air conditioning machines	0

There is very obviously no local production of Air-conditioning machines, Refrigerators, freezers and washing machines in Kazakhstan. The market is for 100% covered by imports.

¹⁰<https://wits.worldbank.org/CountryProfile/en/Country/KAZ/Year/2017/TradeFlow/EXPIMP/Partner/JOR/Product/all-groups#>

¹¹<https://wits.worldbank.org/CountryProfile/en/Country/KAZ/Year/2017/TradeFlow/EXPIMP/Partner/JOR/Product/all-groups#>

¹² <https://investmentpolicy.unctad.org/international-investment-agreements/treaties/bilateral-investment-treaties/2165/jordan--kazakhstan-bit-2006->

¹³ <https://taldau.stat.gov.kz/ru>

2. Import of air-conditioning machines, refrigerators, freezers and washing machines to Kazakhstan 2017 (Unit USD)¹⁴

Import of air-conditioning machines	
HS Code	8415
Air-conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated	105,446,007
Import of refrigerators and freezers	
HS Code	8418000000
Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air-conditioning machines of heading	169,639,946
Import of washing machines	
HS Code	8450
Household or laundry-type washing machines, including machines which both wash and dry	71,099,622

The main supplier country of Air-conditioning machines is China, followed by Italy, Turkey, Russia and Korea.

The main supplier country of refrigerators and freezers is Russia, followed by China, Uzbekistan, Belarus and Germany.

The main supplier country of washing machines is Russia, followed again by China, then Uzbekistan, Belarus and Germany.

3. Export of air-conditioning machines, refrigerators, freezers and washing machines from Kazakhstan 2017 (Unit \$)¹⁵

Export of air-conditioning machines	
HS Code	8415
Air-conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated	2,052,287
Import of refrigerators and freezers	
HS Code	8418000000
Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air-conditioning machines of heading	2,311,492
Import of washing machines	
HS Code	8450
Household or laundry-type washing machines, including machines which both wash and dry	3,459,417

The main partner for Kazakh exports of air-conditioning machines is the UK, followed by Kyrgystan, Morocco, Germany and Russia.

¹⁴ <https://comtrade.un.org/data>

¹⁵ <https://comtrade.un.org/data>

The main partner for Kazakh exports of refrigerators and freezers is the neighbor Kyrgystan, followed by Russia, Mongolia, Tajikistan and Uzbekistan.

The main partner for Kazakh exports of washing machines is Kyrgystan, followed by Russia, Turkmenistan, Uzbekistan and Ukraine.

It can be assumed that these exports are re-exports of previously imported goods.

4. Home appliances fairs in Kazakhstan

An overview of all trade fairs taking place in Kazakhstan can be found on the website of the AUMA - Association of the German Trade Fair Industry under the link <https://www.auma.de/en>. The AUMA service also includes the provision of the organisator and project team account information. The selection of Home appliances fairs in Kazakhstan is exemplary and by no means exhaustive.

AQUATHERM Almaty

(International exhibition for domestic and industrial heating, water supply, sanitary, air-conditioning, ventilation equipment, annual)

<https://www.aquatherm-almaty.kz/en/>

Powerexpo Almaty

(Kazakhstan International Energy, Electrical equipment and Machine building Exhibition, annual)

<https://www.powerexpo.kz/en/>

Legal and technical information

Legal advices

Purchase right and choice of law

Contracts must be in writing. Contracts with foreign natural and legal persons are concluded in accordance with relevant provisions of the Language Law in Kazakh and another language agreed by the parties. Contracts with foreign natural and legal persons are usually bilingual in practice. In this case, one linguistic version should be granted priority in case of discrepancies.

Kazakhstan is not one of the world's 87 countries that have joined the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (CISG). The Kazakh Civil Code allows the choice of law for cross-border under the law of obligation contractual relationships. The parties to a foreign trade transaction may freely choose the law applicable to their contract, that is foreign or Kazakh law. However, it is important to note that, despite the choice of law, the mandatory law of the relevant jurisdictions applies. The mandatory law includes, among other things, customs and foreign exchange, tax and licensing and certification, but also consumer protection and other laws. In particular, the compatibility of contracts with mandatory law is also important in order to avoid difficulties in practice, for example with the Kazakh customs or the Kazakh bank of the buyer. If the parties do not choose the law, the law is regularly applied at the seller's domicile.

Terms of delivery INCOTERMS

It is advisable to clarify the terms of delivery according to the rules of the International Chamber of Commerce on the interpretation of trade terms - INCOTERMS 2000. This clarifies who has to deliver when and where, when to pass the risks of loss and who bears what costs. The advantage of such an agreement is the clarity of the regulations, which require no further interpretation in the case of dispute.

Retention of title

Although the retention of title is not one of the means of security under Kazakh Civil Code (see below "means of security"), the purchase price claim of the seller is secured. According to the Kazakh Civil Code, a simple retention of title can be arranged in such a way that the ownership of the purchased item does not pass to the buyer until the full payment of the purchase price. If the purchase price is not paid or not paid in time, the seller has a claim for return of the purchased item.

Means of security

Unsecured deliveries to Kazakhstan are usually only considered if there are many years of positive business relations with the Kazakh partner. In most cases, however, the foreign exporter will want to collateralize his supplies and services.

Under the name "Securing fulfillment of liabilities" the Kazakh Civil Code counts among others the following securities:

a. contractual penalty

The contractual penalty is not a means of security in the strict sense and therefore does not provide any additional security for a liability. Rather, it presents a leverage for the fulfillment of existing claims. The contractual penalty can be regulated by law or by contract. The contractual penalty agreement must be in writing, otherwise it will be void. Their amount can be determined both in a fixed amount of money and as a percentage.

b. Pledge

A pledge is a means of security that entitles the creditor to seek satisfaction from the matter if the debtor does not fulfill his obligation, that is secured by the pledge. A pawned object can be any asset in the form of property, rights or claims if it is inseparable from the person of the debtor. The pledge is liable for the claim in their particular inventory, notably for interest, contractual penalties and costs of legal action. The right of lien can also be ordered for future claims.

The contract for the appointment of a lien must be in writing and must have a legally required minimum content. These include the pledged object, its value and essence, the amount of the secured claims and the term of their fulfillment. It must also be contractually determined with whom the pledge remains after the lien and to what extent it may be used. Should one of these requirements be violated, the pledge contract is ineffective.

c. Guarantee and security

Through the guarantee and security contract, the guarantor or the sponsor commits to the creditor of a third party (the debtor) the fulfillment of the liability of the third party. The difference between the guarantee as means of security and a security is the extent of liability. The guarantor is jointly and severally liable for the obligations of the debtor, the sponsor subsidiary. For the commitment of the sponsor the relative stock of the main obligation is decisive.

Unless otherwise provided for by contract, the guarantee or security will only collateralize effective claims. Both contracts must be in writing. The written form shall be deemed met if the guarantor or the sponsor has informed the creditor in writing that he is liable for the liabilities of the debtor and the creditor fails to reject the guarantee or security within a reasonable period of time.

d. Down payment

Payment transaction

In view of the risk situation and costs, exporters in contracts like to rely on so-called "non-documentary" terms of payment: advance payments (against advance payment guarantee of the exporter's bank) as well as initial and interim payments to be made according to production, delivery and assembly progress, release the exporter from the risk of payment. Whereby in contrast, delivery contract credits that set a payment target for the importer carry the risk that the exporter, in the case of any justified default, will then remain without security on his claim. In Kazakhstan, letters of credit and guarantees of various types and orientations, less frequently bank-confirmed bills, are common instruments in the settlement of foreign trade financing. These are issued by the importer's bank and include a promise of payment made by the Kazakh bank to the exporter, which is redeemed when it submits, by mutual agreement, documents proving the performance of its services. This transfers the risk of payment default from the importer to his Kazakh house bank.

Warranty

The purchase and purchase warrant is governed by the Kazakh Civil Code.

It grants the buyer in case of defectiveness of the purchased item, provided the seller has not contractually limited the defectiveness, the right to reduce the purchase price, as well as gratuitous remedying the defect within a reasonable period, reimbursement of expenses for self-rectification of the defect or exchange of the purchased item to require, or by withdrawing from the contract. This is a mandatory right, so its contractual limitation or disclaimer is void.

The buyer bears the burden of proof that the defect arose prior to the delivery of the purchased item. Whether the purchased item is free of defects results from the condition agreed in the purchase contract. Insofar as the condition is not contractually agreed, the purchased item is free of defects if it is suitable for the use required under the contract.

