Trade Regulations and Standards in Russia

U.S. Commercial Service Russia

Import Tariffs

Russia continues to maintain a number of barriers with respect to imports, including tariffs and tariff-rate quotas, discriminatory and prohibitive charges and fees, and discriminatory licensing, registration and certification regimes. For more detailed information concerning tariffs, please refer to the “Customs Regulations and Contact Information” section below. The following is a selection of tariff ranges for popular U.S. goods entering Russia.

Changes in the Commodity Schedule were implemented in 2004 in accordance with the international obligations of the Russian government to comply with HS codes and Russia's intention to enter the WTO. The new customs tariff schedule changed rates for 140 categories of commodities, lowering the tariff ceiling for 90% of the categories. Notable changes included lowering import tariffs for audio- and video- equipment and components from 20% to 15%, for fruits and vegetables from 10% to 5% and for sewing machines from 25% to 20%. Certain commodities continue to be regulated through seasonal duties and quotas.

In addition to tariffs, there are two other charges applied to imports: The ubiquitous Value Added Tax (VAT) and selective excise taxes. The universal VAT rate was reduced from 20% to 18% effective January 1, 2004 (with the exception of foodstuffs, pharmaceuticals and medical supplies for which VAT is 10%) and is applied to the import price, tariff, and excise tax combined. There are some exemptions from VAT. For example, resolution No.19 of January 17, 2001 provides a list of vitally essential medical equipment to which no VAT is applied. The excise tax applies to a number of luxury goods, alcohol and cigarettes, and varies from 20% to 570%.

From December 2008 through February 2009, the Russian government announced a series of significant duty increases on cars, harvesters, certain steel products (including pipes, tube and rebar), and certain agricultural products (including butter, milk and soy meal). These duty increases, which will be in effect for a temporary period of nine months, will likely be a hindrance to U.S. exports to Russia. After the initial nine-month period, the Russian government will make a determination whether to maintain the duty increases or to let them expire.
The duties on imported vehicles increased by as much as 20% for new cars, and increased to a prohibitive level for used cars older than four years. U.S. automobile makers already manufacturing in Russia will be less affected because the duty increases will only impact their imported vehicles and will not apply to their cars produced or assembled at Russian plants.

The duty rates for harvesters were increased dramatically by at least 200%. The duty increases will likely contribute to sales declines in Russia for the major U.S. and EU producers of agriculture equipment, as will other factors, including the strengthening of the dollar and Euro against the ruble and the current difficulties in securing financing within Russia for the purchase of foreign agricultural equipment. The duty increases for butter and milk were also substantial, while the duty increase for soy meal (used as a protein supplement in animal feed) was more modest.

It appears that the Russian government imposed these measures mainly to protect domestic producers from competing imports during the global economic crisis. The duty increases for soy meal were also likely intended as a revenue collection measure. As Russian companies continue to struggle with the crisis, it is possible that the Russian government will impose additional duty increases on other imported goods.

In addition to duty increases, the Russian Ministry of Industry and Trade is currently conducting global safeguards investigations of harvesters and of certain steel products. Those trade investigations, which will likely conclude in February and March 2009, could result in the imposition of additional duties or import quotas on those products.

**Trade Barriers**

In general, U.S. companies face a number of tariff and non-tariff trade barriers when exporting to Russia. A complaint frequently voiced by U.S. companies is Russia’s complex system of standardization. As explained in detail in the “Standards” section below, Russia’s regime remains extremely complex due to its lack of clarity and transparency, and overall redundancy. While the system has improved somewhat, U.S. companies are encouraged to obtain appropriate legal advice or assistance from experienced distributors or consultants, as well as the U.S. Commercial Service.

Discrimination against foreign providers of non-financial services is, in most cases, not the result of federal law, but stems from abuse of power, sub-national regulations and practices that may violate Russian law. For example, a few foreign service providers have noted that they are forced to pay a range of fees to obtain licenses from local authorities, fees that domestic companies allegedly bypass via bribes.
The 1996 federal law “On Banks and Banking Activity” permits foreign banks to establish subsidiaries in Russia. However, Russia does not allow foreign banks to establish branches in Russia. In November 2006, Russia and the U.S. signed their WTO (World Trade Organization) Bilateral Agreement, a major step in Russia’s accession to the WTO. As part of this Agreement, Russia pledged to allow foreign ownership to account for as much as 70% of the country’s total banking sector equity. Previously, Russia had the prerogative to legislate the limit on foreign capital to 50% of total equity. However, at the time the bilateral agreement was signed, foreign equity accounted for 20% of the total. Russia’s pledge essentially “grandfathered” in that 20% and provided new foreign equity the potential to absorb/account for an additional 50% of total banking sector equity.

