



ANNUAL REPORT

CUSTOMS ADMINISTRATION
REPUBLIC OF NORTH
M A C E D O N I A

2021

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MESSAGE FROM THE DIRECTOR GENERAL



Dear readers,

Celebrating the jubilee – 30th anniversary of the establishment of the Customs Administration as an independent agency, we are looking back at last year's achievements, consistent with the realization of our strategic priorities - protection of the financial interests, health and safety of citizens on one, and trade facilitation and acceleration on the other hand.

In 2021, in difficult conditions and global crisis caused by the COVID-19 pandemic, coordinated by the Government of the Republic of North Macedonia, together with other competent authorities, we took over activities to enable uninterrupted cross-border movement of goods. We showed exceptional ability to quickly adapt and act proactively in the new circumstances, by applying intervention measures to effectively mitigate the consequences of the health crisis.

Even in such circumstances, we ended the year with an increase in revenues collected by 24.70% compared to 2020 and 12.81% compared to 2019.

Protection of citizens' health and safety in 2021 was the primary goal of the Customs Administration. We worked on dealing with all

forms of organized crime and illegal activities, which resulted in several significant illicit trade seizures. With the support of the Delegation of the European Union, through the Instrument for Pre-Accession Assistance - IPA, we procured a new mobile scanner and vehicles for the K-9 Unit. They are already used by customs officers with special authorisations in their daily operations.

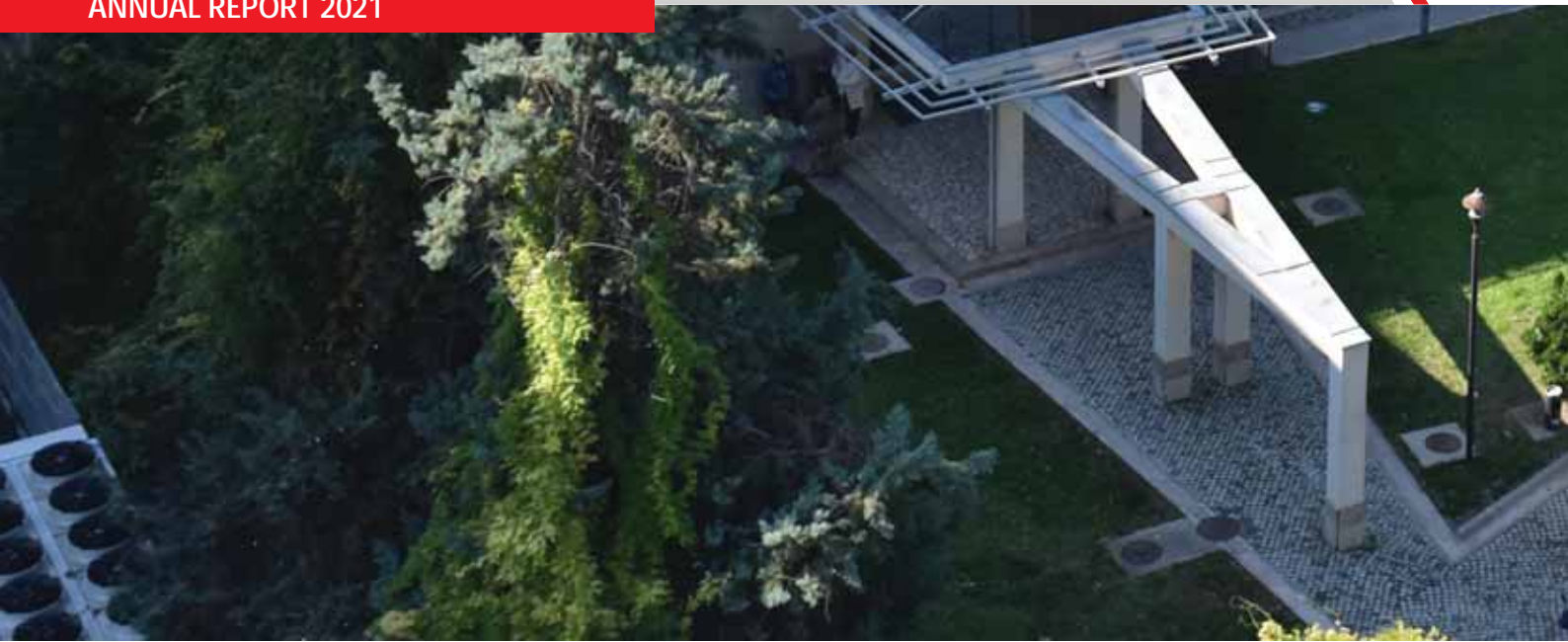
In 2021, we continued to harmonize the laws and regulations to further facilitate trade.

Amendments to the Customs Law and the Customs Law Implementing Regulation were adopted concerning the misdemeanor procedures, uniform application of the criterion for approval of the Authorized Economic Operator status, while with the Decision on harmonization and amendment, the Customs Tariff is aligned with the 2022 European Union nomenclature. These amendments result in reduced import duties on raw materials for domestic companies, improvement of the competitiveness and attracting new foreign investments. Amendments to the Law on Excise Duty were adopted, further précising the provisions, mainly in the part concerning the paid excise duty refund on certain excise goods.

Two significant amendments to the Free Trade Agreements were adopted, introducing new, more liberal rules on origin in trade with EU and EFTA countries.

High on last year's agenda was the intensified regional cooperation, aimed at further trade facilitation. Under the "Open Balkan" initiative, we realized activities that contributed to further acceleration of the movement of goods and passengers. In this regard, we note that the joint controls with Serbia at the border crossing point Tabanovce are already successfully functioning, and an Agreement for establishment of One Stop Shop concept with Albania has been signed. An Agreement and Implementation Protocol for joint border dispatching for rail transport with Kosovo at border crossing point Blace were also signed.

With the support of USAID - Office for Economic Development and Enterprise Growth, a joint



project was implemented with Albania to enhance the capacity of the border crossing point Kjafasan to introduce joint border controls, involving all border agencies.

The "Green Corridors" for movement of sensitive goods operate successfully and smoothly in the CEFTA region, with a tendency to expand to neighboring EU Member States.

This year we are making significant progress in the implementation of activities for mutual recognition of companies –holders of status of Authorized Economic Operator (AEO), as one of the key steps to further reduce controls and faster movement of goods, with minimum customs formalities. In this regard, we have signed an Agreement on Mutual Recognition of AEO with Albania and a Protocol on the implementation of the Agreement on Mutual Recognition of Authorized Economic Operator - Safety and Security (AEO) with Serbia, and we are already working on its implementation, and at the end of 2021 we registered 22 domestic companies with AEO authorisations.

We also worked on the further digitalization of the customs operations and ensuring continuity in the functioning of the ICT systems.

Last year, through intensive programming and planning we prepared the Development Strategy and Action Plan of the Customs Administration for the period 2022 - 2024, where we defined great number of projects and activities for further modernization and improvement of Customs.

In terms of the e-Customs Program, we defined projects for development and implementation of new ICT systems for connection with the

systems of the European Union, and with the support of the World Bank and the International Finance Corporation - IFC, we prepared the Blueprint for the new National Single Window System.

In 2021, with the financial support of DEU, we procured equipment for establishment of Disaster Recovery Center and upgraded the ICT infrastructure.

We also worked on projects for construction of new and reconstruction of existing border crossing points on key corridors in line with world standards, which will further contribute to smooth flow of goods in the international supply chain, and will ensure faster formalities by the Customs Administration and other institutions involved in the process.

The support we continuously receive from our international partners, such as European Union funds, donations from United States organizations, the Korean Customs Service and others is extremely important to us. We maintain close cooperation with the World Customs Organization, international organizations, but also act jointly and receive support from the Government of the Republic of North Macedonia and the business sector. The trust we build with our partners results in numerous successful joint projects and it is a motive for strengthened cooperation in the future.

And finally, I would like to note that the driving force of all these activities and achieved results, above all - are the employees of the Customs Administration. In accordance with our strategic



priorities, in the forthcoming period we will be focused on improving the knowledge and skills of our customs officers, through measures for more efficient human resource management, training and activities to increase the integrity, all in order to create preconditions for sustainable long-term development, consistent implementation of the competencies and stability of our institution, but also of the society as a whole.

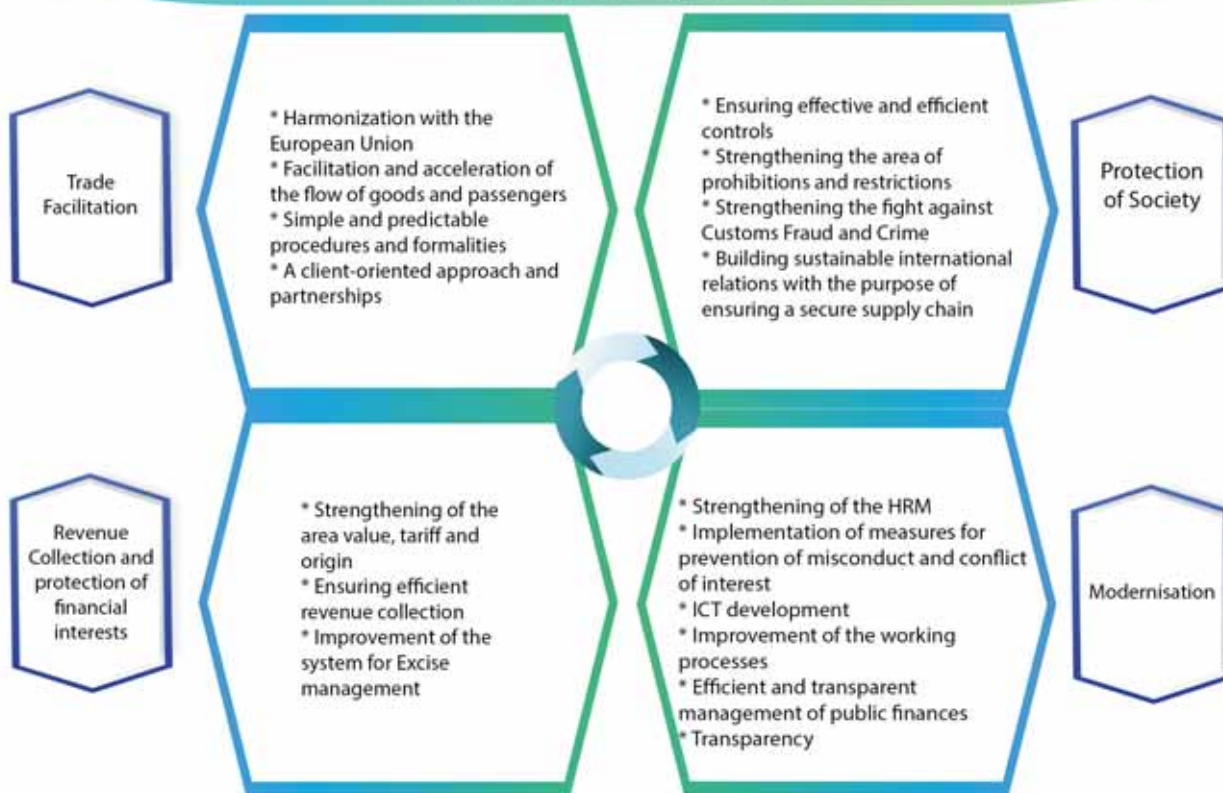
Congratulations on the Customs Day and 30th Anniversary of the Customs Administration!

Slavica Kutirov MSc.
Director General

STRATEGY MAP OF CUSTOMS ADMINISTRATION OF REPUBLIC OF MACEDONIA

VISION STATEMENT

To be the most advanced Customs Administration in the region which strongly supports the legal economy fully in line with European Union standards



MISSION STATEMENT

To protect the financial interests and society, while supporting the economic development through cooperation, facilitation and innovation

I. LEGISLATION

I.1. CUSTOMS LEGISLATION

I.1.1. Customs Law

The Law Amending the Customs Law ("Official Gazette of RNM" no. 110 of 19.5.2021) harmonized the misdemeanor related provisions of the Customs Law with the provisions of the Law on Misdemeanors and introduced new competencies for conducting misdemeanor proceedings.

This Law stipulates that the misdemeanor body of the Customs Administration has the competence to conduct the misdemeanor procedure for committed customs misdemeanor and to impose misdemeanor sanctions for lower amounts, while the courts became competent and for the fines of higher amounts of fines, as stipulated with the provisions of the Law on Misdemeanors.



I.1.2. Customs Law Implementing Regulation

The Regulation amending the Customs Law Implementing Regulation ("Official Gazette of RNM" no. 179 of 4.8.2021) stipulates uniform application of the criterion for approval of the Authorized Economic Operator status.

In the part concerning the closer criteria for approval of the status, it is specified that the criterion is met when no administrative or judicial authority has adopted a decision determining that one of the persons (the applicant, the applicant's responsible persons for customs matters and the applicant's responsible persons or persons who have control over its management) have not committed a violation in the last three years. The violation should have occurred in the last three years, regardless of whether the administrative or judicial body made a decision after the expiry of those three years.

I.1.3. Customs Tariff

With the adoption of the Decision on harmonization and amendment of the Customs Tariff for 2022 ("Official Gazette of RNM" no. 268 of 03.12.2021), the Customs Tariff for 2022 was harmonized with the Combined Nomenclature of the EU for 2022 (published in the "Official Journal of the EU" no. L 385 of 29.10.2021), as one of the obligations under the provisions of the Stabilization and Association Agreement between the Republic of North Macedonia and the European Communities. Furthermore, the Decision incorporates all amendments to the Harmonized System adopted by the World Customs Organization (WCO) Council on 29th June 2019 which started to be applied as of 01.01.2022. The amendments refer to adding new 689 tariff codes and deletion of 405 tariff codes in

the Customs nomenclature for 2022.

The third, fourth, fifth and sixth amendments to the basic Regulation on the classification of certain goods in the Combined Nomenclature were adopted in accordance with the Regulations of the European Commission (published in the "Official Gazette of RNM" no. 222/2020):



Regulation amending the Regulation on the classification of certain goods in the Combined Nomenclature in accordance with the regulations of the European Commission ("Official Gazette of RNM" no. 53/21 of 5.3.2021)



Regulation amending the Regulation on the classification of certain goods in the Combined Nomenclature in accordance with the regulations of the European Commission ("Official Gazette of RNM" no. 135/21 of 21.6.2021)



Regulation amending the Regulation on the classification of certain goods in the Combined Nomenclature in accordance with the regulations of the European Commission ("Official Gazette of RNM" no. 197 of 23.8.2021)

Regulation amending the Regulation on the classification of certain goods in the Combined Nomenclature in accordance with the regulations of the European Commission ("Official Gazette of RNM" no. 292/21 of 292/21),

The amendments to the Law on Customs Tariff, which the Ministry of Finance and the Customs Administration worked on during 2021 in consultation with the business community, permanently reduce or abolish customs rates on 258 raw materials, which will mean reduced import duties for domestic companies. The abolition of these customs rates cuts down production costs, which contributes to improving the competitiveness of domestic companies, greater attractiveness of the country for new companies with foreign capital from various economic sectors, expanding the production of existing facilities of domestic and foreign companies, as well as increased employment. The Law covers raw materials and products that are not produced in the country and are imported, and their import customs duty in the Republic of North Macedonia are significantly higher than the customs duty rates on the same products applied in the European Union. With the reduction of import duties, the amount will be closer to the customs duty rates applied in the European Union, which means that the competitiveness of the national companies will be improved and the country will be able to attract new companies with foreign capital from different economic sectors.

The Law stipulates abolition of the customs duty rate for natural gas, which in conditions of energy crisis ensures greater price stability, its greater use and switch to less polluting energy. The reduction of customs

duty rates on raw materials used in technologically advanced production will directly help the sectors of the automotive, metal processing, metallurgy, textile and leather industries, which in 2020 and 2021 saw a serious decline in industrial production.



I.1.4. Law on representation activities in customs procedures

The adopted Law amending the Law on representation activities in customs procedures ("Official Gazette of RNM" No. 110 of 19.5.2021) regulates the misdemeanor procedure and rules, as well as the imposed fines.

I.1.5. Rulebook on the manner of filling in customs declarations and the Book of Codes used when filling in customs declarations

With the Rulebook amending the Rulebook on the manner of filling in the customs declarations and the Book of codes used when filling in the customs declaration ("Official Gazette of RNM" No. 5 of 8.1.2021), two new codes were added in box 15a for Great Britain (Northern Ireland) and Great Britain (excluding Northern Ireland) due to the exit of Great Britain from the EU, as well as a new code in box 37 for vehicles imported and registered in accordance with the Law on Registration of Vehicles with foreign license plates on the territory of the Republic of North Macedonia, with 50% reduction of the customs and tax duties of the determined value of all duties collected on import.

