



*BELARUS' PRESIDENCY
in the EAEU bodies in 2015*



EURASIAN ECONOMIC UNION *in brief*

40

FREQUENTLY ASKED QUESTIONS

prepared by the MFA of Republic of Belarus <http://mfa.gov.by/>



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EURASIAN ECONOMIC UNION (EAEU)
40 FREQUENTLY ASKED QUESTIONS

non-paper

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I. INSTITUTIONS & OBJECTIVES OF THE EAEU FUNCTIONING

1. What are the purposes of establishing the EAEU?

The EAEU has been established to promote the comprehensive modernization, cooperation, increasing the competitiveness of the national economies of member-states aimed at creating the conditions for sustainable development & improvement of population's living standards.

EAEU ensures free movement of goods, services, capital and labor force within its borders as well as, coordinated, agreed or common policy in the economic sectors, determined by the EAEU Treaty.

2. What are the governing bodies of the EAEU?

The Supreme Eurasian Economic Council (SEEC) – a supreme body of the Union, which consists of member-states' Presidents.

The Eurasian intergovernmental council (EIC) – a body, which consists of the Heads of the member-states' Governments.

The Eurasian Economic Commission (EEC) – a permanent supranational regulating body of the Union, which is formed by the Council of the Commission and the Board of the Commission. The main tasks of the Commission are to enable the functioning and development of the Union, as well as to develop proposals in the sphere of economic integration within the Union.

The Court of the Union – a judicial body of the Union, which ensures uniform application of the EAEU Treaty and other international treaties within the Union by the member-states and Bodies of the EAEU.

3. What is the decision making procedure in EAEU? When the consensus or qualified majority is applied?

The Supreme Eurasian Economic Council and the Eurasian Intergovernmental Council make their decisions and give orders by consensus.

The decisions, orders and recommendations of the Council of the EEC are taken by consensus. The decisions, orders and recommendations of the Board of the Commission are taken by the qualified majority (two thirds of the Board members' voices) and by consensus in case the question is related to the list of sensitive questions, determined by the SEEC.

4. To what extent are the decisions of EEC binding?

The Eurasian Economic Commission is a permanent regulating body of the Eurasian Economic Union, which ensures the conditions for the Union's functioning and development and works out the proposals in the area of economic integration within the Union.

The Commission, within its powers, adopts decisions with regulatory and binding effect for the Member States, organisational and administrative orders and non-binding



recommendations. Decisions of the Commission form part of the Union law and are directly applicable on the territories of the member states.

The powers of the Commission are secured in the law of the EAEU and in particular, but not exclusively, include the following areas: customs tariff and non-tariff regulation, customs administration, technical regulation, SPS measures, trade regimes for third parties, macroeconomic, competition and energy policy, industrial and agricultural subsidies, natural monopolies, state and/or municipal procurement, services trade and investments; transport; currency policy, intellectual property, labor migration, financial markets.

5. Can the Court of the EAEU protect the interests of third State producers and investors?

Yes. According to the Statute of the Court, the right of access to courts, inter alia, belongs to a juridical person registered under the legislation of a Member State or a third State or a natural person registered as an individual entrepreneur in accordance with the legislation of a Member State or a third State. For designation of such person in the Court Statute the term «an economic entity» is used.

Producers and investors of a third State have the right to apply to the Court to protect their interests if actions (omissions) of the Commission entailed a violation of any rights and legitimate interests of the economic entity envisaged by the Treaty and/or international treaties within the Union.

In case of the recognition by the Court of the decision of the Commission or its certain provisions as non-conforming to the Treaty, the Commission shall eliminate corresponding breach and execute decision of the Court in time not exceeding 60 calendar days.

6. What are the spheres of competence of the supranational and national bodies in case a member-state possibly imposes a restraint on the third State goods supply?

EAEU domestic market functions under the conditions of free movement of goods, persons, services and capitals. The mutual trade is carried out without applying import and export customs duties, measures of non-tariff regulation, special protective measures, antidumping and countervailing measures, with the exception of very limited and fixed list of exceptions.

In exclusive cases related to the matter of protection of life and health of a person; protection of public morals, environment, animals, plants, cultural values; ensuring international obligations, defense of a country & security of a member-state, the member-states have the right to impose restrictive measures, including sanitary, veterinary-sanitary and quarantine phytosanitary ones.