The Central Bank has required new foreign bank subsidiaries to have a minimum of €5 million in capital (the same requirement is applied to domestic banks) and that at least 75% of the bank’s employees and 50% of the bank’s management board be of Russian nationality if the chairman is not a Russian citizen. Heads of foreign banks’ Russian offices are required to be proficient in the Russian language.

In the insurance sector, foreign insurance firms are subject to a 49% equity restriction. Foreign firms that were active in Russia when this requirement came into effect, however, were grandfathered and are not subject to the foreign equity limit. Russia also has more generous operating provisions for insurance companies from the European Union, and has been permitting multinational companies to benefit from this more generous treatment provided they conduct their Russian investments via their EU-based offices. Once Russia becomes a WTO member and the United States grants permanent normal trade relations status, U.S. insurance companies will be allowed to operate through subsidiaries, including 100% foreign-owned non-life insurance companies, and will be able to open direct branches at the end of a nine-year transition period. However, as in the banking sector, Russia maintains the discretion to limit foreign sourced charter capital in the insurance sector and if the ratio of foreign sourced to total charter capital in the insurance sector ever exceeds the 50% cap, Russia’s regulators will have the discretion to take certain actions specified in Russia’s WTO commitments.

Until Russia’s accession, EU firms will continue to enjoy an advantage over their counterparts from the United States and elsewhere, since they can offer life and mandatory forms of insurance in Russia directly, without the requirement to work through a majority Russian-owned partner. Russian law currently requires that chief executives and chief accountants of foreign insurers operating in Russia be Russian citizens.

In the telecommunications sector, the 2004 Law on Communications was amended in July 2006 by the law “on Information, Information Technologies and Information Protection.” The latter law’s impact on competitive alternative telecommunications operators, many of which enjoy large
foreign investment, has been substantial, since these companies now fall under tight government regulation. In particular, regulations on interconnection—the process by which alternative operators connect their networks to the Russian public telephone network—place interconnection contracts and fees under the regulatory authority of the Ministry for Information Technologies and Communications. Alternative operators fear that these fees will be raised to subsidize network upgrades of government-owned and ministry-controlled local and long distance operators.

There are significant barriers in the provision of satellite telecommunications services in Russia. In particular, satellite regulation is not transparent. The legal requirements and administrative responsibilities associated with the provision of these services appear to be discriminatory, with the Russian government demonstrating a preference for Russian satellite communications systems, which puts competing satellite systems at a disadvantage. Current Russian legislation restricts foreign investment in the aerospace industry to less than 25% of an enterprise.

The Land Code that was passed in 2001 allows equal treatment of domestic and foreign entities to buy land and buildings, although purchase of agricultural land by foreigners is still prohibited. Discussion on specific land policy continues, including legislation on transfer of use, but a conclusion has not yet been reached. Foreign entities are restricted from buying land close to federal borders and in areas that the President determines critical to national security.

The government enacted the Strategic Sectors Law (SSL) in May 2008. The SSL introduces a list of 42 “strategic” sectors in which purchases of “controlling interests” by foreign investors must be pre-approved by the Russian government. The list of restricted sectors includes: enterprises in the nuclear industry or involved in handling radioactive materials; enterprises involved in work on infectious diseases; arms, munitions, and military equipment production, maintenance, or repair; the aviation and space industries; certain data-transmission (radio, television, telecommunications) infrastructure; production and distribution of encryption technologies and equipment; production and sales of goods and providing services under conditions of a “natural monopoly” (e.g., activities such as operating certain gas networks); newspapers with a circulation of more than one million; and natural resource extraction. Many observers, while welcoming more precision about the rules of the game, have criticized the SSL for being overly broad in the number of sectors it covers, and raised concerns that the approval process will prove to be non-transparent and burdensome.

The SSL approval process involves two steps. Initially, the foreign investment must be vetted by the Federal Anti-Monopoly Service (FAS). The FAS must determine whether the proposed investment is subject to the SSL and then recommend to the Government Commission on Control of Foreign Investment in the Russian Federation (“Commission”) whether the investment should be approved. The head of the FAS is appointed by the Prime Minister. The Commission is headed by the Prime Minister and is comprised of Cabinet Ministers with jurisdiction over most of the restricted sectors, as well as the Director of the Federal Security Service (FSB).
To date, only two foreign companies have received approval under the SSL: DeBeers (diamond mining) and Alenia Aeronautica (development of Sukhoi Superjet 100). These approvals provide little guidance regarding implementation of the SSL. Both investments were pre-approved by Prime Minister Putin when he was still President and no information about the process was publicized by government authorities.