I.1.6. Autonomous measures for reduction or abolition of import duties – customs duty rates



Decision to abolish the import duty – customs duty rates of certain **raw materials used in the processing industry** ("Official Gazette of RNM" No. 17 of 20.1.2021). The Decision is applied as of 31.12.2021.



Decision on abolition of the import duty - the customs duty rate **for meat of swine frozen, and pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked** ("Official Gazette of RNM" No. 112 of 21.5.2021), applied as of 21 May until 30 October 2021 – with 0% customs duty rate.



Decision to abolish the import duty - customs duty rates for import of sails and sailboats ("Official Gazette of RNM" no. 257 of 11.11.2021), came into force on the next day of its publication and was valid until 31.12.2021.



Decision to reduce import duty - customs duty rates on certain products (components) required for the production of technologically advanced products ("Official Gazette of RNM" No. 267 of 02.12.2021) shall apply until 30.06.2022.



With the **Decision amending the Decision on reduction of import duty - customs duty rates of certain products (components) required for production of technologically advanced products** ("Official Gazette of RNM" No. 276 of 13.12.2021) amendments were made by adding of two tariff codes in the Decision and postponement of the start of application of the measure for one tariff code.



The Decision on abolition of the import duty - the customs duty rate **for meat of swine frozen, and pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked** ("Official Gazette of RNM" No. 267 of 2.12.2021) lists the tariff codes and quantities for which the customs duty rate is abolished, as well as the conditions that need to be met in order to be able to apply the abolished customs duty rate.



The **Decision on determining the goods and services that are subject to a preferential Value Added Tax rate** ("Official Gazette of RNM" No. 293 of 24.12.2021) lays down more precisely the goods and services that are subject to a preferential VAT rate, and is an alignment of the preferential VAT rate with the tariff codes which in accordance with the amendments to the Harmonized System of the World Customs Organization are incorporated in the Decision to amend the Customs Tariff for 2022.



The published **Lists of goods imported under tariff quotas with reduced or abolished customs duties** that will be applied as of 01.01.2022 ("Official Gazette of RNM" no. 295 of 27.12.2021), refer to imports under quota of goods originating in the European Union, the United Kingdom, Turkey, Ukraine, Norway and the Swiss Confederation.

I.2. EXCISE DUTIES

Adopted **Law on Amending the Law on Excise Duties** (Official Gazette of RNM No. 77 of 6.4.2021):



Specifying the deadlines for submission of excise declaration and payment of excise duties by persons who are not registered in the electronic Register of excise duty payers, but own, produce, trade, store, and / or process excise goods;



Further regulating the provisions regarding the guarantee for securing the excise debt in the procedure of excise storage and excise preferential use;



Clarifying and supplementing the articles of the Law on Excise Duties related to excise stamps for marking intermediate products and spirits and tobacco products;



Transposing the provisions of the Regulation with legal force for application of the Law on Excises Duties during state of emergency ("Official Gazette of RNM" no. 86/2020, 105/2020, 125/2020 and 169/2020);



Equating the amount of the excise duty on gas oil intended as heating fuel with the excise duty on gas oil as a propellant, and stipulating a refund of part of the paid excise duty. Holders of excise licenses and importers of energy are obliged to make an inventory of goods and pay the subsequently due excise duty;



Adding new articles related to the refund of part of the paid excise duty for the marked gas oil intended for heating in households and marked gas oil used in the production process or as an additive to another energy source as heating fuel in industry and



Postponing the application of the provisions regarding the producers and importers of wine and the excise taxpayers for electricity, natural gas, coal, coke and lignite until 1st January 2022. Internal guidelines and instructions were adopted to regulate the regulations on excise duties in order to facilitate the application of the Law and to ensure clear operating procedures.

I.3. INTELLECTUAL PROPERTY RIGHT PROTECTION

One of the main priorities of the Customs Administration is to improve its institutional and administrative capacity for efficient and effective fight against counterfeiting and piracy, by strengthened customs control measures to detect and prevent the import, transit and export of goods that infringe intellectual property rights. The cooperation with the holders of IPR rights and their representatives in the Republic of North Macedonia is crucial to ensure successful protection of intellectual property rights.

The second component of the project for the National Intellectual Property Strategy 2022-2026 (expected to be adopted in March 2022) envisages the development of an e-network for exchange of intellectual property data between the institutions responsible for protection and implementation of IPR in the Republic of North Macedonia. The methodology for statistical monitoring and processing of data on actions taken in order to implement the Law on intellectual property is defined, with clearly defined responsibilities of the institutions in terms of reporting obligations, data preparation and types of reports that should be produced.

New requests for intellectual property rights protection to the Customs Administration were submitted by the following trademarks: Dsquared 2, Alcon, Apple, Neo Tools, Comirnaty, Pro Zdenka Kabli, Audemars Piquet, Areon, FKN, PopSockets, Marble, Iveco, New Holland and CNH Industrial.

I.4. OTHER CUSTOMS-RELATED REGULATION

In the past 2021, two significant amendments to free trade agreements were adopted, which introduced new more liberal origin rules in the trade with EU and EFTA countries. The Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (PEM Convention) is grounds for application of preferential rules of origin in the trade with the regional countries.

As these rules are already outdated, in 2012 negotiations began on the modernization of the PEM Convention in order to adapt the rules of origin to the changed economic reality over the years. The revised PEM Convention was to be approved and adopted unanimously by all signatories within the PEM Joint Committee. Several Contracting Parties still remain restrained about the adoption of the revised PEM Convention, but the majority of PEM Convention Parties have decided to start early application of the new revised rules of mutual trade, while negotiations with the other Contracting Parties continue in order to reach a common agreement on the audit process.

This temporary solution allows the companies in contracting parties that start with early application to use modernized, simplified, and more flexible new rules of origin. To this end, the protocols of origin contained in each bilateral free trade agreement signed by the Republic of North Macedonia and the partner countries should be amended to include Annex A, a document containing the newly revised (so-called alternative or transitional) preferential rules of origin of goods, without prejudice to the application of the current rules of origin of the PEM Convention.

The Decision on early application of the amendment of Protocol 4 to the Stabilization and Association Agreement between the Republic of North Macedonia, on one hand, and the European Communities and their Member States, on the other was published in the Official Gazette of the Republic of North Macedonia no. 245 of 02.11.2021, defining the term "products of origin" and methods of administrative cooperation, amended by Decision no. 1/2021 of the Stabilization and Association Council of the Republic of North Macedonia and the European Union (hereinafter: SAA with the European Union). This means that in trade with EU member states there is a possibility of using alternative set of rules of origin which are applied together with the rules of the PEM Convention, on a bilateral basis pending the adoption of the revised Convention. These new rules contain a number of improvements and simplifications compared to the current PEM Convention, as well as lifting of the ban on draw-back for originating raw materials.

The Law on Ratification of the Amendments to the Free Trade Agreement between the Republic of Macedonia and the EFTA countries was published in the Official Gazette of the Republic of North Macedonia No. 279 of 15.12.2021. The Law refers to Decision no. 1/2021 of the Joint Committee on the Amendment of Protocol B concerning the definition of the term "originating products" and the methods of administrative cooperation. This decision amends Protocol B and incorporates provisions for the application of more liberal and new alternative (transitional) rules of origin in trade between the Republic of North Macedonia and the EFTA countries.

It is expected that by the end of 2022, new preferential rules of origin will be applied with all countries in the CEFTA region.

II. EU INTEGRATION

All EU member states are part of the EU Customs Union and apply the same customs rules and procedures. This implies full legal compliance, proper implementation and enforcement capacity, as well as access to common computerized customs systems.

Chapter 3.29 Customs Union policies are the basis of the European Union and a core element in the functioning of the single market.

In the last 20 years, the Customs Administration has actively participated in the activities of the country to achieve one of the strategic priorities for full membership in the European Union.

The European Commission Progress Report on the Republic of North Macedonia for 2021 states that high level of compliance with the European legislation has been achieved. Good progress was made in constantly consolidating, implementing and upgrading IT systems. The concept of Authorized Economic Operators (AEOs) has been applied and improved. The electronic system for processing customs and excise documents is fully functional and works paperless. Green corridors are established at the main border crossings with CEFTA countries and ensure a smooth flow of goods in times of crisis caused by COVID-19.

II.1. DEVELOPMENT OF ADMINISTRATIVE CAPACITIES IN LINE WITH EU STANDARDS

II.1.1. Customs 2020 – Programme of the European Commission

In 2021, the Customs Administration actively participated in the Customs 2020 Programme of the Community. This year, due to the situation with the Covid 19 pandemic, all meetings, training events and workshops within the Programme were held online.

-Meeting of the coordinators of the Programme Customs 2020 for grant management;

- Trainings on e-grants;

- Meeting of the coordinators of the Programme Customs 2020 – evaluation of the programs and action plan for implementation of the mid-term recommendations of the ongoing programs,

- Meeting of the Programme Customs 2020 Committee;

- Meetings of the Group for coordination of electronic Customs and Contact points for traders,

-Conference of the Customs Union Performance Network Group;

- Video conference of the Working group on Performance Measurement – e-Commerce;

- IT trainings for CCN/CSI;

-High level meeting: "e-Commerce – the Way Forward".



II.1.2. Projects

The activities for enhancement and modernization of the work of the Customs Administration have been realized within several projects:

COMPLETED PROJECTS

- ✓ "Enhanced quality of customs control in the fight against fraud and illicit trade in goods" (Twinning - IPA2 - IPA 2018), which procured a specific type of equipment to improve customs control, which will be of great importance in the fight against fraud and illicit trade in goods;

ONGOING PROJECTS

- ✓ - **"We Cross Borders"**, IPA Program for cross-border cooperation between the Republic of Macedonia and the Republic of Greece 2014-2020) for modernization of the border crossing points Bogorodica and Dojran;
- ✓ - **"Improving the collection of revenues and tax and customs regulations"** (Twinning - IPA 2) for harmonization of legislation and improvement of the capacities of the service which besides the Customs Administration also includes the Ministry of Finance and the Public Revenue Office;
- ✓ - **"Ensuring continuity of the business processes in the Customs Administration and data warehouse through consolidation of ICT systems and establishment of a Disaster Recovery Centre"**, as part of the Public Financial Management Program (IPA 2 - IPA 2018);
- ✓ - **Western Balkans Trade and Transport Facilitation Project** (World Bank) - the Customs Administration, Agencies and Inspection Services participating in the customs procedure will receive a new National Single Window System (NSW) to harmonize processes and data on processing of permits for cross-border flow of goods, applying the regulations and technical specifications, in accordance with EU standards and practices. Under this project the border crossing points Kjafasan and Deve Bair will be modernized and reconstructed also;
- ✓ - **USAID Project for Regional Economic Development, Management and Enterprise Growth¹**, successfully implemented and aimed at establishing joint controls with the Republic of Albania at the border crossing Kjafasan-Qafe Thane. Control equipment and tools for the Macedonian and Albanian customs services was procured, training was delivered, and study visits for customs officers from both countries were realized.

PROJECTS IN PROGRAMMING PHASE

- ✓ - **"Implementation of IT system NCTS phase 5"** - Upgrade of the new computerized transit system to fully meet the conditions for connection to the transit procedure with the EU. Realization 2022-2023 Estimated value of the project is 2 million euros;
- ✓ - **"Implementation of IT system EORI and IAM"** (systems under EU MASP), IPA 3 - implementation of systems to facilitate the work of economic operators and simplify access. Realization 2022-2023 Estimated value of the project as 2 million euros;
- ✓ - **"Construction and reconstruction of BCP Delchevo" (IPA 3 - direct grant). Estimated value of the project 1.7 million euros;**
- ✓ - **"Implementation of IT system for the Sector for Control and Investigation"** (IPA 3) - system for record-keeping and monitoring of the control and investigation activities, in order to improve the results in the fight against organized crime. Preparation of technical specification is underway, which will then be submitted to the EU Delegation to Skopje for approval. The value of the project is 0.6 million euros;
- ✓ - **"Procurement of control and investigation equipment"** (IPA 3) - (value of approximately 1.4 million euros);
- ✓ - **"Construction of the border crossing point Markova Noga"** (IPA 3) with the Republic of Greece - the value of the project is 1 million euros.

¹ USAID Regional Economic Development, Governance and Enterprise Growth – EDGE Project

² EORI – Economic Operators' Registration and Identification number

³ IAM – Identity Access Management

III. HUMAN RESOURCES

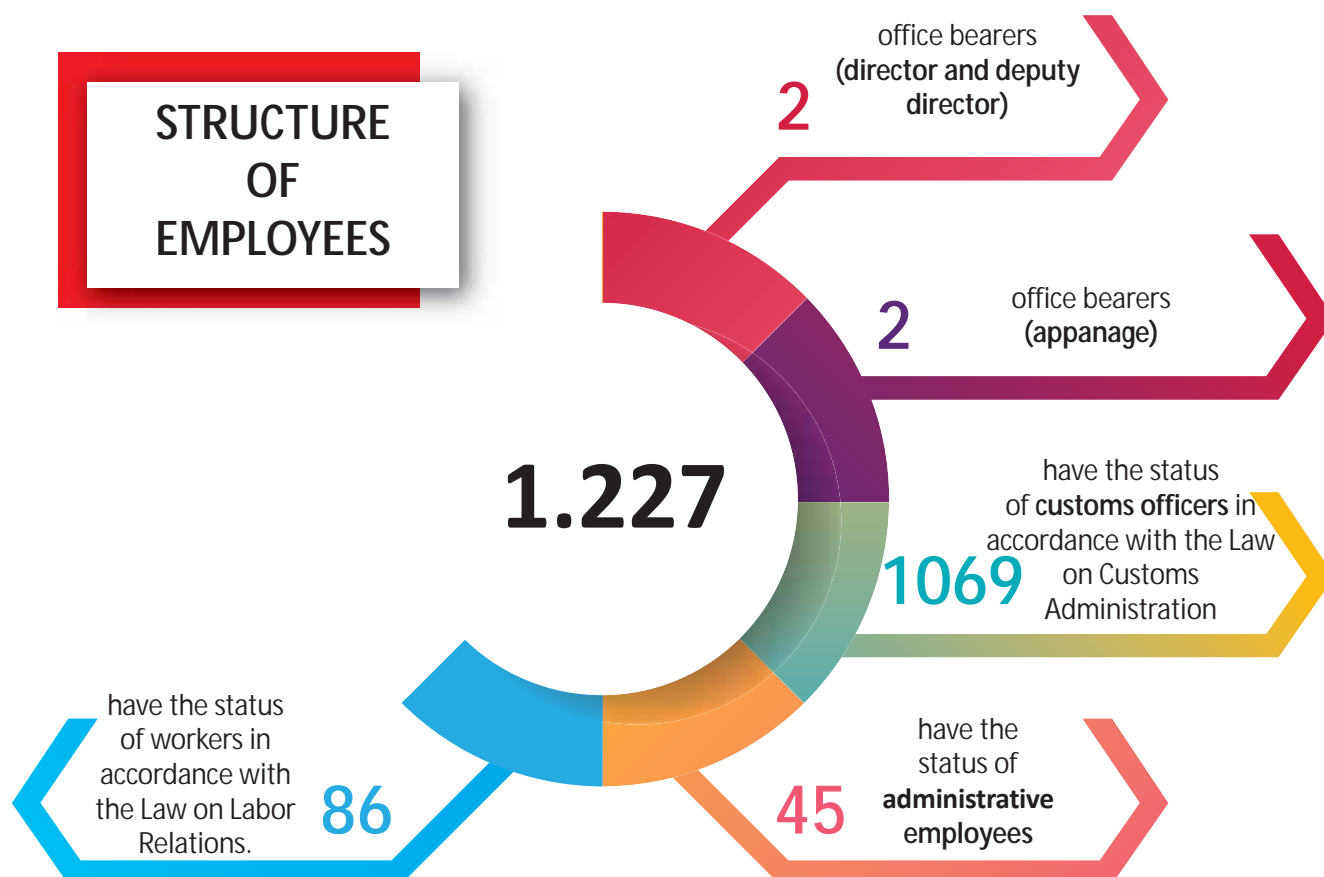
In 2021, the Customs Administration completed the process of conducting a functional analysis that included all organizational units and all employees in the administration. The functional analysis focused on the administrative capacities, analysis of the goals, functions, structure, procedures and human resources in the Customs Administration. According to the methodology, the situation in the Customs Administration was reviewed according to three criteria:



After the review and analysis of all given answers and documents, in accordance with the findings and recommendations, the following documents were developed:



