



***Bosnia and Herzegovina  
Indirect Taxation Authority***

ENGLISH only

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**Promoting good governance at border crossings, improving the security of  
land transportation and facilitating international transport by road and rail  
in the OSCE region**

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**Introduction**

The main task of the customs authorities of Bosnia and Herzegovina, entrusted onto the is to ensure the quick flow of goods across the border line, with full control, proper application of legislation, the proper calculation of customs fees and insurance charges. Customs authorities also take all legal steps necessary to carry out customs procedures in the shortest period of time, aiming to shorten the waiting time at the border. Speeding up the customs clearance procedure represents a significant contribution to shorter transportation time between the location of origin and its destination, thus reducing the losses incurred due to waiting at the border.

The main priority of customs services, as well as all other agencies operating at border crossings is to curb and eradicate illegal activities. In Bosnia and Herzegovina, representatives of different agencies, dealing with border control issues, meet at strategic level on quarterly basis, to assess the results of previous operations or goals set, but also to determine the most urgent priorities and distribute tasks in the future efforts.

These meetings also serve to review the information collected from border crossings all over Bosnia and Herzegovina, and assess the achievement of priorities set for a given period of time. The Border Police and Indirect Taxation Authority of BiH cooperate on the basis of a well-defined Agreement on Cooperation, which identified clearly the roles and responsibilities of the two agencies, as well as the modalities of cooperation.

**Cooperation with Customs Authorities in the Region**

Bosnia and Herzegovina has signed agreements on cooperation with countries in the region, more specifically with Croatia, Serbia, Montenegro, FYROM and Slovenia.

The Agreements specify the scope of cooperation in the field of customs, mutual assistance in customs matters, cooperation for the purpose of research, development and testing of new customs procedures, training and personnel exchanges. This cooperation also extends to any other issues or matters that may require their joint efforts to simplify, harmonize and digitalize customs procedures, taking into account the achievements and recommendations of international organizations dealing with customs matters.

Customs cooperation includes:

- a) Exchange of professional, scientific and technical data related to the customs regulations,
- b) Exchange of information on actions taken with third countries in relation to the provision of technical assistance and related improvement.

Customs Services are assisting one another to ensure that the customs regulations have been implemented in an appropriate manner. Due focus is placed on the prevention, detection and investigation activities in the area of violations of customs regulations. The assistance also includes the exchange of information and experiences in the pursuit and use of detection equipment, techniques of supervision over the enforcement of regulations which may be useful to avoid breach of rules. This particularly relates to the use of technical means, and the observations and analysis resulting from the application of new control techniques in the enforcement of regulations.

Below are some examples of cooperation between customs authorities, in the area of responsibility of Regional Center Mostar:

- Information on the containers and their contents are sent at the request of the BiH in agreed manner, and upon the request of Bosnian customs authorities.
- Joint activities of between the Croatian and BiH counterparts, operational exercises at certain border crossings, review and presentation of results.

An example of such joint activities was the recent joint project between Croatian and BiH customs authorities, specifically on the border between Croatia and BiH in the southwestern part of Bosnia and Herzegovina, sponsored by the UK Embassy in Croatia. Representatives from Croatia and BiH, which included customs officers, border police, phyto-sanitary and veterinary inspectors, worked together by, among other things, comparing control log-books of their respective agencies at specific border control points.

### **Achievements in Combating Corruption and Simplifying Customs Procedures**

Corruption and the fight against it is a permanent task of the BiH customs authorities. The main priority is to reduce corruption to the lowest possible level. One of the methods of achieving that goal is the additional incentive of 20% on monthly income which is awarded to responsible, diligent and fair customs officers. This

measure has led to a better status of customs officers, and their stronger and better engagement in performing everyday tasks.

Bosnia and Herzegovina has also been able to tackle and reduce corruption rates by introducing open telephone lines through which one can report illegal actions as well as unprofessional behavior of customs officers. Naturally, in cases of grounded suspicion and proven breach of duty, appropriate disciplinary proceedings were initiated against those responsible for violations of professional conduct.

To speed the flow of goods through border crossings, ITA Customs Sector implemented the simplified procedures for customs clearance of goods bound for exports and imports. For example, the permission to conduct a final clearance for truck shipments with easily recognizable goods (cement, lime, sand, bricks, etc.) is given at the very border crossing. The "Laufzettel" form was introduced at the border in 2002, aimed to speed up customs procedures at border crossings as well as determining the time necessary for procedures by individual agencies at border crossings (border police, phyto-sanitary inspections, veterinary inspections, etc.). One such task was assigned to Customs Field Office Grude, within the project "Trade and Transport Facilitation in Southeast Europe" (TTSE). In the project, measurement tests were done in 2003, 2004 and 2005 to determine the time needed for completion of customs clearance procedure – averaging between 48 to 50 minutes at the time.

Also, in mid-2009, the Indirect Taxation Authority made it possible for companies with appropriate information technology and specialized staff to benefit from simplified customs clearance procedure. For example, such companies would file their customs forms electronically to the appropriate customs office. The customs office is to process and respond to their request within 30 minutes. That means that the clearance procedure takes place within the company itself and the company need not bring the goods to a customs terminal. A printed form is later delivered to the customs office for archiving.

### **Conclusions and Way Forward**

Having signed a Stabilization and Association Agreement, implementation of all provisions related to free trade is a priority for Bosnia and Herzegovina. Equally, Bosnia and Herzegovina is committed to implementing the provisions of the Central European Free Trade Agreement (CEFTA), continuing with efforts and bi-lateral or multi-lateral discussions to benefit free flow of goods, services and people.

*Prepared by:*

*Mate Majic, Head of Customs Sector, Regional Center Mostar*

*Indirect Taxation Authority of BiH*

*[www.uino.gov.ba](http://www.uino.gov.ba)*