

Client Alert

International Trade & Litigation Practice Group

December 21, 2011

WTO Accession of the Russian Federation

Implications for the Chemicals Sector

Russia's accession to the World Trade Organization (WTO) will create opportunities to increase exports of chemicals and will introduce new regulations related to the energy sector, including pricing and subsidy rules. On 16 December 2011, WTO Members accepted the terms of the Russian Federation's accession. Russia will officially become a WTO Member 30 days following the ratification of its Protocol of Accession, which will take place before 15 June 2012.

Bound Import Tariffs and Export Duties

Russia has committed to reduce its tariffs on chemical products to an average "bound rate" of 5.2%. The reduction from the current applied average tariff of 6.5% is modest but the WTO "binding" means that Russia cannot raise tariffs above this amount except under very limited circumstances. Russia may continue to impose duties on exports of mineral fuel, oil and gas, but these will be bound at levels set according to formulas that are part of Russia's schedule of concessions.

Non-Tariff Barriers

Quantitative restrictions on imports of goods, such as quotas, bans, permits, prior authorization requirements or other requirements or restrictions that cannot be justified under the WTO provisions will be removed upon Russia's accession to the WTO. All technical regulations will have to be developed and applied in accordance with the relevant WTO agreements and in particular with the Agreement on Technical Barriers to Trade (TBT Agreement). Under the TBT Agreement, Russia may only apply technical regulations to the extent that they are not more trade restrictive than necessary to fulfill legitimate objectives.

* * *

For more information, contact:

Sergey B. Komolov
+7 495 797 3797
skomolov@kslaw.com

Jennifer A. Josefson
+7 495 797 3797
jjosefson@kslaw.com

Daniel C. Crosby
+41 22 591 0801
dcrosby@kslaw.com

Stephen J. Orava
+1 202 661 7937
sorava@kslaw.com

King & Spalding
Moscow
10 Vozdvizhenka Street
3rd Floor (Regus)
125009 Moscow
Russian Federation
Tel: +7 495 797 3797
Fax: +7 495 797 3600

Geneva
7 Quai du Mont Blanc
CH-1201 Geneva
Switzerland
Tel: +41 22 591 0800
Fax: +41 22 591 0880

www.kslaw.com

KING & SPALDING

Client Alert

International Trade & Litigation Practice Group

King & Spalding's specialized international trade lawyers have been working on the Russian accession since 1995 and have assisted many clients in connection with accession negotiations. Our international legal team assists clients in taking advantage of trade and investment opportunities in Russia and in connection with the implementation of Russia's WTO commitments.

Celebrating more than 125 years of service, King & Spalding is an international law firm that represents a broad array of clients, including half of the Fortune Global 100, with 800 lawyers in 17 offices in the United States, Europe, the Middle East and Asia. The firm has handled matters in over 160 countries on six continents and is consistently recognized for the results it obtains, uncompromising commitment to quality and dedication to understanding the business and culture of its clients. More information is available at www.kslaw.com.

This alert provides a general summary of recent legal developments. It is not intended to be and should not be relied upon as legal advice.