The Union applies unified measures of non-tariff regulation of trade with third countries, i.e.: ban/quantity restraint of goods export and (or) import; a sole right for export and (or) import; automatic licensing (monitoring) of export and (or) import; authorization-based procedure of import and export.



The decisions of imposing, applying, prolongation and cancellation of measures are taken by the EEC. In exceptional cases due to certain reasons the member-states of the Union can impose and apply on a unilateral basis the measures of non-tariff regulation in trade with third countries for the period of not more than 6 months.

7. What are the areas of further integration within the EAEU?

Currently member-states are taking necessary steps towards full implementation of the EAEU Treaty provisions. This activity includes the liquidation of barriers, exceptions and restraints in the EAEU common/single markets functioning. The EAEU Treaty determines a transitional period until 2025 for ensuring free trade for most sensitive items (i.e. energy markets, construction and transport services liberalization, cooperation in the financial area, etc.). For instance, the common market of drugs and medical devices will start its functioning in 2016, the common electric energy market – in 2019.

8. Does the EAEU have elements of monetary, political or military union?

The EAEU is the organization of regional economic integration, which doesn't have any elements of political or military union.

The question of integration in financial area, including monetary area, will be put on the table as far as necessary economic preconditions are archived. Today the question of creating the monetary union is not on the agenda.

The member-states agreed on creating a supranational body on regulating the financial market with the location in Kazakhstan by 2025, after completing the harmonization of legislation in the area of financial markets.

9. What are the prospects of the realization of the “integration of integrations” idea concerning the promotion of cooperation between the EAEU and the EU?

The Republic of Belarus as well as its partners on integration considers the integration processes within the EAEU and the EU not as mutually incompatible or competitive, but as mutually complementary ones.

All the member-states are standing in concord for closer equal cooperation of the EAEU with the European Union with the purpose of establishing in perspective the common economic space “from Lisbon to Vladivostok”. They claimed repeatedly their readiness to start an appropriate dialogue with the EU.

The member-states are ready to offer the European partners a certain concept of basic objectives and areas of cooperation between the EAEU and the EU.

10. Where can one find a detailed information about the legal framework, economic, export and investment potential of the EAEU?

The detailed information about the Eurasian Economic Union, including its legal framework, is presented on the website of the EEC – www.eurasiancommission.org and the website of the EAEU – www.eaeunion.org.



II. FOREIGN TRADE REGULATION

11. What is being done to facilitate the trade relations of EAEU with foreign countries and integration associations (incl. establishing FTZ)?

More than 40 countries showed interest in cooperation with the EAEU in a form of joining the Union, non-preferential trade agreements or establishing free-trade zones.

EAEU unified free trade regimes with CIS countries and Serbia. A common system of preferences for developing countries is being applied.

The decision is made to launch the negotiations of EAEU with China on signing the Trade and economic cooperation agreement. The Agreement on Free trade zone between EAEU, its member-states and Vietnam has been signed.

The research groups on studying the rationality of signing agreements on free trade zones between the member-states of the EAEU and Israel, Egypt and India have been created. The appeals to launching the negotiations on free trade zones with some other countries are under consideration.

12. Does the EAEU have powers to deal with measures of joint response in case of external pressure on one of the member-states?

The EAEU Treaty stipulates the possibility of taking joint response measures against a third party.

The decisions of applying response measures on the customs territory of the Union are to be taken by the EEC, including increasing the rates of import customs duties, imposing quantity restraints, temporary suspension of preferences and other measures in the powers of the EEC affecting the results of foreign trade.

13. What is the mechanism of applying the measures of protecting the EAEU domestic market related to third countries' goods?

There is a single mechanism of applying special protective, antidumping and countervailing measures within the EAEU towards commodity import from third countries.

The decision of application, reconsideration or cancellation of a special protective, antidumping or countervailing measure or of non-application of the measure is to be taken by the EEC on the basis of the investigation's result.

The Treaty on the EAEU stipulates that economic entities has the right to apply to the Court of the Union for settling the disputes regarding the enforcement of the Union law, including the ones concerning the application of a special protective, antidumping or countervailing measure.

14. What national institutions of the EAEU member-states give support to the business of third countries?

The EAEU member-states have an effective system of business support, which includes state organizations (or established under state initiative) and commercial organizations (departments of business development, chambers of commerce,



development funds, technological parks, business-incubators). The information about these institutions is widely presented in Internet. The following organizations of the Republic of Belarus provide assistance to the foreign business:

National agency of investment and privatization works on one-stop principle, accompanying foreign business during the whole period of investment project realization, including post-investment support of projects.

