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Sixty-ninth session Second Committee Agenda item 19 Sustainable development

## Letter dated 10 November 2014 from the Permanent Representatives of Belarus, Kazakhstan and the Russian Federation to the United Nations addressed to the Secretary-General

We attach herewith an explanatory note about the establishment of the Eurasian Economic Union (see annex).

We should be grateful if you would have the present letter and its annex circulated as a document of the sixty-ninth session of the General Assembly, under agenda item 19 "Sustainable development".

(Signed) A. **Dapkiunas** Permanent Representative of the Republic of Belarus to the United Nations

(Signed) K. Abdrakhmanov Permanent Representative of the Republic of Kazakhstan to the United Nations

(Signed) V. Churkin Permanent Representative of the Russian Federation to the United Nations





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## Annex to the letter dated 10 November 2014 from the Permanent Representatives of Belarus, Kazakhstan and the Russian Federation to the United Nations addressed to the Secretary-General

## **Eurasian Economic Union**

## (Explanatory note)

On 26 February 1999, the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan signed a Treaty on a Customs Union and a single economic space, in which, without establishing specific timelines, they defined the following stages of integration:

At the first stage — to ensure the full operation of a free trade regime, in particular, the non-application of tariff and quantitative restrictions on mutual trade, the introduction of a single system for the levying of indirect taxes, and the elimination of administrative, fiscal and other impediments to the free movement of goods;

At the second stage — to establish a Customs Union, incorporating a single customs territory, a common customs tariff and the abolition of customs controls on internal borders;

At the third stage — to create a single economic space, envisaging the conduct of coordinated economic policy and the formation of a common market for goods, services, labour and capital, the establishment of a single infrastructure and completion of the harmonization of the legislation of the Parties.

On 10 October 2000 the Eurasian Economic Community was formed. It consisted of the Republic of Belarus, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation and the Republic of Tajikistan.

On 16 August 2006, in Sochi, at a meeting of the Heads of the States members of the Eurasian Economic Community, a decision was adopted on the establishment of a Customs Union among three States (Belarus, Kazakhstan, Russian Federation) within the framework of the Eurasian Economic Community.

The Customs Union has been fully functional since 1 July 2011.

On 6 October 2007, in Dushanbe, the Heads of State of Belarus, Kazakhstan and the Russian Federation signed a Treaty on the Commission of the Customs Union, which provided for the establishment of a single, permanent regulatory body — the Commission of the Customs Union — which is responsible for the implementation of the decisions of the supreme organ of the Customs Union — the Interstate Council of the Eurasian Economic Community (at the level of Heads of State and Government).

With a view to increasing the effectiveness of the work of the Commission, the Treaty specified that its decisions will have binding force of implementation in the territories of the States parties.

On 19 December 2009, in Almaty, at an informal meeting of the Heads of the States members of the Customs Union, a decision was taken to approve a plan of action on the creation of a single economic space by Belarus, Kazakhstan and the

Russian Federation — the next stage of integration after the Customs Union. A package of 17 basic agreements for the creation of the single economic space entered into force as of 1 January 2012.

On 18 November 2011, at a meeting of the Presidents of Belarus, Kazakhstan and the Russian Federation in Moscow, the Treaty on the Eurasian Economic Commission was signed, establishing the Commission as a single permanent regulatory body of the Customs Union and the single economic space. The Eurasian Economic Commission started work on 1 February 2012. It was assigned the broad powers necessary for the adoption of the complex decisions required for the continuation of the integration processes. It was given responsibility for issues of customs, tariffs and technical regulation, the establishment of commercial regimes in relation to third countries, competitive, macroeconomic and energy policies and a number of other issues.

In accordance with the Treaty on the Eurasian Economic Commission, authority in respect of issues relating to the Customs Union and the single economic space, which was formerly exercised by the Interstate Council of the Eurasian Economic Community (the supreme body of the Customs Union) was transferred to the Supreme Eurasian Economic Council as of 18 November 2011.

On 18 November 2011, at the first summit meeting of the Supreme Eurasian Economic Council, the Presidents of Belarus, Kazakhstan and the Russian Federation adopted a Declaration on Eurasian economic integration, which is a kind of road map for further integration and cooperation under the format of the Customs Union and the single economic space. It specifies the future goals of Eurasian economic integration, including the objective of establishing a Eurasian economic union by 1 January 2015.

At a meeting of the Supreme Eurasian Economic Council on 19 December 2012 in Moscow, a decision was taken which, inter alia, tasked the Governments of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation and the Eurasian Economic Commission with arranging for the codification of the international treaties constituting the international legal foundation of the Customs Union and the single economic space, and on that basis to prepare, by 1 May 2014, a draft treaty on a Eurasian Economic Union.

