

**REPORT
ON THE ACTIVITIES OF THE CUSTOMS
ADMINISTRATION
JANUARY-SEPTEMBER 2017**



November 2017

TABLE OF CONTENTS

I.	LEGISLATION	4
I.1.	Customs related legislation	4
I.2.	Excise	6
I.3.	Protection of intellectual property rights	7
I.4.	Other customs related legislation	8
II.	EU INTEGRATION	9
II.1.	Alignment with the customs legislation of the EU	9
II.1.1.	Common transit system of the EU and EFTA countries	9
II.2.	Administrative capacity building in line with the EU standards	10
II.2.1.	Customs 2020 - Programme of the European Commission	10
III.	HUMAN RESOURCES AT THE CUSTOMS ADMINISTRATION	12
III.1.	Employment	12
III.2.	Training and Professional Development	13
III.3.	Integrity	17
III.4.	Internal audit	20
III.5.	Rewards and promotion	20
IV.	COMPETENCES AND ORGANISATION	22
IV.1.	Grounds	22
IV.2.	Administrative procedures	23
IV.3.	Security and communication	23
IV.4.	ICT support	23
IV.5.	Management of financial and non-financial assets	24
V.	FACILITATION AND ACCELERATION OF CUSTOMS PROCEDURES	24
V.1.	Conditions for conducting customs formalities	24
V.2.	e-Customs	25
V.2.1.	New software for customs declarations and excise documents processing	25
V.2.2.	EXIM	25
V.3.	Volume of work	26
V.3.1.	Customs authorisations and licenses	26
V.3.2.	Preferential origin of goods	27
V.4.	Traffic of freight motor vehicles (FMV) through the border crossings	28
V.5.	Processed customs declarations	29
V.6.	Revenues collected	31
V.6.1.	Customs duties	32
V.6.2.	VAT	33
V.6.3.	Excise duties	33
V.6.4.	Fees	33
VI.	LAW ENFORCEMENT	34
VI.1.	Grounds	34

VI.2.	Risk management	36
VI.3.	Customs and other control	38
VI.3.1.	Entry, exit, transit and inland customs control	38
VI.3.2.	Control during customs clearance	45
VI.3.3.	Declared foreign currencies	47
VI.3.4.	Custom laboratory	48
VI.3.5.	Post-clearance control	48
VI.3.6.	Legal measures taken regarding the detected irregularities	49
VI.3.7.	Decisions for subsequent collection of import and excise duties	49
VI.3.8.	Criminal charges	50
VI.3.9.	Customs, cash and excise offences	51
VI.4.	Participation in international activities	51
VI.5.	Protection of Intellectual Property Rights	54
VII.	TRANSPARENCY AND COOPERATION IN CUSTOMS MATTERS	55
VII.1.	Public relations	55
VII.1.1.	Events	55
VII.2.	Customs Cooperation	59
VII.2.1.	International Cooperation	59
VII.2.2.	Cooperation with the Business Community	65
VII.2.3.	Interinstitutional cooperation	66
VII.2.4.	Internet and Intranet	67
VII.2.5.	Customs Hotline (197)	68

I. LEGISLATION

I.1. Customs related legislation

In the period January-September 2017, the following customs related acts and regulations were passed:

- The following acts were published in the Official Gazette of the RM no. 8 of 23rd January 2017:
 - **Rulebook on the form and content of the form - Request for relief from import duties, value added tax, excise duties and fees on the importation of goods**, including temporary admission with partial duty relief made by the UEFA, the related parties of UEFA and football clubs and the form and content of the exemption from payment of import duties, value added tax, excise duties and fees on the importation of goods, including temporary admission with partial exemption made by the UEFA, the related parties of UEFA and football clubs;
 - **Rulebook on the form and content of the form - Request for relief from import duties, value added tax, excise duties and fees on the importation of goods**, including temporary admission with partial duty relief for the realization of the Project UEFA Super Cup 2017, financed by the UEFA and
 - **Rulebook on the form and content of the application for request for relief from import duties, value added tax, excise duties and fees on the importation of goods**, including temporary admission with partial duty relief for the realization of the UEFA Super Cup 2017.

This set of regulations is adopted on grounds of the Law on tax, customs and other fiscal incentives related to the organization of "the UEFA Super Cup in 2017," to lay down the tax, customs and other fiscal incentives, the conditions, manner and procedure to use fiscal benefits related to the "UEFA Super Cup 2017" in the Republic of Macedonia. Requests for relief/exemption from import duties, value added tax, excise duties and fees under Article 20 of the Law on tax, customs and other fiscal incentives, the conditions, manner and procedure for the use of fiscal benefits related to the organisation of "UEFA Super Cup 2017" in the Republic of Macedonia can be submitted within 120 days of the end of the "UEFA Super Cup 2017".

- **Regulation amending the Regulation on the manner of completion of the customs declaration and the Book of Codes to be used when completing the declaration** ("Official. Gazette", no. 9 of 27.01.2017), where the part of Book of Codes used for completing SAD, referring to exemptions from import duties, a new line 64 is added for facilitation of the import of goods for the purpose of realization of the "UEFA Super Cup in 2017," and refers to Article 6, Article 8 and Article 9 of the Law

on tax, customs and other fiscal incentives related to the "UEFA Super Cup 2017 "in the Republic of Macedonia and determining the code for the procedure C 66.

- **Regulation amending the Customs Law Implementing Regulation** ("Official Gazette" no. 21 of 20.03.2017) further postponing the application of the provisions relating to the submission and processing of export declaration created by electronic data processing technique (electronic export declaration) until 31.12.2017. The postponement of the application of these provisions is made because their application is directly related to the implementation of the new Customs Declarations and Excise Documents Processing System (CDEPS), whose implementation is still in progress by the Customs Administration, and is expected to be finalized in the course of 2017.
- **Regulation amending the Regulation on the classification of certain goods in the Combined Nomenclature, in accordance with the European Commissions Regulations** ("Official Gazette" no. 22 of 22.03.2017). This is the twelfth addition to the original Regulation on the classification of certain goods in the Combined nomenclature, in accordance with the European Commission Regulations (published in the "Official. Gazette" no. 2/2014). With the Regulation amending the Regulation on the classification of certain goods in the Combined Nomenclature, in accordance with the European Commissions Regulations, a total of 6 new EU regulations, adopted in the period within 1 July - 30 September 2016 for classification of certain goods in the Combined Nomenclature. The Regulations refer to classification of different goods (such as means for bonding, cartridge toner, hammocks, children toy set, and pain relief stickers and belts).
- **Regulation amending the Regulation on the classification of certain goods in the Combined Nomenclature, in accordance with the European Commissions Regulations** ("Official Gazette" no. 48 of 20 April 2017). This is the thirteenth addition to the original Regulation on the classification of certain goods in the Combined Nomenclature, in accordance with the European Commission Regulations (published in the "Official. Gazette" no. 2/2014). With the Regulation amending the Regulation on the classification of certain goods in the Combined Nomenclature, in accordance with the European Commissions Regulations, a total of 12 new EU regulations, adopted in the period within 1st October – 31st December 2016 for classification of certain goods in the Combined Nomenclature. The Regulations refer to classification of different goods (such as social games, banknote validators, converter, power supply distribution apparatus, glass partition for showers, toothpaste gloss, plastic part for medical apparatus, digital microscope, speaker adapter, machine part etc.).
- **Decision determining a temporary border crossing** ("Official Gazette of the Republic of Macedonia" No. 74 dated June 19, 2017) was published, determining "Sveti Naum" for temporary border crossing point, in the period from 15 June until 15 October 2017, with working hours from 9.00h to 20.00h, for persons than can only

carry objects intended exclusively for personal use when crossing the state border through this border crossing.

- **Lists of quotas for 2017 for the second half of the year for import of goods of Community origin under the Stabilization and Association Agreement (SAA), the List of quotas for the second half of 2017 for import of goods originating in Turkey under the Free Trade Agreement between the Republic of Macedonia and Turkey, the List of quotas for the second half of 2017 for import of goods originating in Ukraine under the Free Trade Agreement between the Republic of Macedonia and Ukraine, the Lists of quotas for the second half of 2017 for import of goods originating in Norway and originating in the Swiss Confederation, in accordance with the EFTA Agreement** were published ("Official Gazette of the Republic of Macedonia" No 79 of 27 June 2017).
- **Decision abolishing import duty - customs duty rate** was published ("Official Gazette of the Republic of Macedonia" No. 93 of July 24, 2017) for other products of leather and artificial leather, being autonomous tariff suspension (reduction or abolition of customs duty). The decision will apply as of December 31, 2017.

I.2. Excise

In the period January - September 2017, 3 amendments were adopted to Guidelines to ensure alignment with the amendments in the job systematization of the Customs Administration, as well as the amendments to the Excise Law Implementing Rulebook (official Gazette of the RM. No. 219/2016):

- **Guidelines on the manner and procedure for granting excise license** - third edition, under the competence of the Sector for Excise, regulating the manner and procedure for processing and deciding upon requests for excise license.
- **Guidelines on granting excise preferential use permit** - third edition, under the competence of the Sector for Excise, regulating the manner and procedure for processing and deciding upon requests for excise preferential use.
- **Guidelines on granting approval for registration of retailers of mineral oils containing marking substances** - second under the competence of the Sector for Excise, regulating the manner and procedure for processing and deciding upon requests for issuance of permits for registration of retailers of mineral oils containing marking substances.

The following guidelines and methodologies have been adopted:

- **Guidelines on issuing authorization for registration of retail traders with mineral oils containing marking substances** - third edition, in competence of the Excise Department, regulating the manner and procedure for processing and deciding upon submitted applications for approval for registration of retailers with mineral oils containing marking substances;

- **Guidelines on statistics and analysis of excise goods** - second edition, in competence of the Excise Department, regulating the manner of conducting statistical processing of data on trade in excise goods;
- **Guidelines on the manner and procedure for destruction of excise goods and excise duty refund**; - second edition, in competence of the Excise Department, regulating the manner and procedure for destruction of excise goods and refund of paid excise; and
- **Guidelines on the manner and procedure for refunding excise tax on used liquefied petroleum gas (LPG) in the production process** - third edition, in competence of the Excise Department, regulating the manner and procedure for deciding upon requests for refund of paid excise duty for used liquefied petroleum gas in the production process.
- **Guidelines on the manner and procedure for issuing excise license** - fourth edition, in competence of the Sector on Excise, regulating the manner and procedure for processing and deciding upon submitted applications for excise license.
- **Guidelines for issuing excise preferential use permits** - fourth edition, in competence of the Sector on Excise, regulating the manner and procedure for processing and deciding upon the submitted applications for issuing an excise preferential use permits.
- **Guidelines on refunding paid excise to the separate entities** - fourth edition, in competence of the Sector on Excise, regulating the manner and the procedure for deciding upon requests submitted by separate entities for refund of paid excise duty for purchased excisable goods in the Republic of Macedonia.
- **Guidelines on the manner and procedure for planning, printing and issuing excise stamps** - second edition, in competence of the Sector on Excise, regulating the manner and procedure for planning, printing and issuing control marks.
- **Excise revenues planning methodology** - second edition, in competence of the Sector on Excise, determining the method of calculation of the anticipated revenues from excise and the elements for calculation used in the process of planning.

I.3. Protection of intellectual property rights

One of the main priorities of the Customs Administration is to strengthen its institutional and administrative capacity for efficient and effective fight against counterfeiting and piracy, through introduction of stricter measures of customs control to detect and prevent import, transit and export of goods violating intellectual property rights, and increased collaboration with the holders of these rights and their representatives in the Republic of Macedonia, on the one hand, as well as with all

competent institutions in the country and abroad, on the other. The Customs Administration conducts a number of activities in the fight against counterfeiting and piracy and it will continue this fight in order to protect the life, health and safety of its citizens, the economy and the budget of the state and society in general.

At the end of September 2017, **961 trademarks were registered for customs protection of their intellectual property rights** (908 at the end of 2016).

New requests for customs protection of intellectual property rights were submitted by the the following trademarks: SUPERGA, MOTOROLA, MOTO, PHILIPS, SONICARE, SAECO, HELLO KITTY, CASIO, REEBOK, KOSMODISK, BULGARI, LOUIS VUITTON, LONGINES, TIMBERLAND, RADO, TISSOT, LEVI'S, MASHA AND THE BEAR, SNIKIRIKI, BEN 10, FAY, HOGAN, HOGAN INTERACTIVE, TOD'S, NBA, TOSHIBA, SKODA, RED BULL, MARAZZI, M MARAZZI and MARAZZI LIVING.