STRUCTURE OF EMPLOYEES



EDUCATION OF EMPLOYEES



Adopted acts and regulations

Code of
Conduct for
Customs
Officers

Collective
Labour
Agreement of
the Customs
Administration

Rules of
Order and
Discipline

Glossary of
customs
competencies

Instructions for
working hours
in the Customs
Administration

III.1. EMPLOYMENT

124

124 new **recruitments** in the Customs Administration through a public call for a **fixed-term employment** contract until 31.12.2021

73

73 new recruitments in the Customs Administration through takeover from other institutions, in accordance with the Law on takeover of administrative employees employed through the K-5 program

3

3 new recruitments based on the Agreement on takeover of employees with a undefined

2

2 new recruitments in the Customs Administration - appointment

4

4 returns from unpaid leave

III.1.1 Termination of employment

6

cases of termination
of employment –
retirements

4

cases termination of
contracts
at the request of
employee

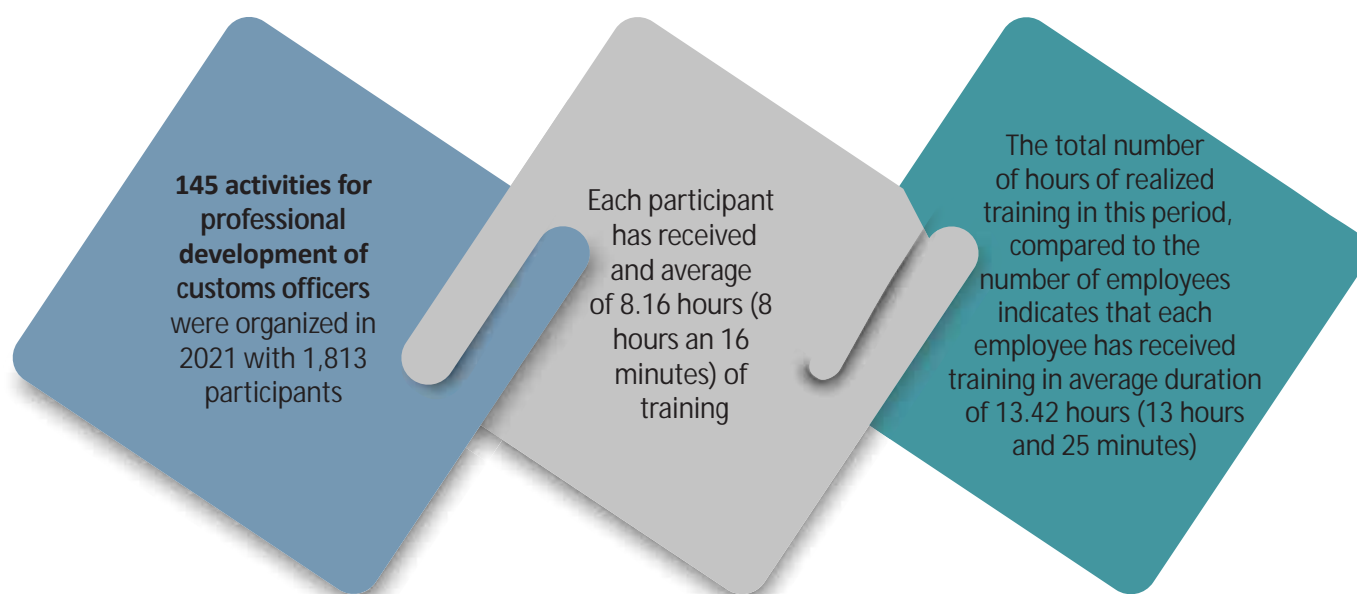
4

cases of
termination of
contracts
unpaid leave

4

cases of
termination
of contracts
death

III.2. TRAINING AND PROFESSIONAL DEVELOPMENT

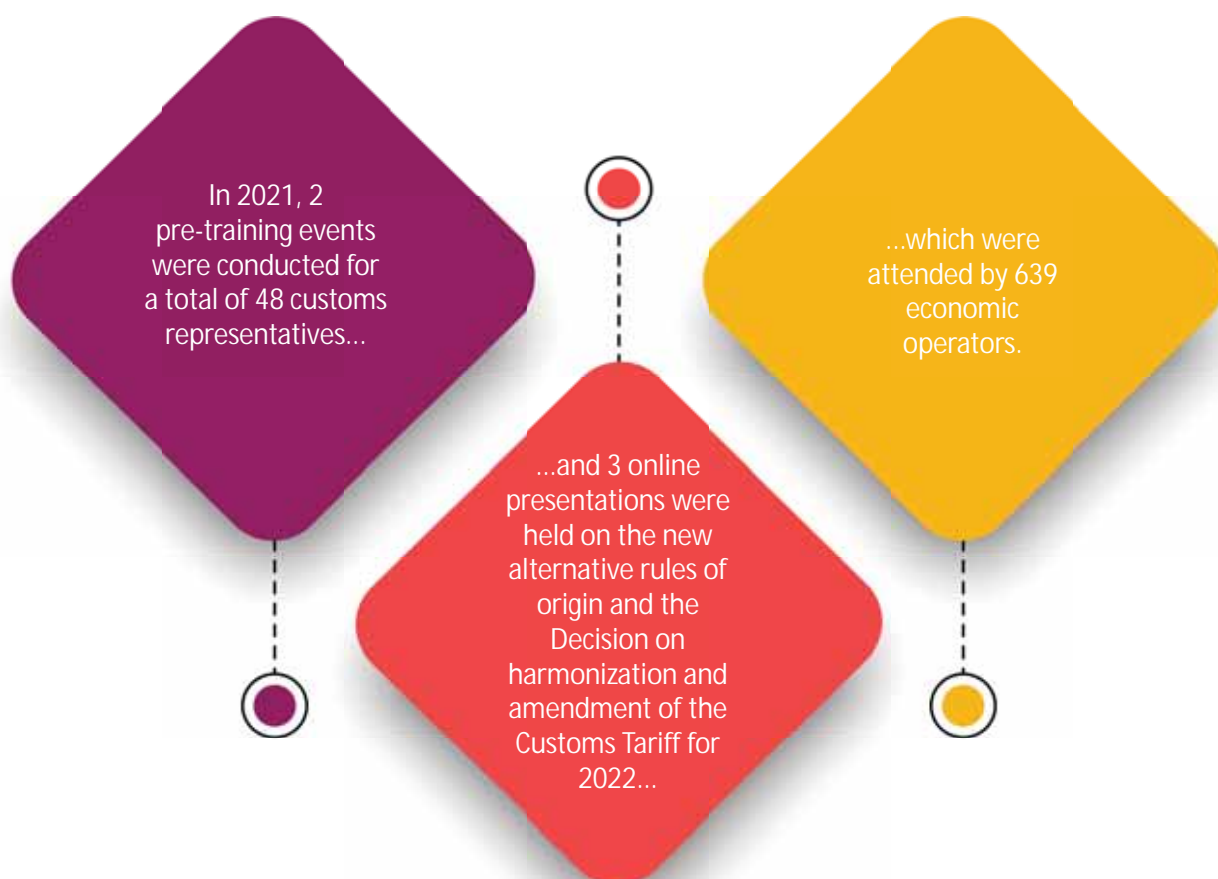


Training topics in 2021:

- **"Identification of products from different brands"** – identification of products from the brands: "Popsockets", "Superdry", "Swiss Watch Industry", "PSA Group" and "Procter & Gamble";
- **"CDEPS - Jasper reports Workshop"** - how to use the application "Jaspersoft Studio" for report-making for the Customs Administration, with topics: reporting database scheme, designing reports in Jasper using Jasper studio, implementation of reports in Jasper studio and publishing reports on the Jasper server;
- **"Identification and classification of dual-use goods"** - to improve the skills of participants to recognize wrongly classified dual-use goods;
- **"Preparation of legal and sub-legal acts for postal and express shipments"**, to consider the preparation of legal provisions and regulations for customs clearance of postal and express items in accordance with EU legislation;
- **"Guidelines, instructions, manuals and control procedures in line with the prepared procedures and best operational practices in the EU"**, organized to improve the knowledge and skills of customs officers in the Risk Management Department for big data analysis, to improve current systems and possible implementation of new ones;
- **"Misdemeanors and criminal offenses and procedure following detection of misdemeanor and criminal offense"**, to upgrade the knowledge of customs officers for detection of misdemeanors and acting upon their detection and familiarization with the amendments to the Customs Law and the Law on the Customs Administration in the area of misdemeanors;
- **"Risk Management of Authorized Economic Operators"**, organized in order to increase the effectiveness in the implementation of the programs for Authorized Economic Operators (AEO) and their mutual recognition in CEFTA members and to improve the knowledge of participants for risk

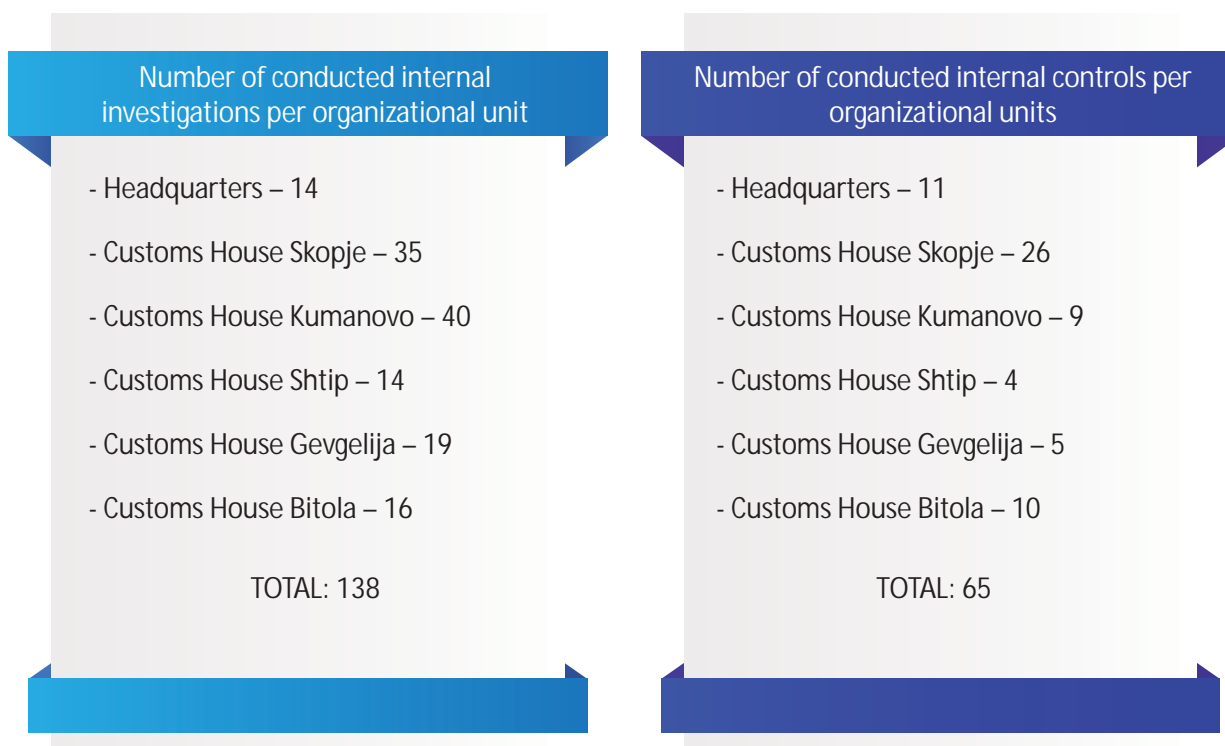
management in economic operators and their importance in the supply chain;

- **"Sampling"** - to upgrade the knowledge and skills of customs officers on how to take samples;
- **"Systematic post-controls of large importers/exporters"** - to improve the capacity of the Customs Administration to perform post-controls, enabling easier and faster customs procedures;
- **"Study visit for strengthening the capacities of the inter-agency working group"** – to strengthen the capacities for detection and tackling criminal networks, establishing an appropriate practice for gathering intelligence;
- **"Train the trainers"**, to improve the skills of trainers for preparation and organization of training, preparation of materials, methods and techniques, body language and methods of success;
- **"Workshop on Cooperation between the Police, Customs and the Prosecutor's Office in Cases of Illegal Trade in Arms"**, to discuss the needs and opportunities for more successful cooperation between Police, Customs and the Prosecutor's Office in cases of illegal trade in weapons, ammunition and explosives.



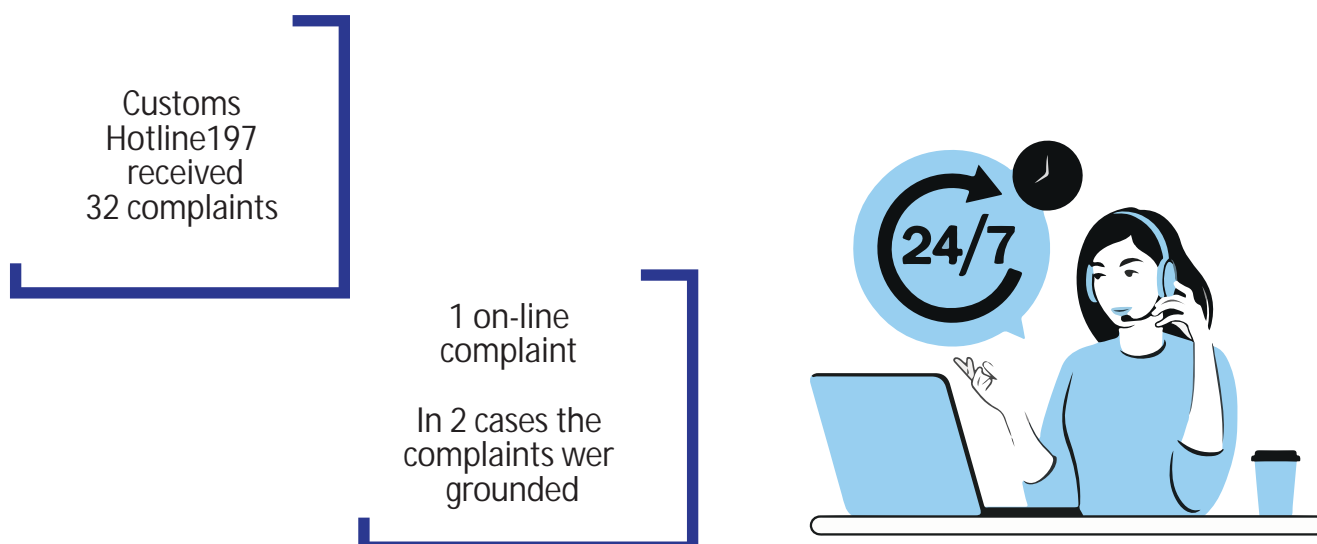
III.3. INTEGRITY

High level of integrity is always a priority area of action in order to achieve an efficient customs service of the 21st century. All members of the World Customs Organization aspire to this and this organization is the point where practical examples and advice are exchanged for the implementation of measures and initiatives ensuring greater level of integrity.



The internal investigations and controls were conducted on the basis of the Action Plan of the Sector for Professional Responsibility, the received complaints concerning illegal and unprofessional conduct of the employees, as well as the information received on the customs hotline 197.

In 12 cases, irregularities were identified in the actions of the customs officers.





In 2021, the following documents were revised and drafted:

- **Register of risk points** in customs operations susceptible to corruption for:

o January – March 2021

o April – June 2021

o July-September 2021

o October – December 2021,

- **Register of most frequent errors and mistakes in the operation of the Customs Administration in the period January – June 2021,**

- **Amended Code of Conduct for customs officers.**

In 2021, legal actions were taken against employees who did not act in accordance with the law:

- 6 decisions imposing **disciplinary measures**,
- 5 decisions imposing a **fine** in the amount of 15% of the last paid monthly net salary for a period of 1 month,
- 1 decision imposing a **fine** in the amount of 15% of the last paid monthly net salary for a period of 6 months,
- 7 decisions imposing disciplinary measure – **suspension**.

In 2021, legal actions were taken against employees who did not act in accordance with the rules of the service:

- 2 decisions under which the basic salary of the customs officer was determined in a 15% reduced amount:
 - * 1 decision due to the fact that the customs officer did not achieve the average, i.e. expected results at work
 - * 1 decision by which the salary of the customs officer was reduced due to unjustified absence.

Adopted 4 decisions under which the proposal for initiating a procedure for determining liability was rejected as groundless, and the procedure was **stopped**.

III.4. INTERNAL AUDIT

15 internal audits were performed in the Customs Administration in 2021 which resulted in 66 identified findings and 69 recommendations given for improvement of operations.

III.5 QUALITY MANAGEMENT SYSTEM



- The Customs Administration holds the following Quality Certificates:
 - o ISO 9001:2008
 - o ISO 9001:2015

The quality management system covers the internal processes of the Customs Administration for protection of the financial interests of the Republic of North Macedonia, facilitation of the international trade with further modernization of the customs operations and simplification of the customs procedures, maintenance and promotion of competitive economic environment, as well as realization of the economic policies of the Government of the Republic of North Macedonia.