“National centre for marketing and price study” of the MFA of Belarus provides the following services: information and consulting services, including marketing research, market and price studies (www.export.by); search for business partners and estimation of their business credibility; provision of information on tenders held in the EAEU member-states and abroad; support in public procurement procedures (www.goszakupki.by); visits arrangement.

“Belarusian Chamber of Commerce and Industry” provides more than 60 types of foreign economic services, including rendering assistance to businessmen in developing the manufacture of products and conducting transactions; consulting on questions of foreign economic activities; goods, equipment and raw materials expertise; business proposals selection; assistance in searching for business partners; marketing research.

15. Is it possible to move freely goods throughout the territory of the EAEU after they were imported in one of the Union’s member-states and passed the customs clearance there?

The foreign goods, which are placed under the customs procedure of release for domestic use in the EAEU, can be located and utilized on the territory of the Union without any restrictions.

The goods are placed under custom regime of release for free circulation (internal consumption) if the following conditions are observed: payment of import duties and taxes; observance of bans and restrictions; submission of documents confirming the observance of restrictions in connection with application of special protective, antidumping and countervailing measures.

The goods released for free circulation, acquire the status of Customs Union goods and can be freely moved throughout the territory of the Customs Union without application of customs declaration and state control (transport, sanitary, veterinary-sanitary, quarantine phytosanitary ones).

16. Do the businesses set up on the territory of an EAEU member-state have an opportunity to take part on equal basis in national programs and public tenders of the territory of other member-states?

Each EAEU member-state ensures the national treatment regime in the area of public procurement to the goods, works and services, originating from the territories of other member-states, as well as towards the other member-states’ suppliers, who offer such goods, works and services.



The national treatment regime means granting another member-state's persons and financial services a treatment not less favorable than for its own ones under the same circumstances on its territory.

Thus, the suppliers of an EAEU member-state have an equal access to participation in public procurement procedures of the other member-states.

17. Does single services market already exist within the EAEU?

A single services market has already been formed and functions in more than forty sectors, which cover a significant part of the common services value of all the member-states.

The single services market presupposes exemption of service suppliers from re-registration as legal entity; the opportunity to render services and performance of work on the basis of service delivery permit, issued on the territory of the EAEU member-state, where service supplier is registered; recognition of service suppliers staff's professional skills.

The member-states assumed responsibilities not to apply any discriminatory restrictions and exemptions against the single service market participants. Any participant of the single service market can make its business without any additional registrations, certificates, licenses and other consent documents, if a service supplier was granted such documents by the member-state of his residency.

18. What benefit except for the free movement of goods, services, capital and labor force do the economies of the member-states get from participation in the EAEU?

The Union establishment gives its member-states the opportunity to coordinate its industrial policy and to avoid setting up duplicate manufactures, build technological chains, provide each other with components for joint production. The opportunities for industrial cooperation and common investment and innovative projects realization have been increased significantly.

The EAEU member-states possess a huge potential in the leading sectors of economy. The EAEU takes first place in the world in oil and natural gas production, the second place in mineral fertilizers extraction and railway length, the third place in electric energy and wheat production, the fourth place in coal mining, iron and steel production, meat production, total length of automobile roads.

After creation of the EAEU single market the investment prospects are being increased for small and medium economies including the Republic of Belarus.. The investment volume in Belarus has increased in 2010-2014 by 66%. The industrial complex of Belarus is an important element in forming the common industrial potential of the EAEU. The industry of the country is represented by the developed branches, including those basing on local raw material processing: production of food, construction materials, potash fertilizers, machines, equipment, means of transport, woodworking, metallurgy, optoelectronics, pharmacy.



19. Regulation in the area of public (municipal) procurement.

Signing the Treaty on EAEU provided the member-states with an equal access to the services of natural monopolies, public procurement, single competition rules, more profound cooperation in the areas of industry, transport, power engineering, agriculture and others.

The legislation of public procurement is based on the Law of the Republic of Belarus dated July 13th, 2012 “On public procurement of goods (works, services)”. The Ministry of Trade is an authorized body on public procurement.

The basic principles of making public procurement in the Republic of Belarus are mostly the same as those, stipulated in the EAEU Treaty.

III. TECHNICAL REGULATION, PHYTOSANITARY AND VETERINARY CONTROL

20. What are the similarities and differences of the EAEU technical regulation and previously applied national standards (GOSTs), how close are the EAEU standards to the EU standards?

