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Trade Policy Monitoring

SP2 - Prevent or Resolve Barriers to Trade that Hinder

U.S. Food and Agricultural Exports

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Report Highlights:

This report contains summaries of relevant decisions and documents from the Armenia-Belarus-Kazakhstan-Kyrgyzstan-Russia Eurasian Economic Union (EAEU) meetings, published between November 15, 2017, and February 28, 2018 that impact EAEU food and agriculture policy. Key documents included herein are decisions temporarily zeroing import tariffs on certain fish and seafood items for two years, decisions approving standards for the implementation of technical regulations on mineral water and food additives, and the EEC Collegium Decision No. 28 approving EAEU maximum residue levels (MRLs) for veterinary drugs in animal products.

General Information:

This report contains summaries of relevant decisions and documents from the Armenia-Belarus-Kazakhstan-Kyrgyzstan-Russia Eurasian Economic Union (EAEU) meetings, published between November 15, 2017, and February 28, 2018 that impact EAEU food and agriculture policy. Key documents included herein are decisions temporarily zeroing import tariff on certain fish and seafood items for two years, decisions approving standards for the implementation of technical regulations on mineral water and food additives, and the EEC Collegium Decision No. 28 approving EAEU maximum residue levels (MRLs) for veterinary drugs in animal products.

The documents below are hyperlinked via automated translation services for readers seeking further details. Select "refresh" on your browser if the page does not translate to the end.

As noted herein, Russia notified some of the SPS/TBT measures covered in this report to the World Trade Organization (WTO).

New EAEU Customs Code in Force as of January 1, 2018

Following ratification by all five EAEU Member States, the new <u>EAEU Customs Code</u> came into force as of January 1, 2018. It replaced the CU Customs Code approved in 2010 (for details please see GAIN report <u>RS1036 Custom Union Update July 2010</u>).

While the new EAEU Customs Code is based on the CU Customs Code, it has an added emphasis on electronic processing of documents and preliminary information; it should introduce a "one-stop-shop" principle and is hoped to help cut the time needed for customs processing. However, the "residency principle" of the customs declaration in the EAEU, i.e. the requirement that the applicant shall submit a customs declaration only to specific customs bodies of the country where the applicant is registered or permanently lives in the EAEU, remains intact in the EAEU Customs Code.

SPS/TBT MEASURES PUBLISHED FOR PUBLIC COMMENT

Publication Date: February 12, 2016

1. **Forms of Veterinary Certificates:** Draft decision "On Amending Decision of the Customs Union Commission No. 607 of April 7, 2011" – original in <u>Russian</u>. For English, please see GAIN report <u>RS1804 Draft SPS Measure on Rabbit Semen Notified to WTO</u>.

Summary: On February 13, 2018, Russia notified the WTO of this draft document via G/SPS/N/RUS/147. According to the notification, the draft document introduces a new form No. 47 of a unified EAEU veterinary certificate for rabbit semen imported into the Eurasian Economic Union. The public comment period for the draft will close on April 14, 2018. Interested U.S. parties are encouraged to share their comments and/or concerns with USDA's enquiry point (us.spsenquirypoint@fas.usda.gov). For potential inclusion in the U.S. official position, please send your comments by April 2, 2018.

2. **Veterinary Requirements:** Draft decision "On Amending Unified Veterinary (Veterinary and Sanitary) Requirements for Goods Subject to Veterinary Control (Surveillance)" – original in

Russian. For English, please see GAIN report <u>RS1804 Draft SPS Measure on Rabbit Semen Notified to WTO.</u>

Summary: On February 13, 2018, Russia notified the WTO of this draft document via G/SPS/N/RUS/147. According to the notification, the draft document introduces a new Chapter 46 with the veterinary requirements for rabbit semen imported into the EAEU. The public comment period for the draft will close on April 14, 2018. Interested U.S. parties are encouraged to share their comments and/or concerns with USDA's enquiry point (us.spsenquirypoint@fas.usda.gov). For potential inclusion in the U.S. official position, please send your comments by April 2, 2018.