I.4. Other customs related legislation

Within the period January – September 2017, no other acts and regulations affecting customs operations were adopted.

II. EU INTEGRATION

In the course of 2017, the Customs Administration's activities remained on the course for permanent alignment with the EU Acquis and its implementation in the Republic of Macedonia, fulfillment of the technical and organization-related requirements, enforcement of the administrative capacity and raising the public awareness about the manner and philosophy of the functioning of the Customs Union.

II.1. Alignment with the customs legislation of the EU

II.1.1. Common transit system of the EU and EFTA countries

The Conventions on a Common Transit Procedure and on the Simplification of the Formalities in Trade in Goods provides for single movement of goods on the territories of the contracting parties, from one entry point to the location of termination of the transit procedure, regardless of the number of countries and border crossing points of transit. The electronic transit declaration that is lodged in any country – contracting party to the Convention on a Common Transit Procedure is acceptable for every contracting party to the Convention.

In the period January - September 2017, the Customs Offices of the Republic of Macedonia processed 46,006 customs declarations in common transit procedure (transit initiated from Macedonia to EU and EFTA countries). In the same period, 13,744 transit movements were received from foreign customs offices where our customs offices are offices of destination (transit operations started in EU and EFTA countries for the Republic of Macedonia). 28,046 transit movements transited through the territory of Macedonia, where our customs offices were customs offices of transit.

In the period January – September 2016, the customs offices of the Republic of Macedonia processed 16,762 customs declarations submitted in common transit procedure (transit initiated from Macedonia to EU and EFTA countries). In the same period, 5,829 transit movements were received from the foreign customs offices (transit operations started in the EU and EFTA countries and destined for the Republic of Macedonia as final destination). 12,531 transit operations through the territory of Macedonia (our customs offices as customs offices of transit) were completed in the reporting period.

At the end of September 2017, 132 authorizations were issued to economic operators allowing access to the New Computerised Transit System and 51 authorisations to principals, enabling use of bank guarantee in a common transit procedure.

II.2. Administrative capacity building in line with the EU standards

II.2.1. Customs 2020 - Programme of the European Commission

In the period January- September 2017, the following activities/events were organised under the EU CUSTOMS 2020 Programme:

- **IT Technology & Infrastructure project group meeting** in Brussels, Belgium, focused on the current situation and the timetable for implementation of the planned activities of the current projects on IT technology and infrastructure;
- **Workshop - eCommerce: Cooperation between Customs and Post - the Slovenian Method “** in Ljubljana, Slovenia, aimed at presenting the Slovenian method of cooperation between customs and postal authorities and exchange of best practices in the area of modernization of the customs postal procedures;
- **3rd Joint Customs & Fiscalis 2020 TSG Meeting** in Brussels, Belgium to discuss and follow up novelties and plans related to training;
- **Canine Unit Network Project Group: Kick off meeting** in Kuusamo, Finland. The objective of the meeting was identification, finding and exchange of methods and administrative procedures on information exchange and use of customs dogs;
- **Tariff Classification Seminar** in Brussels, Belgium, where the participants discussed topics related to issuance of Binding tariff Information and faults in the Harmonised Systems Nomenclature;
- **26th Electronic Customs Coordination Group jointly with the Trade Conact Group Meeting** in Brussels, Belgium, with the objective to familiarize with the future plans of the work activities of the Customs 2020 Programme and to gain additional experience that will enable continuation of the implementation and advancement of the Customs Union main projects.
- **CCN¹ User Manager Services Applications Training courses** in Brussels, Belgium, aimed at professional training and specialization of the new way of communication of customs systems through CSI², as well as in Wroclaw, Poland, aimed at gaining knowledge about CCN network security rules, new services and ways of communication of the customs systems through the CSI, as well as system administration;
- **20th Meeting of the Working Group on Cash Control** in Brussels, Belgium to discuss the revision of EU legislation, to provide information and data on best practices in the area of cross-border cash securities and precious stones control;

¹ Common Communication Network

² Common System Interface

- **Training session on CSI in programming language C with exercises** in Brussels, Belgium, in order to acquire knowledge and skills for design, coding and testing programmes in programming language C, using CCN/CSI, as well as to understand the key elements in designing the programmes required by the paradigm for the sorting messages and search / response paradigm;
- **Meeting of the Project Group on IT technologies and infrastructure** in Brussels, Belgium for familiarization with the status of the CCN2 project and monitoring of the achieved results of the CCN project. Compliance testing (Mode 1 and Mode 2) is in progress for communication with CCN2;
- **4th Meeting of the EU Communication Network for Taxation and Customs**, in Salina, Malta to develop a Common Communication Strategy for the Customs Union 50th Anniversary;
- **29th Meeting of the Electronic Customs Coordination Group with the Trade Contact Group** in Brussels, Belgium for familiarization with the status of the ICS2³ project, the future of IT systems, the status and version of MASP⁴, the ETD⁵ - National Railway Project, as well as NCTS/ TIR.
- **Seminar for Chemists on Customs Analytical Methods – 2017, in Bonn, Germany** to exchange information on the latest trends in analytical chemistry and harmonization of the methods used in the European customs laboratories in order to obtain comparable results;
- **SOA⁶ principles Training**, in Belgium for familiarization with the service oriented architectie principles used in the CCN2 platform;
- **Common Learning Events Programme (CLEP) -On-line training material development**, in Budapest, Hungary, aimed at development of online training materials and improvement of training capacities;
- **Customs 2020 Programme Management Workshop 2017 (AWP 2018)** in Paris, France, to exchange practical experience and information about the application of the new rules, using the tools of the programme and activities for strengthening the national coordinators' network, and to present the new 2018 annual work programme;
- **Customs 2020 high-level seminar on the long-term strategy for the implementation of the customs systems**, in Talin, Estonia

³ Import Control System

⁴ Electronic Customs Multi-Annual Strategic Plan

⁵ Electronic Transport Document

⁶ Service-oriented architecture

III. HUMAN RESOURCES AT THE CUSTOMS ADMINISTRATION

In 2017, the Customs Administration continued to invest in improvement and development of the human resources management, recognising its human resources as moving force for achieving the defined strategic goals for integration in the EU and reaching higher level of efficiency in the institutional work.

In the period January - September 2017, the following documents related to human resources management were adopted:

- **Strategy on the Human Resources Priorities, Objectives and Development of the Customs Administration for 2017-2019.** This Strategy defines the purpose of human resources management, the basic principles of human resources management policies and strategic activities for the period 2017-2019, in order to ensure building, maintenance and professional development of the Customs Administration employees;
- Second edition of the **Procedure for conducting disciplinary procedures**, defining that the election of members of the Commission determining disciplinary liability due to violation of the work order and discipline is made by a Decision of the Director General of the Customs Administration.
- Third edition of the **Guidelines on rotation of customs officers**, defining the start and end of the rotation, as well as the duration of an individual rotation;
- **User Manual on the access in the personal file through electronic Document Management System**, adopted in order to align with the ISO standards, i.e., recoding of the document.

At the end of September 2017, the Customs Administration had **1,121 employees**, 2 with a status of **office-bearers (Director General and Deputy Director General)**, 1,002 with a status of **customs officers** in accordance with the Law on the Customs Administration 12 administrative civil servants in accordance with the Law on Administrative Civil Servants and 105 **employees** in conformity with the Labour Relations Law.

In terms of qualifications, 2 employees are PhD holders, 39 employees are Master Degree holders, 638 have university education, 15 are college-educated, 401 are with secondary education and 26 have education of a different kind. 60.57 % of the employees of the Customs Administration have university education.

III.1. Employment

In the period January – September 2017, there were no employment contracts at the Customs Administration, and 2 temporary promotions were made in the

Headquarters: 1 customs officer was promoted to head of unit and 1 customs officer to senior advisor. There were no promotions in the regional Customs Houses.

III.2. Training and Professional Development

In the period January – September 2017, 147 activities for professional development of customs officers were organised. These were attended by 816 participants. Each participant followed a course in average duration of 10.84 hours (10 hours and 50 minutes). The ratio of the total number of hours of training courses realised in this period to the number of employees indicates that each employee received training and professional development in average duration of 7.97 hours (7 hours and 58 minutes).

In the period January – September 2016, 157 activities for professional development of customs officers were organized with 1,420 participants. Each participant followed a course in average duration of 8.67 hours (8 hours and 40 minutes). The ratio of the total number of hours of training courses realised in this period to the number of employees indicates that each employee received training and professional development in average duration of 11.09 hours (11 hours).

Some of the more significant training events are the following:

- **Information Security** – aimed at information security awareness of employees for the implementation of the ISO 27001: 2013 standard on information security;
- **Detection and response to explosive devices** - the goal was for the participants to learn about different types of explosive materials, construction and principles of operation of improvised explosive devices, tactics and techniques for search of vehicles and people during border control, practical exercises and detection of explosives and explosive devices;
- **Training on ATIS** - the purpose of the training was the use of the system as an effective tool for risk analysis and assessment and combating fraud in transit procedure;
- **Workshop on "Corruption Risk Assessment in public sector institutions - determining the risk of corruption and other unethical risks and planning solutions and measures to overcome them"** to discuss the risks of corruption in management, risk identification, assessment and overcoming, as well as identifying the institutional structures, systems and processes that may be more susceptible to corruption;
- **Train the trainers on WCO⁷ strategic goods** in order to develop professional trainers on implementation of strategic trade control;

- **Seminar on "International cooperation and the role of intermediaries"**- the goal was to discuss international cooperation and the role of intermediaries with an emphasis on the intellectual property rights aspects (violation of intellectual property rights, counterfeiting and piracy on the Internet, case studies);
- **Enforcement of intellectual property rights** - the training is focused on organized crime in terms of criminal proceedings on infringement of intellectual property cases, such as counterfeit mobile phones, tobacco products, pharmaceuticals and other products;
- **Seminar on Security Environment, Terrorist Threats, Migration and their impact on security** in order to familiarize with possible threats to national security that may occur as a result of the violation of the security environment, terrorism, migration crises or a combination of the mentioned and in coordination with other forms endangering national security.
- **Current issues, challenges and experiences from the application of the Law on General Administrative Procedure**, to ensure understanding of the correct ways of applying the provisions of the Law through clear instructions and practical examples;
- **Workshop on "Preparation of exercises at national level 1"** aimed at risk assessment, familiarization with, training, creating a multi-annual plan for trainings and exercises that will ensure building and maintenance of basic skills for successful handling of emergency crisis situations;
- **Seminar on customs fees**, aimed at assessment of the need to amend the Rulebook on the type and amount of customs fees for services rendered in the customs procedure, as well as sharing best practices in this area;
- **Seminar on customs valuation**, with objective to fulfill the Cooperation Plan (2016-2017) for the implementation of the Framework Agreement for Cooperation and Facilitation of Customs Clearance between the Customs Services of the People's Republic of China, Macedonia, Serbia and Hungary, as well as exchange of experiences and discussion about customs valuation procedures;
- **Workshop on "Professional image and business manners at work"** for familiarization with the latest information related to business protocol, acquiring techniques for business presentation and conducting business meetings, acquiring information about protocol and management of official events;
- **Annual WCO Regional Conference of the European Region Heads of Customs** for familiarization with the novelties in the customs operations in the past year, in order to ensure their uniform application, as well as preparation of the forthcoming WCO Council;