The buyer can assert his claims for defectiveness of the purchased item only within a reasonable period of time, however, within a maximum of 2 years from the delivery of the purchased item, if no durability guarantee has been taken over by the seller.

Manufacturer liability

The non-contractual liability is governed by the Kazakh Civil Code. These include the rules governing damages resulting from defects in goods, workmanship and services. According to the Kazakh Civil Code, manufacturers of goods and sellers are liable without regard to contract or fault for any damage inflicted on the life, health or property of a natural or legal person as a result of design, formulation or other defects or by untrue or incomplete product information. This regulation applies exclusively to the purchase of goods, works and services for consumer purposes. The injured party is entitled to a right of choice against whom claims may be asserted: Claims can be made against the seller or the manufacturer of the goods. The deadline for claiming compensation is the respective period of validity or use; if such a period set by the producer does not exist, a period of ten years from the date of manufacture shall apply.

Liability shall not apply in circumstances of higher force (force majeure) and in case of violation of the rules of product use and storage by the injured party. The burden of proof lies with the seller or manufacturer of the goods.

Trademark law

Kazakhstan is a contracting state to the Eurasian Patent Convention of September 9, 1994 and to the World Intellectual Property Organization (WIPO) since December 25, 1991 and the following multilateral agreement it administers: the Paris Convention, the Patent Cooperation Treaty (PCT), the Madrid Agreement Concerning the International Registration of Trade Marks, the Nice Classification Agreement, the Berne Convention for the Protection of Literary and Artistic Works, the Budapest Treaty on Microorganisms, among others. Most recently, Law 281-IV of May 27, 2010 ratified the Protocol to the Madrid Agreement on the International Registration of Marks of June 27, 1989, in the version dated 12 November 2007.

Prosecution

Contractual settlement of dispute clause and enforcement of foreign court decisions

In Kazakhstan's business and legal transactions, most countries of origin of imported goods do not have mutual recognition and enforcement of foreign judicial decisions. As a result, a jurisdiction clause in favor of courts of the supplier country or process control before courts of the supplier country only makes sense if the Kazakh contractor has assets in the country of delivery or in another country in which the enforcement of a foreign judgment is possible. Otherwise, enforcement would not be guaranteed even in case of success.

Mediation

If you want to avoid the difficulties of conducting a trial abroad (foreign legal system, lack of language skills, etc.), it is advisable to agree on an arbitration clause. Since 1996, Kazakhstan is a member of the New York Convention of 10.6.1958 on the mutual recognition and enforcement of foreign arbitration awards (New York Convention, NYC). The NYC legally ensures the enforceability of foreign arbitration awards in its 157 contracting states. However, the recognition and enforcement of a foreign arbitral award may be refused for reasons of Article V NYC.

If one decides on arbitration for the above-mentioned reasons, it seems advisable to agree the standard clause of one of the known arbitration institutions. Perhaps the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation (<http://mkas.tpprf.ru/en/>) in business transactions with Kazakhstan companies could also be considered a "common denominator" or a neutral forum under the dispute settlement clause. As a Kazakh arbitration institution, the Kazakh International Arbitration Court (<http://www.arbitrage.kz>) based in Almaty should be mentioned. In mid-2014, an Arbitration Center (<http://palata.kz>) was established at the National Chamber of Entrepreneurs, which replaced the IHK network in Kazakhstan with its branches.

All hints given here are taken from publicly available sources. Among others, the sources used were "Recht kompakt Kasachstan" (GTAI) and "Leitfaden Vertragsgestaltung in Kasachstan" (Rödl & Partner). It is expressly pointed out that all information given in the legal matters section is not legally binding information. These are general recommendations. Before concluding contracts, a lawyer should always be called in.

Technical regulations in the EAEU

Harmonised System and EAEU external tariff classification ¹⁶

The Harmonised System or 'HS' (Harmonised Commodity Description and Coding System) is a nomenclature developed by the World Customs Organisation (WCO) which comprises about 5 000 commodity groups, organised by Sections, Chapters (2 digit), Headings (4 digits) and Sub-headings (6 digits). The logic of the products classification relies on a hierarchical structure. In order to facilitate a uniform interpretation, the HS is supported by implementation rules and explanatory notes.

It is an important tool in foreign trade, as it allows the products to be exported to be accurately classified and specified according to internationally accepted definitions and standards. This classification makes it easy to determine the requirements applicable to the product in the destination country.

On 1 July 2010, the Customs Union (Union) between Russia, Belarus and Kazakhstan entered into force through the application of a common customs code and external tariff. On 1 July 2011 customs controls at the internal borders were abolished. On 1 January 2015, the Eurasian Economic Union (EAEU) came into force, which also includes the Customs Union. Member States are Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan. So, when the term customs union is used below, it is synonymous with EAEU, since all 5 members of the EAEU are also members of the Customs Union. In 1 July 2017, a new Eurasian Economic Union Customs Code (EAEU) entered into force

The EAEU external tariff classification corresponds to the Harmonized System or 'HS' (Harmonized Commodity Description and Coding System). It largely corresponds to the Combined Nomenclature (CN) of the European

¹⁶ http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/harmonised_system/index_en.htm

Union's coding system for classifying products. Up to the 8th number, the EAEU HS codes are identical to those of the EU, as shown in the example below.

HS Code EU	Product		HS Code EAEU (Код ТН ВЭД)	Product Name in Russian
64	Footwear, gaiters and the like; parts of such articles	(HS Chapter)	64	Обувь, гетры и аналогичные изделия; их детали
6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather	(HS Heading)	6403	Обувь с подошвой из резины, пластмассы, натуральной или композиционной кожи и с верхом из натуральной кожи
640391	covering the ankle	(HS Subheading)	640391	закрывающая лодыжку
64039105	Made on a base or platform of wood, not having an inner sole	(CN Code)	64039105	Прочая обувь, закрывающая лодыжку, с основанием или платформой из дерева, без внутренней стельки
6403910510	Handmade	(Taric code)	non-existent	non-existent
6403910590	Other	(Taric code)	non-existent	non-existent

This is important because, unlike the EU and China, there is no English-language platform for determining customs duties during export to the EAEU.

Proposed procedure

You use the [EU Trade Helpdesk](#)¹⁷ to determine the CN code of the product, you want to export.

You can then enter the identified CN code in the EAEU's online platform to obtain an overview of the customs duties and, if necessary, the circumstances to be observed.

Example

The EU Trade Helpdesk has identified the CN code for "Footwear, made on a base or platform of wood, not having an inner sole". It is 64039105.

When searching for CN code 64039105 in the EAEU database, you will receive the following information:

Russian text	translation	Russian text	translation
Код товара	CN Code	6403910500	6403910500
Единица измерения	unit of measurement	Килограмм (дополнительная: Пара)	Kilogram (optional: Pair)

¹⁷<https://trade.ec.europa.eu/tradehelp/>

Наименование товара	Product Name	Прочая обувь, закрывающая лодыжку, с основанием или платформой из дерева, без внутренней стельки	Made on a base or platform of wood, not having an inner sole
Импортная пошлина	Import duty	основная: 1.5 Евро / Пара	basic fee: 1.5 Euro / Pair
		Согласно документа	According to the document
		Импортные пошлины с истёкшим или не наступившим сроком	Import duties with expired or not due date
Ввозные пошлины по странам:	Import duties by country	Вьетнам	Vietnam (FTA with EAEU)
Товар входит в перечень МНР ТС, ЕАЭС *		This product is included in the list of standards of EAEU	
Требуется лицензия на экспорт [срок истёк]		Export license required [expired]	
Требуется сертификация [срок истёк]		Certification required [expired]	
Продукция подтверждаемая декларацией о соответствии [срок истёк]		Product must be confirmed by a declaration of conformity [expired]	
Подлежит санитарному контролю (СНГ) [1] *		Subject to sanitary control (CIS) [1]	
Входит в Перечень отечественных товаров, по которым частично возмещаются затраты на экспорт [срок истёк]		Included in the list of domestic goods, which are partially reimbursed for export costs [expired]	

* Highlighted Fields “Товар входит в перечень МНР ТС, ЕАЭС“(This product is included in the list of standards of EAEU) and „Подлежит санитарному контролю (СНГ) [1]“ (Subject to sanitary control (CIS) [1]) : Under this links you will find the appropriate documents, which regulate the necessary steps.