INTERNATIONAL MEMORANDA AND AGREEMENTS

Publication Date: November 29, 2017

Memorandum of understanding between the Eurasian Economic Commission and the Ministry of Foreign Trade of the Republic of Ecuador on economic and trade cooperation - original in English

Summary: The Memorandum was signed in Moscow on November 24, 2017. According to the Memorandum, it is not an international agreement and does not create financial or other obligations for the Parties. The Memorandum is a declaration by the Parties of their intent to strengthen cooperation in trade and economic sphere. The areas of cooperation under the Memorandum, inter alia, include trade and measures for its promotion, agro-industrial complex, agriculture, fisheries, and aquaculture, customs regulation, technical regulation, sanitary and phytosanitary measures. The Memorandum was written in Russian, Spanish, and English, with the English text to prevail in case of any dispute.

Publication Date: December 11, 2017

<u>Program</u> of Cooperation between the Eurasian Economic Commission and the European and Mediterranean Plant Protection Organization (EPPO) for 2017-2020 - original in <u>Russian</u>

Summary: The Program was signed in Paris on December 1, 2017. According to the Program, the Parties intend to cooperate in the sphere of plant quarantine within their competence in such areas as promotion of phytosanitary security, harmonization of phytosanitary measures in the EAEU and within the EPPO region with international standards in the field of plant quarantine. The document is not an international agreement and does not create financial obligations for the Parties.

Publication Date: February 2, 2018

<u>Agreement</u> on Labeling of Goods with Means of Identification in the Eurasian Economic Union - original in <u>Russian</u>

Summary: The Agreement was signed in Almaty on February 2, 2018. The goal of the Agreement is to strengthen control over circulation of goods in the EAEU. The Agreement is a

framework document and can be applied to a broad group of products with a list of such products to be approved by the EEC Council. Earlier the EAEU launched a pilot project to label fur products which helped pull luxury goods "out of the shadow", according to the Russian Prime Minister Dmitry Medvedev. Medvedev also said that there were plans to label virtually all groups of goods in the future, but this would be done gradually so as not to create problems for the market.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COUNCIL September 15, 2017

Publication Date: December 25, 2017

EEC Council Decision No. 84. On Amending the Unified List of Products that are Subject to Mandatory Confirmation of Compliance with the Issue of Certificates of Compliance and Declarations of Compliance in accordance with the Unified Form - original in Russian

Summary: The decision amends the CU Commission Decision No. 299 to exclude Chapter 22 "Prepared Food Products" from the specified List. The Chapter currently contains only canned fish products, so it is excluded from the List with entry into force of EAEU technical regulation "On Safety of Fish and Fish Products."

Publication Date: December 25, 2017

EEC Council Decision No. 101. On Amending Annex 2 to the Technical Regulation of the Customs Union "On Safety of Grain" (TR TS 015/5011) - original in <u>Russian</u>

Summary: The document supplements the Technical Regulation (TR) on Grain with two separate, less restrictive than the current 0.1 mg/kg, MRLs for cadmium for sunflower seeds. In particular, the MRL for sunflower seeds that are used for direct consumption as food will be 0.2 mg/kg, while for sunflower seeds to be used for further industrial processing into sunflower oil by Belarusian or Russian producers from sunflower seeds grown in Russia the MRL will be 0.35 mg/kg. The decision will come into force as of July 16, 2018. As a draft, Russia notified the amendment to the WTO in May 2013 via <u>G/TBT/N/RUS/23</u>, however, only one new MRL (0.2 mg/kg) was proposed at the time. For translation of the original draft please see GAIN report RS1329 Draft Amendments to CU Technical Regulation on Safety of Grain.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COUNCIL November 10, 2017

Publication Date: December 6, 2017

EEC Council Decision No. 80. On Approval of Rules for Laboratory Testing (Studies) in the Process of Veterinary Control (Supervision) - original in Russian

Summary: The Rules will introduce common requirements for sampling, samples storage and transportation, laboratory testing and application of testing results, samples utilization during the

monitoring of regulated goods, epizootic monitoring sampling, and veterinary control (supervision). The document will come into force as of June 6, 2018. As a draft, Russia notified the World Trade Organization (WTO) of this document via G/SPS/N/RUS/104 in September 2015. According to the notification, the draft document would only affect the EAEU member-states. For English translation of the document notified in 2015, please see GAIN report RS1572 MTO.