- **Workshop on “Audit risk model, determining sample size and sample selection techniques**, aimed to increase the skills and experience of internal auditors and create an opportunity to exchange knowledge and mutual experiences;
- **Integrity of administrative officials**, aimed to increase the understanding of the international and European framework of integrity policy and the national context, as well as to provide insight into the roles and responsibilities of different actors in promoting the integrity of civil servants;
- **Regional seminar on computer and internet crime investigations** focused on investigations related to computer and internet crime;
- **Seminar on Protection of Intellectual Property Rights and Risk Assessment**, for familiarization with the provisions of the Law on Customs Measures for Protection of Intellectual Property Rights;
- **Workshop on "Synthetic drugs and new psychotropic substances"**, for familiarization with new psychotropic substances and the trends of their smuggling;
- **Workshop on Accreditation of WCO Technical Operational Advisers for Post Customs Audit**, with objective to acquire knowledge about the WCO Guidelines on Post Customs Audit and Accreditation of Technical Operational Advisor for the post WCO Customs Audit;
- **Participation at the Public Policy Forum "Prevention of Corruption - Leadership and Coordination in Macedonia"**, in order to discuss on the role, achievements and possibilities for improving the work of the State Commission for Prevention of Corruption in the implementation of anti-corruption policies and the fight against corruption;
- **Customs Cooperation Forum between China and countries of Central and Eastern Europe and a Workshop within the Framework Agreement and Cooperation Plan between China, Hungary, Serbia and Macedonia**, with the aim of adopting a Declaration "Partnership for Connectivity, Development of Customs Cooperation between China and the countries of Central and Eastern Europe";
- **Study visit to strengthen the enforcement of intellectual property rights** in order to harmonize the legal framework with the EU legislation, including the Law on Customs Measures for Protection of Intellectual Property Rights and the procedures arising from the mentioned Law, as well as to strengthen the institutional and administrative capacities of the Customs Administration;
- **Workshop on " Support to Macedonia in accession to the EU in the Chapter 24 - Financial Investigations"** to further upgrade the capacities for financial investigations, confiscation, temporary insurance and seizure of income and property acquired from criminal offenses when dealing with organized and serious crime and corruption;

- **Workshop for the holders of administrative data sources and other data providers** in order to improve the delivery of statistical data.
- **Mini MBA⁸ - the most important tools for managers** to gain practical insight into the most crucial aspects of managing in today's work environment: budget and costs planning, marketing and sales control, and HR management in contemporary conditions and contemporary business reality;
- **Workshop on capacity building in dealing with effects of non-tariff trade measures in the Republic of Macedonia;**
- **Regional workshop on the use of binding information in the CEFTA region,** to determine the need for promotion of the use of binding information in the countries in the region;
- **Workshop to revise and update the Methodology for relevant statistical system for monitoring the anti-corruption policy,** held in the Club of the administrative bodies in Skopje, to update the list of offences that are considered as criminal acts in the area of corruption, update and review the use of the criteria in determining cases of high-profile corruption, exchange opinions, and to present the activities for developing a web application for the system for collection and processing of statistics on prevention and repression of corruption;
- **Regional seminar on "Legal aspects of the fight against terrorism"** for familiarization with the international law, international institutions, prominent coalitions and alliances for combating terrorism, the use of force, the rules of conduct, investigations and prosecution of terrorists;
- **Workshop to update the Handbook on the Study on Release of Goods,** with the aim of amending the Handbook on the Release Time Measuring Study to align it with the needs of the Trade Facilitation Agreement and the current changes;
- **Round table on "Cross-border Illegal Cash Transfer and Possibilities for Financial and Money Laundering Investigations"** with the aim of preventing and preventing illegal financial flows through joint action and synchronized implementation of activities through capacity building in the fight against economic crime, as well as prioritizing the confiscation of property acquired through crimes;
- **Seminar on "Harmonization of the Law on General Administrative Procedure with the Law on Administrative Disputes",** to present the novelties in the Law on General Administrative Procedure, draft novelties in the Law on Administrative Procedure and current issues in the judicial practice of the Administrative Court of the Republic of Macedonia.

III.3. Integrity

Unity of all policies, standards and procedures implemented by an organization with the aim to ensure high level of immunity to corruption and decreased risk of employees' corruptive behaviour represents the integrity system. At organizational level, integrity is interpreted as "immunity to corruption".

In the period January - September 2017, **55 internal investigations** were conducted based on the Work Plan of the Sector for Professional Responsibility, the received complaints related to illegal and unprofessional conduct of the employees, information received via the customs hotline 197 with allegations for unprofessional conduct of customs officers, as well as on grounds of information delivered or directly presented by line managers and employees in the Customs Administration. In the same period in 2016, there were 63 internal investigations.

Number of conducted internal investigations per organizational unit								
Organizational unit	2016				2017			
	Q1	Q2	Q3	Total (iJan-Sept)	Q1	Q2	Q3	Total (iJan-Sept)
Headquarters	4	4	3	11	2	3	1	6
Customs House Skopje	4	4	3	11	5	4	4	13
Customs House Kumanovo	5	7	11	23	3	3	8	14
Customs House Shtip	/	/	2	2	/	1	3	4
Customs House Gevgelija	5	5	3	13	2	5	3	10
Customs House Bitola	1	2	/	3	3	5	/	8
Total	19	22	22	63	15	21	19	55

In the period January-September 2017, **31 internal controls** were carried out, related to the employees' work in accordance with the regulations, internal acts and the operational instructions of the Customs Administration in force (in the same period 2016 there were 43 internal controls).

Number of conducted internal controls per organizational unit								
Organizational unit	2016				2017			
	Q1	Q2	Q3	Total (Jan-Sept)	Q1	Q2	Q3	Total (Jan-Sept)
Headquarters	8	5	4	17	5	4	6	15
Customs House Skopje	5	6	4	15	1	4	3	8
Customs House Kumanovo	/	3	2	5	/	/	1	1
Customs House Shtip	/	1	/	1	/	1	1	2
Customs House Gevgelija	/	/	3	3	/	/	2	2
Customs House Bitola	2	/	/	2	1	1	1	3
Total	15	15	13	43	7	10	14	31

In the period January – September 2017, **12 complaints** were received via **the customs hotline (197)**, through which the clients generally complained about unprofessional conduct by customs officers when performing their duties and exercising their powers. Following the conducted investigations and controls, 16 Reports were drafted whereby the complaints were rejected as unjustified, while for five cases, the procedure is still ongoing. In the same period in 2016, 27 complaints were received via the customs 197 hotline for which it was established that they are groundless.

In the period January-September 2017, 4 **online notifications** reporting illegal, unprofessional and corruptive behaviour of customs officers was received via the Module for reporting corruption installed on the Customs Administration's website. In the same period in 2016, there were also 4 such notifications, received online. For one case, Reports were drafted establishing that the allegations are justified.

During this period, 1 notification about unprofessional conduct of customs officer was also received via the Service "Questions, Complaints and Suggestions" on the website of the Customs Administration. Report was also drafted for this case.

In accordance with the law, after signing an employment contract with the Customs Administration or after termination of employment, the officers are obliged to submit a completed asset declaration form to the Sector for Professional Responsibility. In the period January-September 2017, 24 customs officers submitted **asset declarations, 45 statements on change of assets, 5 statements on existence of conflict of interest** were submitted. 1 customs officer submitted notification about change concerning previously submitted **statement on interest**.

In the same period in 2016, 17 customs officers submitted asset declarations, 42 statements on change of assets and 11 statements on existence of conflict of interest were submitted. 1 customs officer submitted notification about change concerning previously submitted statement on interest.

In the period January-September 2017, the following documents relating to professional responsibility of the Customs Administration's employees were adopted:

- New supplemented **Guidelines on the operation of the Sector for Professional Responsibility**;
- New revised and supplemented **Procedure on acting upon asset declarations and statement of existence of conflict of interest, data assessment and analysis in the Integrity Department**;
- New revised and supplemented **Guidelines on establishing statistics on complaints, petitions, suggestions and Citizen's Charter**;
- **Register of risk point in customs operations susceptible to corruption for the period January – March 2017**, revised and supplemented **Register of risk point in customs operations susceptible to corruption for the period April – June 2017**, new and revised **Register of risk point in customs operations susceptible to corruption for the period July – September 2017**, as well as a **Guide on most frequent errors and oversights in the general operations of the Customs Administration for the period January – June 2017**, which are applied as useful tool for permanent and efficient management with possible violations of customs legislation through internal controls, and hence prevention of corruption.

Representative of the Customs Administration, as a member of a working group for implementation of the EU project under IPA 2012 **"Strengthening national capacities in the fight against organized crime and corruption,"** took part in the activities and working meetings, as well as updating of the **Methodology on relevant statistical system for anti-corruption policy monitoring**.

In January-September 2017, 12 decisions were adopted imposing **disciplinary measures** – 5 fines amounting to 15% of the last net salary for a period of 6 months, 4 fines amounting to 15% of the last net salary for a period of 3 months, 2 fines amounting to 15% of the last net salary for a period of 1 month and with 1 Decision – **termination of employment contract**.

Two Decisions were adopted, with which the proposal for initiating a procedure for determining liability is rejected as groundless, and the procedure was stopped.

In January-September 2017, 6 decisions were adopted imposing disciplinary measures against customs officers with fines amounting to 15% of the last net salary, due to failure to achieve the average or expected results.

III.4. Internal audit

In the period January-September 2017, 13 **internal audits** were conducted. On grounds of the results of the audits, 47 **findings** were established and 49 **recommendations** were given **to improve the work**.

In the reporting period, a **Quarterly Report** on the activities related to internal audit and the related activities was drafted for the IV Quarter of 2016 and the level of realization of the recommendations at the end of the IV Quarter of 2016 was prepared. A **Quarterly Report** on the activities related to internal audit and the related activities was drafted for the I and II Quarter of 2017 and the level of realization of the recommendations at the end of the I and II Quarter of 2017 was also prepared.

Annual Report on the established internal control system in the Customs Administration of the Republic of Macedonia for 2016 was prepared. A **Report on the conducted audits and the activities of the internal audit for the year 2016** was prepared and submitted to the Ministry of Finance - Central Unit for Harmonization, as an attachment to the Annual Financial Report of the Customs Administration of the Republic of Macedonia.

In the period January-September 2016, 14 internal audits were conducted in the Customs Administration. On the basis of the audits, a total of 41 findings were established and a total of 42 recommendations were given for improvement of the work in the Customs Administration.

III.5. Rewards and promotion

In the period January – September 2017, 33 Decisions were adopted with which customs officers received **increased basic salary in the amount of 15%**, due to quality performance of their tasks and success.

There were no **promotions** of customs officers in the reporting period.

2 **internal calls** for filling in vacant job posts of managerial positions were published in the reporting period.

On the occasion of 14th April, the Day of the Customs Administration, the following awards were presented to customs officers:

- 1 **plaque with certificate of merit** for long term professional work and achieved successes;
- 10 **certificates of merit** for exceptional results at work;
- 5 **cash awards in the amount of 10,000 Denars** for exceptional results at work;
- 18 **jubilee awards for 10 years of service at the Customs Administration;**
- 115 **jubilee awards for 20 years of service at the Customs Administration;**

- **13 jubilee awards for 30 years of service at the Customs Administration.**

On the occasion of the Day of the Customs Administration, the Police Station for border checks and surveillance Medjitlija was awarded with a **certificate of merit for the particular contribution in the successful cooperation with Customs.**

Pursuant the Rulebook on the Customs Officers Remuneration System ("Official Gazette of the Republic of Macedonia" No. 28/15 and 194/16), **5 decisions were adopted for awarding a cash prize** in the amount of 10,000 Denars for achieved exceptional results and extraordinary efforts in the performing the tasks, related to the correct application of the provisions of the Law on Excise, the Law on Tax Procedure, the Law on Civil Procedure and the Law on Bankruptcy in the work of the Sector for Legal Affairs, as well as by continuous commitment in performing all the regular tasks and tasks outside the regular ones, thus contributing to more efficient and quality operation of the Customs Administration in the performance of its competencies.

IV. COMPETENCES AND ORGANISATION

IV.1. Grounds

Application and ICT systems life cycle management is a methodology for planning, organizing, provision and management of resources to ensure successful implementation of the specific tasks and objectives of the applications and ICT systems.

In the reporting period, the Committee for Application Life-cycle Management (CALCM) continued with its activities related to application life-cycle management and ICT systems to the end of completing the planned project tasks and objectives and to ensure that the applications and ICT systems are used and maintained appropriately, by observing the previously set restrictions related to the scope, budget and time frame.

In the period January-June 2017, the CALCM received 4 draft project documents, 2 of which were for upgrade of the EXIM system, 1 referring to amendments to the Module for record-keeping of disciplinary procedures in the EDMS and 1 about creation of database for electronic data exchange with the Treasury of the Ministry of Finance.