III.6 REWARDS AND PROMOTIONS

Rewards in 2021:

REWARDS

- 15 customs officers received **15% pay raise** because they performed their work with great success and quality.
- Jubilee **rewards on the occasion of 14th April – Day of the Customs Administration:**
 - o 35 customs officers received 10% pay raise for **10 years of service at the Customs Administration;**
 - o 59 customs officers received 20% pay raise for **20 years of service at the Customs Administration;**
 - o 5 customs received 30% pay raise for **30 years of service at the Customs Administration;**

30 CUSTOMS OFFICERS WERE PROMOTED

- 9 customs officers in the Headquarters:

- 1 customs officer to the job post Director of Sector
- 5 customs officers to the job post Head of Unit
- 1 customs officer to the job post Head of Department
- 1 customs officer to the job post Senior Advisor
- 1 customs officer to the job post administrative operator

- 21 customs officers were promoted in the Customs Houses:

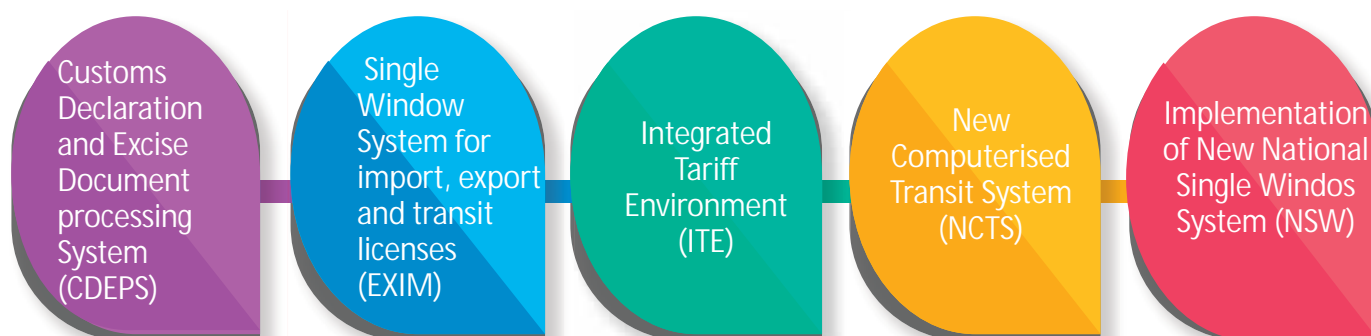
- 1 customs officer to the job post Head of customs house
- 2 customs officers to the job post Head of customs office
- 4 customs officers to the job post shift guide
- 2 customs officers to the job post shift leader
- 5 customs officers to the job post senior customs officer –controller
- 4 customs officers to the job post senior advisor
- 3 customs officers to the job post customs officer

IV. DIGITALIZATION

IV.1. ICT INFRASTRUCTURE

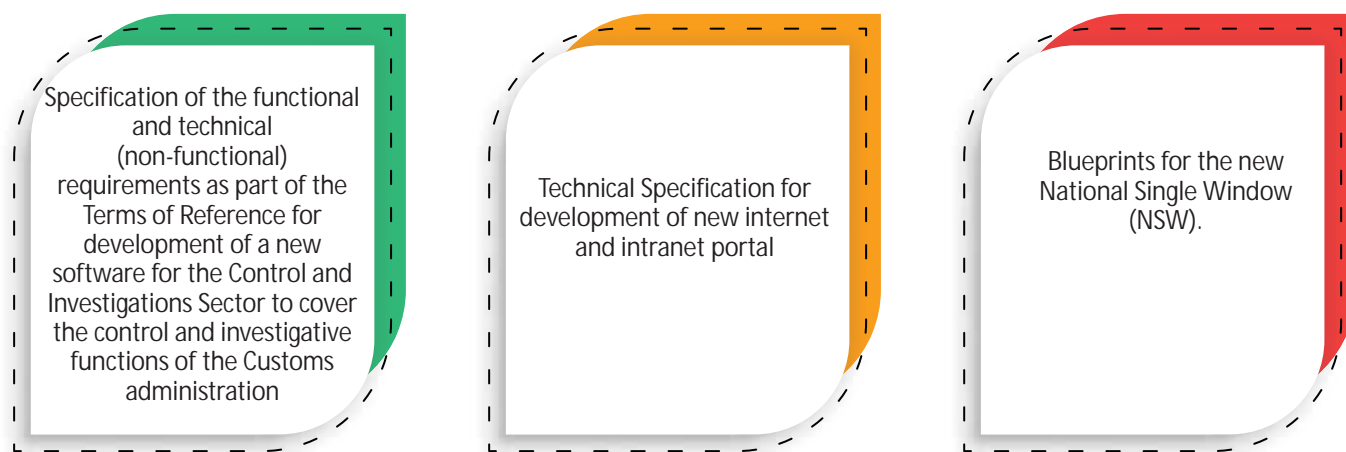
In 2021, the ICT Sector was intensively involved in the activities for maintenance, development and improvement of the existing ICT systems.

The activities of the Steering Committee for implementation of the e-Customs Program continued, through which the progress of the projects for improvement of the following systems is monitored and coordinated:



These projects are also included in the EU's Multiannual Strategic Plan for Implementation of e-Customs (MASP). Compliance and implementation is one of the conditions for interoperability and interconnection with European customs systems.

The ICT Application Life Cycle Management Committee (KUZCA) reviewed and accepted the technical specifications for the development of the following new ICT systems:



The ICT Sector staff took part in:

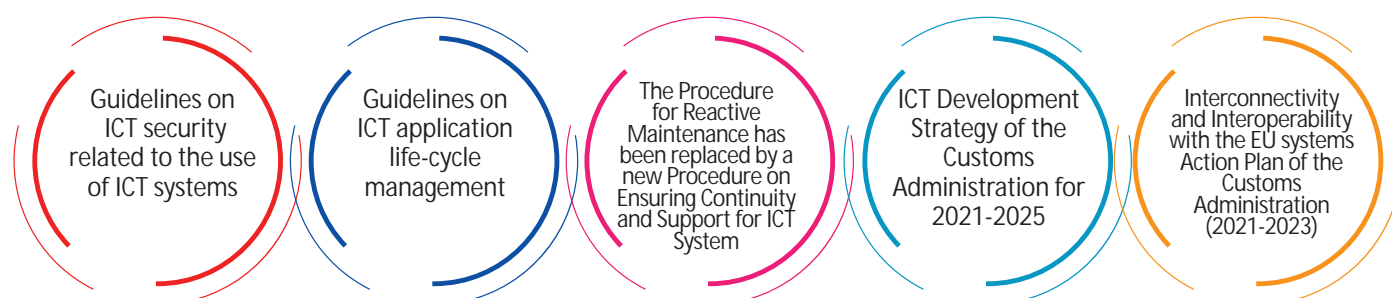
- Workshop on "Customs Decisions" held through the EU Twinning project;
- Workshop on "Recommendations for customs tariff related legislation " held through the EU Twinning project;
- Preparation of a CDEPS data model intended for the pilot project "Risk Analysis" supported by the Slovenian company "Brevio";
- Preparation of the Strategy for Reduction of Gray Economy, project coordinated by the Ministry of Finance;
- Workshop on "SQL-Server and data warehouse";
- Workshop on "Data integration plan and establishment of a data warehouse";
- Training on "Control and fulfillment of the criteria for an Authorized Economic Operator";
- The training topic "Authorized Economic Operators Risk management" and
- Windows Server 2016 licensed software training.

MODERNIZATION OF ICT INFRASTRUCTURE

- Migration and virtualization of ICT systems,
- Disposal of hardware older than 10 years,
- Implementation of the IPA Project for procurement of ICT equipment and system software for upgrade of the ICT infrastructure at primary location and Disaster Recovery Center at remote location,
- Under the project, complete server infrastructure and new network equipment "firewall", router, switches were installed, which support higher network speeds for access to ICT systems,
- 200 personal computers for the border crossing points and inland customs offices have been procured under the Project. The computers have been distributed and installed on location,
- Reconstruction of the data center on primary location (server office in the Customs Administration Headquarters). Project documentation has been prepared for the reconstruction of the server room and it is expected that the Customs Administration will build one of the most modern data centers in the country,
- As part of the component "Facilitation of Cross-Border Trade in Goods" of the Western Balkans Trade and Transport Facilitation Project, financed by a World Bank loan, a company was selected and it has fulfilled the first part of the contract - analyzes of the current situation in the Customs Administration, which is necessary for preparation of technical specification for procurement and implementation of a new video surveillance system, and automatic number plate recognition system (CCTV & ANPR),
- New video conference system has been installed.

IV.2. INTERNAL ACTS SUPPORTING THE OPERATION

The following internal acts were amended in 2021:



IV.3. ICT SYSTEM USER SUPPORT

The average availability of ICT systems and applications in 2021 was 99%.

In the reporting period, there were 11,345 incidents, issue reports and business problems received at the Service Desk of the Customs Administration which were resolved to ensure the continuity of the ICT systems. Of these, 581 incidents and service issue reports were related to hardware and network problems, while 10,764 requests were related to software and business problems.

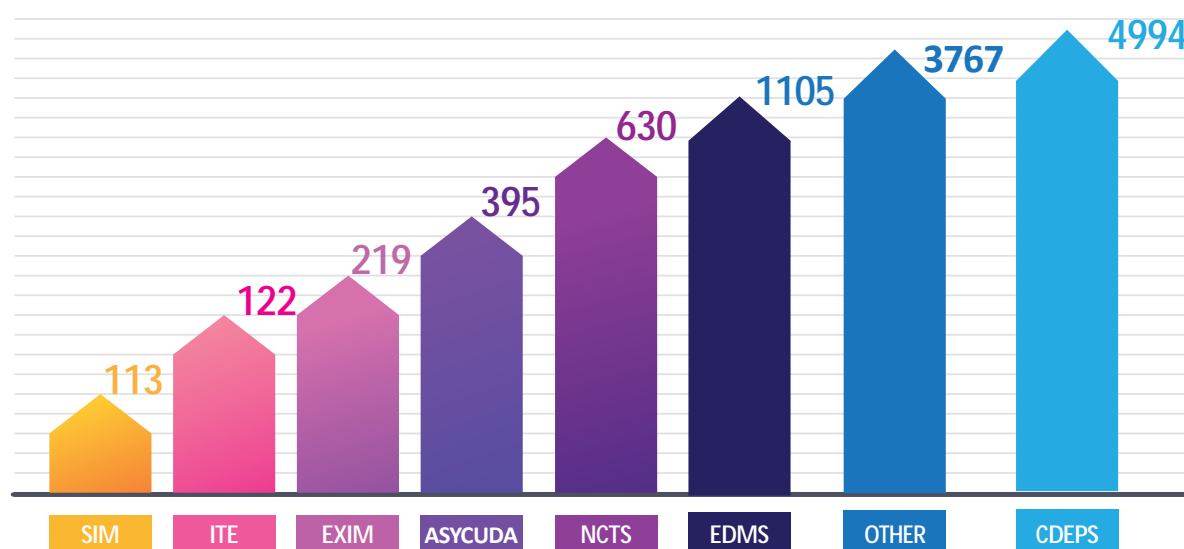
Category	Total
Hardware problems	581
Software and business problems	10.764
Total	11.345

In terms of software application support, the majority of solved requests in the reporting period concerned the CDEPS (4.994). The structure of resolved problems per application is given in the table below:

Application/ ICT system	Total
CDEPS	4.994
eDMS	1.105
NCTS	630
EXIM	219
ASYCUDA	395
ITE	122
SIM	113
Other	3.767
Total	11.345

"Other" covers cases of support for other applications in the Customs Administration, office tools and user profile management of internal and external users of ICT systems.

The structure of resolved requests for applications / ICT systems is shown below:



V. FACILITATION AND ACCELERATION OF CUSTOMS PROCEDURES

V.1.CONDITIONS FOR PERFORMANCE OF CUSTOMS FORMALITIES

The activities within the Open Balkans Initiative and CEFTA resulted in a shorter border delays. With the mutual recognition of the Authorized Economic Operator authorisations, the procedures have been simplified and the business climate of the entire region has been improved.



V.1.1. Mutual recognition of Authorised Economic Operator authorisations

After completion of the mutual recognition of AEO programs validation process, the Implementing Protocol of the Agreement on Mutual Recognition of the Authorized Economic Operator - Security and Safety Authorization (AEOS) was signed with the Republic of Serbia in December 2021.



Signing of the Implementing Protocol of the Agreement on Mutual Recognition of the Authorized Economic Operator Authorizations (3 December 2021, BCP Preshevo)

In December 2021, an Agreement was signed with the Republic of Albania. Signing of the Implementation protocol and the process of validation of the AEO program with Albania will follow.

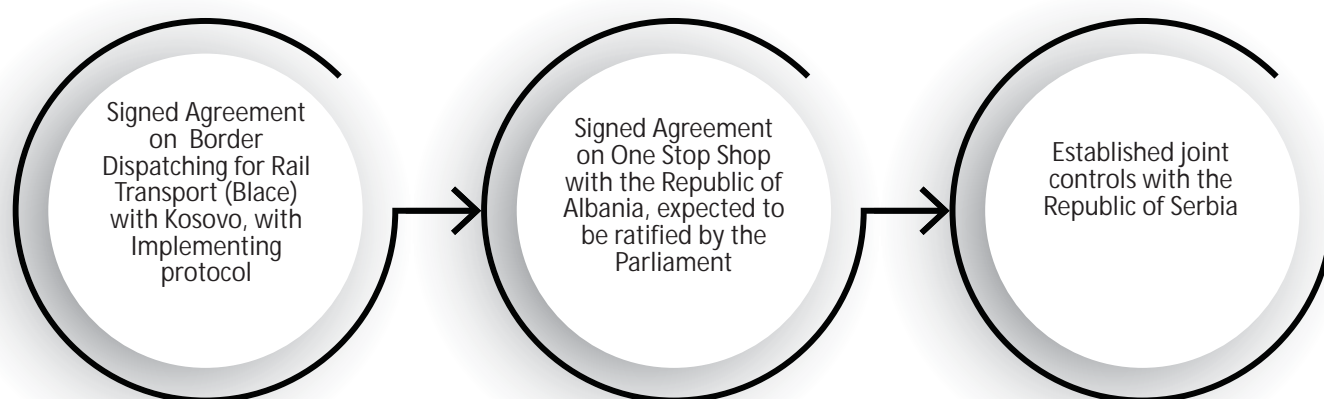
The validation of the AEO program of the Republic of North Macedonia has been completed and a positive report has been received from the CEFTA Validation Team. A decision is expected for mutual recognition of the AEO programs in the CEFTA Parties.

Interest is expressed for signing Agreement on mutual recognition of AEO programs with the People's Republic of China.

V.1.2. Green Corridors

Application of green corridors has been extended to all border crossings in the CEFTA region (May 2021). An initiative has been launched for green corridors with Greece and Italy.