Technical regulations for Freezers, Refrigerators, Washing Mashines, Air-Conditioning machines in the EAEU

Import requirements

Registration, Certification and declaration in the EAEU

All three further described documents, if needed for export to the EAEU, should be requested in the member country to which it is to be exported. The documents then apply to all other EAEU member countries

1. Registration

The certificate of state registration confirms the conformity of the products with the sanitary- hygienic regulations of the EAEU. It was introduced on 1 July 2010 and is thus a replacement for the former hygienic certificates. Since then, the state hygienic registration has replaced the national systems of hygienic certification. This introduced a uniform procedure in the Customs Union. It confirms the safety of the products for human health and the compliance with the requirements of the state sanitary-epidemiological production regulations.

Legal situation

In accordance with the Customs Union Resolution № 299 of 28 May 2010 "On the application of sanitary measures in the Customs Union"¹⁸ in the area of the Customs Union, uniform sanitary-epidemiological and hygienic requirements were introduced for goods subject to sanitary-epidemiological surveillance.

The resolution contains a uniformed list of goods subject to sanitary-epidemic control prior to their entry into the EAEU.

Without the certificate of state registration, it is impossible to apply for an EAC certificate or an EAC declaration. The goods can not be imported into EAEU.

The issuing of certificates of state registration is the responsibility of accredited certification bodies in the EAEU member states. The registration procedure includes both an analysis of the manufacturer's documentation and laboratory tests and, in some cases, an inspection of the production. All state registration certificates are entered in a special register and kept there. The certificate of state registration of products is valid indefinitely within the Customs Union.

The certificate of state registration can be requested by the importer or the manufacturer.

Application area

The state registration of products is subject to all products listed in Commission Decision No. 299 of 28 May 2010. Without registration, samples may be imported for exhibitions and promotional purposes, as well as for the registration procedure. Without registration may be imported souvenirs or second-hand goods.

Regarding the decision of the EACU № 299 of 28.05.2010 the following products are subject to registration:

- Beverages
- Cosmetics
- Products of body hygiene
- Household chemicals
- Paints, varnishes, putty, primers, etc.
- Clothing for children
- Products for children under 3 years
- Special food including baby food, food for pregnant women, dietary food, food for sportsmen
- Food from genetically modified organisms
- Food supplements

The goods, which are subject to uniform sanitary-epidemiological and hygienic requirements in the customs territory of EAEU, are divided into three product groups:

- I. goods subject to supervision or control;
- II. Goods that must be registered by the state;
- III. Registration free goods.

Goods from Section II are subject to stricter controls and can only be imported into the customs territory upon proof of state sanitary registration.

¹⁸ <http://docs.cntd.ru/document/902249108>

Amongst other things, the following products that are the subject of this study are affected:

HS Code	Product name
3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or suntan preparations; manicure or pedicure preparations
6107	Affected by this position: Underpants, panties, nightgowns, pajamas, bathrobes, dressing gowns and similar articles knitted or crocheted for boys
6108	Affected by this position: Combinations, petticoats, pants, trousers, nightgowns, pajamas, peignoirs, bathrobes, dressing gowns and similar items, knitted or crocheted
6109	Affected by this position: T-shirts, sweatshirts with sleeves and other worn jerseys knitted or crocheted for boys and girls
6115	Affected by this position: Panty hoses, stockings, stockings, socks and followers and other hosiery and shoes without soles, knitted or crocheted for boys and girls
94	Furniture
8415	Air-conditioning machines
64	Affected by this position: footwear for children

Required documents

The following documents are required to apply for the certificate of state registration:

- Application for registration
- SDS Safety Data Sheet
- Detailed product description, user manual
- Data sheet
- Copies of the labels with information for consumers
- Information about the manufacturer and his address
- Composition of products (in percentages)
- Existing certificates: ISO, DIN, CE, CB
- Product samples

Depending on the type of certified products, additional documents and certificates may be required. All documents must be translated into Russian and notarized. After analyzing all documentation and test reports in a notified body, the results are evaluated. If the product meets the requirements, a certificate of the state hygienic registration is handed over and the product is entered into the uniform register. If the product meets the requirements, a certificate of state registration will be issued and the product will be entered in the register.

2. Certification

The certification of goods before import into member countries of the EAEU is one of the essential control methods of the quality of products and their conformity with the state standards. The products must at least ensure the protection and safety of the consumer.

Conformity certificates from other countries are not accepted in the EAEU. For this reason, companies planning to export to the EAEU should check the obligation to assess the conformity of products during the offer phase.

EAC Certificate

The Customs Union EAC certificate is official proof that the products comply with the harmonized technical regulations (TR TS) of the participating EAEU countries. The Russian TR certification procedure was used as a model for the new joint certification system.

The products whose conformity with the technical requirements is certified by the customs union certificate may be moved and sold freely across the customs territory of all EAEU member states.

The Customs Union certificates may be issued after quality control by an independent certification body accredited in a Member State of the Customs Union.

Legal Situation

The legal basis for the EAC certification involves the board decision of the EAEU commission No. 319 from 18.06.2010 "Technical regulation in the Customs Union"¹⁹, the agreement on common principles and rules of technical regulation in the Republic of Belarus, Republic of Kazakhstan and the Russian Federation from 18.11.2010²⁰, and the decision of the board of the customs union commission No. 620 from 07.04.2011²¹ "Unified list of products subject to mandatory conformity assessment (confirmation) within the framework of the Customs Union"

As a result of the harmonization of national safety standards, the previous national rules of technical regulation as well as Russian GOST and TR certification were gradually phased out and replaced by the new technical regulations of the Customs Union - TR TS in each industry sector.

Moreover, the Customs Union also introduced EAC declaration as a simpler and cheaper way of assessing conformity.

The certification process is uniform for all Member States of the Customs Union. The Customs Union certificate has a uniform form and application rules in accordance with the decision of the Customs Union Commission No. 896²² of 09.12.2011.

Application area

Mandatory certification or compulsory declaration is required for all products that are covered by the Unified list of products subject to conformity assessment (confirmation) within the framework of the Customs Union. For the products not included in this list, the national certification requirements continue to apply to import and distribution.

According to this list, the following products which are the subject of this market study are affected by the mandatory certification or the obligation to declare.

Product name in English	Product name in Russian	HS Code
Low voltage equipment	Низковольтное оборудование	
Refrigerators, freezers ¹	холодильники, морозильники ¹	8418 10 8418 21 8418 29 000 0 8418 30 8418 40
Air-conditioning machines ¹	Кондиционеры ¹	8415 10

¹⁹ <http://docs.cntd.ru/document/902224700>

²⁰ <http://docs.cntd.ru/document/902253396>

²¹ <http://eec.eaeunion.org/ru/act/txnreg/deptexreg/normbaza/Pages/default.aspx>

²² <http://egov.kz/cms/ru/law/list/H11T0000896?mobile=no>

Household or laundry-type washing machines, including machines which both wash and dry ¹	машины стиральные, включая машины, оснащенные отжимным устройством, устройством для отжима и сушки белья ¹	8450
Light industry products	Товары Легкой Промышленности	
Special shoes (work shoes and similar) with uppers of leather ¹	обувь специальная с кожаным верхом ¹	6403 6405
Special shoes (work shoes and similar) with uppers of polymer ¹	обувь специальная из полимерных материалов ¹	6401 6402
Light industry products for children	Изделия легкой промышленности для детей	
Knitted underwear products for infants, toddlers and preschool children ¹	изделия трикотажные бельевые для детей новорожденных, ясельного и дошкольного возраста ¹	6107 6108 6109 6111
knitted underwear products for boys and girls, including sport- and swimwear ¹	изделия трикотажные бельевые для мальчиков и девочек, в том числе спортивные и купальные ¹	6107 6108 6109 6111 6112
knitted upper products ¹	изделия трикотажные верхние, за исключением изготавливаемых предприятиями бытового обслуживания ¹	6101 6102 6103 6104 6105 6106 6110 6111 6112
rubber boots and shoes, rubber-textile glued boots and shoes ¹	ботинки, сапожки и туфли резиновые и резинотекстильные клееные ¹	6401 6402
shoes with textile uppers with rubber preformed cuffs and soles ¹	обувь с текстильным верхом с резиновыми приформованными обсоюзками и подошвами ¹	6404
rubber sports footwear and rubber-textile sports footwear ¹	обувь спортивная резиновая и резинотекстильная ¹	6402 6404
shoes made of genuine, artificial and synthetic leather, textile materials and with a combined top ¹	обувь из натуральной, искусственной и синтетической кожи, текстильных материалов и с комбинированным верхом ¹	6402 6403 6404 6405
carpet slippers and street shoes ¹	обувь домашняя и дорожная ¹	6403 6404 6405
outdoor footwear ¹	обувь для активного отдыха ¹	6403 6404

