**Tariffs and Modern Trade**

Free Trade Agreements have proved to be one of the best ways to open up foreign markets to EU exporters. Trade Agreements reduce barriers to EU and EAEU exports, and protect trade partner interests and enhance the rule of law in the FTA partner country. The reduction of trade barriers and the creation of a more stable and transparent trading and investment environment make it easier and cheaper for companies to export their products and services to trading partner markets.

**Background EAEU Customs Code Legislation**

EAEU new Customs Code will enter into force on January 1, 2018. On April 28 this year, the Council of the Eurasian Economic Commission (EEC) attended by the Vice Prime Ministers of the Governments of the Member States of the Eurasian Economic Union (EAEU). Issues of customs regulations, social security and pension schemes for workers of the Union countries, elimination of barriers and restrictions at the Union market, technical regulation, cooperation of the agroindustrial complex in carrying out of research works were discussed.

**Changes under new EAEU Customs Code**

- The customs declaration is made electronically, a written customs declaration is only possible in exceptional cases.
- The customs declaration can be submitted without physical documents and accompanying documents, which are only requested and checked in the course of the risk system.
- Stronger networking with other public electronic databases. Example: Registered certificates can be retrieved directly on the IT side during customs clearance.
- Simplification and optimization of the content of customs declarations.
- Central point of contact for the economic stakeholders (one-stop shop principle).
- Shorter clearance periods for customs procedures.
- The new customs code refers less to national regulations and laws than before
Areas of trade obstacles: 
Material classification in terms of customs codes

Market leaders are thinking about harmonized customs system strategically, and as an opportunity not only to reclassify and review the impact to existing item classifications, but also as a mechanism to institute meaningful operational changes.

Leading businesses also recognize that a manual review of each national tariff schedule would be inefficient given the cascading effects of the changes to multiple countries e.g. EU Union Customs Code or код ТН ВЭД in the EAEU, systems of record and other governmental regulations.

Businesses are seeking systems or solutions that can easily deliver updated trade information via multiple methods to mirror operational requirements. Some companies may find that a simple web-based delivery system is adequate, while others may require a more robust online workbench that can jumpstart updated codes to multiple countries, and still others may need comprehensive system-to-system connectivity. The key here is to meet the challenge with the right solution to minimize risk and boost productivity. The methodology that a company chooses to make the transition is of critical importance to streamline processes and to help businesses achieve long-term success.

Objectives to start the dialog and a working group between EU and EAEU

First of all establish a channel of communication between EU commission and EAEU commission as the both lawmaking instances for EU Directives.

Installation of a working group for customs and trade barriers to start the initiatives and dialogues of the following topics:

- Streamline customs legislation and procedures
- Simplify customs rules and procedures and facilitate more efficient customs transactions in line with modern-day needs e.g. Trade Partner Tariff Tool
- Involve European exporters and interested parties of Russian industry in a discussion with EAEU commission about a customs solution with the “applicant” issue, that makes sense in terms of less bureaucracy
- Reinforce swifter customs procedures for compliant and trustworthy economic operators (Authorized Economic Operators)

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