V.1.3. One Stop Shop



The 2021 UNECE Report placed the Republic of North Macedonia first in the region of South-Eastern Europe

The region has reached a 63% rate of implementation of general and digital relief measures. The assessment is given on grounds of the following criteria: transparency, formalities, institutional arrangements, cooperation, paperless trade, cross-border paperless trade



Source: UNECE, based on United Nations Global Survey on Digital and Sustainable Trade Facilitation, 2021

V.2. E-CUSTOMS

V.2.1. Customs Declaration and Excise Document Processing System (CDEPS)

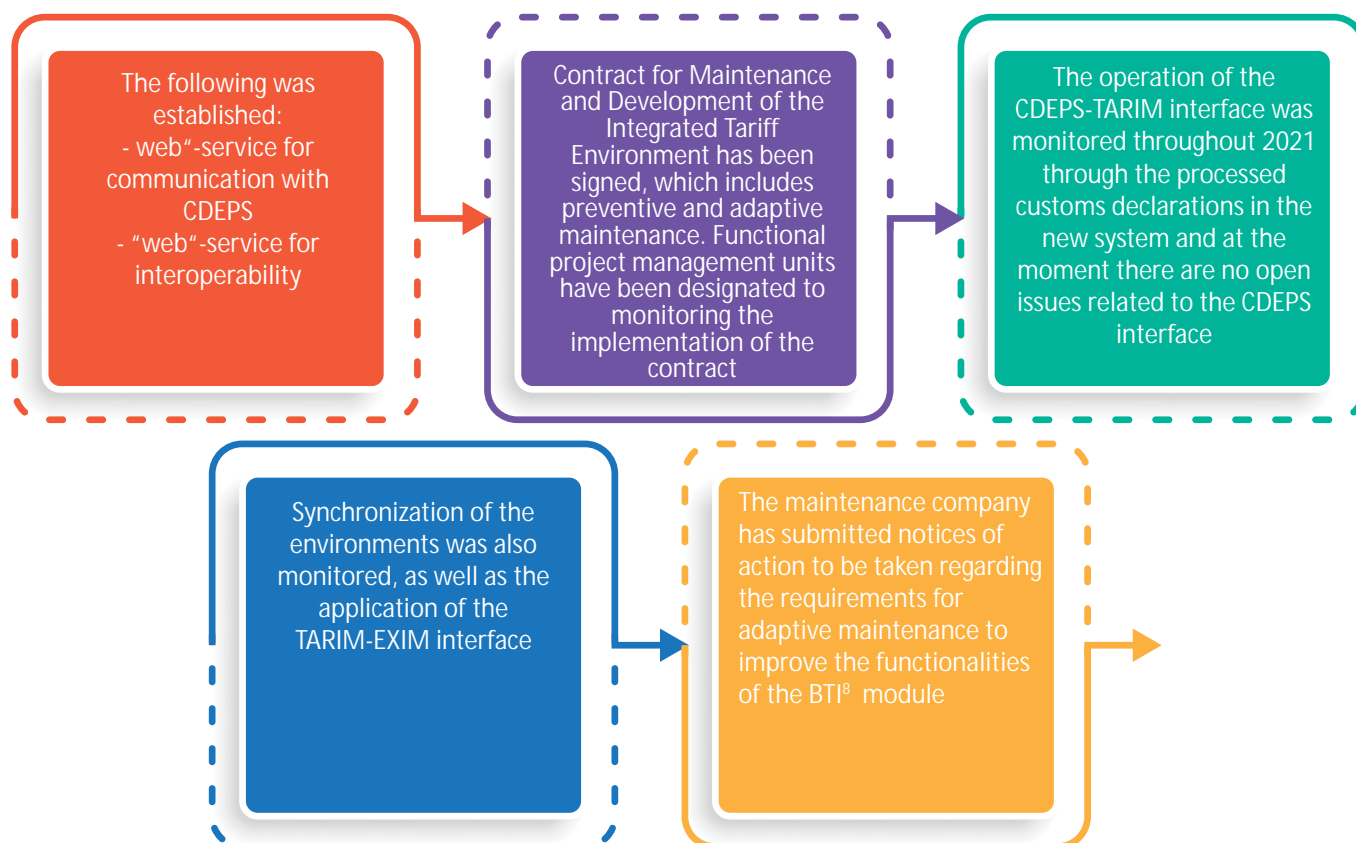
602.976 declarations were processed in CDEPS in 2021:

Number of customs documents per type (box 1a, box 1b)

Export	Declaration type	2021
Export declarations – CO border	EXMKA ⁷	213.090
	EXMKZ ⁸	125.732
	Total	338.822
Export declarations, CO customs clearance	EXMKA ⁷	158.346
	EXMKZ ⁸	104.665
	Total	263.011
Export declarations, oral		1.143
	Total	1.143

V.2.2. Integrated Tariff Environment (ITE)

ITE has been upgraded with the adaptive changes put into production.



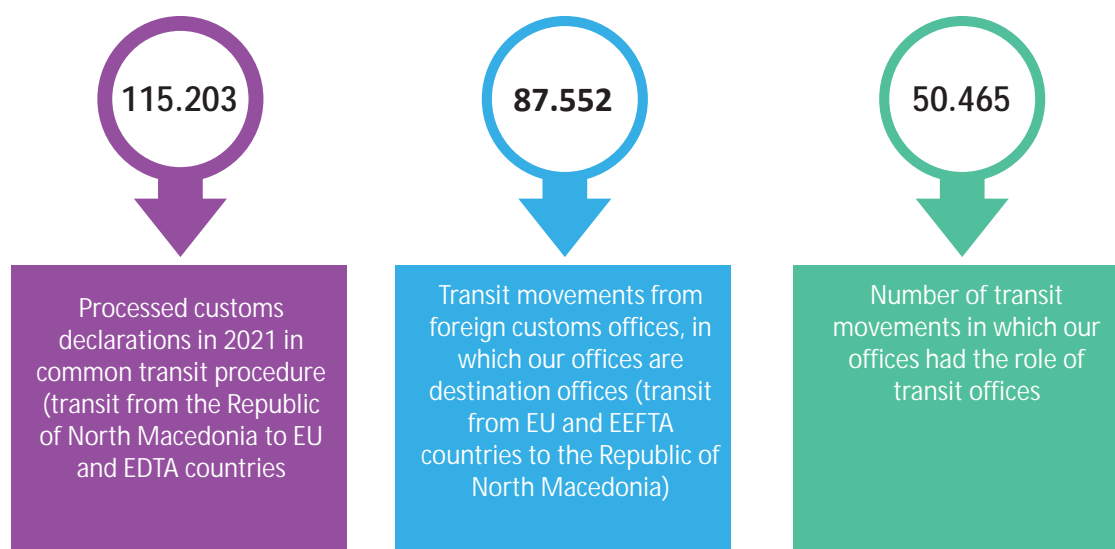
⁷ Regular customs procedure

⁸ Simplified customs procedure

⁹ BTI – Binding Tariff Information

V.2.3. Common Transit System with EU and EFTA countries

The electronic transit declaration under which a transit procedure has been initiated in any state - party to the Convention on a Common Transit Procedure is acceptable to all states - parties to the Convention.



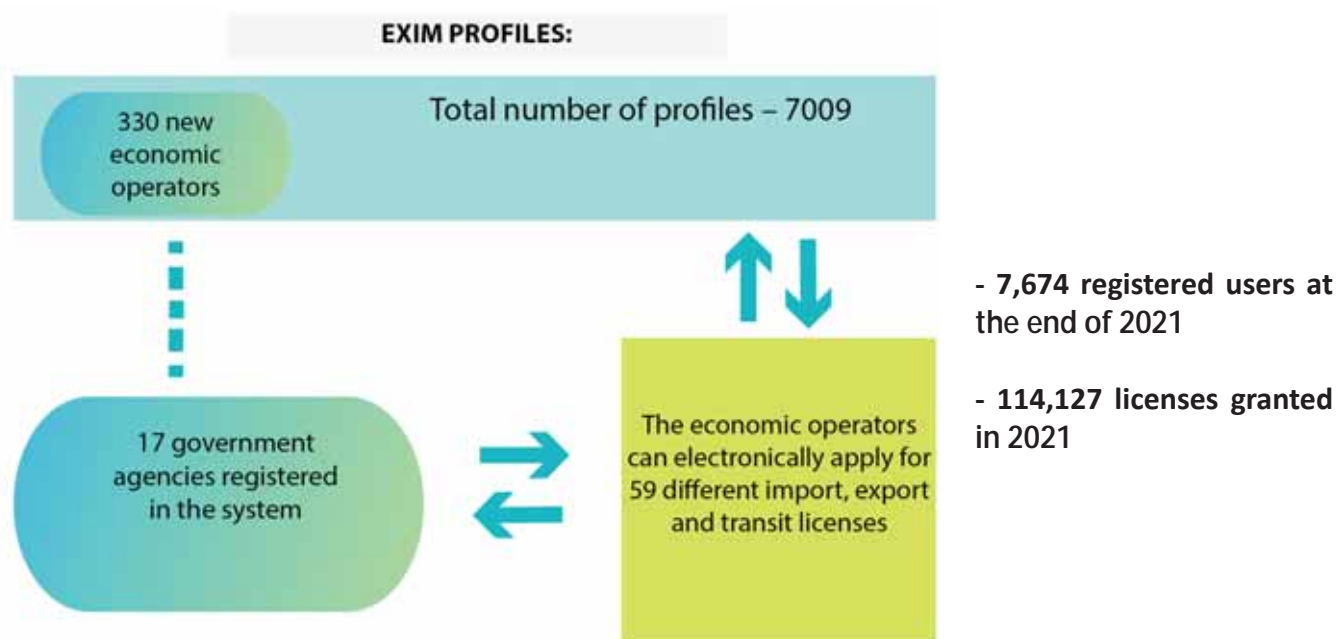
V.3. VOLUME OF WORK

V.3.1. Single Window System for import, export and transit of goods – EXIM

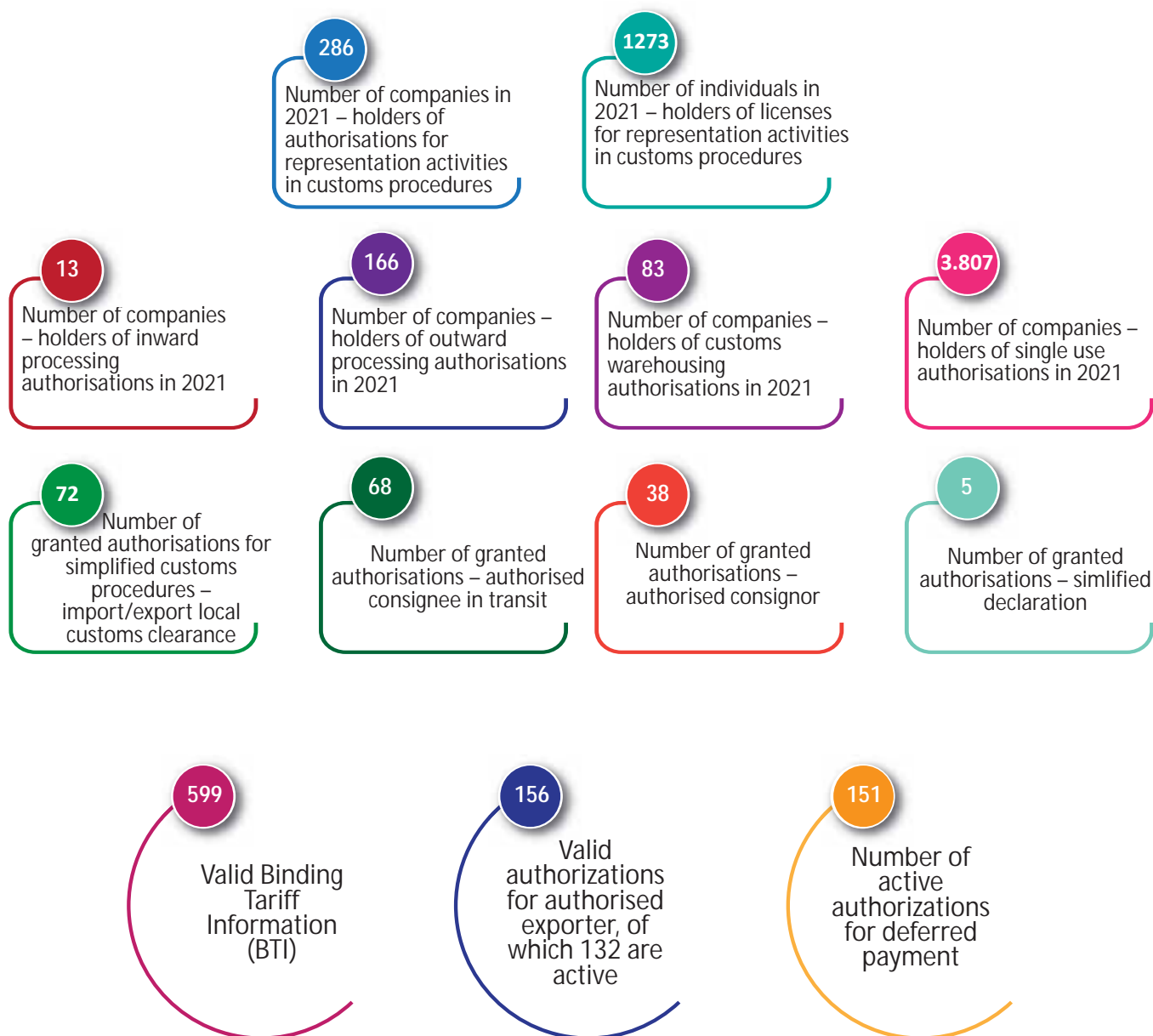
The Single Window System for import, export and transit licenses – EXIM allows the registered economic operators to apply to 12 (out of 17 registered) state agencies directly involved in granting licenses for 60 different types of import, export and transit licenses.

In 2021, development of web services continued, to enable connection and data exchange between EXIM and the Weapon Management System Registry of the Ministry of Interior.

Intensive activities were also done on connecting EXIM with the Interoperability System through which data exchange between the systems of the two institutions will take place.



V.3.2. Customs and excise authorisations and licenses



60 active excise licenses

2 excise licenses for small distillery plants

5 licenses for small breweries

7 licenses for farmers - small producers of spirits

At the end of December 2021, the total number of active preferential use permits holders - economic operators was 207.

V.4. REVENUES COLLECTED

Revenues collected by Customs are expected to participate with 43% in the total planned state revenues for 2022 and 75% in the revenues from tax.

The revenue collection system has been upgraded and a new modern system has been introduced, which enables the economic operators to see their obligations and payments directly in the system and if they have overdue or overpaid obligations, to have insight and react in accordance with the regulations.

E-payment is also planned for the EXIM system.

 **84.192.251,00 - total amount of revenues collected by CA per number of employees**

2021 REVENUE COLLECTION ANALYSIS

In 2021, Customs collected import and internal trade revenues in the amount of **103.472,28** million Denars.

2021 vs 2020

24,70%

Customs collected **20,497.28** million Denars more revenues in 2021 than in 2020, which is **24.70%** more compared to the same period in 2020 when 82.975,00 million Denars were collected.

2021 vs 2019

12,81%

Customs collected **11,747.63** million Denars more revenues in 2021 than in 2019, which is **12.81%** more compared to the same period in 2019 when 91.724,64 million Denars were collected.

VI. LAW ENFORCEMENT



In conditions of constant trade advancedements and modern economic trends, the customs services must keep pace with the process of modernization and implement modern working methods and techniques. They must be equipped with tools for effective risk management. Relevant regulations ensuring successful preventive action and severe sanctionin must be in place. In 2021, the Customs Administration continued to improve its systems for risk analysis, customs intelligence, post-clearance control, investigations and the operation of special units.

VI.1. CUSTOMS INTELLIGENCE

The Intelligence Department collects all types of information related to customs operations from all possible sources: Customs hotline 197, open source (media and social networks), informers, etc., The information is then checked, verified and systematised, and that of interest is processed.

Operational information is exchanged with the services operating in the areas in which Customs has jurisdiction, in the region and abroad. A dedicated partnership has been established with international organizations involved in customs activities, including the World Customs Organization (WCO), the Regional Intelligence Offices (RILO), the European Anti-Fraud Office (OLAF) and the Southeast European Law Enforcement Center (SELEC), the United Nations Office on Drugs and Crime (UNODC) and other agencies.

VI.2. RISK MANAGEMENT

Risk analysis and uniform application of customs controls are essential for efficient collection of import duties and suppression of illegal activities. The available information is used systematically to determine how often the identified risks can occur and to what extent they would cause consequences.

Risk management is important for proper and rational allocation of resources for maximum coverage of areas with detected risk and successful management of customs controls.

In 2021, a number of risk criteria were prepared or revised, in accordance with the received data and information, as well as in accordance with current trends in international trade and changes in regulations, in order to facilitate trade while increasing security and safety, i.e. targeting higher risk shipments.

VI.3. CUSTOMS AND OTHER CONTROL

VI.3.1. Customs control at entry, exit, transit and inland

Customs control is control of the legality at entry, exit, transit of goods and passengers on the customs territory of the Republic of North Macedonia and control of the declaration of the type and quantity of goods.

Through the risk analysis system, in cooperation with other government agencies responsible for law enforcement and based on the customs officers' evaluation and skills, the conducted customs controls in 2021 resulted in 76 successful actions. These actions were realized by using various equipment donated by the EU and the EXBS Program of the US Embassy in Skopje.

For comparison, in 2020 customs controls resulted in 81 successful findings.

Prevented attempts for illegal trafficking of narcotics, psychotropic substances and precursors

In 2021, in cooperation with the Ministry of Interior, 6 cases of drug trafficking were prevented seizing 249.3 kg of marijuana, 4,956 grams of heroin and 20 cubic units of methadone. In the same period in 2020 there was 1 case of seizure of drugs - 5 kg of heroin.

A case where marijuana, packed in 519 packages, was found in the front part of a trailer of a freight motor vehicle with Macedonian license plates, loaded with waste paper, driven by a Macedonian national.



During control of freight motor vehicle with Macedonian license plates, driven by a Macedonian national, declared for exit at the border crossing point Dojran, a mobile team from the Operational Matters Department discovered 9 black plastic bags filled with marijuana weighing 139 kg. The bags were concealed in the front part of the trailer, covered with bags of pellet fuel. The drugs and the vehicle were seized.