		6405
Outerwear (gowns, blouses) for girls ¹	Одежда верхняя платьевоблузочного ассортимента для девочек ¹	6204 6206 6211
upper shirts for boys ¹	Сорочки верхние для мальчиков ¹	6205
Other light industry products	Изделия легкой промышленности прочие	
knitted underwear products for men and women, including swimwear, with the exception of sports products, designed to equip sports teams ²	изделия трикотажные бельевые для мужчин и женщин, в том числе купальные, за исключением изделий спортивных, предназначенных для экипировки спортивных команд ²	6107 6108 6109 6112 31 6112 39 6112 41 6112 49
Furniture	Мебель	
furniture for preschool institutions ²	мебель для дошкольных учреждений ²	9401 9403
furniture for educational institutions ²	мебель для учебных заведений ²	9401 9403
household furniture (tables, cabinet) ²	мебель бытовая (столы, корпусная) ²	9403
household furniture for sitting and lying ²	мебель бытовая для сидения и лежания ²	9401 9403
Packaging	Упаковочные средства	
metal covers for sealing glass containers of types II and III ³	крышки металлические для укупоривания стеклянной тары с венчиком горловины типов II и III ³	8309 90 900
Perfume and cosmetic products	Парфюмерно- косметическая продукция	
Liquid cosmetic products ²	Изделия косметические жидкие ²	3304 3305 3307
Products of decorative cosmetics on emulsion base ²	Изделия декоративной косметики на эмульсионной основе ²	3304
Products of decorative cosmetics based on fat wax ²	Изделия декоративной косметики на жировосковой основе ²	3304
Cosmetic creams ²	Кремы косметические ²	3304 3305 3307
Cosmetic products (powder and compact) ²	Изделия косметические порошкообразные и компактные ²	3304
Cosmetic hygiene products ²	Изделия косметические гигиенические моющие ²	3305 3307

- 1) Certification
- 2) Declaration of conformity based on evidence obtained with the participation of a third party
- 3) Declaration of conformity on the basis of own evidence

Required documents

The following documents are required to apply for the Customs Union certificate:

- Detailed product information
- Product name
- Customs tariff number
- Technical passport
- Safety justification
- Technical drawings and pictures
- Technical data sheet
- Operating Manuals
- Test reports
- Already available certificates: ISO, DIN, CE, CB certificates

Depending on the type of certified products, other additional documents may be required.

If the goods submitted for certification are also subject to sanitary or hygienic control, appropriate proof of issuance of the Customs Union certificate is needed.

EAC certification process

The EAC certification procedure consists of the following steps:

1. Application to an accredited certification body in the EAEU
2. The certification body checks your documents
3. Classification of the product and selection of samples
4. Testing and analysis
5. Production audit (if provided in the technical regulations)
6. Issue of the certificate
7. Monitoring of certified products (if provided)

The application for a certificate can be carried out according to different procedures: for individual deliveries, for series deliveries, and for series productions.

Included information

The Customs Union Certificate includes the following information:

- Address and name of the manufacturer
- Names of certified products
- Customs tariff number
- Applied standards of Technical Regulation
- Data about the testing center
- Period of validity
- Registration number
- Data on the notified body

The EAC certificates of the EAEU apply in all member states within the EAEU and are valid for up to 5 years. The issued EAC certificates are registered in the uniform register of the EAEU.

3. Declaration

EAC Declaration of Conformity to Technical Regulations of the EAEU is evidence that the products meet the minimum requirements of the Technical Regulation of the Eurasian Economic Union (EAEU). This ensures that products are safe both for consumers and the environment.

The EAC declaration must be registered in the EAEU's uniform register by a notified body accredited in the member state of the EAEU. An EAC declaration registered in the member state of the EAEU applies to the entire union.

The existence of an EAC declaration registered in the unified register of the EAEU is a prerequisite for placing products on the market in Russia, Belarus, Kyrgyzstan, Kazakhstan and Armenia.

Legal Situation

The legal basis for the EAC certification involves the board decision of the EAEU commission No. 319 from 18.06.2010 "Technical regulation in the Customs Union"²³, the agreement on common principles and rules of technical regulation in the Republic of Belarus, Republic of Kazakhstan and the Russian Federation from 18.11.2010²⁴, and the decision of the board of the customs union commission No. 620 from 07.04.2011²⁵ "Unified list of products subject to mandatory conformity assessment (confirmation) within the framework of the Customs Union"

Application area

The products subject to declaration according to the decision of the Customs Union Commission №620 of 07.04.2011 are listed in the consolidated list.

Required documents

Each TR TS has different requirements for documentation. Typically these are:

- Product name

²³ <http://docs.cntd.ru/document/902224700>

²⁴ <http://docs.cntd.ru/document/902253396>

²⁵ <http://eec.eaeunion.org/ru/act/txnreg/deptexreg/normbaza/Pages/default.aspx>

- Detailed product information
- Customs tariff number
- Technical passport
- Operating Manuals
- Safety justification
- Technical drawings and pictures
- Technical data sheet
- Test reports
- Already available certificates: ISO, DIN, CE, CB certificates

The certificate and the declaration have the same validity. The products subject to conformity, which are listed in the resolution of the Commission of the Customs Union № 620 of 07.04.2011, must therefore either be certified or declared.

EAC declaration procedure

In general, the EAC declaration procedure consists of the following steps:

1. You must define which technical standards your product must meet.
2. Now select the scheme according to which the conformity assessment procedure should run.
3. Carry out tests and log properly.
4. If the results are positive, you can prepare the necessary documents. The required documents are listed in the relevant technical regulations.
5. Issuing of the declaration
6. Send declaration and documents to an accredited certification body in the EAEU
7. The declaration will be entered in the single register of the EAEU.

Included information:

- Address and name of the manufacturer
- Name of the declared products
- Customs tariff number
- Applied standards of Technical Regulation
- Data about the testing center
- Period of validity
- Registration number
- Data on the notified body

Requirements to safety of refrigerators, freezers, washing machines and Air-Conditioning machines

Requirements and standards for refrigerators, freezers, washing machines and Air-Conditioning machines intended for export to the EAEU are regulated by the document "Safety requirements for low-voltage equipment" (TR TS 004/2011), confirmed by Decision No. 768 of the Council of the Eurasian Economic Commission of 16.08.2011²⁶.

²⁶ http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/Down_Volt.aspx

TR TS 004/2011 represents the minimum safety requirements for electrical equipment in order to protect life, health, property, and environmental as well as protecting consumers against misleading information.

According to TR TS 004/2011, electrical devices shall be designed and manufactured in such a way that when used as intended they protect against the following:

- Electric shock
- Overheating
- Fire
- Mechanical injuries

The products must comply with the requirements of TR TS 004/2011 in order to be placed on the Russian and Eurasian market.

Although the requirements of the technical regulation TR CU 004/2011 have been coordinated with the requirements of the Low Voltage Directive 2014/35/EU, they are not identical.

The compliance with the requirements of the technical regulation TR TS 004/2011 is a prerequisite for the admission and marketing of goods within the customs union. In addition, the products are subject to the compulsory conformity assessment procedure and shall be marked with the uniform EAC marking of the Eurasian Economic Union.

TR TS 004/2011 extends to the following products:

- Household electrical appliances
- Personal electronic computer machinery
- Devices that can be connected to electronic computer equipment
- Electric tools
- Electronic musical instruments
- Power cables
- Automatic and safety switches
- Devices for power distribution
- Electrical control units
- All low-voltage devices, not listed in other lists of certification-required devices

TR TS 004/2011 is not applied to:

- Explosion-proof equipment
 - Medical technology
 - Electrical equipment of elevators
 - Military technology
 - Control units for electric fences
 - Electrical equipment for use in Air-, water- and ground vehicles
 - Electrical equipment for safety systems of nuclear power plants / reactor plants
-

Note: Irrespective of whether products are subject to conformity assessment according to TR TS 004/2011 or not, they may also be required to comply with other directives. These are, for example, TR TS 037/2016 "On the restriction of the use of certain hazardous substances in electrical and electronic equipment"²⁷, TR TS 010/2011 "On safety of machinery and equipment"²⁸ or TR TS 020/2011 "On electromagnetic compatibility of technical devices"²⁹ may be subject to compliance.