Technical regulation within the EAEU is carried out by setting single obligatory requirements in the EAEU technical regulations (TR) or national obligatory requirements in the legislation of the member-states to the production, which is included in the single list of production subject to the obligatory requirements within the EAEU.

The EAEU TRs lay down single for the member-states appropriate requirements to the safety of goods and the rules of its access to the common market. They are directly applicable in the member-states and are subject to compulsory implementation.

The international standards make up the basis of the EAEU TR. The EAEU TR is worked out mostly on the basis of European Union Directives, international and European standards.

TRs are the legal instruments of 2 types: those, which lay down specific safety requirements, and those, which lay down general safety requirements. In order to meet these requirements the interrelated standards are applied voluntary. Moreover, to meet the EAEU TRs the original standards of the EAEU member-states are applied alongside with the interstate ones, which are harmonized with the international and European ones. The original standards also set the requirements different from the international and European ones taking into account climatic and geographical factors as well as technological and other peculiarities of goods production.

21. How is organized in the EAEU the system of mutual recognition of permissions and certificates (sanitary, veterinary), issued in one member-state, when imported goods are manufactured in third countries?

Goods under control while being transported within the Customs union from the territory of a member-state to the territory of the other member-state should be accompanied by veterinary certificates, issued by the officials of the member-states'



authorized bodies. The re-registration of veterinary certificates and further laboratory examination (testing) are not carried out.

The above mentioned norms are relevant for products manufactured both in the member-states and in third countries.

Each party of production, included in accordance with the list of production under quarantine in the high phytosanitary risk level group, is imported to the territory of the Union and (or) transported from the territory of one member-state accompanied by export (re-export) phytosanitary certificate.

The form of export (re-export) phytosanitary certificate is approved by the International Plant Protection Convention (Rome, 1951 as revised in 1997) and re-registration of certificates is not carried out.

22. Are there any plans to create within the EAEU a common standard for certification of manufactured products?

Forms, schemes and procedures of goods conformity assessment, which are subject to technical regulation of the EAEU, are stipulated directly in the EAEU technical regulations on the basis of typical schemes of conformity assessment, approved by the Eurasian economic commission.

23. Where is exercised the sanitary, phytosanitary and veterinary control over imported and transported on the EAEU territory goods?

Member states create border control veterinary check-points and take necessary veterinary and sanitary measures at the check points intended for movement of goods under veterinary control (supervision) through the customs border of the Union.

Movement (transportation) of controlled goods through customs boarder of the Customs union is allowed only at the check points intended for these purposes or in other places determined by the legislation of the Parties which are equipped and furnished with means of veterinary control according to the legislation of the Parties.

Moving (transportation) of controlled goods by any mode of transport within the customs territory of the Customs union is carried out by authorized bodies of the Parties during their production and loading.

Quarantine phytosanitary control (supervision) concerning the quarantine products imported to the territory of the Eurasian Economic Union from the third countries is carried out at the check points intended for movement of quarantine products through the customs border of the Eurasian Economic Union and at the places of completion of customs registration at the place of freight delivery (secondary phytosanitary quarantine control (supervision).

Quarantine phytosanitary control (supervision) concerning the quarantine products moved between the Member states is carried out in destinations on the territory of the member- state being addressee of controlled goods/



24. What are the rules of registration of products subject to veterinary or phytosanitary control for its supplies to the EAEU market?

Import of goods under control to the customs territory of the EAEU and transportation from the territory of one Party to the territory of the other Party is allowed to organizations and persons, included in the Register of organizations and persons, carrying out manufacturing, processing and (or) storage of goods, imported to the customs territory of the EAEU and transported from the territory of one Party to the territory of the other one. Registration of goods (foodstuff) by the authorized authorities in the area of veterinary is not stipulated.

Products under quarantine, being imported to the territory of the EAEU, are subject to the primary and secondary phytosanitary quarantine control (supervision). Additional procedures for its registration are not conducted.

25. What is the list of certification bodies and testing laboratories of the EAEU, executing products conformity assessment?

Authorized bodies on conformity assessment (including certification bodies, testing laboratories (centers)) must be included into the single register of goods conformity assessment bodies of the EAEU.