In conjunction with the SSL, amendments to the sub-soil legislation were also passed requiring governmental approval for foreign investment in excess of 10% in companies operating a “strategic” deposit, which includes major oil, gas, and other mineral deposits. Foreign oil and gas companies are concerned about the potential application of these provisions, including how and when the government may declare a given field strategic and what compensation a field licensee may be given under such declarations. The Russian government continues its policy of not entering into any further Production Sharing Agreements (PSAs - designed for energy projects that require high capital expenditures and a long period before profits or significant tax revenues are generated).

In July 2008, RAO UES, the electricity holding company that controlled all of Russia’s power assets, with the exception of those connected to nuclear energy, completed its corporate reorganization and ceased to exist. It has been succeeded by 24 companies: six wholesale private generation companies (“OGK’s”) and 14 “territorial” generation companies (“TGK’s”), the hydroelectric giant RusHydro; a Federal Grid; and a number of distribution operators. Although the unbundling and privatization of RAO UES was initially hailed as a huge success, concerns are growing.

As a condition to the generating companies’ spinoffs, investors in the OGK’s and TGK’s agreed to implement plans to modernize and expand their respective electricity infrastructure. These plans were premised on the assumptions of robust economic growth and demand, and access to affordable credit. In light of slowing Russian economic growth and tight financial conditions, these investment obligations have become very expensive. Consequently, a number of investors are backing out of acquisition deals or seeking to renegotiate the terms of their acquisitions with the Russian government. It seems unlikely that modernization and expansion of the sector’s infrastructure – a major purpose of the reorganization – will occur in the near future. Because the restructuring was only completed in July 2008, it is still unclear to what degree the electricity generation market will ultimately be deregulated, and whether it will operate in a transparent and non-discriminatory manner.

In aviation, many of the Russian-flagged carriers have aging fleets and use outmoded avionics and engines, but several are seriously considering significant purchases or wet-leases of foreign aircraft in an attempt to be more competitive with Western airlines. Domestic aircraft manufacturers only
produce ten planes per year on average and therefore cannot keep up with Russian airlines’ projected demand for 1,500 additional planes in the next twenty years. The airlines hope that Russia's commitment to reduce aircraft tariffs as part of its WTO accession will help them purchase the modern, fuel-efficient aircraft they need to remain competitive with foreign airlines. Current Russian law stipulates preferential treatment (tax holidays, guarantees on investment) for Russian and foreign investors in aviation-related research and manufacturing ventures. However, it limits the share of foreign capital in aviation enterprises to less than 25% and requires that board members and senior management staff be Russian citizens. There is speculation that the 25% limit could be raised or eliminated to make way for further investment. Some observers, however, doubt that recent proposals to raise the limit to 49% would be sufficient to attract foreign capital for Russia’s aircraft industry.

The signed bilateral agreement on Russia's accession to the WTO and the corresponding side letter on leased aircraft could yield significant market access opportunities. The side letter on leased aircraft has been in force since November 19, 2006, with narrow body leased aircraft enjoying immediate tariff reductions. Tariffs on wide body aircraft will be reduced from 20% to 7.5% over four years following accession. Tariffs on civil aircraft parts, including engines, will be reduced to an average of 5%. As long as the lease is signed before January 1, 2011, aircraft with less than 50 seats will be charged only 8% and those with 115-160 seats will be charged 10%.

The Russian government eliminated the import tariff on small aircraft with up to 19 seats for a period of nine months as of July 16, 2008. According to the Ministry of Transportation, the measure will be extended after nine months. In September 2008, the government announced that the import tariff for aircraft with up to 50 seats would be cancelled as of January 1, 2009, and that import tariffs for aircraft with 115-160 seating capacity would also be temporarily canceled, so long as the aircraft were not more than ten 10 years old and were imported into Russia prior to 2011 under leasing contracts for no longer than five years. Neither of the decrees finalizing these proposals has yet been issued.