Concerning the public procurement of upgrades or purchase of new electronic systems or IT equipment, in the period January-September 2017, the following public procurement procedures were started and they are in a different stage of realization: completed procedures with selected most favourable bidders: telecommunication services, EXIM maintenance, digital certificates, migration of "Exchange and Active Directory" with licenses included and IIC maintenance. Most favourable bidder has also been selected for the procurement of AOP material, except for the 3rd Lot, for which technical specifications were additionally submitted. Open call for procurement of ISO 27000⁹ standard certification has been published. There is ongoing market research for procurement of NCTS development and maintenance. The procurement of IT equipment is underway (opening of bids). Technical specifications are being prepared for procurement of ITO maintenance and development. Concerning the procurement of renewal of "Microsoft Office", "Oracle" and "Windows licenses, the Customs Administration is awaiting reply from the Public Procurement Council.

Monthly reports on the volume of use and operation of the applications that are used by customs officers and economic operators and monthly reports on the operation of the ICT Sector were drafted. The indicators for application use are at the expected level with reduced number of incidents.

IV.2. Administrative procedures

Use of the Electronic Document Management System (eDMS)								
Organisational Unit	2016				2017			
	Q1	Q2	Q3	Total (Jan-Sept)	Q1	Q2	Q3	Total (Jan-Sept)
Users	1.135	1.135	1.134	1.134	1.131	1.126	1.110	1.110
Accesses	82.621	88.513	75.673	246.807	73.284	73.194	68.738	215.216
Created files	22.526	24.746	21.977	69.249	21.151	21.953	21.125	64.229

In the period January - September 2017, there were 215,216 registered accesses to the eDMS system, 64,229 created files with registered 1,110 users.

In the same period in 2016 there were 246,807 accesses and 69,249 new created files, and the system was used by 1,134 users.

The largest number of files created in the reporting period was in areas of simplified administrative procedures (9,649), administrative procedures (1,509), excise related procedures (1,337) and offence procedures and on-the-spot fines related procedures (1,259).

IV.3. Security and communication

The videoconference system of the Customs Administration is a possibility for videoconference presence of government office bearers at the Economic System Commission sessions and the Government sessions. 229 users of the government authorities are included in the system and in the first half of 2017, 1000 videoconference links were realized with the sessions of the Economic System Commission and those of the Government of the Republic of Macedonia. Within the Customs Administration, 50 users are included in the system who realized 118 videoconference calls in the first quarter of 2017. In the period January-September 2016 the state government authorities realized 2,182 calls, while the users of the Customs Administration had 263 calls.

IV.4. ICT support

In the period January – September 2017, great number of applications were in function at the Customs Administration, supported by massive hardware and communication equipment. The average availability of the ICT systems and applications was 99.2%.

Application Name	Indicator	2016				2017			
		Q1	Q2	Q3	Total (Jan-Sept)	Q1	Q2	Q3	Total (Jan-Sept)
EXIM Licenses	users	6.025	6.157	6.262	6.262	6.476	6.539	6.582	6.582
	accesses	112.266	123.348	118.579	354.193	117.695	124.983	121.594	364.272
EXIM Quota	users	6.025	6.157	6.262	6.262	6.476	6.539	6.582	6.582
	accesses	1.766	1.605	1.556	4.927	1.689	1.757	1.701	5.147
Web portal	users	15.839	14.843	13.966	13.966	18.137	7.586	9.316	9.316
	accesses	44.794	339.786	445.827	830.407	464.376	297.133	175.097	936.606
ASYCUDA	users	2.315	2.158	2.024	2.024	6.131	2.009	2.019	2.019
	accesses	632.579	689.617	619.963	1.942.159	632.374	647.196	619.727	1.899.297
Working Hours	users	1.135	1.135	1.134	1.134	3.390	1.126	1.110	1.110
	accesses	194.716	167.871	150.157	512.744	173.252	141.785	142.592	457.629
LUKA	users	112	113	110	110	336	112	109	109
	accesses	23.572	18.419	17.871	59.862	22.213	13.905	11.593	47.711
eDMS	users	1.135	1.135	1.134	1.134	3.390	1.126	1.110	1.110
	accesses	83.511	88.513	75.673	247.697	73.284	73.194	68.738	215.216
PEC	users	450	452	453	453	1.376	463	463	463
	accesses	6.404	6.683	7.643	20.730	5.761	6.318	6.319	18.398
Border	users	963	966	1.001	1.001	2.976	975	965	965
	accesses	141.304	142.651	145.879	429.834	135.531	144.214	99.017	378.762
NCTS	users	831	850	866	866	2.689	913	930	930
	accesses	75.556	83.157	74.243	232.956	73.568	84.300	90.794	248.662

IV.5 Management of financial and non-financial assets

In terms of regulations, guidelines and procedures relating to the work of the Sector for Administrative and Technical Matters, in January-September 2017, the Customs Administration adopted:

- **Guidelines for the Security of property and persons of the Customs Administration**, regulating the the manner of ensuring security of the property and the people in the premises of the Customs Administration;
- **User manual for the module for recording of capital assets**, which enables record-keeping of purchased, donated and surplus of capital assets, issuing of capital assets for use to an employee and record-keeping of the location and organizational unit in which the capital asset is located, record-keeping of the transfer (movement) of the capital asset from one to another employee or from one location to another, record-keeping of shortfalls, disbursed, alienated and destroyed capital assets in the Customs Administration and report making on the records of the capital assets.

V. FACILITATION AND ACCELERATION OF CUSTOMS PROCEDURES

V.1. Conditions for conducting customs formalities

The Customs Administration permanently works on maintaining of the existing and introducing new possibilities for facilitation and acceleration of customs formalities and the conditions for their performance, supported by information and communication technology.

V.2. e-Customs

V.2.1. New software for customs declarations and excise documents processing

The activities for implementation of the New Customs Declarations and Excise Processing System –CDEPS, which started in July 2012 to replace the existing system ASYCUDA, continued in the period January-September 2017.

In this period, the members of the working groups, together with the contractor, worked on implementation of the 4th delivery of the system modules (out of 5 deliveries). In January-September 2017, the testing of phase 4 was completed successfully, preparations started for initiation of Phase 5 of this Project and several Workshops to ensure easier implementation of Phase 5 of the Project.

In the reporting period there was regular communication with the contractor's experts, with a view to resolve the open issues and problems.

By introducing the CDEPS, the Customs Administration will provide secure, interoperable IT solution in line with the standards of the World Customs Organization and the EU, entirely paperless environment related to the customs and excise procedures through electronic data exchange with the economic operators and other state institutions, thus making customs and excise procedures faster and fully compatible with the EU systems.

V.2.2. EXIM

At the end of September 2017, the EXIM¹⁰ system had **6,582 economic operators registered users of the system**, who directly via EXIM apply for 60 different **import, export and transit licenses and tariff quota** through 12¹¹ (out of 17 registered authorities) institutions, issuing licenses and authorizations.

In the reporting period, the EXIM was regularly used and the number of processed files increased, compared to the same period in 2016. **66,543** licenses and **5,150** quotas **were issued** in this period.

The majority of issued licenses concern import of food products (26.3 thousand), certificates of organoleptic examination (9.8 thousand), veterinary documents (9.5

¹⁰ The Electronic System for Issuing Import and Export Licenses and Tariff Quota that was introduced in November 2008, is available on the Customs Administration's web site and is frequently used by the economic operators (the function of the EXIM is regulated by several internal acts of the Customs Administration and the Regulation adopted by the Government of the Republic of Macedonia).

¹¹ Besides these 12 institutions, 2 other government agencies are indirectly involved in issuance of licenses.

thousand), consents for customs clearance of items of common use (8 thousand) and pharmaceuticals (2.7 thousand) and medical aids (4.2 thousand).

The average time for obtaining a license within the period January-June 2017 was about 1.74 hours.

NUMBER OF IMPORT AND EXPORT DOCUMENTS ISSUED VIA EXIM								
Type of document	2016				2017			
	Q1	Q2	Q3	Total (Jan-Sept)	Q1	Q2	Q3	Total (Jan-Sept)
Authorisation for import of veterinary-medicine products	46	51	29	126	51	56	48	155
Document for veterinary examination of animal feed at import	133	153	128	414	138	147	133	418
Veterinary entry document for live animals	64	59	70	193	74	61	56	191
Veterinary entry document for products of animal origin	3.156	3.349	3.266	9.771	2.860	3.350	3.341	9.551
Consent for consignments of food, products or materials that come in contact with food to enter the territory of the Republic of Macedonia	7.775	8.881	8.568	25.224	8.114	9.266	8.975	26.355
Authorisation for transfer of firearms and ammunition on import	12	30	16	58	20	27	26	73
Precursors export license	32	23	37	92	39	29	23	91
License for export of narcotic drugs and psychotropic substances	101	120	122	343	126	134	96	356
Precursors import license	58	62	64	184	59	59	67	185
Authorisation for import of medicines	907	990	914	2.811	950	894	878	2.722
Authorisation for import of medical aids	1.235	1.365	1.352	3.952	1.415	1.494	1.284	4.193
Authorisation for import of hazardous and other types of chemicals	284	336	305	925	250	310	322	882
License for import of narcotic drugs and psychotropic substances	31	45	35	111	49	34	32	115
License for transport/transit of hazardous substances	333	351	349	1.033	323	390	402	1.115
Consent for customs clearance of goods of common use	2.366	2.642	2.655	7.663	2.475	2.800	2.719	7.994
Certificate for organoleptic examination and sampling	3.864	3.149	2.167	9.180	3.845	3.319	2.682	9.846
Certificate for export and exit of unprotected cultural goods	86	137	148	371	101	129	120	350
Other licenses	596	706	567	1.869	635	680	627	1.942
TOTAL	21.079	22.449	20.792	64.320	21.524	23.179	21.831	66.534

V.3. Volume of work

V.3.1. Customs authorisations and licenses

At the end of September 2017, a total of **247** companies were holders of authorizations for **representation activities in customs procedures** (327 in September 2016) and **1.135 natural persons** were **holders of licenses for representation activities** in customs procedures (this number in September 2016 was 1,275).

The most common type of **customs procedures with economic impact** is inward processing, followed by customs warehousing and outward processing. The majority of holders of such authorizations belong to the textile industry, followed by holders from the shoe industry and metallurgy. At the end of September 2017, **172** trade companies were holders of authorizations for **inward processing** and **12** trade companies had authorizations for **outward processing**. At the same time, **86** trade companies had authorizations for **warehousing**. **4,113** authorisations for **single use** were issued within the period January-September 2017.

At the end of September 2016, 169 trade companies were holders of authorizations for inward processing and 13 trade companies had authorizations for outward processing. At the same time, 82 trade companies had authorizations for warehousing. At the end of June 2016, 3,870 authorisations for single use were issued.

At the end of September 2017, **215** authorizations for **simplified procedures** were active, of which **47** authorisations for **local import customs clearance**, **69** authorisations for **local export customs clearance**, **62** authorisations – **authorized**

consignee in transit procedure, **30** authorisations – **authorized consignor** and **7** authorisations for **submission of incomplete declaration**.

221 authorizations for simplified procedures were active in September 2016.

At the end of September 2017, **552 pieces of Binding Tariff Information (BTI)** were valid. The Customs Administration issues Binding Tariff Information upon a written request by a legal entity or a natural person for determination of the tariff code for certain goods. Its objective is to ensure correct calculation of customs and other duties and appropriate application of non-tariff measures for a planned import or export. In September 2016, 587 BTI were valid. BTI is valid for 3 years and ensures simpler and faster customs procedures, greater predictability of customs related activities of the economic operators, as well as uniform application of the Customs Tariff and proper collection of customs duties.

In the period January-September 2017, 4 new **authorization for approved exporter** were issued. The number of issued authorizations for approved exporter at the end of 2016 was 131. The number has continuously increased in 2017, i.e. the list of approved exporters - holders of this authorization also increases and hence, the total number of active issued authorizations for approved exporter at the end of September 2017 was 135 authorizations, 127 of which were active. The granting of the authorization – approved exporter, means that the holder can use simplified procedure when proving the origin, i.e. the holder may prepare invoice declarations confirming the preferential origin, no matter the value of the goods that the declaration refers to. This is particularly important when the exporter is already a holder of authorization for local clearance and the export procedure is performed in premises outside customs terminals and after working hours.

At the end of September 2017, there were 175 active **approvals for deferred payment** of customs debt, while this number at the end of September 2016 was 154.

At the end of September 2017, **82** economic operators had active **excise licenses** (87 at the end of September 2016).

At the end of the reporting period, the number of **active excise preferential use permits** was **315**, while at the end of September 2016, the number of active excise preferential use permits was 348.