Prevented attempts for illegal trafficking of cigarettes and other tobacco products

11 attempts for illegal trade in cigarettes and other tobacco products were detected in 2021 seizing 12,014,760 pieces of cigarettes, 1,332 kg of chopped tobacco and 81 kg of hookah tobacco.

During control of the truck with Albanian license plates, driven by an Albanian national at BCP Bogorodica, packages of tobacco were found inside 2 pillows placed on the bed in the driver's cab and inside the toolbox of the vehicle.



During inspection of a Greek registered vehicle, driven by a Greek national, who arrived at BCP Bogorodica – entrance section, in a cardboard box placed on the back seats between suitcases and objects for similar use, the customs officers found 7.5 kg hookah tobacco (37 boxes of 200 g).



During baggage inspection of a Macedonian national travelling to Malmo, the customs officers found 12,960 Marlboro, Davidoff, Chesterfield and EVA Slims cigarettes with Macedonian excise stamps.

Prevented attempts for illegal trafficking of medicines and medical equipment

In 2021, the customs officers prevented 2 attempts for illegal trafficking of medicines, seizing 744 packs and 1,050 bags of Kamagra.

During control of a freight motor vehicle with Skopje license plates, loaded with fruit and vegetables and driven by a Macedonian national conducted at BCP Bogorodica, in 14 boxes placed in the back of the trailer, inspectors from the Operational matters Department found 744 packages of various medicines (Inderal 40mg tablets, Lyo-Cortin 100mg ampoules, Xylocaine 2% 30ml ointment, Butavate Ointment 30g creams, Depakine 200mg tablets, Vermax 100mg / 5ml syrup, Cytotec 200mg tablets, Colchicina / Acardia (1 mg tablet) etc.



During control of a Macedonian registered bus that operated a regular line Germany-Struga and declared for entry at BCP Tabanovce Motorway, in 3 packages placed in the baggage compartment, customs inspectors from the Operational Matters Department found 1,000 hotgen tests for Covid-19.

Prevented attempts for illegal trafficking of foodstuff

In 2021, 5 attempts for illegal trafficking of food products were prevented including 20 kg fish, 153 kg dried fruits, 240 pieces of energy drinks, 2,760 kg corn seed, 150 kg coffee and 194 kg majoun).

During control of a bus with Skopje license plates driven by a Macedonian national at BCP Deve Bair, inspectors of the Operational Matters Department 240 cans with energy drink "Red Bull" and 153 kg dried fruit in the bus toilet and in the hand luggage compartment.

Prevented attempts for illegal trafficking of apparel, accessories, textile articles and raw materials

In 2021, the customs officers prevented 12 attempts for smuggling 1,623 pieces of apparel, textile products and fashion accessories.

During control of a passenger motor vehicle with Macedonian license plates, driven by a Macedonian national at BCP Tabanovce Motorway, the customs officers found 67 undeclared men's jackets in the boot and behind the back seats of the vehicle.

During control of a Macedonian registered vehicle - towing service, towing a car declared in transit procedure at BCP Kjafasan, the customs officers found 106 pieces of women's apparel (dresses, tops, shorts, jackets and trousers) in packed in vacuum bags and placed the boot of the vehicle.

Prevented attempts for illegal trafficking of other goods

42 attempts for smuggling 8,979 pieces of different goods were prevented in 2021.

14 gold and 18 silver coins were discovered at the Skopje International Airport, during baggage control of a Macedonian national who was supposed to fly to Zurich.

The control of a bus with Macedonian license plates, driven by a Turkish national and declared for entrance at BCP Deve Bair, in a modified factory-made cavity, the customs inspectors of the Operational Matters Department found 2,773 grams of gold jewellery packed in 20 plastic bags.

During baggage inspection of a Macedonian national living in France, who arrived at the International Airport Skopje from Paris, the customs officers found 11 undeclared graphics cards "VGA GIGABYTE RTX 3060 EAGLE OC 12G LHR".

Prevented attempts for illegal transfer of cash



In 2021, 5 attempts for illegal transfer of foreign cash were prevented seizing 116,000 Swiss francs, 9,338 Euros and 47,500 British pounds.

During personal search of a Turkish national, driver of a bus with Macedonian license plates at BCP Deve Bair, customs inspectors of the Operational matters Department discovered that inside his trouser pockets he was smuggling 100,000 Swiss Franks.

Prevention of Illicit trade in cosmetic products

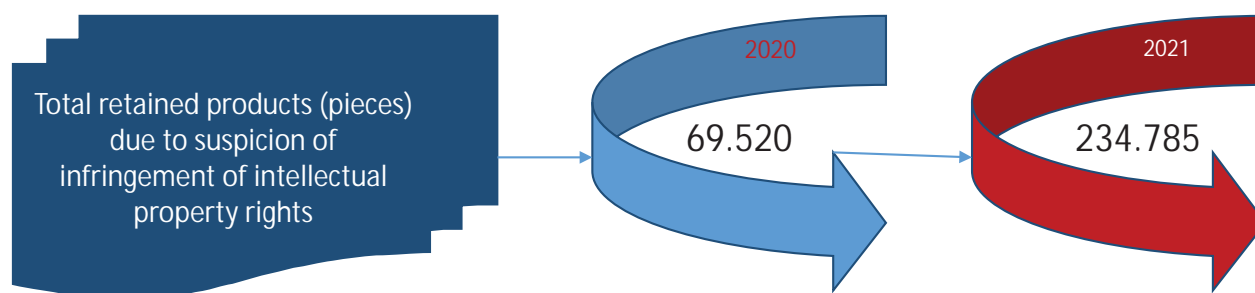
In 2021, 1 attempt for smuggling 5,000 pieces of razor blades was prevented.

Intellectual Property Rights Protection

235,270 pieces and 1,500 kg of goods (1,500 kg of paper) were impounded in 26 actions due to reasonable suspicion of violation of intellectual property rights.

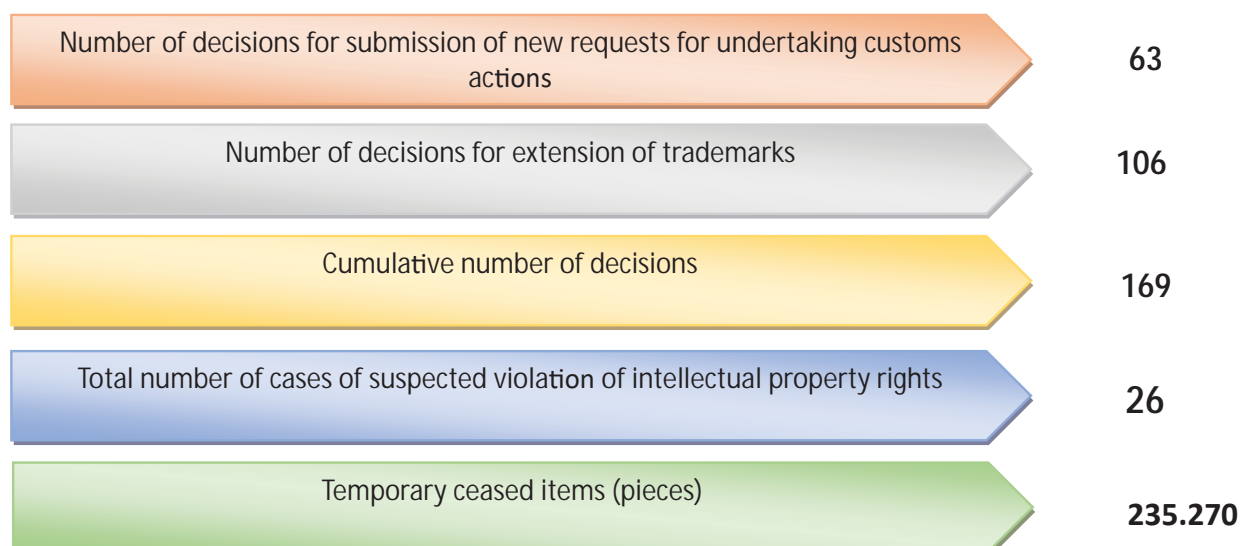
A total of 63 requests for customs protection were submitted and a total of 106 requests for extension of the deadline for customs protection of trade marks were approved. A total of 26 cases of suspected violation of intellectual property rights were registered.

Impounded goods in this period are shown in the table below:



The impounded goods included lighters (48%), cigarettes (25%), footwear (11%), textiles (9%), perfumes, deodorants and cosmetics (5%) and toys (3%). In terms of the origin of the impounded goods on grounds of suspicion of IPR violations, Turkey dominates with about 90%, PRC with about 7% and Singapore with about 2%.

Statistical overview of the temporary held items and overview of the submitted and extended requests for undertaking customs actions



Control of the stirring of vehicles with foreign license plates and public transport vehicles

Due to non-compliance with the regulations for stirring foreign motor vehicles in the Republic of North Macedonia, in the 2021 the Customs Administration seized 52 passenger motor vehicles (PMV), 18 motorcycles, 5 mopeds, 1 scooter, 1 quadricycle, 1 semi-trailer and 2 freight motor vehicles.

2021

52 passenger motor vehicles (PMV)
18 motorcycles
5 mopeds
2 freight motor vehicles
1 scooter
1 quadricycle
1 semi-trailer

In 2020, the Customs Administration seized 96 passenger motor vehicles and 11 motorcycles.

2020

96 passenger motor vehicles
11 motorcycles

VI.3.2. Control during customs clearance стока

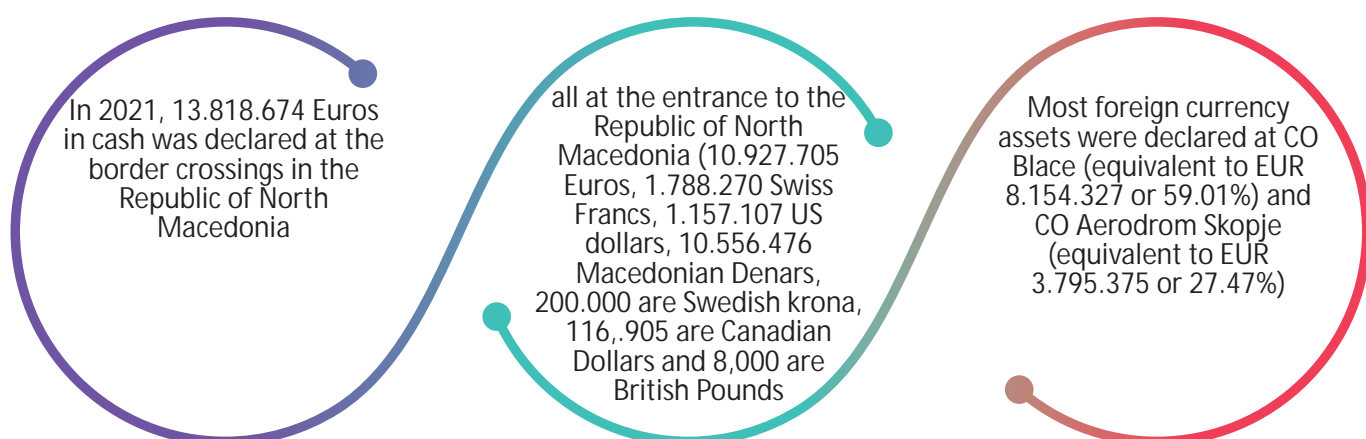
Control of customs clearance of goods is control of the adequacy of customs and other documents and goods for customs clearance in accordance with the regulations. This control is performed during import, export, transit and temporary import by legal entities and their responsible persons, but also applies to natural persons, whether residents or non-residents.

Based on direct customs control during customs clearance of goods in 2021 there were 40,510 cases where inappropriate documents and goods for customs clearance were found, as well as failure to comply with trade policy measures, of which 37,812 cases were related to invalid, forged and other inappropriate documents and goods aimed at undervaluation, 582 cases of invalid certificates for preferential origin of goods aimed at import duty evasion, 293 cases of false tariff classification under tariff headings with lower import duties, as well as 1,823 cases of presentation of inappropriate documents aimed at tax and trade policy measures evasion. With the discovered invalid and forged customs and other documents, the importers attempted to evade nearly 1,242.5 million denars of import duties.

For comparison, in 2020 there were 26,621 cases where inadequate documents for goods for customs clearance and compliance with trade policy measures were detected, with which importers tried to evade about 497.68 million denars of import duties.

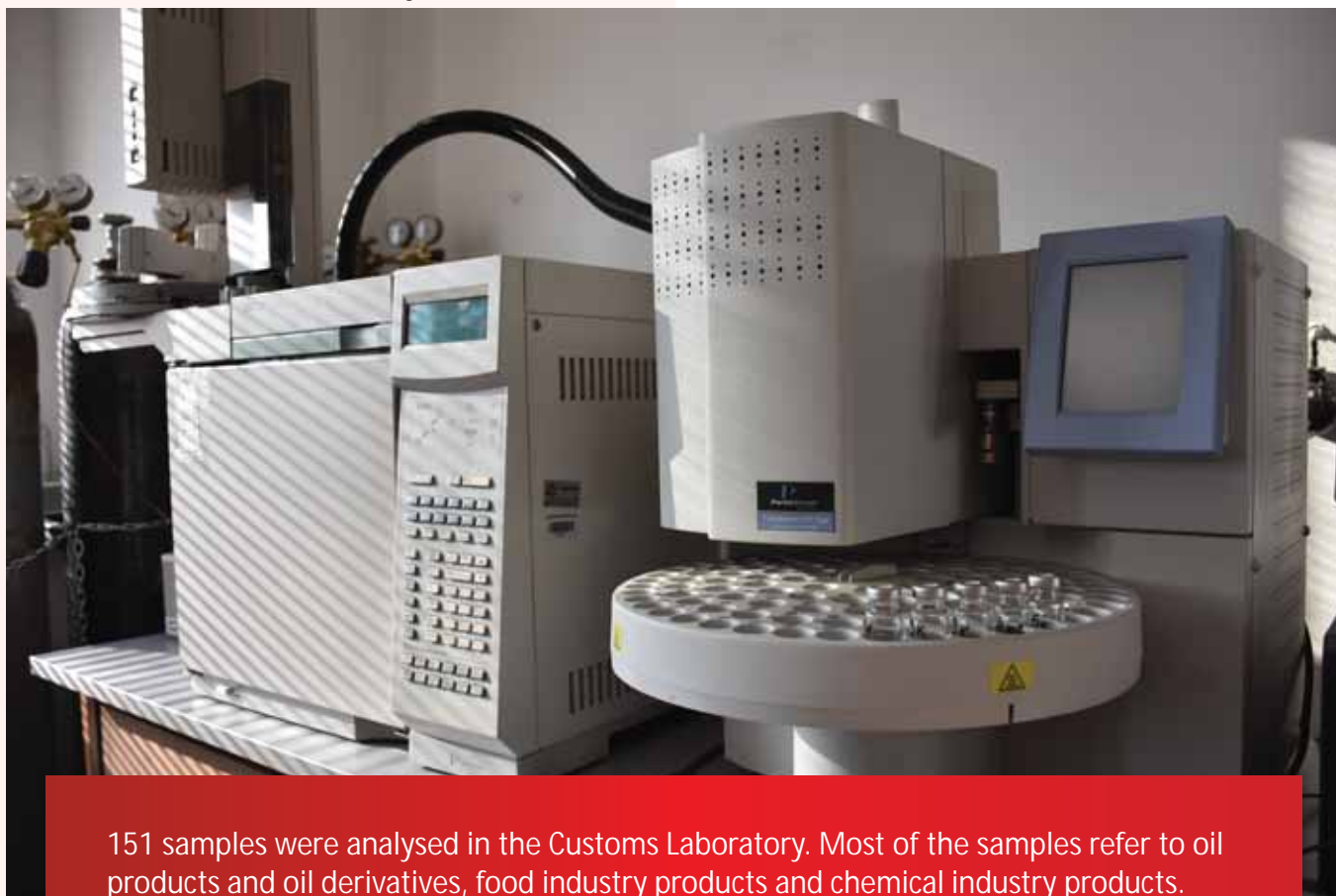
Most of the invalid and falsified documents for customs value refer to the import of used passenger motor vehicles, used goods, scrap metal, advertising material, footwear, furniture parts, synthetic fabric, medicines, dental instruments, lenses, dresses, fruits, vegetables, food products, postal items, etc. There were also detected cases of wrong classification of goods in tariff headings, as well as wrong origin declaration of goods.

VI.3.3. Declared foreign cash



In 2021, 128.25% more foreign currencies were reported compared to 2020.

VI.3.4. Customs Laboratory



151 samples were analysed in the Customs Laboratory. Most of the samples refer to oil products and oil derivatives, food industry products and chemical industry products.

