



EUROPEAN UNION

DELEGATION TO BOSNIA AND HERZEGOVINA

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Internal note on the procedure for the issuance of IPA DEU certificates for exemption of VAT for projects funded under the Instrument for Pre-Accession Assistance (IPA)

FCA VAT initiates the issuance of certificate for exemption (IPA DEU) based on information determined and signed in special conditions and the official request from the contractor.

Within IPA DEU certificate there are four sections to be filled out that contains the key information as follows:

- I. IPA Financial agreement signed between European Commission and Bosnia and Herzegovina;
- II. Contract signed between EC and a contractor (including the total value of signed contract);
- III. Information in case of Import of goods as per the Article 3 of the Instruction;
- IV. Information in case of Procurement of goods and services in BiH as per Article 3 (3) with indicated eligible amount for exemption.

With regard to the EU procurement procedure, the eligible amount will be calculated as follows:

- For Grants:	The entire budget is taken into account, apart from the human resources cost;
- For Supplies, Works and global price Services:	Total cost of contract;
- Services fee based, Twinning projects:	Incidentals and the estimate of costs that are going to be subject to VAT based on Description of Action, Work plan, etc. (estimate provided by contractor under approval of respective Program manager). In absence of such estimation, only incidental costs (multiply by 3) will be considered.



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