V.3.2. Preferential origin of goods

The Republic of Macedonia has concluded Free Trade Agreements with Turkey, Ukraine and EU, EFTA and CEFTA Member States.

The total foreign trade realized in the period January-September 2017 with proofs of preferential origin, amounts to 314.17 billion Denars (increased, compared to the same period in 2016, when the total foreign trade amounted to 293.58 billion Denars). 81.73%.

of this trade was realized with the EU Member States and amounts to 256.78 billion Denars, which is an increase, compared to the same period in 2016 when it was 242.54 billion Denars. The trade with the CEFTA in the reported period was 43.65 billion Denars or 13.89 % of the total trade with preferential origin (increased compared to the same period in 2016 when it was 38.11 billion Denars. The greatest part of the realized trade with preferential origin with CEFTA member states is with Serbia.

TOTAL USE OF FREE TRADE AGREEMENTS (In Billion Denars)																
Contracting Party	Import and export in 2016								Import and export in 2017							
	Q1		Q2		Q3		Total (Jan-Sept)		Q1		Q2		Q3		Total (Jan-Sept)	
	MKD	%	MKD	%	MKD	%	MKD	%	MKD	%	MKD	%	MKD	%	MKD	%
EU	77,47	84,40	82,53	81,55	82,54	82,06	242,54	82,62	80,06	83,25	88,07	80,84	88,65	81,28	256,78	81,73
EFTA	0,28	0,31	0,40	0,40	0,41	0,41	1,09	0,37	0,42	0,44	0,49	0,45	0,46	0,42	1,37	0,44
CEFTA	10,37	11,30	13,70	13,53	14,04	13,96	38,11	12,98	11,93	12,40	15,86	14,56	15,86	14,54	43,65	13,89
Albania	0,77	0,84	1,21	1,20	1,18	1,17	3,16	1,08	0,96	0,99	1,33	1,22	1,19	1,09	3,47	1,11
B&H	1,54	1,68	2,06	2,03	2,08	2,07	5,68	1,94	1,63	1,70	2,04	1,88	2,26	2,07	5,93	1,89
Montenegro	0,35	0,38	0,48	0,48	0,58	0,57	1,41	0,48	0,39	0,40	0,56	0,52	0,63	0,58	1,58	0,50
Kosovo	1,99	2,17	2,56	2,53	2,81	2,80	7,36	2,51	2,56	2,67	3,40	3,12	3,43	3,15	9,39	2,99
Serbia	5,69	6,20	7,34	7,25	7,36	7,32	20,40	6,95	6,36	6,61	8,48	7,78	8,31	7,62	23,14	7,37
Moldova	0,03	0,03	0,04	0,04	0,03	0,03	0,10	0,04	0,03	0,03	0,06	0,05	0,04	0,03	0,12	0,04
Turkey	3,65	3,97	4,43	4,38	3,54	3,52	11,62	3,96	3,69	3,84	4,41	4,05	3,98	3,65	12,08	3,84
Ukraine	0,01	0,01	0,15	0,15	0,05	0,05	0,21	0,07	0,07	0,10	0,09	0,13	0,12	0,30	0,09	0,09
TOTAL	91,78	100,00	101,21	100,00	100,58	100,00	293,58	100,00	96,16	100,00	108,94	100,00	109,07	100,00	314,17	100,00

V.4. Traffic of freight motor vehicles (FMV) through the border crossings

In the period January-September 2017, the road border crossings of the Republic of Macedonia were crossed by over 644 thousand FMV, of which 349 thousand loaded and about 295 thousand empty FMV. Greatest frequency was noted at the border crossing points with Greece (242 thousand FMV or about 38% of the total traffic). The largest number of FMV transited through the BCP Bogorodica (about 24% of the total traffic). In the same period last year, a total of 652 thousand FMV transited, of which 359 thousand loaded and about 293 thousand empty FMV.

TRAFFIC OF FMV PER BORDER CROSSING (IN THOUSAND)																						
Border crossing			Kosovo			Serbia			Bulgaria				Greece				Albania					Total
			Blace	Jazince	Total	Tabanovce	Pelince	Total	Dere Bair	Delchevo	Novo Selo	Total	Dojran	Bogrodica	Medzitija	Total	Stenje	Kafasan	Sy. Naum	Blato	Total	
2016	Q1	Loaded	6,3	0,0	6,3	41,5	0,0	41,5	7,0	3,7	4,6	15,3	14,2	24,7	2,5	41,4	0,1	7,8	0,0	0,1	8,1	112,6
		Empty	14,0	1,1	15,1	13,8	0,0	13,8	5,7	4,2	6,3	16,2	6,0	23,1	3,7	32,9	0,3	5,7	0,1	0,6	6,6	84,7
		Total	20,3	1,1	21,4	55,3	0,0	55,3	12,7	7,9	10,9	31,5	20,2	47,8	6,2	74,3	0,4	13,5	0,1	0,7	14,7	197,2
	Q2	Loaded	10,6	0,0	10,6	45,9	0,0	45,9	7,9	3,8	5,1	16,7	12,9	24,2	2,4	39,6	0,0	12,9	0,0	0,2	13,1	126,0
		Empty	23,1	2,5	25,5	16,0	0,0	16,0	6,2	4,3	6,7	17,0	6,2	22,2	4,4	32,8	0,3	10,5	0,0	0,9	11,8	103,1
		Total	33,7	2,5	36,1	61,8	0,0	61,8	14,0	8,0	11,7	33,7	19,2	46,4	6,8	72,4	0,5	23,4	0,0	1,1	24,9	229,1
	Q3	Loaded	10,2	0,0	10,2	35,2	0,2	35,5	7,7	5,0	3,8	16,5	17,8	24,3	1,4	43,5	0,1	14,5	0,0	0,2	14,8	120,5
		Empty	22,4	1,6	24,0	15,1	0,1	15,1	5,5	5,5	6,1	17,1	5,8	28,5	2,6	36,9	0,7	10,7	0,1	1,0	12,4	105,5
		Total	32,6	1,6	34,2	50,3	0,3	50,6	13,2	10,5	9,9	33,6	23,6	52,8	4,1	80,4	0,8	25,1	0,1	1,2	27,2	226,0
	Total (Jan.-Sept)	Loaded	27,1	0,0	27,1	122,6	0,2	122,8	22,7	12,5	13,5	48,5	44,9	73,2	6,4	124,5	0,2	35,2	0,0	0,5	35,9	359,0
		Empty	59,5	5,2	64,6	44,9	0,1	45,0	17,4	14,0	19,1	50,3	18,1	73,8	10,7	102,6	1,2	26,8	0,2	2,5	30,9	293,3
		Total	86,6	5,2	91,7	167,4	0,3	167,7	39,9	26,4	32,5	98,8	63,0	147,0	17,1	227,1	1,7	62,0	0,2	3,0	66,8	652,3
2017	Q1	Loaded	6,5	0,0	6,5	28,4	0,0	28,4	7,4	3,3	3,3	14,0	20,0	24,5	3,2	47,7	0,1	13,0	0,0	0,2	13,3	109,8
		Empty	14,5	0,8	15,3	13,6	0,0	13,6	5,6	3,9	6,3	15,9	6,5	23,2	3,0	32,8	0,3	8,0	0,1	0,8	9,3	86,8
		Total	20,9	0,8	21,8	42,0	0,0	42,0	13,1	7,2	9,6	29,8	26,6	47,7	6,2	80,5	0,4	21,1	0,1	1,0	22,6	196,7
	Q2	Loaded	12,4	0,0	12,4	33,8	0,0	33,8	9,3	3,7	3,8	16,7	19,4	28,8	2,1	50,2	0,1	14,8	0,0	0,2	15,1	128,1
		Empty	22,7	1,6	24,3	16,4	0,1	16,5	6,3	4,1	7,1	17,5	6,4	27,7	2,9	37,0	0,5	10,2	0,1	1,0	11,7	107,0
		Total	35,1	1,6	36,7	50,3	0,1	50,3	15,5	7,8	10,9	34,2	25,7	56,5	5,0	87,2	0,6	25,0	0,1	1,2	26,7	235,1
	Q3	Loaded	10,5	0,0	10,5	27,8	0,0	27,8	9,9	3,6	3,4	17,0	16,8	23,4	1,6	41,8	0,1	13,7	0,0	0,3	14,1	111,2
		Empty	21,3	1,8	23,1	16,5	0,1	16,6	6,7	4,5	6,3	17,6	5,8	24,4	3,0	33,2	0,5	9,5	0,1	0,8	11,0	101,4
		Total	31,8	1,8	33,6	44,4	0,1	44,4	16,7	8,1	9,8	34,6	22,5	47,8	4,6	75,0	0,7	23,2	0,1	1,1	25,1	212,6
	Total (Jan.-Sept)	Loaded	29,3	0,0	29,3	90,0	0,0	90,0	26,6	10,5	10,5	47,7	56,1	76,7	6,9	139,7	0,3	41,5	0,0	0,6	42,4	349,2
		Empty	58,5	4,2	62,7	46,6	0,1	46,7	18,6	12,6	19,7	50,9	18,7	75,4	8,9	103,0	1,3	27,8	0,2	2,6	32,0	295,2
		Total	87,8	4,2	92,0	136,6	0,1	136,7	45,3	23,1	30,2	98,6	74,8	152,0	15,8	242,6	1,6	69,2	0,2	3,3	74,4	644,4

V.5. Processed customs declarations

761 thousand **customs declarations** were processed in the period January-September 2017, most of which were related to **import** (about 44.36%) and **transit** (31.26%), followed by **export** declarations (about 21.80%) and **re-export** (about 2.58%) of the total number of processed declarations. The **simplified procedures** participate with 29.43% in the total number of export and import procedures (export – 44.18% and import 22.19%)

CUSTOMS PROCEDURES (in thousand)								
Type of customs procedure	2016				2017			
	Q1	Q2	Q3	Total (Jan.-Sept)	Q1	Q2	Q3	Total (Jan.-Sept)
Transit	74,8	83,7	74,3	232,9	70,7	81,4	85,8	237,9
Export	43,5	53,8	54,0	151,3	46,0	60,1	59,8	165,9
Regular export	24,1	29,8	29,4	83,3	24,0	33,6	32,8	90,4
Simplified export procedure	18,7	23,2	23,8	65,7	21,3	25,7	26,2	73,3
Temporary export	0,8	0,8	0,8	2,4	0,6	0,7	0,8	2,1
Import	94,8	117,4	108,6	320,9	100,5	120,8	116,4	337,6
Regular Import	72,9	86,7	75,5	235,1	70,3	85,0	84,0	239,3
Simplified import procedure	14,7	22,2	25,9	62,9	23,0	27,2	24,7	74,9
Customs storage	1,8	1,7	1,7	5,2	1,8	1,8	1,9	5,5
Temporary admission	4,8	6,0	4,7	15,5	4,9	6,2	5,1	16,2
Import of temporary exported goods	0,6	0,7	0,8	2,1	0,5	0,6	0,7	1,8
Re-export	6,9	6,8	6,4	20,1	6,5	6,5	6,7	19,7
Total	220,0	261,7	243,4	725,1	223,6	268,8	268,6	761,0

In the period January – September 2017 as usual, the road traffic was dominant with about 97.08% of the total number of processed customs declarations. The declarations processed in railway traffic participate with 0.46% and the declarations processed in air traffic with 3.92%.