Of these, as well as from the samples received in the previous months, which were completed in the period January-December 2021, in 36 cases it was concluded that the goods were wrongly classified in tariff headings, in 3 cases of extra light fuel it was determined that there was less marking substance than the legally prescribed and in 1 case in cooperation with the State Market Inspectorate, it was determined that the quality of the heavy fuel oil does not meet the relevant standard for heating oil.

The inappropriate tariff classification was aimed at benefiting from a lower or higher customs duty rate or VAT, due to which subsequent collection of around MKD 0.82 million was ordered.

In 2020, 138 samples were analysed in the Customs Laboratory. In 22 cases inadequate tariff classification was determined, resulting in subsequent collection MKD 0.46 million.

VI.3.5. Post-clearance audit контрола

Post-clearance audit is control of trade companies after completed customs clearance, as well as supervision of holders of authorizations for customs procedures with economic impact, authorisations for simplified customs procedures, excise licenses, etc.

In 2021, the Trade Company Control Department conducted 100 post-clearance controls related to data on imports, exports, simplified procedures, granted licenses, inward processing, customs warehousing and customs representation activities, as well as on grounds of previously initiated cases, with detected 31 attempts to evade customs duties and other taxes in the amount of MKD 31.14 million and 3 cases of failure to comply with customs regulations.

The attempts for evasion of customs and other duties were related to release of goods for free circulation without being customs cleared, undeclared transport costs, costs for extension of warranty period, license fees, incorrect tariff classification, etc.

During 137 conducted controls of excise licenses or permit holders – wholesale and retail traders of mineral oils, as well as on grounds of completion of previous controls, Customs identified 53 cases of less paid excise duty in the amount of MKD 331.61 million denars and 14 excise misdemeanours.

In 2020, 111 post-clearance controls related to data on imports, exports, simplified procedures, granted licenses, inward processing, customs warehousing and customs representation activities, as well as on grounds of previously initiated cases, with detected 31 attempts to evade customs duties and other taxes in the amount of MKD 27.12 million and 8 cases of failure to comply with customs regulations.

During 46 controls of holders of excise licenses and permits – wholesale and retail traders in mineral oil, as well as based on the completion of previously initiated controls, Customs identified 23 cases of less paid excise duty in the amount of around 371.03 million denars and 4 excise misdemeanours.

During conducted 46 control of users of LPG as propellant fuel or users of marked mineral oils, Customs detected 4 attempts for excise duty refund applications for a larger amount than legally prescribed.

The attempts for import duties evasion were related to release of goods in free circulation without paid customs and other duties, undeclared transport costs, costs for extension of warranty, fee licenses, incorrect tariff classification, etc.

VI.3.6. Legal measures against the detected irregularities

Besides the direct on-the –spot orders (on grounds of a Report) for payment of larger amounts of import duties and revocation of customs and excise licenses due to identified irregularities, the Customs Administration issues administrative decisions for subsequent collection of import and excise duties and lodges misdemeanor and criminal charges.

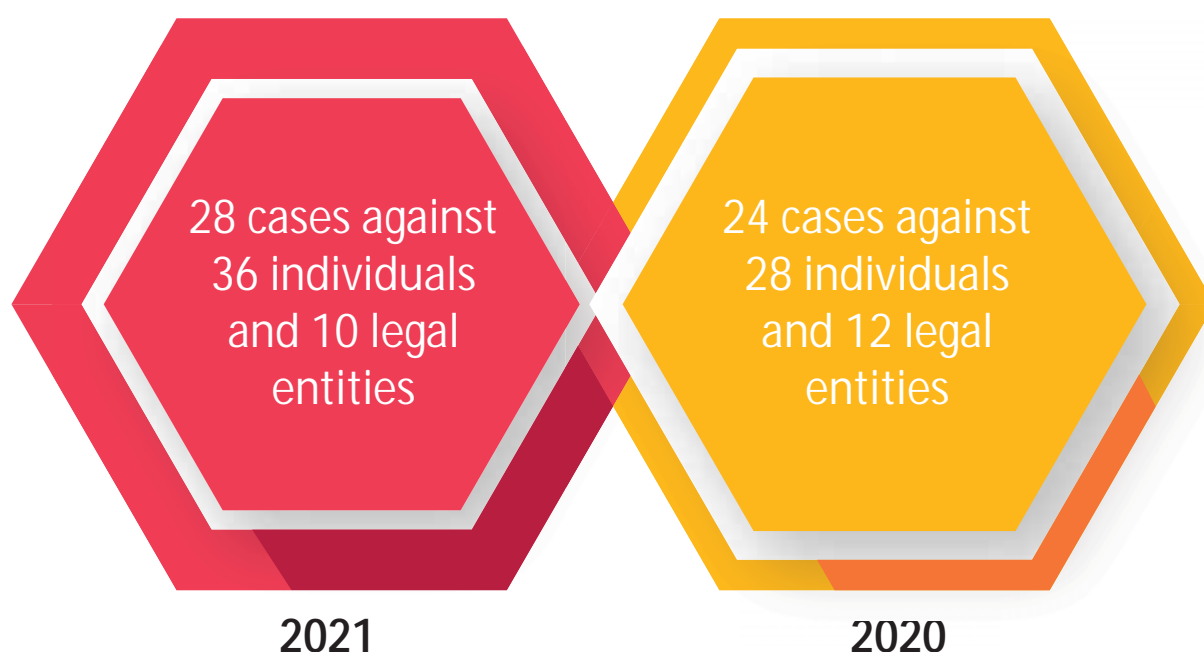
VI.3.7. Decisions for subsequent collection of import and excise duties

In 2021, the Customs Administration passed 1,520 decisions for subsequent collection of duties and taxes in total amount of about MKD 661.10 million:

- 212 decisions for subsequent collection due to wrong tariff classification in a tariff headings with lower (or zero) import duty rates (MKD 71.29 million);
- 253 decisions for subsequent collection due to invalid evidence of preferential origin, based on proofs received from customs services of the exporter (MKD 12.95 million);
- 375 decisions for subsequent collection on other grounds (MKD 46.76 million); and
- 680 decisions for subsequent collection due to non-compliance with excise regulations (MKD 530.10 million).

For comparison, in 2020 the Customs Administration passed 1,680 decisions for subsequent collection of MKD 435.10 million of import duties and VAT.

VI.3.8. Criminal charges



VI.3.8. Customs, foreign currency and excise related misdemeanours

2020

591 cases, of which 553 cases were for customs misdemeanours, 7 for foreign exchange misdemeanours, 51 for excise misdemeanours. Of the total number of misdemeanor charges, 194 were against individuals and 397 against legal entities

2020

689 misdemeanor cases were resolved, and the perpetrators were fined in the amount of about MKD 10.1 million

2020

2,323 on-the-spot fines were imposed against 499 individuals, 912 responsible persons in legal entities and 912 legal entities, whereby the perpetrators were fined in the amount of about MKD 13.97 million

2021

358 cases, of which 342 for customs misdemeanours, 11 for foreign exchange misdemeanours, 1 for violation of intellectual property rights and 4 for excise misdemeanours. Out of the total number of misdemeanor charges filed, 242 were against individuals and 116 against legal entities

2021

748 misdemeanor cases were resolved and the perpetrators were fined with MKD 5.6 million. In 210 cases, besides the fine, a special measure - confiscation of the goods subject to the misdemeanor was imposed, and in 8 cases of foreign currency misdemeanor, a measure - confiscation of the undeclared foreign currency was imposed, which in MKD counter value amounts to about MKD 7.2 million

2021

1.682 on-the-spot fines¹² were imposed against 484 individuals, 1.198 responsible persons in legal entities and 1.198 legal entities, whereby the perpetrators were fined in the amount of about MKD 34.24 million

VI.4. PARTICIPATION IN INTERNATIONAL ACTIONS

The Customs Administration took part in the following international operations/projects:

- **"Global Shield"** - focused on monitoring the import and export of chemicals and other products that can be used to make explosive devices (The project is continuous and involves all members of the World Customs Organization);
- **"OPFA WASTE"**¹³, supported by EUROPOL and focused on waste management and trade;
- **"UNITE"** – fight against environmental crime;
- **"OpsonX"** и **"Opson XI"** - organized by INTERPOL and EUROPOL, to prevent smuggling and fraud, trade in foodstuffs and beverages, trade in counterfeit foodstuffs and beverages, trade in substandard foodstuffs and beverages, EMA food and beverages safety and illegal movement of cattle, seeds and agrochemical products;

¹²With the adoption of the new Law on Misdemeanours ("Official Gazette of RNM" no. 96/19) and the amendments implemented in the customs legislation ("Official Gazette of RNM" no. 110/21), on-the-spot payment orders are no longer issued, but exclusively misdemeanor payment orders

¹³ OPFA WASTE – Operational Facility Fighting Illicit Waste Trafficking

- **Joint Customs-Police Operation "Lake 2021"**, organized and coordinated by EUROPOL focused on illegal trade of baby European eels (*Anguilla anguilla*), also known as glass eels, protected under Appendix II of the Convention on International Trade in Endangered Species ¹⁴;
- **"Goals"**, organized by RILO AP (Region Intelligence Liaison Office for Asia and the Pacific) and supported by WCO, focused on fight against illegal trade in synthetic drugs through all kinds of transport;
- **"Stop II"**, organized and coordinated by WCO, focused on counterfeit, illegal substandard medicines against COVID-19, as well as medical material and COVID 19 vaccines, which may be a threat to the health and wellbeing of the consumers;
- **"Waste Trafficking"**, organized by EUROPOL, to prevent the illegal trade in all types of waste and environmental pollution in the countries of the Balkan Peninsula;
- **Prevention of illegal trade in F-gases**, initiated by the Netherlands under the of "EMPACT"¹⁵ Envicrime OA1.2", organized and coordinated by EUROPOL;
- **"Pandora VI"**, focused on illegal trade in cultural heritage and organized under the "EU EMPACT" initiative;
- **"Armstrong VIII"**, organized by Austria in cooperation with EUROPOL to combat the illicit trade in arms, ammunition and ammunition, in postal and express consignments;
- **- "Joint Action Day South East Europe 2021 (JAD South East Europe 2021)"**, organized under "EMPACT FIREARMS " project, coordinated by Spain and in cooperation with EUROPOL and focused on illegal trade in firearms and ammunition, illicit trade in drugs and illegal migration;
- **"Ludus II"**, organized and coordinated by EUROPOL with the support of OLAF and the World Customs Organization and co-leadership of Spain and Romania, focusing on counterfeit toys, school supplies (backpacks, bags and kits, notebooks, pencils, pens, etc.), children's bicycles, scooters, strollers with batteries, etc., various equipment for outdoor games, various table games, batteries for toys, as well as parts for toys and games (such as joysticks, etc.).

In 2021, the Customs Administration entered information related to 64 seizures in the CEN data base and data for 1 seizure in "ZKA Balkan Info" and submitted 45 pieces of information on seized goods to the SELEC Center ²⁰.

¹⁴ Convention on the International Trade in Endangered Species - CITES (Appendix II)

¹⁵ EMPACT – European Multidisciplinary Platform Against Criminal Threats

¹⁶ ENVICRIME – Environmental Crime

¹⁷ Firearms

¹⁸ CEN – Customs Enforcement Network

¹⁹ Balkan Route Data Collection and Dissemination System (Balkan Info)

²⁰ SELEC - Southeast European Law Enforcement Center

VII. TRANSPARENCY AND COOPERATION IN THE AREA OF CUSTOMS

VII.1. PUBLIC RELATIONS

The transparency of an institution is crucial in establishing good relations with all target groups and building a favorable publicity, good institutional image and prevention or resolution of adverse effects. In that regard regular announcements were published in 2021 about the activities of the Customs Administration, novelties introduced in the customs operations, as well results in detected undeclared and counterfeit goods and customs frauds.

VII.1.1. Events

18th January 2021 - initiated process of international validation and accreditation of the Program for the Authorized Economic Operator of CEFTA

In December 2021, a Protocol was signed between the Ministry of Finance - Customs Administration of the Republic of North Macedonia and the Ministry of Finance - Customs Administration of the Republic of Serbia for implementation of the Agreement between the Government of the Republic of North Macedonia and the Government of the Republic of Serbia on mutual recognition of the authorisations for Authorised Economic Operator safety and security (AEOS).

26th January – International Customs Day

The International Customs Day - marked on 26 January 2021 was celebrated under the slogan: "Customs bolstering Recovery, Renewal and Resilience for a sustainable supply chain". Certificates of Merit from the World Customs Organization were awarded to companies who showed particular business cooperation and to customs officers for achieved results.

4th March – "Women in Customs" event



The organization of the event was encouraged by the Strategy of the Government of the Republic of North Macedonia for Gender Equality, on the occasion of 8th March - the International Women's Day.

A message was sent - encouragement to all employees, especially the married ones, to act proactively in each field jointly, consistently and professionally to carry out the mission of the Customs Administration.

14th April – 29th Anniversary of the establishment of the Customs Administration



On the occasion of the Customs Day, plaques and certificates of appreciation were awarded to employees of the Customs Administration and external partners.

Humanitarian action was organized for the "Parents' House", where parents of children - patients of the Children's Haematology and Oncology Clinic.

138th Meeting of the WCO Customs Cooperation Council

The report on the work of the WCO was presented and adopted and the most significant results in the past period concerning the Action Plan for COVID-19, adoption of the amendments to the Harmonized System the application of which started as of 01.01.2022. The new WCO e-commerce package was adopted according to which the Member States should provide better conditions for the application of cross-border e-commerce, as well as the new SAFE package – for safety and facilitation of international trade.

15th July – closing ceremony under the USAID EDGE Project for BCP Kjafasan – Qafe Thane

The project "Strengthening the efficiency of the joint control of the border crossing Kjafasan-Qafe Thane between the Republic of North Macedonia and the Republic of Albania for trade and transport facilitation through cross-border cooperation and investment" was realized under a USAID grant programme for Economic Development, Governance and Enterprise Growth (EDGE).



The Customs Administration among the three institutions with the greatest progress and a high level of preparedness in the European Commission Progress Report

The Commission acknowledged good progress made in the reporting period with continuous consolidation, application and upgrade of the IT systems of the Customs Administration, implementation and promotion of the concept Authorized Economic Operator (AEO), full functionality and operational application of paperless operations through the electronic Customs Declarations and Excise Document Management System– CDEPS, the green lanes established at the key border crossing with CEFTA countries, ensuring the uninterrupted flow of goods in the wake of the COVID-19 crisis.

SIGNED AMENDMENTS TO THE COLLECTIVE LABOUR

Director General Slavica Kutirov, the President of Trade Union of the Workers in Administration, Juridical Authorities and Citizens' Associations of Macedonia (UPOZ) Peco Grujovski, the President of the Workers' Union at the Customs Administration, Toni Apostolovski, as well as the Independent Workers' Union of the Customs Administration signed the Collective Labour Agreement which covers the amendments in the systematization. These amendments to the Collective Labour Agreement, particularly in the area of systematization, will contribute to better functionality of the Customs Administration.



26th October – closing ceremony for the final Blueprint for new National Single Window system (NSW)

With the implementation of the new National Single Window System, the Republic of North Macedonia shall establish an innovative concept for trade facilitation, providing new services to economic operators and more efficient controls, applying the latest technological achievements in digital trade.

The full realization of the project and the commissioning of the applied New Single Window is planned for 2024.

16th December – 18th Trade, Industry, Customs and Taxation Subcommittee Meeting

Through a concise presentation, representatives of the European Commission were informed about the reform progress made in the period between the two Subcommittee meetings. They were also informed about the current and future activities aimed at further harmonization of the legislation and institutional strengthening of the Customs Administration. Measures are being taken to deal with the COVID 19 crisis, as well as activities within the Open Balkans initiative. The European Commission also presented the e-commerce related novelties at Union level.

VII.1.2. International cooperation

Delegation of the European Union to Skopje

The Delegation of the European Union supports the realization of the strategic goal of the Government of the Republic of North Macedonia and the Customs Administration for EU integration through projects aimed at strengthening the knowledge, equipment, technical capacities, upgrade and implementation of new IT systems and improvement of the infrastructure of border crossings.



World Customs Organization

Senior representatives of the Customs Administration participated in the 138th meeting of the WCO Customs Cooperation Council, held within 24 - 26 June 2021. The WCO is a global internationally recognized central customs expertise center and has a leading role in the development, promotion and implementation of modern customs systems and procedures. The report on the work of the WCO was presented and adopted and the most significant results in the past period concerning the Action Plan for COVID-19, adoption of the amendments to the Harmonized System the application of which started as of 01.01.2022. The new WCO e-commerce package was adopted according to which the Member States should provide better conditions for the application of cross-border e-commerce, as well as the new SAFE package – for safety and facilitation of international trade. The delegates also discussed the harmonized system, individual customs issues that are essential to Customs, such as capacity building, tariff allocation and trade, compliance and facilitation.