Release for free circulation in the EAEU

Low-voltage equipment is released into circulation on the market when it complies with these technical regulations of the Customs Union, as well as other technical regulations of the Customs Union, which are applicable to it and when it has passed the confirmation of compliance in accordance with Article 7 of these Technical Regulations of the Customs Union, as well as in accordance with other technical regulations of the Customs Union which are applicable to it.

Low-voltage equipment, the compliance of which with the requirements of this technical regulation of the Customs Union has not been confirmed, should not be marked with a single circulation mark of products on the market of the Customs Union member states and is not allowed to be released into circulation on the market.

Low-voltage equipment not marked with a single circulation mark on the market of the Customs Union member states is not allowed to be released into circulation on the market.

Safety Requirements

According to TR TS 004/2011 low-voltage equipment should be manufactured in such a way that it meets the requirements of the safety for low-voltage equipment.

These requirements include for low-voltage equipment, amongst other things:³⁰

Article 4. Security Requirements

Low-voltage equipment must be designed and manufactured in such a way that when it is used for its intended purpose and fulfilling the requirements for installation, operation (use), storage, transportation (transportation) and maintenance, this equipment provides:

Required level of protection against direct or indirect impact of electric current;

Absence of unacceptable risks of high temperatures or other discharges or radiation that may cause hazards;

Necessary level of protection from injury by rotating and fixed parts of low-voltage equipment;

Necessary level of protection against the danger of non-electric origin arising during the use of low-voltage equipment, including those caused by physical, chemical or biological factors;

Necessary level of insulation;

Required level of mechanical and switching wear resistance;

Required level of resistance to external influencing factors, including non-mechanical nature, under appropriate climatic conditions;

²⁷ http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/TR_EEU_037.aspx

²⁸ <http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/bezopMashines.aspx>

²⁹ <http://www.eurasiancommission.org/ru/act/txnreg/deptexreg/tr/Pages/EMS.aspx>

³⁰ The overview is exemplary; the current wording of TR TS 004/2011 applies.

Absence of unacceptable risks in case of overloads, emergency conditions and failures caused by the influence of external and internal factors;

Absence of unacceptable risks during connection and (or) installation.

Low-voltage equipment must be designed and manufactured in such a way that it can not be the source of fire in normal and emergency working conditions. The required level of information must be provided to the consumer (user) for the safe use of low-voltage equipment for the intended purpose.

Compliance with safety regulations

The accordance of the low-voltage equipment with TR TS 004/2011 is ensured by fulfilling its safety requirements directly or by meeting the requirements of the standards included in the List of standards, as a result of which voluntary compliance with the requirements of the technical regulations of the Customs Union is ensured.

Research methods (tests) and measurements of low-voltage equipment are established in the standards included in the List of standards containing the rules and methods of research (tests) and measurements, including sampling rules necessary for the application and execution of the requirements of the technical regulations of the Customs Union and implementation evaluation (confirmation) of product compliance.

Labelling, Packaging and operational documents

TR TS 004/2011 also specifies the labelling of Low-voltage equipment to be imported.

Article 5. Requirements for labelling and operational documents³¹

1. Name and (or) designation of low-voltage equipment (type, brand, model), its main parameters and characteristics affecting safety, the name and / or trademark of the manufacturer, the name of the country where the low-voltage equipment is manufactured, must be applied to low-voltage equipment and are listed in the accompanying operational documents.

In this case the manufacturer name and (or) his trademark, name and designation of low-voltage equipment (type, brand, model) must also be applied on the packaging.

2. If the information provided in clause 1 of this article cannot be applied direct to the low-voltage equipment, then it may be indicated only in the operational documents attached to this equipment.

In this case the manufacturer name and (or) his trademark, the name and designation of low-voltage equipment (type, brand, model (if any)) should be applied to the package.

3. The marking of low-voltage equipment must be legible, easily readable and applied to low-voltage equipment in an accessible place for inspection without disassembly using the tool.

4. Operational documents for low-voltage equipment should contain:

- Information listed in clause 1 of this article;
- Information about the designation of low-voltage equipment;
- Characteristics and parameters;
- Terms and conditions of safe operation (use);
- Terms and conditions of installation, storage, transportation, implementation and disposal (if necessary - setting requirements for

³¹ The overview is exemplary; the current wording of TR TS 004/2011 applies.

them);

- Information on measures to be taken when a failure of this equipment is detected;
- Name and location of the manufacturer (or a person authorized by the manufacturer), the importer, necessary contact information;
- Month and year of manufacture of low-voltage equipment and (or) information about the place of applying and the method for determining the year of manufacturing.

5. Operating instructions have to be executed in Russian and in the state language (s) of the EAEU - Member State, if there are relevant requirements in the legislation (s) of the State (s) of the EAEU Member (s).

The operating instructions must be in printed form.

A set of operating instructions on electronic media can be attached to them.

EAC-Marking (see article 8 of TR TS 004/2011)

Low-voltage equipment complying with the safety requirements of this technical regulation of the Customs Union and having passed confirmation of conformity in accordance with Article 7 of this technical regulation of the Customs Union shall be marked with the mark EAC.

EAC - Mark is carried out before the release of low-voltage equipment into circulation on the market.

EAC-Mark has to be applied to each unit of low-voltage equipment in any way that provides a clear and clear image throughout the life of the low-voltage equipment, and is also provided in the operational documents attached to it.

It is allowed to apply the EAC-Mark only on the package and in the operational documents attached to it, if it cannot be applied directly to low-voltage equipment.

Packaging

Special requirements for the packaging of products are not included in TR TS 004/2011.

In case of doubt, the regulations of TR TS 005/2011³² apply. Further information can be found there.

Article 1 of TR TS 005/2011 states in relation to the import of packaged goods into the EAEU:

“All types of packaging ... packaged during the production of such products released into circulation in the customs territory of the Customs Union are subject to the requirements of only Articles 2, 4, 5, clauses 1,2 of Article 6, Article 9 of this technical regulation.”

Technical standards in the EAEU

TR TS 004/2011 also regulates the standards for low-voltage equipment. A related Russian-language list (“Перечни стандартов”) is available online ³³.

Rules of Origin

On 12 January 2019, Council Decision No 49 of the Eurasian Economic Commission entered into force and is now being increasingly implemented by the customs offices of the states of the Eurasian Economic Union (EAEU). According to this, when issuing certificates of origin for the importation of certain goods into the EAEU member

³² <http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/bezopypakovki.aspx>

³³ http://www.eurasiancommission.org/ru/act/texnreg/deptexreg/tr/Pages/Down_Volt.aspx

states, notes on proofs that underlies the origin determination must also be provided in addition to the country of origin. Decision No. 49³⁴ is available in English on the Eurasian Economic Union website.

The decision contains provisions on rules of origin and proof of origin in the area of non-preferential origin of goods for imports into EAEU Member States.

The requirements on the rules of origin apply to all goods.

The requirements for the proof of origin provide the company with an option (see point 23, resolution no. 49). Proof of origin may be either in the form of an origin declaration (of the exporter) or of a certificate of origin (possibly of a local chamber of commerce).

For certain goods, however, this option does not exist. Here proof of origin is required in the form of a certificate of origin. This obligation to produce a certificate of origin applies primarily to goods for which domestic market protection measures are applied under the EAEU Agreement for example, goods whose import is limited in quantity by quotas or other non-tariff arrangements).³⁵

*Producer and supply chain requirements*³⁶

There are obviously no uniform regulations on this topic in the EAEU.

The Eurasian Commission works in various committees with the OECD and is guided by the principles of the OECD, but it has not come to a proper formulation of requirements for producers and supply chain requirements in the EAEU so far.

The following documents of the Eurasian Commission are the closest to such requirements:

1. Commission Decision No 77 of 03.11.2016: "On the confirmation of the EAEU proper (fair) production practices"³⁷

However, these are very product-specific regulations for the pharmaceutical industry in the EAEU, but are explicitly based on the regulations for GMP (Good Manufacturing Practice).

2. "Decree to establish and maintain a unified register of products which are subjected to minimum requirements in the EAEU"³⁸

3. "Decree to establish and confirm a register of international and regional (transnational) standards, in the absence of such standards of national (state) standards, which comply with the requirements of the EAEU technical regulations. Decree to establish and confirm a register of international and regional (transnational) standards, in the absence of such standards of national (state) standards, which contain rules and methods of tests and measurements, including rules for the selection of samples suitable for demonstrating compliance with the requirements of the EAEU Technical Code and for assessing the conformity of the objects."³⁹

However, documents 2 and 3 were still in the discussion stage at the time of preparing this market analysis. At the present time, therefore, the already described EAEU TR TS are the standards that apply to corresponding products.