PROCESSED DECLARATIONS PER MODE OF TRANSPORT (in thousand)								
Type of transport			Road	Railway	Air	Post	Other	Total
2016	Q1	Import	91,00	0,60	3,80	0,50	0,10	95,80
		Export	42,90	0,20	3,80	0,00	0,00	46,90
		Transit	72,00	4,40	0,00	0,00	0,00	76,34
		Total	205,90	5,10	7,50	0,50	0,10	219,08
	Q2	Import	113,70	0,70	3,90	0,40	0,10	118,87
		Export	56,20	0,20	3,80	0,00	0,00	60,21
		Transit	83,70	0,00	0,00	0,00	0,00	83,72
		Total	253,60	1,00	7,70	0,60	0,20	262,90
	Q3	Import	110,90	0,70	4,60	0,40	0,20	116,83
		Export	59,00	0,30	3,80	0,00	0,00	63,26
		Transit	74,20	0,00	0,00	0,00	0,00	74,22
		Total	244,10	1,10	8,50	0,50	0,20	254,31
	Total (Jan - Sept)	Import	315,60	2,00	12,30	1,30	0,40	331,50
		Export	158,10	0,70	11,40	0,00	0,00	170,37
		Transit	229,90	4,40	0,00	0,00	0,00	234,28
		Total	703,60	7,20	23,70	1,60	0,50	736,29
2017	Q1	Import	101,20	0,50	3,50	0,30	0,20	105,70
		Export	48,80	1,40	4,10	0,00	0,00	54,30
		Transit	72,90	0,00	0,00	0,00	0,00	72,90
		Total	222,90	1,90	7,60	0,30	0,20	232,90
	Q2	Import	119,22	0,72	3,63	0,35	0,22	124,11
		Export	63,45	0,26	4,13	0,06	0,02	67,89
		Transit	81,40	0,02	0,00	0,00	0,00	81,42
		Total	264,04	0,96	7,80	0,55	0,26	273,39
	Q3	Import	114,93	0,52	3,53	0,34	0,16	119,48
		Export	62,64	0,12	3,71	0,07	0,03	66,57
		Transit	85,71	0,04	0,00	0,00	0,00	85,75
		Total	263,28	0,68	7,24	0,41	0,19	271,79
	Total (Jan - Sept)	Import	335,34	1,74	10,66	0,99	0,57	349,29
		Export	174,89	1,77	11,94	0,12	0,05	188,75
		Transit	240,01	0,06	0,00	0,00	0,00	240,07
		Total	750,22	3,54	22,64	1,26	0,65	778,08

In the period January-September 2017, greatest number of customs declarations were processed by the regional Customs House Skopje (36%). The regional Customs House Gevgelija processed 25.4% of the declarations, and the regional Customs House Kumanovo processed 21.9%. The remaining 16.7% were processed by the regional Customs House Bitola (9 %) and the regional Customs House Shtip (7.7%).

NUMBER OF PROCESSED CUSTOMS DECLARATIONS PER CUSTOMS OFFICE (IN THOUSAND)																
Customs Office	2016								2017							
	Q1		Q2		Q3		Total (Jan - Sept)		Q1		Q2		Q3		Total (Jan - Sept)	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Customs House Skopje	77,9	35,0	95,7	36,2	87,4	35,5	260,9	35,6	83,4	36,1	98,9	36,1	96,8	35,6	279,1	36,0
1 CO Skopje 1	23,1	10,4	28,9	10,9	26,3	10,7	78,4	10,7	27,0	11,7	34,0	12,4	31,3	11,5	92,3	11,9
2 CO Skopje 2	20,0	9,0	22,6	8,6	21,7	8,8	64,3	8,8	20,3	8,8	22,3	8,1	21,8	8,0	64,4	8,3
3 CO Skopje 3	9,1	4,1	10,5	4,0	9,7	3,9	29,2	4,0	9,7	4,2	10,0	3,6	9,6	3,5	29,2	3,8
4 CO Skopje 4	5,0	2,2	5,6	2,1	5,5	2,2	16,1	2,2	6,8	2,9	8,0	2,9	7,6	2,8	22,4	2,9
5 CO Free Zone Skopje	4,0	1,8	4,2	1,6	3,5	1,4	11,7	1,6	4,1	1,8	4,8	1,7	4,6	1,7	13,5	1,7
6 CO Post Office Skopje	0,7	0,3	0,7	0,3	0,7	0,3	2,1	0,3	0,7	0,3	0,7	0,3	0,7	0,3	2,1	0,3
7 CO Airport Skopje	8,0	3,6	7,8	3,0	8,4	3,4	24,2	3,3	7,3	3,2	7,3	2,7	6,8	2,5	21,5	2,8
8 CO Blace	5,3	2,4	11,5	4,4	8,4	3,4	25,2	3,4	5,1	2,2	8,4	3,1	11,3	4,2	24,9	3,2
9 CO Tetovo	2,4	1,1	3,9	1,5	3,2	1,3	9,5	1,3	2,2	0,9	3,4	1,2	3,2	1,2	8,7	1,1
Customs House Kumanovo	53,9	24,2	61,3	23,2	54,3	22,1	169,5	23,1	51,9	22,5	58,9	21,5	59,3	21,8	170,1	21,9
10 CO Kumanovo	7,9	3,5	9,3	3,5	7,3	3,0	24,4	3,3	7,6	3,3	8,0	2,9	8,4	3,1	24,0	3,1
11 CO Tabanovce Motorway	38,1	17,1	42,5	16,1	39,3	16,0	119,9	16,4	36,6	15,8	41,6	15,2	41,6	15,3	119,7	15,4
12 CO Railway S Tabanovce				0,0		0,0	0	0,0	0			0,0		0,0	0	0,0
13 CO Deve Bair	8,1	3,6	9,4	3,6	7,7	3,1	25,2	3,4	7,7	3,3	9,3	3,4	9,3	3,4	26,4	3,4
Customs House Shtip	18,2	8,2	20,2	7,6	19,4	7,9	57,8	7,9	18,4	8,0	20,4	7,5	21,1	7,8	59,9	7,7
14 CO Shtip	12,2	5,5	13,7	5,2	13,1	5,3	39,0	5,3	12,9	5,6	14,1	5,1	14,4	5,3	41,3	5,3
15 CO Delchevo	4,4	2,0	4,7	1,8	4,6	1,9	13,7	1,9	3,9	1,7	4,3	1,6	4,6	1,7	12,8	1,7
16 CO Veles	1,5	0,7	1,8	0,7	1,7	0,7	5,0	0,7	1,7	0,7	2,1	0,8	2,1	0,8	5,9	0,8
Customs House Gevgelija	55,5	24,9	66,2	25,1	64,9	26,4	186,6	25,5	56,4	24,5	71,6	26,1	69,4	25,6	197,4	25,4
17 Co Bogorodica	18,1	8,1	15,0	5,7	13,7	5,6	46,8	6,4	11,3	4,9	16,1	5,9	18,2	6,7	45,6	5,9
18 CO Gevgelija	10,6	4,8	14,5	5,5	13,9	5,7	39,0	5,3	12,6	5,5	16,5	6,0	15,8	5,8	44,9	5,8
19 CO Kavadarci	11,8	5,3	18,2	6,9	22,4	9,1	52,5	7,2	20,0	8,7	22,5	8,2	21,1	7,8	63,6	8,2
20 CO Strumica	3,0	1,4	6,3	2,4	4,1	1,7	13,4	1,8	2,7	1,2	7,0	2,6	4,4	1,6	14,1	1,8
21 CO Novo Selo	3,7	1,7	4,7	1,8	3,7	1,5	12,1	1,7	3,4	1,5	3,6	1,3	3,8	1,4	10,8	1,4
22 CO Dojran	8,2	3,7	7,5	2,8	7,1	2,9	22,8	3,1	6,5	2,8	5,8	2,1	6,1	2,3	18,4	2,4
Customs House Bitola	17,2	7,7	20,9	7,9	19,8	8,1	58,0	7,9	20,6	8,9	24,2	8,8	25,0	9,2	69,8	9,0
23 CO Bitola	4,2	1,9	3,9	1,5	3,4	1,4	11,5	1,6	4,4	1,9	4,3	1,6	4,2	1,6	12,9	1,7
24 CO Medzitlija	3,6	1,6	3,3	1,2	2,5	1,0	9,3	1,3	4,1	1,8	3,5	1,3	3,1	1,2	10,7	1,4
25 CO Prilep	2,8	1,2	3,4	1,3	3,7	1,5	9,9	1,4	3,4	1,5	4,7	1,7	4,5	1,7	12,6	1,6
26 CO Ohrid	0,6	0,3	0,6	0,2	0,8	0,3	2,0	0,3	0,6	0,3	0,7	0,3	0,7	0,3	2,1	0,3
27 CO Ohrid Airport	0,1	0,0	0,2	0,1	0,3	0,1	0,6	0,1	0,1	0,0	0,2	0,1	0,3	0,1	0,6	0,1
28 CO Struga	2,2	1,0	3,0	1,1	2,8	1,1	8,0	1,1	2,6	1,1	3,2	1,1	3,2	1,2	8,9	1,1
29 CO Kjafasan	3,9	1,7	6,4	2,4	6,3	2,6	16,6	2,3	5,5	2,4	7,6	2,8	8,8	3,3	21,9	2,8
30 CO Blato	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,1	0,0
Total	222,7	100,0	264,2	100,0	245,8	100,0	732,7	100,0	230,6	100,0	274,0	100,0	271,6	100,0	776,3	100,0

V.6. Revenues collected

A total of **57,383.96 million Denars** was collected as revenues from import/export and internal trade in the period January-September 2017. This amount is:

↑ higher for 0.4% compared to the **planned revenues** for collection (57,166.45 million Denars); and

↑ higher for 6.9 % compared to the **collected revenues** in the period January – September 2016 (53,678.35 million Denars).

Plan for revenue collection in January -September 2017, compared to the same period in the period 2014 – 2016:

In million Denars

PERIOD	Plan 2017	Realized 2017	Realized 2016	Realized 2015	Realized 2014
January - September	57,166.45	57,383.96	53,678.35	48,574.52	46,100.55
INDEX	Collection/plan 2017		2017/2016	2017/2015	2017/2014
Period 2017/'16/'15/'14	0.4%		6.9%	34,0%	42,1%

Plan and revenue collection per type of duty in the period January – September 2017, compared to the same period from 2014 until 2016:

In million Denars

REVENUE	Plan Jan-Sept 2017	Realized Jan-Sept 2017	Realized Jan.-Sept 2016	Realized Jan-Sept 2015	Realized Jan-Sept 2014	Collection/Plan 2017	2017/2016
						%	%
1	2	3	4	5	6	7 (3:2)	8 (3:4)
Customs duties	3,780.02	3,766.57	3,521.29	3,141.01	3,100.40	↓ -0.4%	↑ 7.0%
VAT	33,298.51	30,560.95	19,774.78	28,259.74	28,172.39	↑ 0.8%	↑ 9.8%
Excise	19,602.34	19,558.31	19,089.85	16,721.24	14,362.88	↓ -0.2%	↑ 2.5%
Fees	485.59	492.06	506.26	452.52	464.87	↑ 1.3%	↓ -2.8%
TOTAL	57,166.45	57,383.96	53,678.35	48,574.52	46,100.55	↑ 0.4%	↑ 6.9%

The table shows that:

Within January- September 2017, considering the **planned amount** to be collected for the period January – September 2017, we have achieved:

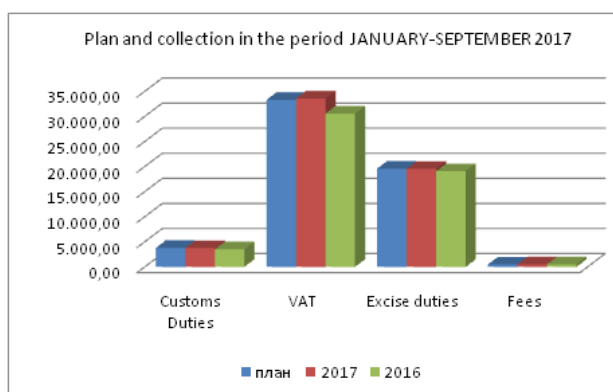
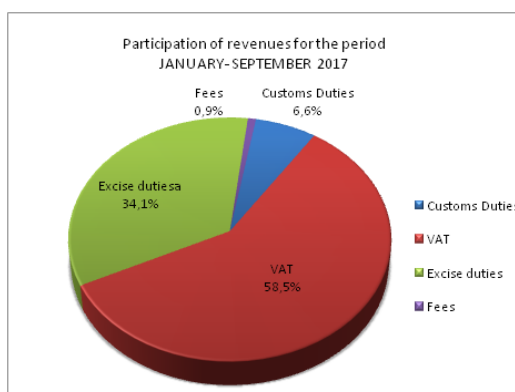
↑ **higher collection of:**
Fees for 1.3% and
VAT for 0.8%

↓ **lower collection of:**
Customs duties for 0.4% and
Excise duties for 0.2%.

Within January- September 2017, considering the **collected revenues** for the period January – September 2016, we have achieved:

↑ **higher collection of:**
VAT for 9.8%
Customs duties for 7.0% and
Excise duties for 2.5%.

↓ **lower collection of:**
Fees for 2.8%



V.6.1. Customs duties

In the period January – September 2017, **3,766.57 million Denars** were collected as **customs duty revenues**. This is:

- ↓ less for **0.4 %** than **planned** (3,780.02 million denars) and
- ↑ more for **7 %** than the **collected** in 2016 (3,521.29 million denars).