Before coming into effect of the EAEU technical regulations, products in respect of which the same mandatory requirements are established by the EAEU Member States and which is included into the single list of production subject to obligatory conformity confirmation with the conformance certificate and conformance declaration issuance in accordance with single form, is allowed to circulation on the territory of the EAEU if this products passed necessary procedures of conformity assessment on the territory of a member-state of the EAEU and met the following conditions: certification was executed by the body included into the single register of goods conformity assessment of the EAEU; tests were conducted in laboratories (centers) included into the single register of goods conformity assessment bodies of the EAEU; conformance certificate and conformance declaration were issued in accordance with single form.

The Common Register of Certification Bodies and Testing Laboratories (Centers) is available on the web-site of the Eurasian economic commission.

26. How is the technical regulation for goods, which are not covered by Technical regulations (TR) of the EAEU executed?

For objects of technical regulation, not covered by TR EAEU come into force, norms of legislation of member-states or documents of the Eurasian economic commission are applied.

Thus, in Belarus obligatory requirements for products, except for those set in the EAEU technical regulations, are fixed in technical regulations of the Republic of Belarus.

Besides, in relation to products which are not covered by in the technical regulations of the EAEU or the Republic of Belarus, but which are included into the list of products, works, services and other objects of conformity assessment subject to



obligatory confirmation in Belarus, the obligatory requirements are also stipulated and liable to be proved by appropriate conformity documents.

List of conformity assessment bodies and laboratories (centers), accredited in the National accreditation system of the Republic of Belarus is provided on the web-site of National accreditation authority of Belarus “Belarusian state center of accreditation” (www.bsca.by).

27. Is there a single base of standards and technical requirements in the EAEU? Is such database available in English?

Technical regulations of the EAEU as well as registers of standards, used for the purposes of assessment (confirmation) of the conformity with the requirements of technical regulations are located on the web-site of the Eurasian economic commission in the section “Technical regulation” (<http://www.eurasiancommission.org>).

Authorized national organizations of the EAEU member-states on its initiative formed International fund of information resources in the area of the EAEU technical regulation. The fund includes technical regulations of the EAEU, international standards, and national (state) standards.

Access to the fund’s resources is granted on contract basis via search system “CU. Technical regulation”. System’s interface and documents are available in Russian and English languages. To gain access to the resource one should address Belarusian state institution of certification and standardization: 220113, 3 Melezh str., room 406, Minsk, Republic of Belarus, e-mail: info@belgiss.by.

28. To what extent does technical regulation fall within the competence of the member-states?

Technical regulation within the EAEU is implemented through by establishing uniform obligatory requirements in the EAEU technical regulations or national obligatory requirements in the legislation of the member states to the products included in the single list of the products for which obligatory requirements are established within the EAEU.

The EAEU technical regulations are developed by a member-state or by the Eurasian Economic Commission, and all the member-states (governmental authorities, business community, industry, scientific and public organizations, and others) participate in the development at the stages of public discussion, internal coordination and adoption.

The EAEU member-states are not allowed to establish in their national legislation the obligatory requirements to the products not included in the single list of products.

Since the effective date of the EAEU TRs the cancellation of national legislation is provided with the respect to the transitional periods. For objects of technical regulation for which there are no effective EAEU technical regulations, statutory provisions of the EAEU member-states or acts of the Eurasian Economic Commission are applicable.



IV INVESTMENTS, FINANCE

29. Are there any special financial-credit bodies within the EAEU, including those intended for joint programs' financing?

Financing of Union's bodies is executed only at the expense of the Union's budget. Financing of joint programs from the Union's budget is not stipulated at the moment.

The EAEU special financial and credit structures haven't been created yet. At the same time, the Eurasian Stabilization and Development fund, formed on the basis of Eurasian Economic Community, is currently up and running. The founders of a.m. fund are all the member-states and Tajikistan. Fund's assets are used for provision of sovereign loans to the member-states with the purpose to overcome negative consequences of global financial & economic crisis; provision of stabilization loans to the member-states with low income rates; financing interstate investment projects.

30. Is there unified fiscal policy for business and investors in the EAEU?

The member-states determine areas as well as forms and ways of harmonization of legislation related to taxes, affecting the mutual trade (first of all indirect taxes), including harmonization (convergence) of excise rates on most sensible excisable goods and further improvement of VAT levy system in mutual trade (including use of information technologies).

In particular the application of single rules of indirect taxes levy is expected. The income of a member-state resident during his work in other member-state is taxable in job host country starting from the first day of employment according to the tax rates, used for native tax residents.

