

SUCCESS STORY

Continuous EU support to the Indirect Taxation Authority BiH

DELEGATION OF
THE EUROPEAN UNION
TO BOSNIA AND HERZEGOVINA



ASYCUDA++, was launched in November 2015 in Bosnia and Herzegovina

Continuous EU support enables Indirect Taxation Authority to follow modern standards

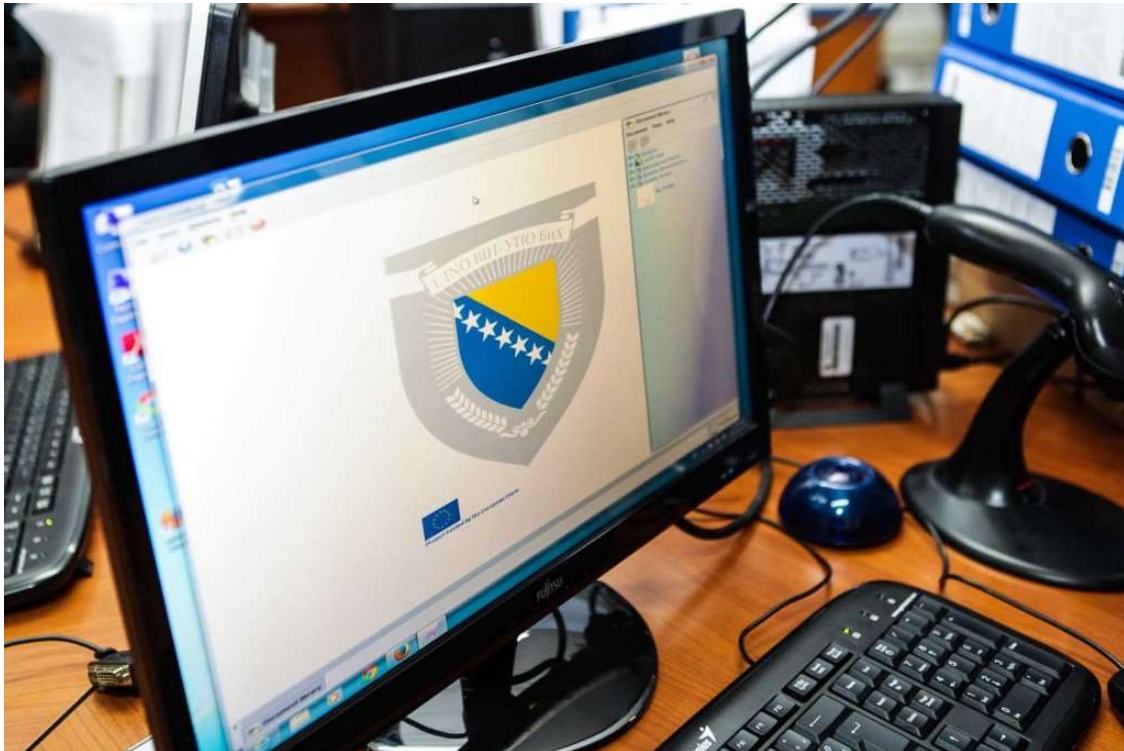
The Indirect Taxation Authority (ITA) is a single authority in Bosnia and Herzegovina responsible for enforcement of legal provisions and policy on indirect taxation, as well as for the collection of indirect taxes revenues.

ITA aims to achieve the ambitious goals of the EU integration process, such as:

- to accelerate the flow of goods while simultaneously intensifying the controls,
- to enhance the level of security of citizens, to develop cooperation with other national and international institutions in order to harmonize the procedures and align the legislation with the EU standards,

The introduction of the ASYCUDA system in Bosnia and Herzegovina allows for the following: electronic submission of customs and transit declarations, application of selectivity in import/export procedures, electronic discharge of transit declarations, automated discharge of customs duty payments, updated statistics, speed-up of customs clearance procedure, facilitations in movement of goods.

- better exchange of information between other national and international institutions and the successful fight against illicit trafficking and all other types of customs or tax fraud.



EU funded the introduction of the ASYCUDA with a grant of EUR 2 million

Through the IPA funds and before 2007 through other EU financial instruments the EU has financed several projects that have proved very successful and achieved many positive results towards improving organisational capacities with the help of expertise from abroad. EU support has helped the work of the ITA in BiH since its establishment in 2004 by assisting in making all the regulations necessary via the Customs and Fiscal Assistance Office Programme (CAFAO).

The introduction of the ASYCUDA WORLD application in BiH, which was funded at a total cost of EUR 2 million through the IPA 2010 programme, was of particular importance.

ASYCUDA (Automated System for Customs Data – automated system for customs data processing) is a computerised customs management system. It was developed by the United Nations Conference on Trade and Development (UNCTAD) in Geneva based on requests of member states wanting to ensure relevant import/export statistics. Currently, the system is used in over 90 countries and regions. ASYCUDA WORLD was launched in BiH in November 2015 and became fully operational throughout the country in July 2016. It is tailored to the ITA requirements as it ensures application of customs procedures in force, customs tariff and other legal provisions relevant to implementation of customs procedures.

ITA Director, Miro Džakula recognises the importance of the simplification of the customs clearance process and improving transparency.

“The introduction of the application primarily influenced the reduction of maintenance costs of servers at customs offices, facilitates the provision of timely customer support and enabled more efficient management of the customs information system, and created the preconditions for the implementation of the EU regulations,” Džakula said.

Igor Antunovic, from the company Interagent, reckons that ASYCUDA has greatly improved everyday efficiency of the company.



Approximately EUR 40 million has been allocated for construction and improvements of ten border crossings



Border Crossing Bijača

“The introduction of ASYCUDA has simplified the procedures and it is considerably more effective than the previous solutions. We are very satisfied with the speed-up of the customs clearance procedure. The only minor issue is congestion of the main server which happens from time to time,” Antunovic said.

EU support to ITA was also significant in the area of border crossings. Approximately EUR 40 million has been allocated for construction and improvements of ten border crossings, namely, Karakaj, Šamac, Klobuk, Zupci, Kamensko, Orašje, Gradina, Izačić, Rača and Bijača.

EU Twinning projects have also proved a successful tool in improving the work of ITA. Two completed Twinning projects, worth in total EUR 4.3 million, among other results have contributed to: the preparation of strategic documents for the ITA, assistance in drafting customs policy law, law on VAT, introduction of ‘Authorised Importer Status’, upgrades of the IT systems, training of ITA staff in various important fields (including intellectual property rights, restrictions and prohibitions, transit system, etc), as well as enabling electronic submission of value added tax.

Currently a third Twinning project that started in February 2017 is focused on approximating the legislation to EU standards.

The new twinning project will assist the ITA in drafting laws and by-laws in the area of indirect taxation, namely customs, value added taxes and excise duties together with their practical implementation, which are of particular importance for the country’s path toward membership of the EU.

More challenges and cooperation lie still ahead for ITA and the EU. One of the main preconditions for enforcement of the new customs legislation is implementation of an electronic signature procedure. The relevant BiH authorities have to ensure full implementation of electronic signatures as one of the measures mentioned in the Reform Agenda.

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