V.6.2. VAT

The revenues collected as VAT within January – September 2017 amounts to **33,567.02 million Denars**. This amount is:

- ↑ more for **0.8 %** than **planned** (33,298.51 million denars) and
- ↑ more for **9.8%** than the **collected** in 2016 (30,560.95 million denars).

V.6.3. Excise duties

The total revenues collected as excise duties in the period January-June 2017 is **19,558.31 million Denars**. This is:

- ↓ less for **0.2 %** than **planned** (19,602.34 million Denars) and
- ↑ more for **2.4%** than the **collected** in 2016 (19,089.85 million Denars).

V.6.4. Fees

In the period January-September 2017, the total **revenues collected as fees** is **492.06 million Denars**. This is:

- ↑ more for **1.33 %** than **planned** (485.59 million Denars) and
- ↓ less for **2.8 %** than the **collected** in 2016 (506.26 million Denars).

VI. LAW ENFORCEMENT

Law enforcement at the Customs Administration means enforcing the law in terms of collection of budget revenues, prevention of illicit trade and unfair competition, prevention of trade in prohibited goods and financing terrorism, protection of people's health and life, as well as protection of the environment and cultural heritage.

VI.1. Grounds

In the period January-September 2017, the Customs Administration continued to improve its systems for risk analysis, customs intelligence, trade companies control, investigations and the work of its special units.

The following law Customs enforcement documents were adopted in the reporting period:

- **Handbook on Customs or external control of trade companies,**
- **Procedure for Customs or external control of trade companies**
- **New Guidelines on determining and monitoring minimum quantitative targets to prevent illegal trade and to facilitate trade,** to ensure a more comprehensive monitoring and analysis of the results of the regular activities of customs officers. A new form was prepared - Plan for quantitative targets for the minimum number of controls on excise goods in internal trade and quantitative targets for 2017,
- **Procedure for granting the right to access and work with ATIS.** ATIS¹² system is an effective tool for analyzing and assessing risk and combating fraud in the transit procedure, under the NCTS. The preparations for its complete use are finalized. and access to the system is granted to 25 customs officers,
- **2017 Action Plan for implementation of the Strategy on prevention of illegal trade in weapons 2016-2020.**
- **2017-2018 Action Plan for implementation of the Strategy on prevention of illegal trade in narcotics and harmful substances 2016-2020.**
- **2017 Action Plan for implementation of the Strategy on Intellectual Property Rights Protection for 2016-2018.**
- **2017-2018 Action Plan for implementation of the Strategy on prevention of illegal production, trade and smuggling of tobacco and tobacco products for 2016-2018.**

¹² Anti-Fraud Transit Information System

- Amendments to the **Guidelines on the application SEED 2 (Systematic exchange of electronic data)** to ensure alignment of the contents of the Guidelines with the latest version of the application, which will include functionality for data harmonization on simplified procedures. With regard these Guidelines, the following documents were also prepared:
 - **User Manual for the application on systematic exchange of electronic data -SEED2** and
 - **User Manual for the module for consignment selection through SEED2.**
- **Procedure for acting in cases of detected criminal act**, applied to ensure lawful, efficient and fair acting of the customs officers when detecting a criminal offense .
- **Guidelines for the operation of the Risk Management Department**, determining the guidelines for the application of the risk management process. Immediate and continuous improvement of the risk management process in order to achieve efficient and effective selection of customs goods and persons participating in customs procedures, and pose higher risk and allocation of available customs resources. By undertaking appropriate measures and activities for removing the identified risk situations, free flow of customs goods and persons participating in the customs procedures with no risk is ensured with minimal necessary detention.
- **Procedure for verification of proofs of origin**, regulating the manner of initiation, course and completion of the procedure for verification of proofs of origin, issued in accordance with the agreements concluded by the Republic of Macedonia with certain countries or groups of countries envisaging preferential tariff treatment. The procedure lays down the manner of acting in the examination of proofs of origin issued by foreign customs authorities and presented at the time of import into the Republic of Macedonia or issued by the organizational units of the Customs Administration
- **Procedure for additional verification of documents determining the customs value**, regulating the manner of initiation, course and completion of the procedure for additional verification of documents relevant for determining the customs value of the goods. The procedure describes the manner of acting upon further verification of foreign invoices and other foreign documentation on the basis of which the customs value of imported goods in the Republic of Macedonia is determined or invoices and other documents issued by companies from the Republic of Macedonia when exporting products abroad.
- **Guidelines on administrative, physical and personal security of classified information in the Customs Administration**, defining the type of information, documents, reports, data and other acts of the Customs Administration, which are marked with a certain degree of classification, as well as the measures and activities taken for administrative, physical and personal security.

In the reporting period, the **Control and Security Committee** of the Customs Administration held 10 sessions at which the members discussed and adopted the Quarterly Report for the period 1 October - 31 December 2016 and Annual Report for the Committee's activities in 2016 and the Plan for activities of the Committee for 2017.

At the meetings, the members discussed the state-of-affairs at the Customs Offices within the Regional Customs House Skopje and analyzed the detection activities and the cooperation with the border authorities and inspectorates.

The Committee promoted the system for gathering information and considered the findings and requests for intelligence information from border and inland customs offices.

The Control and Safety Committee of the Customs Administration recommended that the organizational units of the Customs Administration should consistently observe the procedure for verification of the proofs of origin in the customs procedures.

The Committee recommended that the Heads of the regional Customs Houses appropriately organize the staff and to strengthen customs controls aimed at detection and prevention of customs related irregularities.

VI.2. Risk management

Risk management is a principal tool for conducting customs control and its objective is to define precise risk profiles and select targets, without delay and unnecessary charges for the legal trade, considering that this area has been subject to permanent improvement by the Customs Administration.

In the area of risk management, activities continued for risk identification and profiling and the manner of conducting customs surveillance in accordance with the specifics of post, express delivery parcels and cargo clearance for each customs office separately, passengers and personal luggage for each border crossing point separately (road, air and railway traffic), simplified customs procedures and customs warehouses.

The Risk Management Committee prepared a Report on the realization of the Project "Improvement of the system for selective controls based on risk analysis" of the Government of the Republic of Macedonia, concluding that in 2016 the participation on the red channel has been reduced to 8.5% (from 25% at the beginning of the Project), the processing time (duration of the customs procedures) has been reduced for 30-40% and the number of detected irregularities and subsequent collection of duties has also increased, despite the fact that the number of physical and documentary controls has dropped down.

In September 2017 the Twinning Project **"Strengthening the Operational and Institutional Capacities of the Customs Administration"** was launched, financed by the EU IPA Programme. One of the key components of the project is "Improvement of

the risk management process". The main activities within this component will be analysis and improvement of the existing risk management system. The activities will be aimed at identifying the areas that are most exposed to risks, improving existing ones and introducing new risk management tools, more effective and effective controls, harmonized with the best EU practices.

The Customs Administration, through its own representative participated at the meetings of the National Committee for Civil Aviation Security in order to establish the APIS¹³ system, in accordance with the UN Resolution no. 2178/2014, which requires airlines to submit passenger data to the authorities at airports. A working group for implementation of the system with representatives from relevant institutions was formed.

The **Action Plan for implementation of the Risk Management Strategy** is regularly updated with information from the organizational units for the latest status of realization.

Representative of the Customs Administration, as an accredited WCO trainer, participated in the operation „ACIM 2¹⁴“, as part of the WCO Strategy for Strengthening the Capacities of the Member States, particularly in detection of goods with protected intellectual property rights. The operation was simultaneously conducted in 18 ports in different African countries and was focused on detection of counterfeit pharmaceutical and food, spare parts, cigarettes, mass consumption goods, pesticides, CDs, DVDs and other products, with particular focus on product safety.

The following documents have been prepared:

- Amendments to the **Guidelines on the operation with the System for Electronic Exchange of Systematic Data- SEED2**;
- Amendments to the **Guidelines on the operation of the Risk Management Department**;
- **User manual for the module for selection of shipments through SEED2** (in cooperation with the ICT Sector);
- Amendments to the User Manual for the **System for Electronic Exchange of Systematic Data- SEED2** (in cooperation with the ICT Sector).

¹³ Advanced Passenger Information System

¹⁴ Action against Counterfeit and Illicit Medicines

VI.3. Customs and other control

VI.3.1. Entry, exit, transit and inland customs control

Customs control refers to control of the legality at entry, exit and transit of goods and passengers on the customs territory of the Republic of Macedonia and the declaration of the type and quantity of goods for clearance.

By applying risk analysis, in the reporting period, in joint operations with other national law-enforcement agencies, as well as on grounds of direct assessment of the customs officers, the physical customs control resulted in 233 successful actions, with 285 applied criteria. Different equipment donated by the EU and the EXBS¹⁵ Programme of the U.S. Embassy in Skopje was used in these actions.

For comparison, within the period January – September 2016, the customs control resulted in 491 successful actions, with 593 applied criteria.

PHYSICAL CUSTOMS CONTROL - RESULTS																	
Type of finding	Unit meas.	2016								2017							
		Q1		Q2		Q3		Total (Jan-Sept)		Q1		Q2		Q3		Total (Jan-Sept)	
		criterion	quantity	criterion	quantity	criterion	quantity	criterion	quantity	criterion	quantity	criterion	quantity	criterion	quantity	criterion	quantity
Prevention of illegal trade in narcotics, psychotropic substances and precursors	Kg	10	4,65	8	28,06	16	49,87	34	82,58	12	112,91	3	154,74	5	39,24	20	306,90
	Litres				0,01				0,01								0,00
Prevention of illegal trade in weapons and explosives	Piece	5	529	3	125,182	1	48	9	125,759	2	214			1	76	3	290
Protection of cultural heritage	Piece							0	0							0	0
Prevention of illegal trade in live animals	Piece			1	1			1	1	1	1					1	1
Prevention of illegal migration	Persons	17	221	6	143	21	285	44	649	4	30	1	6			5	36
Prevention of illegal transfer of money and securities (thousand euros)	EUR	21	136	17	785	14	126	52	1,047	24	305	12	85,20	12	113	48	503
Prevention of illegal trade in pharmaceuticals and medical aids	counterfeit							0	0	1	28					1	28
	Piece	4	4,850	4	4120	7	4,367	15	13,337	1	15,301	5	21,894	2	80	8	37,275
	Kg							0	0							0	0
Prevention of illegal trade in foodstuffs	Kg	8	872	11	186	8	135	27	1,193	10	9,344	5	50,55	3	12,696	18	22,091
	Litres		446		149	3	563	3	1158		289		35		18	0	342
	Piece		40		876			0	916				586		85	0	671
Prevention of illegal trade in cigarettes and other tobacco products (thousand pieces)	Piece	21	87	16	122	13	62,86	50	272	9	78	6	43	3	59	18	180
Prevention of prohibited use of extra light fuel	Kg		1864		34		315	0	2,215				514	1	8	1	522
	Piece							0	0							0	0
Prevention of illegal trade in clothing, fashion accessories, textile articles and raw materials	Piece	24	9,159	25	7121	27	2,721	76	19,001	7	581	6	922	5	842	18	2,345
	Kg		1492		139		500	0	2,131							0	0
	Rolls		152					0	152							0	0
	Metres		2,148					0	2,148				350			0	350
Prevention of illegal trade in jewellery, haberdashery, objects and jewellery made of precious metals	Piece	6	489	6	562	6	76	18	1,127			4	70	9	383	13	453
	Kg		39				2	0	41,00				2,70		3,81	0	6,51
Prevention of illegal trade in cosmetics, perfumes, hygiene products etc.	Piece	3	316	4	1462	8	560	15	2,338			3	3,089			3	3,089
	Litres							0	0				35			0	35
	Piece	81	28,353	74	39336	93	140,522	248	208,211	59	3,855	28	9,241	41	6,615	128	19,711
Prevention of illegal trade in cosmetics, perfumes, hygiene products etc	Metres		14					0	14							0	0
	Kg		215				611	0	826		4		24,897		10	0	24,911
	Litres						19	0	19		40		142			0	182
Total criteria			200		175		217		592		130		73		82		285

¹⁵ The Export Control and Related Border Security (EXBS) Program

Prevention of illicit traffic of narcotics, psychotropic substances and precursors

In the period January-September 2017, 20 attempts of trafficking narcotics in total quantity of about 307 kilograms of narcotics (marijuana, ecstasy, hashish, LSD, marijuana seeds, cocaine and heroin) were prevented.