Despite this, people are aware of the fact that there must be regulations for their products which go beyond purely technical requirements.

First and foremost, these are environmental requirements, as they play the most important role in the consciousness of consumers.

³⁴ http://www.eurasiancommission.org/en/act/trade/dotp/prav_proish/Pages/default.aspx

³⁵ https://www.dresden.ihk.de/servlet/news?news_id=30256&ref_knoten_id=13746&ref_detail-news&ref_sprache=deu

³⁶ https://ec.europa.eu/europeaid/sectors/economic-growth/private-sector-development/sustainable-and-responsible-supply-chains_en

³⁷ <http://docs.cntd.ru/document/456026099>

³⁸ <https://docs.eaeunion.org/ru-ru/Pages/DisplayRIA.aspx?s=e1f13d1d-5914-465c-835f-2aa3762eddda&w=9260b414-defe-45cc-88a3-eb5c73238076&l=d70984cf-725d-4790-9b12-19604c34148c&EntityID=71>

³⁹ <https://docs.eaeunion.org/ru-ru/Pages/DisplayRIA.aspx?s=e1f13d1d-5914-465c-835f-2aa3762eddda&w=9260b414-defe-45cc-88a3-eb5c73238076&l=d70984cf-725d-4790-9b12-19604c34148c&EntityID=8>

In the media, questions of ecology and sustainability of all products which are subject of this market study are widely discussed.

Consumers are increasingly paying attention to sustainably produced goods - if they can afford it financially.

For example, in the Russian Federation an Environmental Management Certificate is awarded. The certificate of environmental management is a confirmation that the environmental management system of an enterprise meets the existing requirements of ISO 14001.

So far, however, it is not yet possible in the EAEU to use its own other labels in addition to the markings specified in the corresponding TR TS.

Additional labels are required above all by manufacturers who want to point out sustainable production, environmental compatibility etc. with the help of certain labels. Corresponding regulations are discussed in the bodies of the EAEU, but a final decision has not yet been made. ⁴⁰

Import procedures EAEU and Kazakhstan

EAEU Import procedures - introduction

On 1 July 2010, the Customs Union (Union) between Russia, Belarus and Kazakhstan entered into force through the application of a common customs code and external tariff. On 1 July 2011 customs controls at the internal borders were abolished. On 1 January 2015, the Eurasian Economic Union (EAEU) came into force, which also includes the Customs Union. Member States are Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan. On 1 July 2017, a new EAEU Customs Code came into force. ⁴¹

(Under the link above, there is also an English version of the Customs Code, expressly designated as unofficial)

EAEU customs declaration ⁴²

Goods are subject to the customs declaration when they are subjected to the customs procedure. Goods for personal use are also subject to the customs declaration. Vehicles for international transport are also subject to the customs declaration. Customs declaration is carried out in electronic form.

A customs declaration in paper form is permitted:

- 1) When placing goods under the customs procedure of customs transit;
- 2) For goods for personal use;
- 3) For goods sent by international mail;
- 4) For international transport vehicles;
- 5) If transport-, commercial or other documents are used as a customs declaration, including those laid down in international treaties of the Member States with a third party;
- 6) In other cases determined by the Eurasian Commission or the member states.

A customs declaration in paper form is also possible if the customs body is for technical reasons unable to process an electronic customs declaration.

Types of customs declaration:

⁴⁰ <https://portal.eaeunion.org/sites/odata/markedgoods/Pages/default.aspx>

⁴¹ http://www.eurasiancommission.org/ru/act/tam_sotr/dep_tamoj_zak/Pages/tk_eaes.aspx

⁴² http://www.eurasiancommission.org/ru/act/tam_sotr/dep_tamoj_zak/Pages/tamDeclarirovanie.aspx

1. The goods declaration is used when placing goods under customs procedures (except for the customs procedure of customs transit) and in some cases in the customs declaration of supplies
2. Transit declaration is used when placing goods under the customs procedure of customs transit
3. Passenger customs declaration is used for the declaration of goods for personal use, and when placing goods for personal use under the customs procedure of customs transit
4. The vehicle declaration is used for the customs declaration of vehicles of international transport and in some cases for the customs declaration of supplies

An overview of all forms of customs declaration and corresponding templates (in Russian) can be found under this [link](#).⁴³

EAEU Customs Procedures ⁴⁴

Depending on the purposes of the location and use of goods in the customs territory of the Union, their removal from the customs territory of the Union and (or) location and use outside the customs territory of the Union, the following customs procedures are applied. It is a selection, a complete list can be found under this [link](#)⁴⁵ in Russian.

Release for free circulation	The release for free circulation may already take place at the border of the EAEU or at the customs office of destination inland. Import duties such as customs duties, customs clearance fees, import sales tax and, if applicable, excise duties are payable. In addition, trade policy rules such as prohibitions and quantitative restrictions, licensing requirements and certification must be observed. The products released for free circulation receive the customs status of EAEU goods and can be used freely in the customs territory of the Russian Federation and in other EAEU member countries without any restrictions.
Export	This customs procedure applied to the goods are exported from the customs territory of the Union for permanent stay outside.
Customs transit	Customs procedure for goods which are transported from the customs body of departure to the customs body of destination without paying customs duties, taxes, special, anti-dumping, countervailing duties under the conditions for placing goods under this customs procedure
Customs warehouse	Customs procedure for foreign goods, which are stored in a customs warehouse without paying import duties, taxes, special, anti-dumping, countervailing duties, subject to the conditions for placing goods under this customs procedure and using them in accordance with this customs procedures.
Processing in the customs territory	Customs procedures for foreign goods processed in the customs territory of the Union. The aim is to obtain the necessary documents needed for subsequent export from the customs territory of the Union, without paying import duties, taxes, special, anti-dumping and countervailing duties on these foreign goods.
Processing for domestic consumption	Customs procedures for foreign products processed in the Customs Union for sale and use after processing in the Customs Union
Free customs zone	Customs procedures for foreign goods and goods of the Union which are placed in the

⁴³ http://www.eurasiancommission.org/ru/act/tam_sotr/dep_tamoj_zak/Pages/tamojDocs.aspx

⁴⁴ http://www.eurasiancommission.org/ru/act/tam_sotr/dep_tamoj_zak/Pages/tamDeclarirovanie.aspx

⁴⁵ http://www.eurasiancommission.org/ru/act/tam_sotr/dep_tamoj_zak/Pages/tamDeclarirovanie.aspx

	Free Customs Zone or part of it, without having to pay any customs duties, taxes, special, anti-dumping and countervailing duties.
Free warehouse	Customs procedures applicable to foreign goods and goods of the Union which are put into the free warehouse and used there without having to pay customs duties, taxes, special, anti-dumping and countervailing duties.
Temporary importation	Customs procedures for foreign goods temporarily located and used in the customs territory of the Union
Free trade	Customs procedures for foreign goods and Union goods sold in duty-free shops
Special customs procedure	Customs procedures for certain categories of foreign goods and goods of the Union, transported across the customs border of the Union, and (or) used in the customs territory of the Union or outside the Union, without paying any customs duties, taxes, special and anti-dumping duties, countervailing duties.

Import duties Kazakhstan

In addition to customs, the importer pays a customs clearance fee. He has to pay excise tax for importing certain categories of goods too.

In addition, imports of goods into the Republic of Kazakhstan are subject to import sales tax. The tax rate is 12%. The basis of assessment is the customs value, plus customs duties, handling fees, excise duties and any other import charges. Medicinal products and goods for medical and veterinary purposes are exempt from import VAT, subject to compliance with certain requirements.

All import duties are payable by the Kazakh importer.

Since December 2015 Kazakhstan is a member of the WTO. As part of its accession to the WTO, Kazakhstan has undertaken to reduce trade barriers and tariffs on 3,512 products - so-called "Exclusion List" goods.

In addition to WTO rules, Kazakhstan must also comply with the EAEU rules and prevent the export of goods on the "Exclusion List" from Kazakhstan to other EAEU member states. This means that while Kazakh dealers can import the products at lower tariffs, they can only resell them in Kazakhstan.

The goods from the exclusion list must be accompanied by an e-bill and the necessary shipping documents.

The shipping documents are issued in the e-billing system, with only Kazakh residents having access to the system. However, goods that are on the exclusion list but imported with EAEU customs duties (rather than WTO tariffs) can be exported from Kazakhstan to other EAEU member countries. However, the regulations regarding e-bills and e-mailing documents remain valid.