The import tariff on foreign aircraft with over 300 seats was eliminated for a period of nine months beginning in February 2008. In September 2008, the Russian government recommended permanent cancellation of import duties on aircraft seating more than 300 passengers, but no date has been set yet for this permanent tariff reduction measure to come into effect. U.S. industry reports that illegal logging accounts for as much as 20% to 30% of Russia’s timber harvest. Illegal wood supplies have begun to appear in China, hurting U.S. exports to that market. Illegal logging continues to increase, particularly in the Far East due to its proximity to China. According to World Wildlife Fund data, the share of unregistered wood to total volume of timber consumption is 53% in the Chita region, 34% in Primorskiy Kray, 33% in Khabarovsk Kray, 17% in Vologda region, and 10% in Krasnoyarsk Kray.

Import Requirements and Documentation
Importers are required to complete a Russian customs freight declaration for every item imported. A declaration must be supported by the following documents: contracts, commercial documents such as commercial invoices and packing lists, transport documents, import licenses (if applicable), certificates of conformity and/or safety (see "Product Standards" below) certificates of origin (if applicable), sanitary certificate (if applicable) and documents confirming legitimacy of declarants/brokers/importers.

As for all exports, exporting firms are required to complete a Shipper’s Export Declaration (SED) but this document does not need to be presented to Russian Customs, although they may ask for it. Exporters must present the appropriate export license (see next section), if one had to be obtained, at customs. Customs officials may seek other documentation to substantiate the declared value of any shipment.

In addition, currency control regulations require issuance of a "passport" for both exports and imports to ensure that hard currency earnings are repatriated to Russia. The regulations also ensure that transfers of hard currency payments for imports are for goods actually received and properly valued.

**U.S. Export Controls**

The U.S. Department of Commerce’s Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including “production” and “development” technology. The items that BIS regulates are often referred to as “dual use” since they have both commercial and military applications. Please note that even commercial items without an obvious military application may be subject to the EAR and may even require an export license. Items with an Export Control Classification Number (ECCN) that are regulated for Chemical and Biological Weapons (CB), National Security (NS), Missile Technology (MT), Regional Stability (RS) or Crime Control (Column 1 or 2) purposes require a license from BIS for export to Russia.

**Temporary Entry**

Temporary entry of goods is allowed with full or partial relief from customs duties and import VAT for a period of up to two years. The Customs Authority issues authorization for temporary entry of goods based on a written application submitted by an importer. The list of goods for temporary entry with full relief from customs duties and taxes as well as terms of such relief is regulated by the Russian government.

Full conditional relief from customs duties is allowed when it does not affect the Russian economy, such as the temporary import of:
• Containers, pallets, and other types of containers and packages for repeated use

• Goods for the purposes of the development of international relations in the scientific, cultural, sports, cinematography and tourism fields

• Products for international assistance

• Commercial samples, not for sale, used at trade shows and exhibitions.

All goods falling outside of this list are subject to partial relief only, as established by the Customs Code. Article 213 of the Customs Code provides for temporary import with a partial exemption from customs duties for 34 months when goods are classified as main production assets on the condition that such goods are not owned by the Russian entities using them in the territory of the Russian Federation. When partial relief from customs duties is applied, 3% of the amount of customs duties and taxes should be paid on a monthly basis for the period when goods are located in the customs territory of the Russia Federation.

In practice, however, many U.S. companies bringing in commercial samples have had problems with Russian Customs. Sometimes officials demand that the importer pay a bond to cover any applicable import duties if the goods are sold in Russia. Also in regard to commercial samples, Russian Customs accepts the use of ATA Carnets, which are widely and effectively used.

Labeling and Marking Requirements

Labels on food items must feature the following information in the Russian language: type and name of the product; legal address of the producer (which may be given in Latin letters); weight or volume of the product (if a food item is preserved in liquid – weight without the liquid mass); food contents (name of basic ingredients and additives listed by weight in decreasing order); nutritional value (calories, vitamins if their content is significant or if the product is intended for children or for medical or dietary use); conditions of storage; expiration date (or production date and period of storage); directions of preparation of semi-finished goods or children foodstuffs; warning information on any restrictions and side effects; and terms and conditions of use.

Labels on nonfood items must include the name of the product, the country of origin and the name of the manufacturer (which may be given in Latin letters), usage instructions, the main characteristics, rules and conditions for effective and safe use of the product, and other information determined by the state regulation body.

Prohibited and Restricted Imports
The import and export of goods in Russia is carried out in accordance with the Federal Law on “Government Regulation of International Trade Activities” of 2003, which stipulates the application of quotas, licenses and other temporary restrictions on such operations.