Publication Date: January 16, 2018

EEC Council Decision No. 102. On Amending the Technical Regulation of the Customs Union "On Safety of Milk and Dairy Products" (TR TS 033/2013) - original in Russian

Summary: The amendments specify definition and labeling requirements for milk products with and without addition of substitute of milk fat. The document will come into force as of July 15, 2018. As a draft, Russia notified the World Trade Organization (WTO) of this document via <u>G/TBT/N/RUS/82</u> and <u>G/SPS/N/RUS/138</u> in March 2017. For English translation of the document notified in 2017, please see GAIN report <u>RS1715 Draft Amendments on TR on Dairy Notified to WTO</u>.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COUNCIL December 20, 2017

Publication Date: December 26, 2017

EEC Council Decision No. 86. On Amending the Technical Regulation of the Customs Union "On Safety of Milk and Dairy Products" (TR TS 033/2013) - original in Russian

Summary: The amendment introduces specific microbiological requirements for raw milk and cream that would apply exclusively to Kazakhstan provided that dairy products manufactured from such raw milk and cream are sold exclusively on the Kazakh territory. In effect, the decision extends a period of transition from the Unified CU Sanitary Requirements for these products to the relevant new requirements of the respective CU TR for Kazakhstan through December 31, 2019, with the amendment applicable retroactively starting July 1, 2017. For all other EAEU members the new TR requirements for raw milk and cream came into effect on July 1, 2017. FAS/Moscow does not believe the measure has been notified to the World Trade Organization.

EEC Council Decision No. 90. On Amending the Technical Regulation of the Customs Union "On Food Products Labeling" (TR TS 022/2011) - original in Russian

Summary: The amendment specifies that for products obtained with the use of GMO the inscription "GMO" should be marked next to the unified mark of products circulation on the market of the Eurasian Economic Union Member States and the inscription should be similar to the unified mark in form and size. The decision will come into force December 26, 2018. As a draft, Russia notified the WTO of this document in 2016 via <u>G/TBT/N/RUS/69</u>, Kazakhstan –

via <u>G/TBT/N/KAZ/6</u>, and Armenia – via <u>G/TBT/N/ARM/75</u>. For English translation of the document notified in 2016, please see GAIN report <u>RS1626 Draft TBT Measure on Food Labeling Notified to WTO</u>.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COUNCIL February 16, 2018

Publication Date: February 16, 2018

EEC Council Decision No. 3. On Amending the Schedule for Developing and Amending Technical Regulations of the Eurasian Economic Union - original in Russian

Summary: The amendment introduces a new item "35" to the specified Schedule, which is amendment to the CU TR on Food Safety in order to bring it into compliance with the recently adopted EAEU TR on Packaged Water. The new amendment is to be developed by Russia by the third quarter of 2018.

EEC Council Decision No. 5. On Amending Decision of the Customs Union Commission No. 299 of May 28, 2010 - original in Russian

Summary: The document amends the wording of the Unified Sanitary Requirements in compliance with the current EAEU regulations and focuses on Part VI of the Requirements, "Implementation of the State Sanitary and Epidemiological Supervision (Control) for Controlled Goods on the Customs Territory of the Union". The amendments clarify procedures between Member States in case of quality disputes over goods shipped within the EAEU customs territory. As a draft, Russia notified this document to the WTO via G/SPS/N/RUS/137 in 2017. For English translation of the document notified in 2017, please see GAIN report RS1720 Draft Amendments to Sanitary Measures Notified to WTO.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COLLEGIUM November 14, 2017

