

TOO MUCH INFORMATION. THIS INFORMATION MAY BE VALUABLE TO YOUR COMPETITORS.

- WORK ON THE BASIS OF ADVANCED COUNTERPURCHASE - THAT IS EXPORTING AND SELLING THE CUSTOMERS PRODUCTS AND RETAINING THE "ALLOWED" PERCENTAGE OF HARD CURRENCY IN AN EXPERIENCED WESTERN BANK. THE ALLOWED PERCENTAGE VARIES BY PRODUCT, REGION AND REPUBLIC AND SEEM TO CHANGE EVERY FEW MONTHS. RECENT FIGURES FOR WESTERN RUSSIA ARE QUOTED IN THE RANGE OF 50% FOR UNRESTRICTED PRODUCTS. CALCULATE THE AMOUNT OF HARD CURRENCY THAT CAN BE RETAINED BY YOUR CUSTOMER NET OF TAXES, HARD CURRENCY RETENTION QUOTAS, TARIFFS AND EXPORT LICENSES PRIOR TO THE TRANSACTION IN ORDER TO DETERMINE THE NET HARD CURRENCY AVAILABLE TO PURCHASE YOUR PRODUCT.
- SHIP YOUR PRODUCT ONLY AGAINST MONEY FROM THE SALE OF PRODUCT (OR A CONFIRMED IRREVOCABLE LETTER OF CREDIT DRAW UPON A REPUTABLE WESTERN BANK).
- SOME PURE BARTER DEALS IN THE FORM OF PARALLEL TRANSACTIONS INVOLVING THE EXCHANGE OF PRODUCT FOR PRODUCT ARE OCCURRING. THIS GETS AROUND THE HARD CURRENCY RETENTION QUOTAS BUT BORDERS ON THE "GREY" ZONE OF LEGALITY.
- BE AWARE AND CAUTIOUS OF CORRUPTION AND BUSINESS MALPRACTICE.
- IN RUSSIA, EXPORT LICENSES ARE STILL CURRENTLY REQUIRED FOR MOST PRODUCTS AND NORMALLY ONLY FOR "SURPLUS" PRODUCTION.
- IN SOME CASES LICENSES CAN BE OBTAINED EITHER AT AUCTIONS AT THE NUMEROUS COMMODITY EXCHANGES, PURCHASED OR OTHERWISE ACQUIRED. BE AWARE THAT EXPORT LICENSE REGULATIONS HAVE BEEN CHANGING ON A FREQUENT BASIS.

UKRAINE

- ALL PREVIOUS RESTRICTIONS ON BARTER OPERATIONS HAVE BEEN RECENTLY LIFTED. THIS HAS BEEN REPLACED WITH DUTIES ON EXPORTS.
- EXPORT LICENSES ARE NOW REQUIRED ON ABOUT 200 COMMODITIES - UNLIKE RUSSIA EXPORT LICENSES CANNOT YET BE BOUGHT AT AUCTIONS.
- JOINT VENTURES AND FULLY-OWNED SUBSIDIARIES ARE NOT SUBJECT TO EXPORT-IMPORT LICENSING WHEN EXPORTING GOODS AND SERVICES OF THEIR OWN PRODUCTION OR IMPORTING THEM FOR THEIR OWN NEEDS.
- LOCAL CURRENCY INVESTMENT INCOME FROM JOINT VENTURES CAN BE USED TO BUY FOREIGN EXCHANGE IN THE DOMESTIC MARKET AND ALSO