

SINO-RUSSIAN BUSINESS: FIVE TIPS ON GOODS REGULATION UNDER RUSSIAN LAW

The need for Chinese awareness of goods regulation in Russia has substantially increased due to both the vast number of goods being supplied to Russia from China, and a growing focus on quality and safety standards in the country. Various types of goods are subject to specific requirements that should be known to both distributors and manufacturers, as they impact especially upon those who are looking to expand their business into Russian territory. Below are a few legal tips on how consumer goods standards are regulated under Russian laws.

Tip 1: Labeling of the Goods

Article 495 of the Civil Code of Russia obliges all retail sellers to provide consumers with full and accurate information on the goods sold. This is done primarily by labeling goods in a way that allows consumers to identify the main properties of the goods, their manufacturer, the country of origin, and so on.

Labeling does not only perform advertising and marketing functions; it also acts as the main source of information for customers, and it must therefore comply with numerous legal requirements which vary depending on the product type.

For example, information on food products (which in itself depends on the type of food product), may include an indication of nutritional facts (additives, nutritionals, flavour intensifiers, and GMO content when it exceeds 0.9%, among others), energy, the intended destination of the product, use and storage conditions, ready meal preparation instructions, drained and net weight, manufacturing date and place, contraindications, and so on. Flammable products must also contain the relevant warning in Russian.

The display of any information that might misguide consumers as to the properties of the goods, such as attributing medical properties to the goods when the goods do not possess them, is generally prohibited.

The label must contain information in the Russian language irrespective of the goods' country of origin; this responsibility lies with the importing organization. The label must be legible.

Tip 2: Packaging

Packaging is a crucial contractual point, as it ensures the safe transportation of goods and determines the respective duties and liabilities of the parties.

It is important to determine within a sale or supply agreement the seller's or supplier's duties in relation to the transport of the goods, and the use of consumer packaging. If the parties choose to follow the Incoterms provisions in their transaction, the relevant packaging obligations can be defined under Incoterms.

The party with whom the respective liability lies must also take all the necessary steps to ensure that the packaging fully complies with statutory requirements in Russia.

For example, where hazardous goods are transported it is necessary to display on the packaging the relevant labels which outline the hazard classes involved. The packaging should facilitate customs inspections whilst ensuring the necessary level of goods security. Statutory standards may also set out special requirements in relation to the packaging of hazardous goods, such as container capacity, other types of special packaging labels, container fixtures, and so on.

Consumer packaging must also comply with statutory phytosanitary requirements to ensure that the goods preserve their properties within their warranty period. Particularly strict rules apply to food products.

Tip 3: Conformity Assessment

To verify the quality and safety of goods circulating in the territory of Russia, the goods might undergo a conformity assessment. This can be voluntary or mandatory.

Mandatory assessment of the conformity of goods includes the provision of an official declaration of their conformity, or the provision of mandatory certification. The latter should be made by an accredited certification body. Goods that are subject to either a mandatory declaration of conformity or mandatory certification are listed in legislative acts, technical regulations, and other normative documents, and include oil products, metal production, plastic and paint materials, and so on.

To import goods from China to Russia that are subject to mandatory certification, it is necessary to obtain certificates of conformity confirming that the relevant goods comply with the minimum requirements. Acquiring this certificate should be a condition in any contract signed by the parties.

Additional documents accompanying the goods may include fire safety certificates, phytosanitary certificates, sanitation and epidemiological certificates, and other documents that might be required due to the nature of the goods (such as documents specifying whether the goods might impact the ozone layer adversely). Therefore, depending on the type and

specification of goods, Russian customs authorities may require the presentation of a number of documents under the threat of such goods not being allowed entry into Russia.

Tip 4: Energy Efficiency Requirements

The recently adopted Federal Law "On Energy Efficiency" dictates new requirements for the labeling of goods with regard to their class of energy efficiency. The requirements of this law cover a wide range of goods currently imported by Russia, including amongst others, bulbs, screens, refrigerators, microwaves, air conditioners, and elevators. Manufacturers and importers of such goods must include proper labeling on each item, with accompanying documentation specifying the exact class of energy efficiency assigned to the particular product.

Seven classes of energy efficiency are available, with "A" being the most efficient, and "G" being the least efficient. Certain products (e.g. printers) can be assigned one of the additional A+, A++, or A+++ classes.

Therefore, energy efficiency requirements constitute an important part of the process of importing electric goods to the territory of Russia, and a breach of them may result in both civil and administrative liability.

Tip 5: Age-Sensitive Goods and Information

Information contained in and distributed via some specific goods, such as video games or polygraphic materials, may result in the moral, mental, and physical detriment of the development of children and teenagers. Accordingly, the 29 December 2010 Federal Law "On Protection of Children of Information Being of Prejudice to Their Moral Development" was enacted.

According to this Law, all information that has the possibility of reaching children is classified into groups depending on its content, theme, genre, and layout. Age is also a criterion for classifying the information, and the following sub-groups have been created: under the age of 6, 6+, 12+, and 16+. Information that is wholly prohibited for children must be marked as 18+ or contain the warning "prohibited for children".

Each of the groups listed above has its own specific restrictions on the type of information that may be distributed to it, and special visible marks must accompany every information product (broadcasting materials, printing products, and so on).

If the information is being broadcast, the information mark must precede the broadcasting itself. If several marks can be attributed to the entirety of the information, the final mark must be that of the oldest age group in question.

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