Fiscal issues, not stipulated in the EAEU Treaty, are regulated by the national legislation, which determines taxes (fees) and taxation schemes, tax benefits and preferences.

The EAEU Treaty doesn't affect the provisions of bilateral tax agreements, signed by the EAEU member-states. Bilateral double taxation avoidance agreements are fully applied.

31. What are the guarantees for foreign investments safety on the national level?

The Law of the Republic of Belarus "On investments" guarantees investor's rights and protection of investments. Norms of the Law are practically identical with the international standards of investor's judicial protection.

The Law provides guarantee of unimpeded remittance beyond the boards of the Republic of Belarus of compensations, profits (incomes) and other funds connected to the investments on the territory of Belarus as well as payments made in favour of a foreign investor and connected with investment activities being made after discharge of taxes, charges (fees) and other obligatory payments.



As main guarantee provided to investors, the Law determines protection of property from nationalization and requisition.

Nationalization is admitted only in case of social necessity reasons and under conditions of timely and full compensation of nationalized property value and other damages. Requisition is admitted only in cases of natural disasters, emergencies, epidemics and other force majeure with the compensation of confiscated property value.

Any investor has the right to apply to the court to protect breached rights, including appeal to international arbitration tribunals. Foreign investors may also apply to the International Center for Settlement of Investment Disputes (ICSID).

32. To what extent are the questions of indirect taxation unified?

The international indirect taxes calculation rules based on the « destination country» principle are applied in the EAEU. Goods, imported from the territory of a member-state to the territory of the other member-state are subject to indirect taxes.

Imported goods are subject to indirect taxes according to the national rates of the EAEU member-states. With the purpose of goods export stimulation the VAT rate of zero per cent and excise exemption is applied.

Member-states determine areas as well as forms and ways of realization of legislation's harmonization in relation to taxes affecting mutual trade in order not to affect competition and free movement of goods, works and services on the national level or on the EAEU level. A.m. activities include harmonization (convergence) of excise rates for most sensitive goods as well as further improvement of VAT levy system in the mutual trade (including use of information technologies).

33. What are the conditions of capital among the EAEU states in mutual payments (conversion, taxation)?

The legislation of the Republic of Belarus makes no provision for any taxes, charges or fees, preventing free transfer of capital between the EAEU states.

34. Are there any examples of large investment projects with external financing on the EAEU territory?

Foreign investors show big interest to the EAEU. In particular, investment projects in Republic of Belarus are accomplished by such companies as Heineken, Velcom, EPAM Systems, Raiffeisen Bank.

The group of companies Kronospan is realizing 3 projects in the area of wood processing estimated at about \$980 mln. (production of chip boards, hard boards, medium density fiberboards, oriented strand boards, resins, floor covering, wood chips and fuel biomass).

Holding "VMG" created vertically integrated wood processing complex, including three plants: chip boards production, veneer and bent glued details, furniture under IKEA trade mark (investments are estimated at about €117 mln).



Chinese company “Geely” in cooperation with belarusian companies since 2012 have been implementing the project on organization of motor cars assembly with the total amount of investment of \$369 mln.

Austrian company “Kapsch TrafficCom AG” is realizing a project on creation and operation of electronic fee collection system in the mode of free multiband traffic, applied for vehicles on certain roads of the Republic of Belarus (“ETC-Systems”) on the sum of €267 mln.

Swiss company Stadler Rail AG organized railway and municipal passenger electric transport production; the amount of investments has been estimated at about €50 mln.

The Republic of Belarus uses credits, obtained from foreign banks by the Government and under the Government’s guarantees for investment projects realization with total amount of \$17.05 bln., including such large projects as Belarusian nuclear power station construction – \$10.82 bln., cellulose manufacture plant – \$0.65 bln., rolled steel production – \$0.16 bln.

V. FREE TRADE ZONES

35. Are there any special economic or industrial zones and other territories with favorable conditions for foreign companies and banks in the EAEU?

Free trade zones (FTZs) and other territories with privileges to foreign companies function on the territory of every EAEU member-state. This territories provide investors with tax and customs privileges, allowing to save up to 25-30% of expenses on the stage of project’s realization.

Business regulation in FTZ, except for customs regulation, is referred to the national competence of the EAEU member-states. It means application of different sets of privileges and preferences in member-states.

Belarus actively adopts initiatives on facilitating the investment conditions. Today practically all the country’s territory is the complex of successfully functioning preference zones with favorable investment conditions, i.e.: FTZs, industrial park “Great stone”& other zones including those located in small towns & countryside.

