



NEW CRITERIA FOR CHEMICALS

The Ministry of Industry and Trade (Minpromtorg) has revised the list of chemical products and updated the criteria for confirming the Russian origin of goods.

The Russian Ministry of Industry and Trade has proposed to amend the Government Resolution “On Confirming the Production of Industrial Products in the Territory of the Russian Federation” to include the Chemicals section. Previously, the resolution extended only to certain paints and varnishes in the chemicals market.

The Ministry's draft resolution “On Amending the Annex to Russian Government Resolution No. 719 dated 17 July 2015” is expected to amend the effective regulation by adding the “XXIV. Chemicals” section. Apart from adhesives and water-based acrylic dispersions, the Ministry proposes to include soda ash, sodium bicarbonate, esters of stearic, lauric, oleic, linoleic, linolenic and other aromatic monocarboxylic acids, fertilisers, sealants, water-dispersion primers, glycerol, pesticides, herbicides, insecticides, fungicides, radiographic films, synthetic fibres and cables, tires, plastic and rubber products.

PREVIOUSLY, THE RESOLUTION EXTENDED ONLY TO CERTAIN PAINTS AND VARNISHES IN THE CHEMICALS MARKET.

For each of the above products, the lawmakers proposed a number of criteria to confirm the Russian origin of goods. A manufacturer may not be regarded as a domestic producer unless it has technical documents to the extent sufficient for manufacturing and upgrading production in Russia on a five-year horizon, all permits required for operating the relevant production facilities and the quality control unit. Moreover, at least three of the following operations must be located in Russia: heating/cooling, mixing, synthesis, granulation, filtration, grinding.



HOMA products are in full compliance with the new criteria set by Russia's Ministry of Industry and Trade.

The Ministry also provides a list of companies that satisfy the new criteria. These include among others, HOMA, SIBUR's partner specialising in polymer dispersions, water-based dispersion adhesives and primers. Notably, all of its products are in full compliance with the origin criteria.

The passing of the resolution will be an important step to shoring up the position of domestic businesses in the market and help companies access government export support.