Publication Date: November 16, 2017

EEC Collegium Recommendation No. 25 On Developing Approaches to the Unified Export Policies of the Eurasian Economic Union Member States in respect of Agricultural Products and Food - original in Russian

Summary: Among other things, the document recommends that in order to coordinate their sales and marketing policies on the markets of third countries, EAEU Member States consider taking agreed steps when exporting certain agricultural goods into third countries that are top importers of such products from the EAEU. A list of such agricultural goods and importers is attached to the recommendation. The document also recommends that EAEU Member States work to enhance their systems of agricultural exports promotion in third countries, including by establishing specialized entities and ensuring intra-EAEU cooperation between such entities.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COLLEGIUM November 21, 2017

Publication Date: November 24, 2017

EEC Collegium Decision No. 160. About the Regulation on the Monitoring and Comparative and Legal Analysis of the Legislation of the EAEU Member States in the Sphere of State Support for Agriculture - original in Russian

Summary: The decision approves a new Regulation replacing the old version adopted in 2012. In particular, one of the novelties in the new Regulation is that the EEC will analyze domestic support regulations of third countries, including assessment of their compliance with their WTO obligations regarding domestic support. The EEC will also provide reasoned assessment of regulations of the EAEU Member States based on how they classify their domestic support measures within the framework of notifications to the WTO.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COLLEGIUM November 27, 2017

Publication Date: November 29, 2017

EEC Collegium Decision No. 163. On Amending the Unified Commodity Nomenclature of Foreign Economic Activity of the Eurasian Economic Union and the Unified Customs Tariff of the Eurasian Economic Union in Respect of Certain Types of Mollusks and Antarctic Krill, as well as Some Other Decisions of the Customs Union Commission and the Eurasian Economic Commission - original in Russian

Summary: EAEU HS codes 0306 19 900 0 and 1605 40 000 0 for crustaceans are replaced with the following new EAEU HS codes: Antarctic Krill (Euphausiasuperba) - EAEU HS code 0306 19 900 1, other crustaceans - 0306 19 900 2, Krill meat, heat-treated, in primary packages of over 2 kg net weight - 1605 40 000 1, other crustaceans - 1605 40 000 2. The regular tariff rates for the new HS items for Krill, 0306 19 900 1 and 1605 40 000 1, will be 3 percent and 5 percent but not less than 0.1 Euro per 1 kg, respectively. These rates are lower than 7 percent and 15 percent, but not less than 1.5 Euro per 1 kg under the old tariff lines, respectively. Additionally, the decision temporarily reduces the import duty on the two new Krill items, 0306 19 900 1 and 1605 40 000 1, as well as a number of other seafood items, such as 0307 43 190 0, 0307 43 380 0, 0307 43 900 0, 0307 52 900 0, and 1605 53 900 0, to zero percent for a period of two years through December 31, 2019.

EEC Collegium Recommendation No. 28. On Increasing the Efficiency of State Regulation of Agricultural Market and State Support for Agriculture - original in Russian

Summary: The document recommends that EAEU Member States take the following measures:

- to improve the efficiency of their state support, including via increasing the share of state support aimed at stimulating innovations in agriculture;

- to develop markets of agricultural products and rural areas, including through increasing the share of agricultural producers in the consumer price;
- to maintain and develop infrastructure for the agricultural and food markets, including via development of agricultural storage and transportation capacity, insurance, and professional training of agricultural producers.

