

Customs clearance

The movement of goods across the customs border can be carried out by any participants of foreign economic activity. Movement of goods is known as import or export of goods across the customs border of the Union by any means of transport which procedure is established by law. For the movement of goods there are not only specially equipped customs border checkpoints but also other places provided by the legislation in force. These checkpoints are located at airports, sea and river ports, bus and railway stations, cargo terminals. The customs authorities control all goods transported across the customs borders. The main objective of the customs authorities is to prevent the import of goods that pose a danger to citizens and to the country, for instance, smuggling and counterfeit goods, as well as the export of goods prohibited by law. Moreover, the customs authorities collect customs duties, supplementing the state budget. Customs clearance is the most important stage of the movement of goods. First of all, customs clearance of goods requires registration at the customs office and provision of some necessary documents.

The places where goods move across the customs border are intended for operations related to customs clearance and customs control. These operations are carried out by customs officials to prevent the illegal import or export of goods. Checkpoints are located at the intersection of traffic flows with the border and, also, at airports or seaports. Temporary storage warehouses (TSW) are usually used for customs clearance. Customs clearance of goods is carried out irrespective of the mode of transport used: road, sea, rail and air transport.

Customs clearance of certain types of goods is carried out at specialized customs offices, for instance, there are provided some excise customs checkpoints that have the authority to register excise goods.

Places where goods are moved by legal entities and sole proprietors.

Legal entities and sole proprietors are able to move goods across the customs border at any customs office located both at the border and within the country.

Places where goods are moved by individuals.

Individuals are able to move goods across the customs border in both accompanied and unaccompanied baggage, by mail or carrier. For goods moved in accompanied baggage usually used places of customs clearance are customs border checkpoints. These can be border terminals, border crossings, checkpoints, airports, seaports, railway stations and other checkpoints situated throughout the country. For goods moved by mail, carrier or in unaccompanied baggage customs clearance occurs in temporary storage warehouses.

The movement of vehicles across the customs border can be carried out by individuals, legal entities and sole proprietors. Vehicles include cars, vessels and aircrafts which as well as other goods must be registered at customs office. If vehicles are not used as means of international carriage, so then, according to the customs rules and regulations, they are regarded as goods transported across the customs border. Temporarily imported vehicles used in international transport are exempt from paying customs duties.

There are various ways to move vehicles across the customs border:

- «On its own wheels» - an owner or a ferryman drives the vehicle;
- In a car carrier or in a truck's body driven by a ferryman;
- On a railway platform or in a railway wagon;
- By sea transport;
- By air transport

All participants of foreign economic activity should bear in mind the need for customs clearance importing and exporting vehicles across the customs border. Vehicles certainly have to be cleared by customs at special excise customs checkpoints located at the owner's place of registration. Customs office always requires to submit the necessary documentation, including the one about vehicle's connection to GLONASS system, and pay customs duties when importing vehicles to the Russian Federation. The Eurasian Economic Commission's Council decision N 107 regarding the establishment of a uniform customs rate dependent on the age, cost and engine capacity of vehicle was taken on December 12th, 2017. Besides, custom and utilization fees need to be paid. For customs clearance of vehicles individuals pay much less duties than legal entities or sole proprietors (e.g. individuals are not obliged to pay excise tax).

Movement of goods across the customs border has features that should be definitely known by all participants of foreign economic activity. The key feature is a necessity for customs clearance of all transported goods. For certification of goods it is needed to fill out the required documents, namely a phytosanitary certification for plant products, a veterinary certification for livestock products, a declaration of conformity etc. For providing effective protection of intellectual property trademarks of transported goods can be entered into the **Customs Register of Intellectual Property Objects (TROIS)**. If this is confirmed during verification, then the owner will have to provide a letter of authorization. Registration certificate of the Ministry of Health is required for transported medical supplies, a conclusion of the Federal Service for Technical and Export Control (FSTEK) is needed for dual-use goods and Material Safety Data Sheet (MSDS) is usually attached to chemical products. The other feature is paying customs duties. Individuals are not able to move goods intended for commercial use. Moreover, it is crucial to be aware of prohibitions and restrictions related to the movement of goods across the customs border. If you are experienced and familiar with all aspects of this process, you will not face any problems.

Illegal movement across the customs border

This is a breach of the procedure established by law for moving goods across the customs border. Such offense is punishable by law under article 16.1. of the Code of Administrative Offences and also with a fine for participants of foreign economic activity. First of all, movement of goods and vehicles is invalid in facilities determined by law. For this kind of violation not only a fine of three times the value of goods may be imposed but also the confiscation of goods is rather possible. All legal entities, sole proprietors, individuals and officials are liable to punishment. The same penalty is applied to those perpetrators who import or export goods secretly using caches or other tricks. Providing customs inspectors with false

information and invalid or forged documents is considered as a serious violation punishable with a fine. Maintaining regulations for transportation of goods by individuals is worth paying attention to, especially the unacceptable carriage of commercial consignments. Requirements for goods moved by individuals are specified in the decision of the EEC Council N 107 taken on December 12th, 2017. The most common type of punishment is a fine, but if the cost of illegally moved goods or vehicles is more than 250,000 rubles or the goods are listed in article 188, paragraph 2 of the Criminal Code, the violator is subject to criminal penalty for smuggling.

Procedure for movement of goods by individuals across the customs border

This procedure is established by customs regulations which include restriction requirements, payment of customs duties and paperwork. Procedure for movement of goods should be maintained by individuals as well as other participants of foreign economic activity. The Customs Code of the Eurasian Economic Union and different legislations are regarded as the legislative framework. The decision of the EEC Council N 107 taken on December 12th, 2017 is the most important document which limits the amount of import duties, quantity and types of goods imported by individuals without paying any customs fees. The crucial requirement is the purpose of goods: individuals can transfer only personal items intended for household or family purposes, whereas items for productive use or sale can not be moved by them. The purpose of goods is determined by the customs inspector based on product characteristics, frequency of movement and their quantity. Individuals can import and export goods only in the places established by law where customs control is carried out. Such places are checkpoints where everything is stipulated for interviewing individuals, checking documents and provided information, inspection of individuals and also inspection or examination of goods and vehicles moved by these natural persons. There are goods that necessarily must be declared at the border: cultural values, rare plants or animals, vehicles, state awards, weapons, medicines containing strong drugs and substances. It is allowed to transport money without going through customs clearance procedures, if the amount of money is not exceed the equivalent of 10,000 U.S. dollars.