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Committee on Regional Trade Agreements

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FREE TRADE AGREEMENT BETWEEN THE RUSSIAN FEDERATION AND SERBIA (GOODS)

QUESTIONS AND REPLIES

The following communication, dated 18 July 2016, is being circulated at the request of the delegations of the Russian Federation and Serbia.

This document reproduces the follow-up questions addressed to the Parties following the 81st Session of the CRTA and the responses submitted.

Written questions from the delegation of Japan

1.1. Russia is a member of the EAEU and the EAEU has common customs tariff for external trade with non-member countries. We understand that trade flows within the territory of the EAEU is free and customs duties are not imposed in principle regarding internal trade among the members of the EAEU. Under the FTA, exporters can export products from Serbia to Russia with lower tariff rates than the tariff rates in Russia's tariff schedules of the WTO Agreements.

- a. Does Russia allow those Serbian products to be exported to other EAEU members without boarder measures to check whether these products are imported from Serbia?**

Russia allows the Serbian goods to be exported to other EAEU members. However, the goods of Serbian origin are eligible to preferential treatment while being transferred to the territory of other EAEU members if there are bilateral FTAs between Serbia and such EAEU members.

- b. In case that these products imported from Serbia to Russia are exported to other EAEU members, which of the following will be applied?**

- **duty free as internal trade within the EAEU;**
- **tariff rates according to EAEU member's goods schedule.**

Despite the duty free internal trade within the EAEU, the duties on goods of Serbian origin can be levied according to the EAEU external tariff in case such goods are destined to the territory of EAEU member, which has no bilateral FTA with Serbia.

Questions from the delegation of the United States

1.2. We seek further clarification from Russia with regard to the provisions of Article 4 of the Agreement. In question 1.6, the United States asked whether the agreement contained any legally binding commitments to eliminate tariffs. In response, the Russian Federation stated that "the Parties have the right to launch such negotiations," but that products listed in the Protocol of 22 June 2011 are not subject to negotiations for preferential treatment. The Russian Federation has not, however, confirmed whether or not the agreement contains a legally binding commitment to eliminate tariffs on those

products not included in the Protocol of 22 June 2011. Nor did the Russian Federation respond to the United States' questions concerning the timing of the tariff elimination commitments, if any exist in the agreement.

Could the Russian Federation please confirm whether or not the agreement contains a legally binding commitment to eliminate tariffs on products not excluded from tariff liberalization under the Protocol of 22 June 2011, and describe the tariff-elimination schedule for such products?

The Russian Federation does not apply import tariffs in bilateral trade with Serbia apart from the list of goods stipulated in Protocol of 22 June 2011. Such list of goods can be subject to tariff elimination. Though any revision of the mentioned list shall bring about the amendments to the existing bilateral FTAs of other EAEU members. Under the provisions of Article 4 the Parties to the Agreement expressed its commitment to attempt to eliminate the tariffs which are excluded from tariff liberalization. Therefore, the tariff elimination schedule for such products was not set up.