Import licenses are issued by the Russian Ministry for Economic Development or its regional branches, and controlled by the State Customs Committee. Licenses for sporting weapons and self-defense articles are issued by the Interior Ministry. Licenses are required for many items including:

- Alloys
- Carpets
- Color televisions (14, 21, and 25-inch)
- Combat and sporting weapons
- Ethyl alcohol
- Explosives
- Medicine
- Military and ciphering equipment
- Precious metals
- Radioactive materials and waste
- Self-defense articles
- Stones
- Strong poisons and narcotics
- Tobacco products
- Vodka and many other types of alcoholic beverages

**Customs Regulations and Contact Information**

As a member of the World Customs Organization, the Convention of Temporary Imports and the International Convention on Harmonized Commodity Description and Coding System, Russia is obligated to adhere to internationally accepted customs regulations and practices. In January 2004, Russia implemented a new Customs Code as part of its efforts to WTO accession. The new code
reduced the time for customs clearance from ten to three days. It also offered the advance declaration of cargo before its arrival at customs. Other important changes introduced by the new Code included:

- Restricting the Russian Federation State Customs Committee from issuing contradictory additional regulatory acts
- Making possible the settlement of disputes with Customs authorities directly in a court of law
- Establishing a definitive and comprehensive list of documents that must be submitted for Customs clearance
- Limiting the maximum time for the Customs clearance process to three days compared to the previous ten
- Prohibiting the Customs authorities from refusing to accept a declaration that contains inaccurate information, if this information has no impact on the defrayal of Customs payments, or does not place restrictions in foreign trade
- Allowing clearance of goods through any Customs office
- Providing urgent Customs clearance for perishable goods, express cargoes, or time-sensitive materials for the mass media

After several years of working under the Russian Federation's new Customs Code, the government and business community have acknowledged that amendments are now needed. While well-received by all parties concerned as a first step in 2003, most liberal and progressive provisions of the Customs Code proved to be difficult to apply. Additionally, customs practitioners have found that the Code, designed to meet WTO requirements, still leaves much to the discretion of customs authorities. In fact, on the official customs website, authorities acknowledge that personnel may not be adequately trained, international standards in trade logistics are not fully utilized, salaries for senior customs officers are do not reflect the economic significance of their decisions and “the level of corruption of customs authorities of the Russian Federation is still high.”

Over recent years, the priorities for customs modernization included improvement of customs regulations, implementation of IT systems and enhanced dialogue with market participants. There is also a clearer understanding of the continued need for customs to take effective action against significant levels of grey market practices and to implement effective control coordinated on a global scale. However, many examples of arbitrary practices by local customs officials still exist and are encouraged by ambiguities in the customs legislation. Small and medium-sized enterprises remain most vulnerable to these arbitrary practices.
In a country where clearing goods through customs can still be more art than science, and significant delays remain common, the new import structures are seen as taking Russia a step further along the road to reduced barriers to foreign trade, conformity to world trade practices, and membership in the WTO.

*Customs Valuation*

The customs value is generally considered to be the CIF (cost-insurance-freight) price of the goods imported. A customs-processing fee is also levied. If customs officials do not agree with the customs value of goods declared they are authorized to request additional documents that support the declared customs value. It is often normal practice for customs officials to request the Shippers Export Declaration (SED), which they consider to be a sufficient proof of the customs value. However, presenting SED is not mandatory and the importer can present other available documents, including an official company letter that attests to the shipment’s correct value.

*Standards*

*Overview*

Despite positive changes in the last several years, the standards regime in Russia still lacks transparency. Russia continues to rely on product testing as a key element of the product approval process. Other types of product safety assurance, such as plant auditing, quality systems, and post market vigilance, are underdeveloped. Russia continues to adhere to redundant practices of further testing of internationally accepted certified products, which can delay entry of a variety of products into the country.

In addition, the former federal authority on standardization, Gosstandart, was restructured twice as part of a larger government reorganization begun in May 2004, which led to some uncertainty as to exactly who in the agency did what, further adding to delays in discharging its functions. The current authority for standardization, metrology and certification matters is the Federal Agency for Technical Regulations and Metrology under the jurisdiction of the Ministry of Industry and Trade. However, the old name for this agency, Gosstandart, remains in use. Affiliated with this new agency are 478 technical committees, comprised of research institutes, which develop standards.

*Standards Organizations*

Russia’s complicated, cumbersome and often changing system of certification as well as cultural and language barriers create a challenge to foreign companies attempting to certify products without appropriate legal advice or assistance from experienced distributors or consultants.
The Department of Technical Regulations and Metrology estimates that Russia must develop approximately 2,000 technical regulations by 2010. It is recommended that U.S. companies work with reliable partners and consulting companies on registration and certification issues.

