



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate A. International
The Director

Brussels
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Dear Mr Malkhasyan,

I would like to thank you for your availability for the meeting on Thursday 15 July 2021 to discuss the recent developments in regards to wine legislation in Russia, and in particular the changes introduced by Law 345-FZ. The Commission services are still analysing the impact of this law on EU exports to Russia. In this context, please find enclosed some questions for clarification in the Annex. I hope you will be in a position to provide answers to these questions soon.

As stressed during the meeting, I would like to urge you to notify this law under the WTO TBT Agreement as soon as possible to fulfil Russia's obligations as a WTO Member so as to allow all interested Parties to comment. I would also like to remind you that whilst Law 345-FZ entered into force on 2 July 2021, Article 2.12 of the WTO TBT Agreement requires a reasonable interval¹ between the publication and entry into force of technical regulations, except when this would be ineffective in fulfilling the legitimate objectives pursued. In this regard, I would also be grateful for an indication of the particular objectives pursued with the amendments introduced by Law 345-FZ.

The new law is already causing uncertainty also on the Russian side, leading to trade disruption at the customs border and cancelled orders by the Russian importers, as they are left with uncertainties as to the way to interpret the new legal provisions. These difficulties are ongoing and causing disruption to bilateral trade and it would be desirable to introduce remedial measures. I would, therefore, appreciate it if the relevant central authorities could, without delay and certainly by the end of July, provide a clear guidance to the customs and to the importers regarding the interpretation and the on the ground implementation of the new legal provisions. This, including with the same positive message as passed to the Commission services during the meeting, that there is no need for re-labelling and re-certification of wines and wine based products that were in conformity with Law 468-FZ before the entry into force of Law 345-FZ.

I would also be grateful if you could indicate the direct contact point for questions by the operators related to interpretation of the legal provisions.

¹ Subject to Decision G/TBT/M/26 of 6 May 2002 and as further encouraged by the TBT Committee in 2006, a reasonable time shall be understood as not less than 6 months.

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I have been also encouraged as to the flexibility considered and signalled at the meeting by the Ministry of Agriculture as regards the timing of application of this law, as it would allow all parties to fully understand the changes brought about by this law and possibly to propose amendments. As I stated at our meeting we would ask that the law be suspended. I would appreciate such decision as soon as this is possible according to Russia's domestic law procedures. It is my understanding that this issue will be raised in the coming days at the political level.

I would appreciate your urgent attention to this matter, so as to alleviate the burden on the business and I am keen to meet you and your services again in September. In the meantime the EU Delegation will contact you as regards the urgent issues raised in the letter.

Please rest reassured of my high consideration.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "John Clarke". The signature is fluid and cursive, with the first name "John" and the last name "Clarke" clearly distinguishable.

John A. CLARKE

Annex

EU questions for clarifications of

the Federal Law 345-FZ on amendments to the Federal Law "On State Regulation of the Production and Circulation of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products and on Limiting the Consumption (Drinking) of Alcoholic Products" and certain legislative acts of the Russian Federation

General questions

- 1) Law 345-FZ invalidates Article 2(5) of the Federal Law 468-FZ. Could Russia confirm that, nevertheless, in case of discrepancies, any international treaty to which Russia is a party, prevails? Could Russia also indicate where the hierarchy of laws is regulated in Russia's domestic legislation?
- 2) The Eurasian Economic Commission confirmed at several occasions that the EAEU technical regulations prevail over the national laws of the EAEU MSs²; could Russia confirm that it shares this understanding?
- 3) Can a wine product complying with OIV recommendations be in contradiction with Law 468-FZ or Law 171-FZ?
- 4) Could Russia re-confirm that products that before 2 July were in conformity with requirements under Law 468-FZ and Law 171-FZ can continue being exported and marketed in Russia, without any need of re-labelling or re-certification?
- 5) In reference to the above, could Russia confirm that in case there are no changes to the product itself, nor to the category it belongs to, the importers may continue using current certificates of conformity?
- 6) In case of the need of re-certification for products, which were in conformity with the requirements of Law 468-FZ and Law 171-FZ: can Russian authorities implement a fast-track re-certification without a necessity to send import product samples so as to make possible a expeditious processing of applications?
- 7) Could Russian authorities inform on the competent authority for implementation and monitoring of the Law 345-FZ?
- 8) Could Russia share the (draft) bill that should further amend the Law 468-FZ (as mentioned during the meeting)?

On exports of EU GIs to Russia

- 9) Could Russia confirm that despite the deletion of the definition "wine with protected geographical designation (of origin)" and replacing it with "Russian wine with protected geographical designation (of origin)" the EU GI wines can continue being exported and labelled with their GI designations (both in Latin and Cyrillic) in Russia?
- 10) Does the above-referred deletion mean any change of sales category for EU wine GIs and therefore a) re-labelling or b) re-certification?

² That is pursuant to article 53 of the Treaty on the EAEU, whereby the Member States shall ensure the circulation of products conforming to the requirements of the technical regulations of the Union in its territory without introduction of any additional requirements to such products in excess of those set out in the technical regulations of the Union and without any additional conformity assessment procedures. The Treaty on the EAEU has been ratified by the Russian Federation (Federal Law dated October 3, 2014 No. 279-FZ "On ratification of the Treaty on the Eurasian Economic Union")

11) According to Art. 32(1) as amended by Law 345-FZ, producers of Russian GIs wine may indicate the GI name on the label. Could Russia clarify that imported GI wines may (additionally to all the mandatory particulars) indicate on the front and back label the name of the PDO/PGI in Latin and/or Cyrillic characters?

Exports of PDO Champagne from France to Russia

12) Could Russia confirm that there is no requirement of re-labelling of PDO Champagne and *on the back label PDO Champagne will have to indicate category “sparkling wine” in Cyrillic, whilst * on the front label PDO Champagne can indicate “Champagne” in Latin or in Cyrillic (together with other commercial information such as trade mark)?

13) Does the deletion by Law 345-FZ of the reference to “champagne” in Law 171-FZ require PDO Champagne to fulfil the new certification process for sparkling wine?

Exports of PDO Cognac from France to Russia

14) Can the Ministry of Agriculture confirm, as it did in a physical meeting on 22 July 2020, that Article 26 of Law 468-FZ does not apply to wine distillates, such as Cognac and that, as a consequence, no change in labelling is required for Cognac with the amendment under Law 345-FZ?

15) Could Russia clarify if importers need to indicate on the product label a) the age of the youngest component (ie, eau de vie) used in the blend and b) the new Russian aging categories for products classified as “cognac”, as introduced in Article 18 (6), or are these indications voluntary? In case the indications are obligatory, does this require a) re-labelling and/or b) re-certification?

16) Could Russia confirm that the new aging classification can still be complemented (on the front label) by the traditional ageing classification for Cognac (VS, VSOP...)?

17) Law 345-FZ introduces a provision, Article 4(3), that is not clear: “Within 7 years from entry into force of this Federal Law processing or use of "cognac" distillate produced outside of Russia is allowed for the production of "cognac". Could you please confirm our understanding that this provision and therefore the obligation to source raw materials in Russia concerns only “cognacs” produced in Russia and not PDO Cognac from France?