Import procedures Kazakhstan

The legal basis for the Kazakh customs is the Customs Code of the Republic of Kazakhstan No. 123-VI of 26.12.2017)⁴⁶. The Customs Code of the Republic of Kazakhstan is adapted to the EAEU Customs Code.

As customs borders have been abolished within the Customs Union since 1 July 2011, goods imported into Kazakhstan from Non-members of the EAEU are subject to customs control at the external borders of the EAEU. Excluded are goods that are transported by air directly to Kazakhstan.

In any case, customs clearance takes place directly at the destination, ie in Kazakhstan.

Customs procedures

⁴⁶ <http://kqd.gov.kz/en/content/code-rk-customs-affairs-republic-kazakhstan-1>

Customs procedures have been largely harmonized by the Customs Union Customs Code. National provisions apply only in cases where the EU Customs Code assigns further regulatory competence to the Member States.

On the border with Kazakhstan, the goods are put to the customs office and, depending on the type of transport, corresponding accompanying documents are presented.

Depending on the type of goods, veterinary and phytosanitary controls are carried out.

After that, the goods can be transported under customs control inland as part of the customs transit, where they are placed at the customs office of destination.

Until the goods are released by customs, they remain in temporary storage, but for a maximum of two months. If necessary, the final customs clearance can already be carried out at the border customs office.

Customs declaration

A customs declaration can be made in written or electronic form.

The Kazakh customs provides an online information system called "web-Deklarant" for the automation of customs clearance. This allows the customs documents to be electronically recorded for transmission to the competent customs office.

A declarant may, according to the Customs Code, only be a resident of the EAEU, e.g. the Kazakh buyer, as he is responsible to customs and tax debtors as well as to the observance of non-tariff measures. Only in a few specific cases may a foreign person act as applicant.

To use the "web-Deklarant", the Kazakh customs declarant must register with the competent authority in order to gain access to the system and thus to be able to produce an electronic signature.

In trade with Kazakhstan, it is possible to use the services of a customs representative (better known as customs broker). He will handle the entire import transaction on behalf of the declarant or on behalf of other persons. Only a Kazakh legal person can be a customs broker - after being entered in the relevant register.⁴⁷

Documents for customs clearance in Kazakhstan

The importer / declarant must provide the Kazakh customs office with the following documents as part of import customs clearance to Kazakhstan:

- Power of attorney to file the customs declaration
- Customs declaration: electronic (CD or USB stick) and printed copy, sealed by the importer
- Certificate of foreign trade activity. The customs authorities issue such certificates to importers based on company registration (for companies) or identity cards (for individuals).
- Purchase / delivery contract (original and notarized copy; the original must be returned to the importer; the contract must have a special bank stamp in case of a contract sum of more than USD 50,000)
- commercial invoices (original)
- Packing List
- Waybill
- certificate of origin
- proof of payment of import duties and taxes
- Import licenses and certificates / Declaration of Conformity (if required)
- Authorization from authorities, if necessary (e.g., State Security Committee for dual-use equipment import)
- State registration certificate, phytosanitary or veterinary certificate (if required)

⁴⁷ <https://www.gtai.de/GTAI/Navigation/DE/Trade/Recht-Zoll/Zoll/merkblaetter.t=merkblatt-ueber-gewerbliche-wareneinfuehren--kasachstan.did=1596234.html>

- Special permits for the importation of goods whose entry into the Customs Union / Kazakhstan is either prohibited or restricted (goods as ozone depleting substances, weapons, rare animal or plant species)

It is recommended to submit some of the documents in translated and signed (signed and stamped) form, such as contract, invoice and packing list.

The forms for the declaration of good and customs value are received by the importer at the customs office for customs clearance.

It is advisable to have the customs declaration completed by a specialist (eg customs broker).

The preparation of all transport documents (CMR, packing list, Carnet TIR etc.) as well as during the preparation of the transport should be handled with utmost care, as any inaccuracy may result in Kazakh customs complaints and transport through a customs procedure or the necessary clarification the situation is greatly delayed.

Without exception, all goods that have been loaded (even with the addition of brochures or promotional materials) should be noted on the packing list.⁴⁸

⁴⁸ <https://www.wko.at/service/aussenwirtschaft/kasachstan-export-import.html>

Initial business- Dos and Don'ts

Short checklist for the planned export

1. A basic requirement for an export success - in addition to a suitable and demanded product as well as good sales or trading partners - is an honest and self-critical assessment of your company. Ask yourself these questions below and discuss them with your business partners and family. We tried to answer some questions at least partially. But first and foremost, your knowledge and initiative is important.

Is the product suitable for export?

Is there enough time available for company management and employees for foreign activities?

Does the company have enough employees for additional activities?

Is the know-how of the employees sufficient?

Are your language skills and / the language skills of the employees sufficient?

Is there enough capacity to meet an increasing demand if the start was good?

Do other business areas (e.g. product development, other marketing activities) need to be limited to save time and money?

Do you need to build up additional capacities (e.g. production, logistics, accounting, sales, marketing)?

2. Choosing the right target market is also very important. The fact that you are convinced of your product does not automatically mean that it is also the potential customers of the chosen target market.

Is the new foreign market different from the markets you know?

Which specific customer groups do you want to address?

Which (other) needs do the customers have?

How do your products cover these needs?

What prices are paid for comparable products?

How do you want to fit into this price structure?

Are special labeling requirements for your product to be observed?

What financial options do the customers have you want to address?

Which distribution channels you can use to reach these customers?

Which competitors are there in the target market?

Are you familiar with the customs (payment methods, traditional delivery and insurance conditions, cultural features) of the target market?

Is your target market really the right one?

3. Sales abroad - at least in the start-up phase - will be unsuccessful without reliable partners in the target market.

How do you find customers or business partners in the target market?

How do you plan your customer and business partner relationship management?

How can you distribute your products successfully in the target market?

What should you pay attention to during business talks?

4. It's always about the money. Before you make money with the export, you first have to spend money. Check your budget, to make an honest decision: can you even afford the export?

What financial resources are available to you?

Which budget do you plan for your export activities (a budget set in advance makes the step abroad financially calculable even in the case of a failure)?

Are you liquid enough to finance the foreign engagement?

Can you use or finance unused capacity in the event of a sluggish course (e.g. in the start-up phase)?

Do you need to translate, print and distribute promotional materials?

Do you have to pay for consultants and interpreters?

5. No risk, no fun, as it is jokingly called, but a risk assessment is indispensable.

Are there any financial sponsorship programs or special export promotion programs for your products?

Are there any insurance policies that reduce the risk of exports?

How will export affect the financial situation of your company?

Some (in any case incomplete) answers

Is the new foreign market different from the markets you know? How do you find customers or business partners in the target market?

There are different possibilities.

Attend international fairs in your country that are relevant to your product - you probably do that anyway.

Go to Kazakh exhibitors and get in touch.

Check which trade fairs take place in Kazakhstan that are relevant to your product - for example, via the AUMA.⁴⁹

Consider whether it is worth visiting. You should not immediately think about presenting yourself as an exhibitor (these are unnecessary costs in the first step). See such trade shows as an opportunity to engage with potential distributors and get to know potential competitors. Incidentally, you can also easily get an idea about the offer and prices in the relevant stores of the target market.

Good sources of information are also bilateral chambers in your country or other foreign business organizations. If there is no chamber representation of Kazakhstan in your country, look for contact with the Kazakh embassy in your country. As a rule, there is an economic officer in every embassy who will gladly advise you. Apart from that, contacts to the embassy of the destination country are always worthwhile...

Maintain contacts to companies from Kazakhstan, located in your country - also via chambers and trade associations. Even if they have nothing to do with your product at first glance: Relationships only harm those who have none. You get first-hand information about the Kazakh market and who knows, maybe the person you are talking to will have interesting contacts in your industry.

How do you plan your customer and business partner relationship management?

Making contacts is relatively easy; maintaining business contacts over a longer period of time is much more difficult. But doing business with an existing client is much easier and cheaper than constantly recruiting. The following tips make it easier to maintain contacts:

⁴⁹ <https://www.auma.de/en>

Information: Inform your customers about changes - new contact persons or direct dial numbers, new products and locations, new distribution channels or export successes. It also encourages customers to share similar information with you. So you stay up to date. Also inform foreign customers about changed funding opportunities or new export regulations. You show that you do not just want to do current business: In the sense of a holistic customer relationship you have the well-being of the customer in mind.