EEC Collegium Order No. 174. On Draft Decision of the Council of the Eurasian Economic Commission On Establishing Rates of Import Tariff of the Unified Customs Tariff of the Eurasian Economic Union in Respect of Certain Types of Frozen Fish, Fish Fillet, and Surimi and Amending Decision of Council of the Eurasian Economic Commission No. 59 of October 14, 2015 - original in Russian

Summary: The decision proposes to temporarily reduce import tariffs on frozen fish (EAEU HS code 0303 89 900 7), frozen fish fillet (0304 89 800 0), and frozen surimi (0304 95 100 0) to zero from the date of the entry into force of the relevant decision of the Council through December 31, 2019. The current EAEU import tariffs for these items are 6, 7, and 5 percent, respectively. The draft also proposes deleting frozen fish fillet (0304 89 800 0) from the list of List of Goods, which in Accordance with the Commitments of the Republic of Kazakhstan as Part of its Accession to the World Trade Organization shall be Subject to Import Customs Duty Rates that are Lower than the Rates of the Unified Customs Tariff of the Eurasian Economic Union.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COLLEGIUM December 5, 2017

Publication Date: December 7, 2017

EEC Collegium Decision No. 164. On the List of Standards, the Voluntary Application of which Ensures Implementation of the Requirements of the Technical Regulation of the Eurasian Economic Union "On Safety of Packaged Potable Water Including Natural Mineral Water" (TR EAEU 044/2017), and the List of Standards Containing Rules and Methods of Analysis (Tests) and Measurements, Including Sampling Rules, Necessary for the Application and Compliance with the Requirements of the Technical Regulation of the Eurasian Economic Union "On Safety of Packaged Potable Water Including Natural Mineral Water" (TR EAEU 044/2017) and Carrying out Assessment of Compliance of the Regulated Products - original in Russian

Summary: The decision approves the stated lists of standards containing 33 and 770 items, respectively. For details on the Technical Regulation of the Eurasian Economic Union "On Safety of Packaged Potable Water Including Natural Mineral Water" (TR EAEU 044/2017) please see GAIN report *RS1752 EAEU Technical Regulation on Packaged Water*.

EEC Collegium Decision No. 165. On Amending Unified Veterinary (Veterinary and Sanitary) Requirements for Goods Subject to Veterinary Control (Surveillance) - original in Russian

Summary: The amendment clarifies that establishments producing and/or storing veterinary drugs are not subject to inclusion in the EAEU Register.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COLLEGIUM December 13, 2017

Publication Date: December 15, 2017

EEC Collegium Recommendation No. 32. On the Expediency of Implementation and Use of Best Practices of the Organization for Economic Cooperation and Development - original in Russian

Summary: The document recommends that EAEU Member States consider implementation of the OECD standards taking into account the socio-economic development and legal regulation in the EAEU Member States. In terms of agriculture, the potential use of the OECD tools in the sphere of seeds certification and the need to study the OECD Schemes for the Varietal Certification is mentioned.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COLLEGIUM January 16, 2018

Publication Date: January 19, 2018

EEC Collegium Decision No. 1. On Amending Attachment No. 19 to Section 22 of Chapter II of the Unified Sanitary-Epidemiological and Hygienic Requirements for Products Subject to Sanitary-Epidemiological Surveillance (Control) - original in Russian

Summary: The decision excludes 1-Phenylpropan-2-one (Benzyl ketone) from the list of flavoring chemical additives allowed for use in production of food flavorings because this is a psychoactive substance. The amendments will come into force with entry into force of a corresponding amendment to the relevant Technical Regulation (<u>RS1338 Customs Union Technical Regulation on Food Additives.</u>)

MEETING OF THE EURASIAN ECONOMIC COMMISSION COLLEGIUM February 7, 2018

Publication Date: February 12, 2018

EEC Collegium Decision No. 21. On the List of International and Regional (Intergovernmental) Standards, and in case of their Absence – National (State) Standards, the Voluntary Application of which Ensures Implementation of the Requirements of the Technical Regulation of the Customs Union "Safety Requirements for Food Additives, Flavorings, and Technological Aids" (TR TS 029/2012), and the List of International and Regional (Intergovernmental) Standards, and in case of their Absence – National (State) Standards Containing Rules and Methods of Analysis (Tests) and Measurements, Including Sampling Rules, Necessary for the Application and Compliance with the Requirements of the Technical Regulation of the Customs Union "Safety Requirements for Food Additives, Flavorings, and Technological Aids" (TR TS 029/2012) and Carrying out Assessment of Compliance of the Regulated Products - original in Russian

