**4.29. Chapter 29: Customs Union**

Progress was made on **customs legislation**. The 2010 customs tariff was adopted taking into account the obligations arising from the Stabilisation and Association Agreement and the changes in the EU Combined Nomenclature. The Law on customs tariffs was amended to introduce provisions that will allow the use of integrated customs tariff in the process of customs clearance. The Customs Code was amended to introduce an obligation to submit electronic customs declarations and summary import and export declarations. A number of customs-related fees, including the fees for lodging customs declarations, for issuing EUR 1 certificates and for entering goods into free zones and warehouses, were abolished. However, some fees that are not in line with the acquis remain in force. Some of the provisions of the Law on technological-industrial development zones are still not fully aligned with the *acquis*. Preparations in this area are advanced.

Some progress has been made on **administrative and operational capacity**. The strategy for training and professional advancement continued to be implemented, and guidelines to ensure carrier advancement based on merit were adopted. A regional training centre under the aegis of the World Customs Organisation was opened. The Customs Administration introduced new internal procedures and electronic tools, such as an electronic document management system, which support the internal efforts to modernise working methods.

In the IT area, the preparations for the introduction of the new customs declaration processing system have intensified and the hardware and system software solutions were installed. The one-stop shop system for issuing authorisations for imports and exports and allocation of tariff quotas has been further upgraded and new functionalities were introduced. The customs administration has adopted a comprehensive ICT strategy, which includes a strategy for interconnectivity and interoperability with the EU’s IT customs systems.

Operational capacities for customs controls, including the mobile units, were further enhanced, both at the borders and inland. Efforts to combat cross-border crime and infringement of intellectual property rights were stepped up and significant quantities of counterfeit goods were seized. The extended implementation of risk analysis and risk-based control systems resulted in increased collection of import duties. The customs administration participated in several international operations to prevent illicit trade in goods. Cooperation with other customs administrations was further intensified, in particular with those of neighbouring countries.

The Customs Administration needs to continue improving its administrative capacity, especially by bringing to operation the IT systems currently under development, as well as by continuing developing its human resource policy, including in the ethics and anti-corruption areas. Preparations in this area are well on track.

*Conclusion*

Some progress has been made in the area of the Customs Union, in particular as regards administrative and operational capacity. The customs legislation is sufficiently aligned with the *acquis*, except in the case of transit. The administrative capacity of the customs administration to implement legislation and to tackle cross-border crime and corruption needs strengthening. Preparations in this area are on track.