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 *Import Policy*

**Embargoed Purchases OK From Foreign Online Stores**

By Natalia Suvorova

Oct. 19 — Russian customers can legally order embargoed goods from foreign online stores if those goods are intended for personal use, a Federal Customs Service (FCS) official confirmed. Customs officers will determine for what purposes the shipments are intended.

Presidential decree N 560 from Aug. 6, 2014, and the Government Resolution N 778 from Aug. 7, 2014, listing the goods that are prohibited for imports to Russia do not apply to the items intended for personal use, First Deputy Head of the Central Customs Administration of the FCS of Russia Konstantin Galnykin said Oct. 16.

According to Galnykin, such orders can legally go through the customs unless they are handled by intermediary companies that accumulate several orders exceeding the current weight limits — 5 kilograms (11 pounds) maximum on the goods for personal use.

“The point is that we have intermediaries who accumulate these orders for personal use into one or more shipments, and they do not take into account the amount of transported goods in certain periods of time, the weight characteristics, so often online shipments qualify as commercial freight. Of course, the customs will not [let such shipments pass],“ Galnykin said as quoted by the Interfax news agency.

Customs should work with operators that ship goods to Russia to see whether the shipments are for commercial purposes or personal use, the FCS official said.

Previously, the FCS gave conflicting statements on the matter. On Oct. 14, the FCS replied to an inquiry from the Russian online service, Shopfans, which specializes in delivering goods from U.S. online stores to consumers in Russia. In the letter, partly cited by the RBC newspaper, the FCS representative specified that the ban on the range of Western foods that fall under so called “food sanctions” does not apply to the goods that individuals order for personal use. However, one day later, the agency retracted that statement, and finally confirmed the legality of online purchasing of the banned goods on Oct. 16.

**Customer Carries All Risks**

The Customs Service can find out the intended purpose of shipments only after inspecting the ordering customer, possibly with the help of Rospotrebnadzor, Russia's consumer rights watchdog, said Mark Karetin, partner at Yukov and Partners law firm. “Constantly ordering products to the same address or by the same person can become the basis for the customs services sending a signal to Rospotrebnadzor, which will run the inspection,” Karetin told Bloomberg BNA by phone Oct. 19. “For example, if the address listed on the parcel is not a private address, but there is a restaurant, shop, etc., there will be an inspection.”

The U.S. and other foreign companies shipping to Russia cannot be held liable by Russian authorities for sending or selling embargoed goods to the country, Karetin said. “The person who makes a purchase should know whether the product is limited in turnover and bear the associated risks,” he said.

Purchasing banned food online is expensive and is used by few customers, so the decision to keep the opportunity open will barely affect Russia's trade volumes, said Oleg Matveychev, a professor at Higher School of Economics in Moscow. “It will not affect [the Russian] economy, but it will help the people who want to get a rare article of foreign manufacture,” Matveychev told Bloomberg BNA by phone Oct. 19.

According to the National Association for Distant Trade, which advocates e-commerce and distance selling, the number of incoming parcels to Russia is more than 100 times the number of outgoing shipments. In 2014, more than 70 million parcels from abroad were delivered to Russia, while 650,000 parcels were sent from the country.

Russia banned food imports from the U.S., European Union, Canada, Australia, and Norway in August 2014 as a response to the sanctions imposed on the country over its actions in Ukraine. That list of countries now also includes Albania, Montenegro, Iceland and Liechtenstein. The list of embargoed foods includes meat, cheese, fish, dairy products, nuts, etc. In June 2015, the government extended the ban through August 2016.

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**For More Information**

Presidential decree N 560 from Aug. 6, 2014, “On the application of certain special economic measures to ensure the security of the Russian Federation”, in Russian, is available at http://publication.pravo.gov.ru/Document/GetFile/0001201408060033?type=pdf.

Government Resolution N 778 from Aug. 7, 2014 « On measures of realization of the Presidential decree N 560 from 6 August 2014” with the full list of sanctioned products, in Russian, is available at http://publication.pravo.gov.ru/Document/GetFile/0001201408070021?type=pdf.