It’s worth noting that since January 1, 2017 customs privileges on delivery of goods produced by the FTZs residents to the rest of the EAEU Customs Territory will be abolished.

36. Are there any conditions within the EAEU to set up production under the trade mark “Made in the EAEU”?

The Union has the possibility to apply joint measures for promoting member-states’ export to the markets of third countries. These measures include, in particular, unified goods marking, based on voluntary use of quality standards.

Currently a project of an international Agreement “On Product of the EAEU” is being worked out. Its main purpose is to provide promotion of goods access to the foreign markets of Europe, the USA, and Asia under the brand “Made in the EAEU”.



It is planned that goods having high quality and sufficient processing level on the EAEU-members territory will obtain the status of EAEU product.

“Made in the EAEU” is a new integration level of member-states, which will promote setting up joint ventures, manufacturing products under the common brand. Production output under the single Union mark will simplify access to the markets of third countries and will give more chances in competition with foreign producers.

37. Will the goods produced in one of the EAEU member-states FTZ with customs exemptions, be subject to customs duties and taxes when imported to the other member-state territory?

Customs exemptions from paying customs duties & taxes are applied for goods manufactured (obtained) as the result of processing of foreign raw materials, being put under customs procedures of FTZ and further delivered to the territory of other member-states. This customs exemptions will be valid up to January 1, 2017 for residents registered before January 1, 2012. The validity of this privilege is connected with the determining the status of these goods as the “Union goods”.

Starting from January 1, 2017 all the goods, manufactured in FTZs shall be treated as foreign ones and should be imported to the rest of the Union territory according to the customs procedure of free circulation (domestic use) with paying customs duties and taxes. Customs duties and taxes are calculated only for foreign components of manufactured product (if it's possible to identify foreign components) or for all manufactured (obtained) product (if such identification is not possible).

VI. LABOUR RESOURCES, MISCELLANEOUS

38. Does the EAEU functioning presuppose the possibility of obtaining entry visa of one EAEU member-state and further free moving over the territory of the other-member-states?

Member-states of the EAEU carry out an independent visa policy. Thus, foreign citizens visiting each member-state need to follow bilateral entry regime.

It means that there is no mutual visa recognition within the EAEU. At the same time citizens of one EAEU member-state can visit every other member –state without visa.

39. What do citizens of the EAEU member-states gain from the integration? What are the labor opportunities for migrant-workers from the EAEU member-states?

Workers of the EAEU member-states can freely carry out labor activity in any EAEU state on the basis of labor contract or civil law contract without obtaining licensing documents. The restrictions aimed at protection of national labour-market of member-states are not applied to above-mentioned workers.

Labour activity of workers of a EAEU member-states is regulated by the legislation of job location country, according to the provisions of the EAEU Treaty. Workers are guaranteed equal rights with the native citizens of job host country such as:



right for job placement, remuneration of labour, social assistance (except pensionary) in work and rest, safe labour conditions, and in other areas of labour relations, including membership in trade-unions.

State standard education certificates are recognized without legalization. Worker's incomes are liable to taxation according to the legislation of the job host country (according to the same rate applied to similar incomes of residents of job location country).

Citizens of any EAEU member-state, who came for employment as well as members of their families, are free from registration during 30 days starting from the date of arrival.

Workers of the EAEU member-states have the right to address to competent authorities of a job host country with all the problems, connected with realization of their rights.

40. Is it possible to carry out labour activity in the EAEU for third-country nationals?

Labour activity of migrant-workers is admitted in Belarus if vacancies cannot be occupied by its citizens or foreigners living in the Republic of Belarus on a permanent basis. Migrant-workers can carry their labour activities in Belarus on condition of obtaining special permit and concluding labor contract.

Migrant-workers of the EAEU member-states have the right to engage in labour activity on an equal basis with the citizens of the Republic of Belarus. Special permission is not needed. Employers in Belarus have the right to hire workers from the EAEU member-states without any restrictions, applied to other categories migrant-workers for protection of national labour-market.

Social insurance, including pensionary, is applied to all migrant-workers according to the legislation of the Republic of Belarus. Realization by the migrant-workers of obtained pensionary rights is carried out according to the international treaty between the Republic of Belarus and a worker's State of domicile.



Notes



BELARUS' PRESIDENCY
in the EAEU bodies in 2015