Conformity Assessment

In recent years there has been a substantial movement toward the adoption of common international language on product standards and certification procedures and some improvements have been made. In 1998, the Russian government established a public information service for regulations covered by the Technical Barriers to Trade (TBT) Agreement in the World Trade Organization (WTO); however, technical difficulties have plagued this service and it has not been an easily accessible or reliable source of information. On July 31, 1998, new amendments to Russia’s Law on Certification of Products and Services went into effect, which generally meet requirements of the TBT Agreement. The law allows a manufacturer to submit a declaration of conformity in the certification procedure for a limited number of products. The government has established a list of 200 products eligible for this procedure, which periodically changes. Russian standards and certifications bodies worked closely with the U.S.-Russian Business Council, the American Chamber of Commerce in Russia, and several U.S. government agencies in order to become acquainted with international practice in this area and the concerns of international companies. As a result, approximately 35% of the 25,000 Russian standards now conform to international norms, and many deficiencies in the standards and certification process have been removed. The Russian government is looking to harmonize 87% of its existing standards to international standards.

Russian officials claim that with adoption of the federal law “On Technical Regulations” which came into force on July 1, 2003, the certification situation has improved. The law was intended to change the existing cumbersome standardization and certification systems and to harmonize the Russian legislation with international standards. In addition, the intent was to establish a transparent system for adoption of standards and to reduce significantly the number of requirements and steps in the certification process for imported goods. The government has established a 7-year transition period for technical regulations reform to be completed. Over this period, all mandatory standards requirements must be transformed into technical regulations, and remaining standards will become voluntary. This monumental task requires the development and enactment of several thousand laws and regulations. Current technical regulations will remain in effect until new ones have been developed and approved by the government, or until the end of the seven year transition period.

Product Certification

Many products imported for sale into the Russian Federation are required to have a certificate of conformity issued by The Federal Agency for Technical Regulations. The Agency currently tests
and certifies products according to Russian government standards rather than other widely-accepted international standards (e.g., the ISO-9000 system). The Federal Agency for Technical Regulations and its authorized agents are chief sources for certification in Russia. However, other agencies are involved in certification of certain products, including the Ministry of Agriculture (food products) the Ministry of Health (medical devices and pharmaceuticals), the State Communications Committee (telecommunications equipment and services), the State Mining and Industrial Inspectorate GOSGORTECHNADZOR (equipment for mining, oil and gas industries), the Federal Security Service (encryption devices and security equipment and systems), and others.

Russia participates in the following international certification systems:

- System of the International Electrotechnical Commission (IEC) for tests of electrical equipment on conformity to safety standards
- System of certification of passenger cars, trucks, buses and other transport vehicles (UN EEC)
- System of certification of handguns and ammunition
- System of certification of electronic articles (IEC)
- International system of certification of metrology equipment and instruments
- Agreement on mutual recognition of tests of imported aircraft and certification of elements of airplanes

**Accreditation**

Presently in Russia, various federal executive authorities carry out accreditation in accordance with the relevant legislation. Bureaucratic incongruities, overlapping fields of activity and the application of different procedures and criteria in the accreditation process are common occurrences. Often, the accreditation and certification activities of several federal executive authorities are superimposed.

Certification authorities and test laboratories, both Russian and foreign, are accredited in accordance with ISO/IEC Guideline 5 and ISO/IEC Standard 17025. Currently, each individual Ministry, Gosstandart of Russia and the Research Institute for Certification (VNIIS) can accredit laboratories in their relevant industry sectors. GOSSTANDART of Russia runs the state register of all accredited organizations.
The Department of Technical Regulations and Metrology is currently developing legislation on accreditation of organizations that assess compliance with technical regulations. It is still undecided as to whether the system of a single accreditation body or a number of such bodies will be most efficient in Russia.

Trade Agreements

Russia currently participates in a free trade agreement with the Commonwealth of Independent States (CIS), which comprises most of the countries of the former Soviet Union. A customs union with Belarus, Kazakhstan, Kyrgyzstan and Tajikistan has been formed. Russia has an association agreement with the European Union (effective December 1997), a bilateral agreement protocol for WTO accession, the Russia-U.S. Bilateral Meat Agreement of 2005, and has historically received MFN and GSP status from the United States. As of mid-June 2002, the U.S. Department of Commerce designated Russia a market economy.