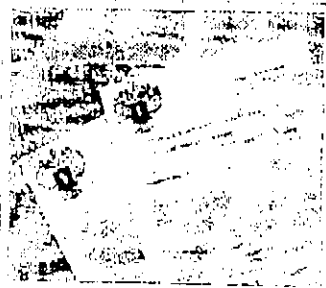


Rozelkhoznadzor would like to propose temporary procedures for the period immediately following Russian accession WTO



*To the attention of:
Heads of SPS-Competent authorities of the
third countries,
Staff of the embassies of the Russian
Federation in foreign countries,
Staff of embassies of foreign countries in
Russia,
Participants of foreign trade*

Dear Ladies and Gentlemen, dear

colleagues

Given that as of August 22, 2012, Russia will be a Member of the World Trade Organization (WTO), and consequently, the amendments to the Customs Union's (CU) legislation will enter into force, Rozelkhoznadzor would like to propose temporary procedures for the period immediately following Russian accession. We request that these procedures be considered by the other WTO Members and their respective sanitary and phytosanitary (SPS) authorities.

Pursuant to the Regulation on the Unified Procedure of Joint Inspections of Facilities and Sampling of Goods Subject to Veterinary Control, which was adopted by the CU Commission in Decision No. 834 on October 18, 2011, the key principle used by the CU in order to ensure import safety following Russia's accession into the WTO, will be through audits of the official foreign surveillance system.

However, none of the countries have yet been subject to such audits. Consequently, because of this technical issue, in the nearest future no third country producers of controlled goods will be able to get access to the CU market on the basis of a successful audit.

Currently, in most cases, third country producers can only import into Russia once their facility has been officially approved by Rozelkhoznadzor and added to Russia's Register of Establishments.

During WTO negotiations Russia and the other WTO Members agreed that our Register will be considered a veterinary measure and deemed consistent with WTO rules and regulations.

Furthermore, representatives from the European Union (EU) and the United States, as well as the remaining WTO Members, agreed that this provision will be applied to all goods considered to have high or medium import risk.

Russia was not able to reach the same agreement regarding for all goods with low import risk.

So, at the request of the EU and the United States, we repealed the registration requirement for low risk goods producing facilities, thereby, eliminating the basis for continued trade once Russia joins the WTO.

As mentioned previously, no third country has undergone a successful audit.

This has resulted in a number of third country producers losing their access to the CU market. These producers have yet to acquire another way of regaining their ability to import into the CU.

Therefore, we propose to implement temporary procedures that will aim to mitigate this situation.

These procedures will be in place until most of our trading partners are audited. We and our foreign colleagues understand that this is a long process.

Additionally, the initial period following accession is further complicated by the fact that Rosselkhoznadzor cannot audit all of our trading partners at once due to limited human and financial resources. We understand that this may create a wait list of countries applying for an audit, and thus, further prolong this whole process.

When developing these temporary procedures, we considered the fact that Russian WTO accession should promote international trade and not hinder it. These procedures should be explicit and should be understood by all parties that will need to implement them.

These temporary procedures are based on the following:

We understand that establishments that were previously allowed to import into Russia should not lose their right just because the abovementioned provisions have come into effect.

Decision 834 states that third countries can apply to CU authorities to:

- Request that its various sectors be officially audited;
- Request to be granted the right (request confirmation of the previously granted right) to guarantee that these establishments meet the CU requirements for inclusion in the Register of establishments on the basis of such guarantees; and
- Carry out a joint inspection of their specific individual establishments in order to include them in the based on the results of the inspection.

We understand that no third country can be denied an application for an official audit.

However, third countries need to understand that not all audits can be carried out during the time period requested by the third country. This is especially true if Rosselkhoznadzor has a backlog of audits that it must process.

We understand that a third country's request for an audit can be simultaneously presented with their request to act as guarantor.

We understand that any third country is free to choose different procedures to grant access to the Russian market in regards to different production sectors.

Third countries should understand that the CU can reject a third country request to make an inspection of individual facilities if this country requests that numerous establishments be inspected. This is especially true if the CU deems that it does not have enough human and financial resources to conduct all the

inspections.

Third countries should understand that the CU can reject a request from a third country to be granted the right to act as guarantor if past experience shows that that third country's Competent authority was unable to successfully guarantee that its establishments or goods that they produced met CU requirements.

We and the third countries should understand that in some circumstances the same individual establishment can simultaneously produce goods that producer need to be registered and goods that producer do not need to be registered. Therefore, different procedures for granting access can be used in reference to one and the same establishment. It means that different mechanisms of granting access can be used in reference to one and the same establishment.

The proposed procedures will differ slightly for third country establishments depending on which group these establishments fall into. (Russian version)

- Group 1: Establishments that were previously allowed to export certain controlled goods into Russia using the Register as a veterinary measure, and (in accordance with Decision 834) will continue to use this measure once Russia joins the WTO.
- Group 2: Establishments that were previously allowed to export certain controlled goods into Russia using the Register as a veterinary measure and (in accordance with Decision 834) will no longer need to be registered once Russia joins the WTO.

The procedures proposed are following:

1. A third country should make a proposal as to what method of granting market access should be used for a specific group of controlled goods in reference to the given production sector.
2. If a third country requests to carry out an audit for a sector where are establishments from Groups 1 or 2, the current system for granting access will remain until the inspection is complete. All establishments present in the Register as of August 21, 2012 will remain registered.

Establishments from Group 1 will continue to be included in the Register upon successful audit.

Establishments from Group 2 will no longer be included in the Register upon a successful audit.

3. If a third country does not wish to be audited by the CU and either

requests the right to
act as a guarantor for
its own
establishments from
Groups 1 and 2;

or

does not request to
be guarantor but
requests to conduct
join inspections of its
establishments,

and if the CU competent authorities agree to these
provisions,

it means that the third country and
CU competent authorities are agree
to use the Register as a veterinary
measure for establishments from
Groups 1 and/or 2 (even though this
is not mandatory).

if the CU competent authorities do not agree to
these provisions,

then that third country will need to
decide between two other
alternatives and will have to inform
us of their choice.

In any case, all establishments present in the Register as of
August 21, 2012, will not be removed until the procedures for
granting access are complete.

We are ready to discuss these procedures and provide further explanation if
necessary using electronic or regular mail.

Best regards N. Vlasov

Aug 10, 2012

Categorys: Veterinary , Import , Export , Transit