During a meeting of the Supreme Eurasian Economic Council at the level of Heads of State held in Astana on 29 May 2013, an understanding was reached that as of the date of the establishment of the Eurasian Economic Union on 1 January 2015, the Eurasian Economic Community would cease to exist. It was agreed that the frameworks for cooperation worked out within the Community should not be lost, as they continued to be valuable for the parties.

At a meeting of the Supreme Eurasian Economic Council on 29 May 2014 in Astana, the Presidents of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation signed the Treaty on the Eurasian Economic Union. The Treaty is to enter into force on 1 January 2015 following its ratification by the parliaments of the troika of States.

At a meeting of the Interstate Council of the Eurasian Economic Community in Minsk on 10 October 2014, the Heads of the States members of the Community signed a Treaty on the termination of the work of the Eurasian Economic Community. The establishment of the Eurasian Economic Union marks the transition to the next stage of integration, following the establishment of the Eurasian Economic Community, the Customs Union and the single economic space. The outcome of the codification of the international legal foundation of the Customs Union and the single economic space was incorporated as the basis of the Treaty on the Eurasian Economic Union, with a view to optimizing existing norms, eliminating outdated norms and excluding inconsistencies.

The Eurasian Economic Union is established as an international organization for regional economic integration, possessing international legal personality. Within the framework of the Union, the "four freedoms" — the freedom of movement of goods, services, capital and labour — will be ensured, and a coordinated, agreed or single policy will be followed in key sectors of the economy.

The organs of the Union are the Supreme Eurasian Economic Council (at the level of Heads of State), the Eurasian Intergovernmental Council (at the level of Heads of Government), the Eurasian Economic Commission (a permanent regulatory body of the Union with its headquarters in Moscow) and the Court (to be located in Minsk). It is envisaged that by 2025, a supranational body to regulate the financial market will be established (to be located in Almaty), which will be a basic element of the formation of a common financial market of the Union.

The Treaty defines the competence, organization and work of the Supreme Eurasian Economic Council, the Eurasian Intergovernmental Council, the Eurasian Economic Commission and the Court. It establishes principles for the adoption of all significant decisions by consensus and the equal representation of the parties in the management of the permanent structures in the Eurasian Economic Commission — starting from the level of deputy director of department, and in the Court — from the level of the deputy director of the Secretariat, which excludes the possibility of any State member dominating the Union.

The Union has the right to carry out international activity, within its sphere of competence, in order to resolve pending matters.

The Treaty provides that in a number of the most sensitive sectors of the economy, the formation of a common market of the Union will be effected in stages. In particular, common markets for petroleum, petroleum products and gas in the framework of the Union will enter into operation no later than 2025, a common market for electric power — by 2019, and a common market for medicines and medical products — by 2017.

The working language of the organs of the Eurasian Economic Union is Russian. International treaties in the framework of the Union, and decisions of the Eurasian Economic Commission, which are binding on member States, are adopted in Russian and subsequently translated into the official languages of the member States, if that is envisaged under their laws.

The Union is open to membership of any State which shares its goals and principles, under conditions agreed upon by the member States. There is also provision for the possibility of any interested States receiving the status of observer State in the Union.

On 24 December 2013, in Moscow, a road map was approved on the accession of Armenia to the Customs Union and the single economic space, and a joint

decision was taken by the Presidents of the member countries of the Customs Union and the single economic space and Armenia on a plan of action for the accession of the Republic of Armenia to the Customs Union and the single economic space.

In connection with Armenia's implementation of the road map, a decision was taken at a summit meeting held on 29 May 2014 in Astana to task the Eurasian Economic Commission, along with the Governments of Belarus, Kazakhstan, the Russian Federation and Armenia, to arrange for the submission for signature of a Treaty on the accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union.

A plan of action (road map) on the accession of the Kyrgyz Republic to the Customs Union of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation was also approved in Astana, and a declaration was adopted by the Presidents of the Republic of Belarus, the Republic of Kazakhstan, the Russian Federation and the Kyrgyz Republic on a plan of action (road map) and the intention of Kyrgyzstan to join the single economic space of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation.

During a meeting of the Supreme Eurasian Economic Council at the level of Heads of State held on 10 October 2014, in Minsk, a Treaty on the accession of the Republic of Armenia to the Treaty on the Eurasian Economic Union, of 29 May 2014, was signed. The Treaty became the instrument for international legalization of the admission of a new member to the Union.

At the same meeting, the plan of action (road map) for the accession of the Kyrgyz Republic to the single economic space of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation was approved, taking into account the establishment of the Eurasian Economic Union.

A Declaration on the plan of action (road map) for the accession of the Kyrgyz Republic to the single economic space of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation was also adopted, taking into account the formation of the Eurasian Economic Union and the intention of the Kyrgyz Republic to become a full member of the Union.