

**Working Party on the Accession
of the Russian Federation**

**DRAFT REPORT OF THE WORKING PARTY ON THE
ACCESSION OF THE RUSSIAN FEDERATION
TO THE WORLD TRADE ORGANIZATION**

Corrigendum

Delete 55, 70, 164, 262 and 281 of document WT/ACC/SPEC/RUS/25/Add.1 and replace with:

- _____
55. **72** The paragraph 72 states that the federal subjects of the Russian Federation have the right to negotiate and conclude Agreements with their partners on international and foreign economic ties. Besides the phrase "such agreements could not contradict federal legislation" the second sentence of paragraph 72, we would insist on insertion of the phrase which would explicitly state that: "such Agreements that should fully respect the national legislation of partners' countries should not harm the economic interests of these countries". We would also wish to insert in the last sentence of paragraph 72 the phrase, which would specify that the subjects of the Russian Federation do not represent the subjects of international law.

We feels that the main provisions of the Federal Law to which the reference is made in paragraph 72 are being constantly violated by the subjects of the Russian Federation. In this respect we would like to note that there is a huge difference between existing reality and conditions stated in the paragraph 72. That is why we need explanations from the Russian Federation how it intends to ensure full observance of this law by its subjects. We also seek commitment from the Russian Federation that its federal or sub-federal entities will act strictly in conformity with the above-mentioned law fully respecting national legislation and interests of partners' countries.

70. **89** During Russia's accession talks, this delegation on several occasions expressed its concern over the restrictive results of the current system of licensing in Russia for the sale of alcoholic beverages. We feel that there is a significant difference between the rates of the fees charged by the Russian Federation for the right to import, storage and wholesale of alcoholic beverages and those charged for domestic distribution or export, which represents the violation of paragraph 1 of Article III of the GATT. In this respect we urge the Russian Federation to make the appropriate adjustments in its legislation in order to comply with the WTO relevant provisions and to insert the relevant commitment language in the draft Report.

¹ In English only

164. **173, 174** At the beginning of our meeting, we expressed our appreciation to the Secretariat for accurate drafting of the Report. I would like to reiterate the importance of problems described in paragraphs 173 and 174 regarding the customs regulation and simplification of border control measures and necessity of bringing all these inconsistencies under the WTO legal umbrella.

In our opinion, the problems listed in paragraph 174 of the draft Report still remain unresolved and open. Therefore, we seek the commitment from the Russian Federation to prevent the illegal flow of smuggled goods from its territory. We also urge the Russian Federation side to remove all customs formalities, which represent hidden barriers to trade and major trade distorting measures, prior to its accession to the WTO.

262. **268, 269** We once again would like to raise a question concerning the transit of goods including those of dual usage. Regrettably, despite our requests with respect to getting clarifications and detailed description of transit procedures and goods of dual usage, we did not receive the clear response on that issue as it is mentioned in paragraph 268.

Furthermore, we would welcome undertaking clear commitment by the Russian Federation with respect to the transit of goods, as it is provided for in paragraph 269 of the draft Report.

281. **284, 285** We welcome the working out by Russian Government of amendments to the Federal Law of 1992 "On Trademarks, Services Marks and Appellations of Origin" which, in our opinion, gives an additional protection to geographical indications for wines and spirits.

- According to information available to us, the Russian side has intensified the work for developing the common register of geographical indications within the CIS, which is in full line with decisions of the WTO Doha Ministerial Conference. We certainly welcome these positive steps while wondering if the Russian delegation could provide us with some detailed information about passing of the CIS Agreement on Creation of Common Register of Geographical Indications in the State Duma.

Besides, we would appreciate if this point will be duly reflected in the draft Report.