Customs Attaché Network Cooperation

Last year, the interest for mutual cooperation was confirmed at the meetings and specific activities with the Customs Attaché of the Republic of France, the Federal Republic of Germany and the United Kingdom. The needs for technical assistance and support in expert training were presented, particularly in the area new modern methods of conducting control and detection of illegal operations.

The proceedings related to the current cases, investigation and prosecution of customs misdemeanours and crimes have been successfully finalized.

The support of HM Revenue and Customs has been put into use with anti-corruption and anti-shadow economy activities, such as the suppression of illicit flows, illegal trade in drugs and other narcotic substances and other forms of smuggling.

Customs-Customs Cooperation



During the visit to the Customs Administration of the Republic of Croatia (23rd September 2021), the common interest in the exchange of experiences in the area of EU legislation implementation (in the part related to customs and excise regulations) was confirmed.

The experiences in the field of introduction of a system for tracking and tracing excise products, which Croatian Customs as a strategic partner and a close associate shares is of particular importance for raising the customs operation standards in the Republic of North Macedonia.

On the regional meeting with Werner Thury, regional director of the Austrian Customs Administration and director of the twinning project "Improving the collection of revenues and tax and customs regulations", financed by IPA 2 (with Ministry of Finance, Customs Administration and Public Revenue Office as beneficiaries) – the benefits of the mutual cooperation were confirmed.



The benefits are evident in the improvement and harmonization of the national tax and customs legislation with that of the EU, as well as the application of best practices, improvement of the economic analysis and revenue forecasting and the modeling, which contributes to improvement of the operational capacities of the key institutions in the system.

The start of joint customs controls at the railway border crossing Hani-Elezit, in line with the recently concluded bilateral agreement was discussed at an informal meeting with delegation of the Customs Administration of the Republic of Kosovo (28th September 2021) Ideas were exchanged for establishment of joint controls on the road border crossing point Blace-Hani Elezit.



Aimed at continuation of the good cooperation between the Customs Administration of the Republic of North Macedonia and the Korean Customs, there was a virtual meeting marking the the start of the Project, which will support the capacity building of the Customs Administration.

This project is particularly important in the area of e-commerce and it is also expected to contribute to establishing a balance between facilitated and accelerated delivery of shipments, greater revenue collection for this type of trade. The project

will be implemented during 2022-2023 and small and medium-sized enterprises will significantly benefit from it, through wider access to foreign markets, reducing barriers to entry and reducing operating costs. Preparation of the feasibility study for the needs of the project, aimed at modernization of Customs is underway.



VII.1.3. Interinstitutional Cooperation

03.02.2021

Cooperation with the Public Prosecutor's Office - intensification of the cooperation between the Public Prosecutor's Office and the Customs Administration through establishment of a common line for the fight against corruption and the mutual decision to improve the efficiency of the system in the fight against crime.

08.02.2021

The Customs Administration and the State Commission for Prevention of Corruption agreed on more efficient anti-corruption actions.

15.02.2021

Fight against organized financial crime - a common goal of the Customs Administration and the Financial Police Directorate.

03.03.2021

Agreed cooperation on better functionality at border crossings with the Ministry of Transport and Communications.

24.03.2021

Joint fight against corruption – agreed at a meeting at BCP Tabanovce among Deputy Prime Minister Nikolovski, Customs Director General Goran Sugareski and Head of the Wester Balkan UNDOC Project Office in Belgrade, Virginia Abajo-Marquez.

09.08.2021

Meeting with The Public Revenue Office

Parallel projects will be implemented to ensure effective data exchange, which will help control the customs declarations by the Public Revenue Office and the tax declarations by the Customs Administration.

This will enable better planning of public revenues and better risk management concerning non-payment of public duties and taxes, the collection of which is in the competence of these two institutions.

10.09.2021

Cooperation with the Ministry of Interior - agreed on the joint activities, the type of cooperation, the cooperation at the border crossing points and border line, the control of the cross-border traffic, the one-stop-joint control, as well as cooperation in fight against crimes and misdemeanors.



16.09.2021

Working meeting with the Deputy Prime Minister for Economic Affairs Fatmir Bytyqi

Exchange of information concerning the implementation of the project for development and implementation of NSW, of which the Customs Administration is the leading agency and coordinator, and the Office of the Deputy Prime Minister of the Republic of North Macedonia in charge of economic affairs, coordination with economic departments and investments Mr. Bytyqi is the chairman of the Steering Committee for the implementation of the project.



21.09.2021

Intensified cooperation with the State Market Inspectorate

The Customs Administration and inspection agencies work together at the border crossings and in the inland customs offices. Customs and the State Market Inspectorate considered practical aspects for data and information exchange with a special focus on the serious problem and extent of damage caused by the illegal trade in tobacco and tobacco products.

To ensure effective controls practical aspects of data and information exchange, as well as the Protocol for cooperation and conducting joint control over heating fuel oil were discussed at separate meetings. The efficient exchange of information and data, together with the Protocol for cooperation, are the results of the efforts of the Government of the Republic of North Macedonia for stricter control over the quality of the oil derivatives, which are imported in the country.

26.10.2021

Final workshop for presentation of the final BLUEPRINT document, based on which the NSW will be developed in the upcoming period.



10.11.2021

Customs and Poshta with adjustments to promote e-commerce digitalization

The main topic of discussion was further digitalization and harmonization of the electronic systems for exchange of information related to postal parcels that arrive through Makedonska Poshta, as a postal service provider.

03.12.2021

WORKING MEETING WITH HIGH DELEGATION OF THE STATE DEPARTMENT

Representatives of the Customs Administration, led by the Director General, Ms. Slavica Kutirov and the Deputy Director, Mr. Muarem Asani, had a working meeting with high delegation of the State Department - Bureau of Counterterrorism, as well as with representatives of the US Embassy in Skopje.

08.12.2021

"Colour the grey economy"

Campaign of the Ministry of Finance in cooperation with UNDP



28.12.2021

Cooperation with the Ministry of Finance



All activities for promotion and modernization of the work of the Customs Administration are supported by the Ministry of Finance. The commitment for further successful cooperation remains high to simplify customs procedures, increase the competitiveness of the domestic economy and reduce the costs of economic operators.

VII.1.4. Customs –Business Cooperation

Advisory Council

At the regular meetings of the Advisory Council of the Customs Administration, current issues of customs operation and requests from the business community were discussed.

The Association of Chambers of Commerce made proposals for certain amendments to the Customs Law which were considered through a constructive debate.

The new drafted Rules of Procedure of the Advisory Council provide better mutual coordination in order to facilitate the flow of trade and to avoid duplication of work.

New activities agreed with the Chambers of Commerce



With the Agreement for cooperation between the Economic Chamber of North Macedonia and the Customs Administration (signed in December 2021) the two institutions regulated the cooperation and realization of training in the area of customs operation and education of economic operators. Training will be organized according to the agreed training plan, with the engagement of experts from the Customs Administration. The successful cooperation with the Economic Chamber of North Macedonia and the Customs Administration was emphasized at a press

conference held in December 2021 in the premises of the Economic Chamber, attended by the President of the Chamber Mr. Branko Azeski, the Minister of Finance Mr. Fatmir Besimi, the Director General of the Customs Administration Mrs. Slavica Kutirov and the Executive Director of the Chamber Mr. Anthoni Peshev.

ADVISORY ASSISTANCE FOR COMPANIES

An "Open Day with the Customs Administration " was held (19th October 2021) organized by the Association of the Chambers of Commerce, where senior officials of the Customs Administration provided answers to questions of the members of the Association via video link, which was the goal of the event - through an open discussion to easily overcome the challenges of the companies in the realization of their business activities.

VII.1.5. Other initiatives (at national and international level)

➤ On 4th February 2021, at a meeting with representatives of the United Nations Office on Drugs and Crime (UNODC), the activities and obligations arising from the establishment of a National Airport Interagency Group at the Skopje International Airport were agreed.

➤ In October 2021, another meeting was held to specify the final activities arising from the project. The present stressed the importance for the Customs Administration of the continuous support from UNODC through coordinated activities to strengthen the capacity to prevent international criminal and terrorism.

Meeting with representatives of the UNODC office

A meeting was held for arrangement of the final activities for establishment of the Border Interinstitutional Unit - AIRCOP



Successful cooperation through the Export Control and Related Border Security Program (EXBS) of the US Embassy continues

The EXBS Program of the US Embassy has supported Customs through numerous training courses (136 events) and equipment donations. The provided operational equipment that is used in the daily work of the customs officers, supporting the overall customs operations and fulfillment of the obligations and commitments of the Customs Administration.

In October 2021, the US Embassy Export Control and Export Control (EXBS) Program donated equipment to the Customs Administration to modernize and improve the training process. The equipment was handed over by Mary Stickles, EXBS Regional Advisor for the Western Balkans Region and Associates.



6th Informal High-Level Regional Meeting of the directors of the Western Balkan Customs Administrations

The 6th Informal high-level Meeting of Directors of the Customs Administrations of the Western Balkans (held in Tirana, Albania on 30th June 2021) reaffirmed the joint efforts to strengthen trust between Customs Administrations and border inspection bodies to improve cooperation and greater exchange of information and ideas.

Participation of the Customs Administration in "Open Balkan" initiative

On 9th November 2021 Slavica Kutirov MSc., Director of the Customs Administration took part in the meeting organized under "Open Balkans" initiative. The meeting was chaired by Nikola Dimitrov, Deputy Prime Minister of the Republic of North Macedonia in charge of European Affairs, Aleksandar Vucic, President of the Republic of Serbia and Edi Rama, Prime Minister of the Government of the Republic of Albania. Representatives of the Chambers of Commerce, Finance, Economy, Agriculture Ministries, as well as representatives of the national food safety agencies and Customs and Tax administrations of the three countries also attended the meeting. Its objective was to identify problem areas for trade facilitation, with a special focus on import, export and transit and practical ways to overcome them, as steps to be taken until the next meeting of Western Balkan leaders in Tirana.



In December 2021, another coordination Open Balkans initiative Meeting was held via video conference, which was attended by ministers, customs directors and representatives of national food safety agencies, tax administrations and chambers of commerce of the three countries. The delegates informed about the activities and the degree of realization of the conclusions that emerged at the meeting in Nish, which was held from 13-14 November 2021. Slavica Kutirov, MSc, Director General of the Customs Administration of the Republic of North Macedonia stressed that the Customs Administration is fully committed to the activities within its competence to be implemented in a timely and efficient manner. She informed about the signed Protocol for mutual recognition of the Authorized Economic Operator Authorisations (AEO), which was one of the conclusions of the ministerial meeting in Nish. It was agreed to upgrade the already established joint controls.

Information was also exchanged on the activities for mutual recognition of Authorized Economic Operator and establishment of "One Stop Shop" with the Republic of Albania.



Meeting with ICITAP representatives

At the meeting with Customs Administrations senior representatives, ICITAP²² presented the goal of its mission - support for professionalization of the employees in the Investigation Department, in order to bring the level of professionalism closer to the world standards, through implementation of professional, but highly personalized training which have already shown success in other countries.

The mission, which was previously aimed at professionalization of the inspectors in the Ministry of Interior and the Financial Police, will also include the professionals from the Customs Administration in the coming period.

Cooperation with USAID – Office for Economic Development, Governance and Enterprise Growth

In November 2021, Slavica Kutirov, Director General of the Customs Administration, had a meeting with Jasminka Varnaliev, Head of the USAID Office, and Gordana Tosheva, Trade Facilitation Expert - USAID Office for Economic Development, Governance and Enterprise Growth (USAID-EDGE)²³.



²² ICITAP – International Criminal Investigative Training Assistance Program

²³ USAID regional Economic Development, Governance and Enterprise Growth – EDGE Project



They discussed the successful cooperation so far, particularly the implementation of the grant to strengthen the efficiency of joint controls at BCP Kjafasan, which was completed with the support of USAID-EDGE. Possibilities and areas where the Customs Administration can be supported were discussed in detail and this support will continue to include strategic priorities for trade facilitation, digitalization and protection of society, support in the activities covered by CEFTA and the Open Balkan Initiative. Particular focus is placed on the activities for establishing joint border crossing points with Albania and Kosovo, which are an important part of

the international activities of the Customs Administration aimed at regional development.

VII.1.6. New Agreements and Memoranda of Cooperation

With government agencies

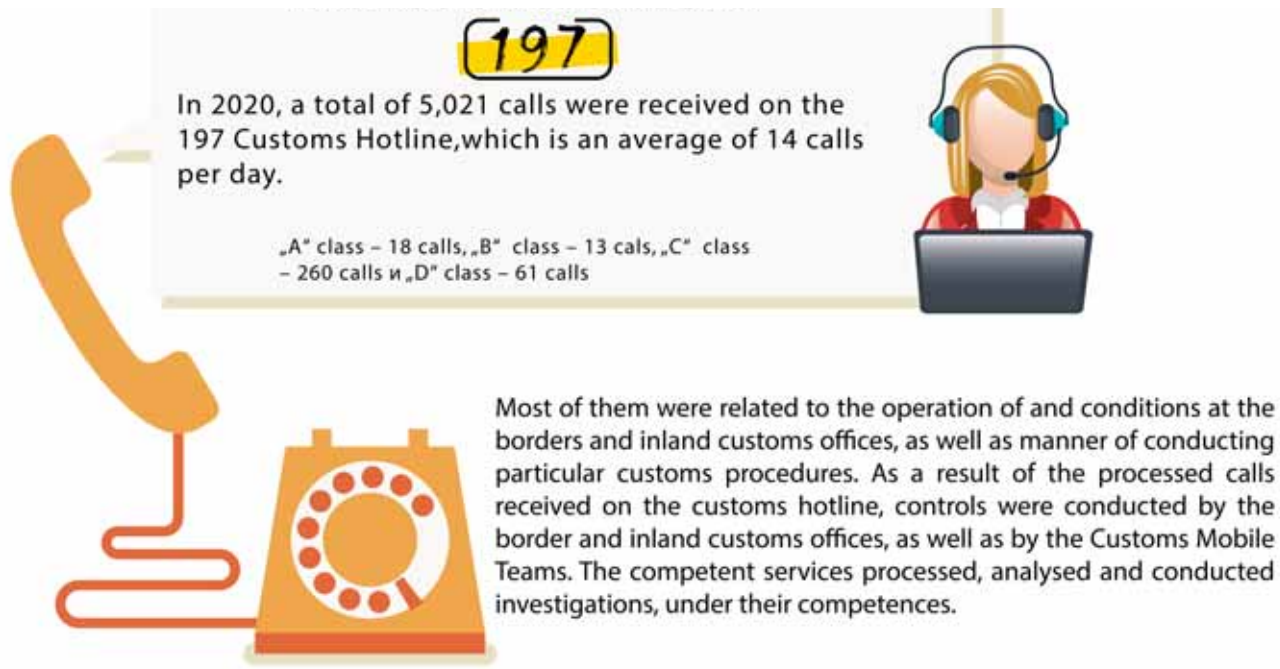
- Memorandum of Cooperation between the Customs Administration and the State Market Inspectorate
- Agreement on Cooperation and electronic information exchange between the Customs Administration and the State Market Inspectorate
- Agreement on use of data through the Internet Distribution System between the Ministry of Finance – Customs Administration and the Central Register of the Republic of North Macedonia
- Agreement on exchange of data between the Customs Administration and the Civil Registry Office
- Memorandum of Cooperation between the Customs Administration and the State Market Inspectorate

With the business sector

- Annex to the Memorandum of Cooperation concluded between the e-Commerce Association and the Customs Administration of the Republic of North Macedonia
- Agreement on Cooperation between the Economic Chamber of North Macedonia and the Customs Administration of the Republic of North Macedonia

VII.2. CUSTOMS HOTLINE 197

24/7 CUSTOMS CENTER




“A” class calls - information implying urgent actions by a customs office or mobile customs unit.

“B” class calls - information imposing additional examination/investigation by other Departments at the Control and Investigation Sector or other Departments of the Customs Administration.

“C” class calls - information that cannot be used, i.e. is related to delays, communicated by transporting companies, complaints or praises concerning customs procedures.

“J” class calls - about information forwarded to the Sector for Professional Standards, concerning citizens' complaints for corruptive and unprofessional work of the customs officers.



PUBLISHER:
CUSTOMS ADMINISTRATION OF THE REPUBLIC OF NORTH MACEDONIA
LAZAR LICENOSKI 13, 1000 SKOPJE
www.customs.gov.mk

DESIGN & PRINT:
GRAFO PROM - BITOLA

NUMBER OF COPIES: 100