

Mr. Igor Shuvalov First Deputy Prime Minister of the Russian Federation 2 Krasnopresnenskaya Naberezhnaya Moscow 103274 The Russian Federation

5 December 2011

Your Excellency,

Through its membership of forty-one leading national business associations in 35 European countries, BUSINESSEUROPE represents twenty million small, medium, and large companies to the institutions of the European Union.

BUSINESSEUROPE also pays close attention to ongoing legislative developments in the Customs Union of Russia, Belarus, and Kazakhstan, which is a major trade and investment partner of the EU.

We wrote to you previously assuring you of our full support for the current technical regulation policy used by Russia in the context of the Customs Union. Our expectation is that the Russian approach will lead to the harmonisation of technical requirements for many products and commodities with those of the EU. We believe that harmonized technical product regulation will continue to accelerate trade and investment cooperation between the European Union and the Customs Union as it will help facilitate the movement of goods and investment between the two largest common economic areas on the European subcontinent.

It is especially encouraging to see Russia looking to the EU's Better Regulation framework in an effort to draft sensible and balanced technical regulation. Several aspects of the Better Regulation approach are of special relevance to our members across the business community:

- that there is a strong legal, and evidence based, justification for any new regulation;
- 2. that broad and wide consultation with all interested parties takes place as the regulation is being drafted;
- 3. that robust impact assessments are carried out on those parties likely to be impacted by the new regulation;
- 4. that the new regulation is transparent, fair, and proportional in its scope, and ;

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5. that all legislation includes a reasonable transition period before its implementation so as to allow all interested parties to comply with new requirements and provide guidelines and/or clarifications – if necessary.

As technical regulation develops across the Customs Union, we would wholly endorse the incorporation of these principles in all legislation in sectors relevant to our membership.

It would also be reassuring to see the Russian government use its influence to ensure that other members of the Customs Union adhere to these principles especially before, during, and after periods of public consultation for ongoing technical regulation development. For example, when technical regulation amendments are suggested by Customs Union members during public consultation periods, assistance from Russia to ensure that final, post-consultation amendments are based on existing balanced legislation and regulation that already applies in the EU, would be extremely reassuring to our members.

Any amendments adopted, that incorporate the Better Regulation approach, would certainly help ensure that no unnecessary obstacles to trade are created during the process of technical regulation development. This is especially relevant as Customs Union countries move toward WTO membership.

Our members fully support ongoing technical regulation and certainly recognise the business wisdom in alignment to a better regulation type approach as it will lead to regulation that is balanced, transparent, and proportional. Given Russia's important position within the Customs Union, we would appreciate it if you could communicate these sentiments to your counterparts in Kazakhstan and Belarus.

Yours, sincerely.

Philippe de Buck