Summary: The decision approves the stated lists of standards containing 66 and 152 items, respectively. For details on the Technical Regulation of the Eurasian Economic Union "Safety Requirements for Food Additives, Flavorings, and Technological Aids" (TR TS 029/2012) please see GAIN report *RS1338 Customs Union Technical Regulation on Food Additives*.

EEC Collegium Order No. 22. On Draft Decision of the Council of the Eurasian Economic Commission "On Amending the Unified Quarantine Phytosanitary Requirements to Controlled Goods and Objects at the Customs Border and on the Customs Territory of the Eurasian Economic Union" - original in Russian

Summary: The document gives interim approval to the stated amendments that were notified to the WTO via <u>G/SPS/N/RUS/140</u> in April 2017. In particular, the draft amendments introduce new pests into the Requirements in accordance with the draft amendments to the Unified EAEU List of Quarantine Pests (see below). For translation of the original draft please see GAIN report <u>RS1722 WTO Notifications on EAEU Phytosanitary Requirements</u>.

EEC Collegium Order No. 23. On Draft Decision of the Council of the Eurasian Economic Commission "On Amending the Unified Quarantine List of Quarantine Pests of the Eurasian Economic Union" - original in Russian

Summary: The document gives interim approval to the stated amendments that were notified to the WTO via <u>G/SPS/N/RUS/140</u> in April 2017. In particular, the draft amendments expand the list to include additional quarantine objects (pests) into the Unified List from the National Lists of the Russian Federation and the Republic of Kazakhstan. For translation of the original draft please see GAIN report <u>RS1721 WTO Notifications on the EAEU Common List of Pests</u>.

MEETING OF THE EURASIAN ECONOMIC COMMISSION COLLEGIUM February 13, 2018

Publication Date: February 15, 2018

EEC Collegium Decision No. 26. On the Procedure for Establishing and Keeping a Unified Register of Varieties of Agricultural Plants - original in Russian

Summary: The decision approves the stated Procedure as required by the Agreement on the Circulation of Seeds of Agricultural Plants within the Framework of the Eurasian Economic Union signed in November 2017. According to the Procedure, the Unified Register will be established by the EEC on the basis of the national registers of the EAEU Member States.

EEC Collegium Decision No. 27. Unified Veterinary Requirements to Facilities that are Subject to Veterinary Control - original in Russian

Summary: The decision approves the stated Requirements that are applicable to EAEU establishments involved in the production, processing, and storage of products under veterinary control. EAEU establishments wishing to be included in the Unified Register of Establishments and Entities, Carrying out Production, Processing, and (or) Storage of Goods, Moved from the

Territory of a Member State to the Territory of another Member State, shall meet the adopted Requirements.

EEC Collegium Decision No. 28. On the Maximum Permissible Residue Levels of Veterinary Medicines (Pharmacologically Active Substances), which may be Contained in Unprocessed Food Products of Animal Origin, Including in Raw Materials, and their Test Methods - original in Russian

Summary: The decision approves a corresponding list of veterinary drugs with maximum residue levels (MRLs) for each drug in various products, as well as related test methods. In particular, Russia's MRL on tetracycline-group antibiotics of 10 ppb for all tissue types of animal origin (which is inconsistent with the respective Codex MRL of 20 ppb) made it into this EAEU list. According to the decision, these MRLs will start to be enforced for the purposes of state supervision as of August 14, 2018. The decision also specifies that as of August 14, 2018, names of veterinary drugs used, dates when they were last administered and withdrawal times shall be indicated in the accompanying documents for unprocessed food products of animal origin, including raw materials. As of the date of publication of this report, FAS/Moscow does not believe this measure has been notified to the WTO.