Personal: Do not hesitate to collect personal information about your most important business partners: birthdays, family, hobbies, etc. This gives you the opportunity to stay in contact outside the business relationship - on a very personal level.

Invitations: Invite customers over and over again when there is something new or when you are presenting at a trade fair or similar.

Cultural features: If you have foreign customers, it is important to know the customs of the exporting country more closely. When are holidays? Which gifts are usual? Take advantage of these opportunities to be remembered as an attentive business partner.

Spontaneity: Do not be afraid to call "spontaneously" if, for example, an important intermediate step has been reached in order processing. Your customer will be grateful to you, because he always feels sufficiently informed.

Business environment: Maintain contacts not only with your actual business partners, but also with your Business environment. Secretary, assistant or important employees are decisive multipliers for future orders.

What should you pay attention to during business talks?

Business meetings and negotiations in Kazakhstan

Even though the Kazakh language, a Turkic language that is completely different from Russian, is becoming more and more important, Russian is the business language No. 1. Knowledge of the English language is common, but you will do well if you have an accomplished Russian interpreter with you. Your host will usually feel better, which is very important for the conversation.

For men, suit and tie are required. Women should wear skirt or costume. At high temperatures, the jacket and tie can be omitted. If you play it safe, wear jacket and tie and if your host does not wear a jacket, you can put off your jacket with a joke, which will lighten the atmosphere.

Punctual appearance is expected of you, which does not mean that the host must also be punctual. The higher his rank, the more likely it is that you have to wait a few minutes beyond the agreed time.

As a rule, during business meetings, when they are not held in the manager's office, you will be asked to attend a meeting room, where you will be waiting for the other party. So the host and his companions will enter the room after you. When a group of people enter the room, you recognize the highest-ranking person that he enters the room together with the group, but first. He will come to you to greet you, you should wait him standing and take a few steps towards him.

Men shake hands, often both hands are shaken. So if your opponent hands you both hands, you should do the same. Women are often greeted with a nod. Exceptions are made here of course, if the woman is the highest ranking guest. Make sure to shake hands with every person if you are meeting with a group of people, and to do the same when leaving.

You should definitely have bilingual business cards (English / Russian) in sufficient numbers and quality.

(When ordering business cards, make sure that the Russian translation is correct and error-free.)

The highest ranked person will give you his business card and you will him your own card. When receiving the card of the host it is polite to take a few seconds to look at it carefully before putting it away.

His companions will not necessarily give you their business cards - either they are too low in the hierarchy or they simply have none because they may be new to the company. Regardless, you should also give them your card when you say goodbye - you never know.

Gifts are common, but they are usually exchanged at the end of the meeting. Here is the rule that the host will present to his guest an appropriate, not always cheap gift, which you should reciprocate.

Companions of the guest usually get no gift and if, then only a small one. So you should be prepared to have some smaller gifts with you, which can then be presented to the host's companions. However, you should only do this if your companions have previously received a gift.

Although the conversation takes place in Russian, the Kazakh partners often will introduce themselves only by their family name without the usual mention of the first name and of the patronymic. You can use 'Gospodin' (Mr.) or 'Gospozha' (Mrs.) plus their surname. On the other hand Kazakhs are fairly relaxed about using first names. As a general rule it would be prudent to use titles and surnames, but you should expect to be invited to use first names relatively early on in your relationship.

After a few polite words of introduction from the host, with whom he greets you and introduces his company, you are given the floor. Kazakhs quickly get down to business in negotiations. So you should shortly praise Kazakhstan and the city you are in and thank them for the reception, but then quickly present your request.

Kazakhs can become very vocal and seemingly argumentative when negotiating. This is common and should not be interpreted as personal dislike. Feel free to stand your ground and make your own case as vehemently as they make theirs. You should, however, avoid openly contradicting or arguing with someone who is more senior than you, as this will be seen as disrespectful. Seniority is greatly respected in Kazakhstan, and you will notice that there is a definite hierarchy when it comes to decision-making in Kazakhstani companies. The higher-ups will tend to make all of the company's decisions without consulting the company's employees, and employees will tend to look to their supervisors when unsure of something.

Do not expect decisions at the first meeting. Patience is needed. It is important to build a relationship of trust. Establishing close personal contacts is the key to all business dealings in Kazakhstan. Kazakhs prefer to get to know a person before entering into business with them and committing themselves to business decisions.

Kazakhs tend to have an indirect style of communication which makes understanding and getting to know them a little more challenging and time-consuming. Spending the time talking and getting to know each other will help the business relationship and ensure more efficient decision-making.

In the rarest of cases, at the end of the first conversation the host will thank you and wish you all the best and a pleasant stay in Kazakhstan. Then he is definitely no interested.

It is much more likely you can expect to be presented with one or more Kazakh employees, with which further technical details can be discussed.

If you as a person sympathetic and / or your host finds your offer interesting, you will receive an invitation to dinner. As a rule, dinner will be held in a restaurant. If you're invited home for dinner at a later stage of business, you've almost made it.

Invitation to a restaurant

This is an invitation to a formal dinner. The host wants to get to know you further. Only personal matters are spoken, business questions are not discussed. Only in a very urgent case, you should take this opportunity to address the host in a four-eye conversation on business issues. Better wait until the next business meeting.

Even though the majority of Kazakhs are Muslims, moderate alcohol is often consumed in the evening meal - also a result of the long common history of Russians and Kazakhs. If you do not want to drink alcohol or you are not allowed to there will be no problem. A refusal on religious or health reasons is easily accepted.

Kazakhs do not drink alcohol without first making a toast. Even if you are not drinking alcohol, be prepared to make a toast over the course of the evening, praising Kazakhstan and your hosts for their hospitality.

Official dinners in a restaurant will take a maximum of 2 - 3 hours, then the host will say goodbye to you and invite you to the next business meeting. Good luck.

Invitation to the house of the partner

Hospitality has always been a very important part of life in the country, and therefore it is likely that you may be invited into someone's home to eat with their family. It would be wise to accept such invitations where possible to avoid causing offence. If you are invited to a meal, then make sure to leave yourself plenty of time, as meals are social occasions and not to be rushed. Expect to be served food by your host, and once you are finished eating, leave some food on your plate, as a clean plate will be taken to mean that you are still hungry.

Taking a small gift for your host and his wife would be well received, and cakes or sweet pastries and flowers for the wife are a good choice.

Are there any financial sponsorship programs or special export promotion programs for your products?

Here you should talk with banks from Kazakhstan, if they are represented in your country and of course with your home bank. Chambers and business associations are other good contacts. It is important to have contact with international development cooperation organizations. These can provide information on ongoing projects in your industry and related funding opportunities. Use the discussions with the international development cooperation organizations to obtain information on other organizations, such as foreign foundations, where further information on potential export subsidies is available.

Further information sources

Arbitration Institute at the Stockholm Chamber of Commerce

<http://www.sccinstitute.com>

Chamber of Commerce of Kazakhstan

<http://atameken.kz/en/departments/46-vneshnetorgovaya-palata-kazahstana>

Dubai International Arbitration Centre

<http://www.diac.ae>

Embassy of the Hashemite Kingdom of Jordan in Nursultan

<https://www.embassypages.com/missions/embassy25331/>

German Institution of Arbitration (DIS)

<http://www.disarb.org/en/>

Hong Kong International Arbitration Centre

<http://www.hkiac.org>

International Arbitration Court of the Austrian Federal Economic Chamber, Vienna

<http://www.viac.eu>

International Court of Arbitration at the Chamber of Commerce and Industry of the Russian Federation (MKAS)

<http://mkas.tpprf.ru/en/>

International Court of Arbitration of the International Chamber of Commerce in Paris (ICC)

<http://www.iccarbitration.org>

Invest in Kazakhstan (State Investment Promotion Agency)

<http://invest.gov.kz>

Kazakhstan Ministry of Finance

<http://www.minfin.gov.kz>

Kaznex Invest

<http://www.kaznexinvest.kz>

Kuala Lumpur Regional Centre for Arbitration

<https://www.aiac.world/>

London Court of International Arbitration (LCIA)

<http://www.lcia.org>

Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan

<http://mid.gov.kz>

Ministry of National Economy

<http://economy.gov.kz>

Public tender portal

<http://goszakup.gov.kz>

Singapore International Arbitration Centre

<http://www.siac.org.sg>

State Revenue Committee

<http://kqd.gov.kz/en>

Trade shows in Kazakhstan

<http://www.transitkazakhstan.kz>

<http://www.kazcomak.kz>