66.49 kg marijuana, seized at BCP Blace, entrance section.



6.9 kg of heroin seized at BCP Bogorodica, entrance section.



0.99 kg of heroin seized at BCP Bogorodice, entrance section.



21.975 kg marijuana seized at BCP Blace, entrance in the country



Prevention of illicit traffic in cigarettes and other tobacco products

In 19 actions in the period January – September 2017, Customs prevented smuggling of about 179 thousand pieces of cigarettes and 522 kg of tobacco. In these actions, customs officers used equipment donated under the EXBS Program of the US Embassy.

11,000 undeclared cigarettes detected at the Skopje Alexander the Great Airport, exit section



16,980 undeclared cigarettes, detected at the Skopje Alexander the Great Airport, exit section.



10,560 undeclared cigarettes, detected at the Skopje Alexander the Great Airport, exit section.



Prevention of illegal trade in foodstuff

18 attempts for smuggling of 342 litres, 586 pieces and 22,091 kg of different types of food products were prevented in the period January – September 2016.

110 litres of home-made brandy detected on the Negotino-Veles motorway.



4,492 kg tomatoes and 4,397 kg cucumbers found at the customs office Gëvgelija .



Prevention of illicit transfer of cash and securities

In 48 attempts detected in the period January-September 2017, illicit transfer of cash in amount of 503 thousand Euros was prevented

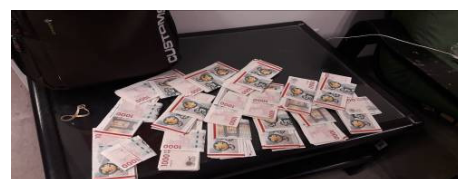
105 thousand Euros found and seized at the Skopje Alexander the Great Airport on a passenger that was to leave the country.



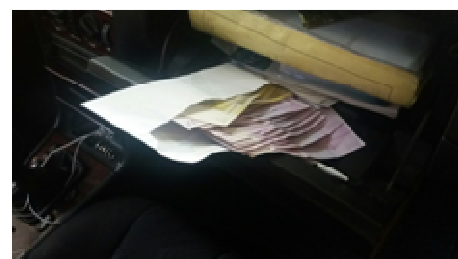
8,000 Swiss Franks found on a passenger entering the country at the Skopje Alexander the Great Airport.



155,000 Danish Krone found on a passenger leaving the country at the Skopje Alexander the Great Airport.



11,800 Euros found and seized at BCP Blace, exit from the country



Prevention of illegal trade in pharmaceuticals and medical aids

In the reporting period, 7 attempts for smuggling 37 thousand pieces of pharmaceuticals were prevented.

2,184 pieces of different pharmaceuticals found and seized at the BCP Bogorodica, entrance section



19,245 pieces of different pharmaceuticals found and seized at the BCP Blace during search of a bus.



Prevention of illegal trade in other type of goods

In the period January – September 2017, Customs prevented 128 attempts for smuggling of 19,711 pieces, 25 tons and 182 litres of different goods.

2 mobile phones detected and seized at the Skopje Alexander the Great Airport on a passenger entering the country.



100 pieces of dioptr glasses detected and seized at the Skopje Alexander the Great Airport on a passenger entering the country.



980 pieces of watches found at BCP Deve Bair, entrance in the country.



Control of excise goods in internal trade

In the period January - September 2017, the Customs Administration acting in accordance with its powers defined by the Law on Excise, together with the Public Revenue Office acting in conformity with the Law on registration of cash payments, carried out control of the marking and use of excise stamps in retail trade shops, restaurants and bars selling excise goods. Controls were conducted in several bars, restaurants, markets, green markets and shops in several towns in the country and resulted in detection of 16.5 litres of alcohol without excise stamps, goods for which excise duties were not paid and not supported by documents about the origin of the goods and health certificates.

Control of stirring foreign vehicles and public transport vehicles

Due to disregard of regulations on stirring foreign vehicles in the Republic of Macedonia, in thereporting period, the Customs Administration seized **68 passenger motor vehicles**.

For comparison, in the period January - September 2016, the Customs Administration seized 85 motor vehicles.

Independently, or in cooperation with the State Transport Inspectorate, in the period Janaury - September 2017, the Customs Administration conducted several controls, detecting several violations of regulations and imposing fines or warnings by the State Transport Inspectorate. 2 misdemeanor proceedings were initiated and 4 decisions prohibiting entry/exit from the Republic of Macedonia were passed.

In the period January – September 2016, 21 cases of disregard of regulations on international transport of passegers.

VI.3.2. Control during customs clearance

Customs clearance control covers control of the appropriateness of customs and other documents and goods for customs processing, in accordance with the law. This control is performed upon import, export, transit and temporary admission of goods by legal entities and their managers, but also refers to individuals, regardless of whether they are residents or non-residents.

DOCUMENTARY CUSTOMS CONTROL RESULTS								
Type of document			Invoices (undervaluated)	Certificates of preferential origin	Incorrect tariff classification	Other documents necessary for calculation of import duties	Other types of invalid documents	Total
2016	Q1	Invalid	3.790	104	145	31	1	4.071
		Falsified	0	0	3	0	0	3
		Other	4.281	22	50	0	0	4.353
		Total	8.071	126	198	31	1	8.427
	Q2	Invalid	5.286	126	139	39	0	5.590
		Falsified	2	1	0	1	0	4
		Other	5.300	23	39	1	1	5.364
		Total	10.588	150	178	41	1	10.958
	Q3	Invalid	2.824	107	116	23	0	3.070
		Falsified	0	0	0	0	0	0
		Other	2.859	26	35	0	0	2.920
		Total	5.683	133	151	23	0	5.990
	Total (Jan.-Sept)	Invalid	11.900	337	400	93	1	12.731
		Falsified	2	1	3	1	0	7
		Other	12.440	71	124	1	1	12.637
		Total	24.342	409	527	95	2	25.375
2017	Q1	Invalid	3.591	118	133	25	1	3.868
		Falsified	0	0	0	1	1	2
		Other	3.381	15	53	0	1	3.450
		Total	6.972	133	186	26	3	7.320
	Q2	Invalid	3.678	101	89	35	0	3.903
		Falsified	1	1	1	0	0	3
		Other	3.552	35	40	0	0	3.627
		Total	7.231	137	130	35	0	7.533
	Q3	Invalid	3.439	73	82	16	0	3.610
		Falsified	0	1	0	0	0	1
		Other	3.502	15	21	2	0	3.540
		Total	6.941	89	103	18	0	7.151
	Total (Jan.-Sept)	Invalid	10.708	292	304	76	1	11.381
		Falsified	1	2	1	1	1	6
		Other	10.435	65	114	2	1	10.617
		Total	21.144	359	419	79	3	22.004

Based on direct customs control during clearance of goods, in the period January – September 2017, in 22,144 cases Customs found inadequate documents for clearance and compliance with trade policy measures. Of these, 21,144 cases involve invalid, falsified and other improper documents presented in order to wrongly present lower customs value for the calculation of import duties, 359 cases of invalid certificates of preferential origin of goods submitted with the purpose of import duties evasion, 419 cases of wrong tariff classification in order to pay lower import duties and 79 cases of presentation of other improper documents to evade payment of import duties or trade policy measures, as well as 3 cases of presentation of other type of invalid documents. By presenting invalid and falsified customs and other documents, the importers attempted to evade payment of import duties in amount of about 746 million Denars.

For comparison, in the same period in 2016, in 25,375 cases, Customs found inadequate documents for clearance and compliance with the trade policy measures with which the importers attempted to evade import duties in amount of about 723 million Denars

The largest number of the presented invalid and falsified documents used for determining customs value concern import of second-hand passenger vehicles, used goods, scrap metal, advertising material, footwear, furniture parts, synthetic fabric, pharmaceuticals, dental instruments, lenses, dresses, fruit, vegetables, food products, textile articles, postal parcels through DHL and TNT etc.

The detected cases of classification of goods in inadequate tariff codes primarily refers to goods from Chapter 48, 55, 84, 85 etc.

VI.3.3. Declared foreign currencies

Equivalent amount of 6,240,198 Euros (all at entry into the country) were declared in the period January – September 2017 at the border crossing points of the Republic of Macedonia.

The declared amounts include 4,337,030 Euros, 1,104,980 Swiss Francs, 383,500 US Dollars, 266,000 Australian Dollars, 50,000 Swedish Crowns, 33,000 British Pounds and 22,880,601 Macedonian Denars.

Greatest amount was declared at the Customs Office Airport Skopje (equivalent amount of 2,698,314 Euros or 43.24%), followed by Customs Office Blace (equivalent amount of 1,716,245 Euros or 27.50%), and the Customs Office Tabanovce Motorway (equivalent amount of 697,789 Euros or 11.18%) and Customs Office Bogorodica (equivalent amount of 560,641 Euros or 8.98%).

In the same period of 2016, equivalent amount of 7.28 million Euros were declared at the border crossings of the Republic of Macedonia (all at entry into the country).

The amount of foreign cash, declared in the period January – September 2017 is for 14.26% less than the amount declared in the same period of 2016.

VI.3.4. Custom laboratory

In the period January – September 2017, the Customs Laboratory **received 252 samples**. The majority of the samples included oil products and oil derivatives, foodstuff, alcoholic beverages, animal feed, chemical fertilizers and other products of the chemical industry, metallurgy and technical goods.



Of the total of 252 samples received in the reporting period and of the samples received in the previous months (finished until the end of September 2017), in **51 cases** the laboratory analysis proved that the goods were wrongly classified in **inadequate tariff codes**. In 6 cases, the tariff code was changed on the basis of the laboratory analysis and in 45 cases on the basis of the technical documentation, of which in 1 case it was established that the trade policy measures were disrespected.

The purpose of incorrect tariff classification is to benefit from a lower or 0% customs rate or VAT rate, which resulted in imposed **subsequent collection of about 1.53 million denars** of public revenues.

In the same period in 2016, the Customs Laboratory analysed 386 samples. In 114 cases the laboratory analysis proved that the goods were wrongly classified in inadequate tariff codes, which resulted in imposed subsequent collection of about 7.75 million denars public revenues.

VI.3.5. Post-clearance control

Post-clearance control covers control of companies after they have cleared goods, as well as surveillance of holders of authorizations for customs procedures with economic impact, authorizations for simplified customs procedures, excise licenses etc.

In the period January – September 2017, during 108 controls of the data on import, simplified procedures, authorized exporter and customs warehousing, the Department for Trade Companies Control detected 31 case of attempts to evade import duties in amount of 11.28 million Denars and 18 cases of failure to observe the obligations stemming from the granted authorization for inward processing, customs warehousing and authorized exporter. The attempts for import duties evasion refer to wrong tariff classification, non-declaration of transport costs, wrong data in import SADs concerning quantity and type of excise goods and calculated VAT with lower rate than the legally prescribed.

During 26 controls of users of LPG as engine power, 5 cases were detected of requests for excise duty refund in amounts larger than the legally prescribed.

During 7 controls of registered traders with mineral oils that contain marking substances, 4 cases of failures to observe the obligations laid down with the Law on Excises and the Law on Energy. During 25 controls of holders of excise licenses, 7 cases of lower amounts of 261.694 Denars of excise duty paid was established and 2 cases of failure to observe the obligations of the excise license or authorization. Misdemeanor proceedings are underway for the detected irregularities.

In the period January-September 2016, out of conducted 284 post-clearance controls, the Department for Trade Companies Control and the USHA¹⁶ detected 43 cases of customs duties and excise evasion in amount of 21.13 million denars.

POST CLEARANCE CUSTOMS CONTROL - RESULTS 2016-2017								
Type of control	2016				2017			
	Q1	Q2	Q3	Total (Jan-Sept)	Q1	Q2	Q3	Total (Jan-Sept)
Control of trade companies	18	25	28	71	20	17	24	61
Control of excise permit holders	30	13	7	50	23	19	15	57
Control of holders of authorisations for inward processing	51	18	9	78	11	17	4	32
Control of holders of authorisations for customs warehousing and premises of temporary storage	46	2	3	51	3	1	5	9
Control of holders of other authorisations for procedures with economic impact	1	0	0	1	0	0	0	0
Control of holders of authorisations for simplified customs procedures	336	168	214	718	269	245	265	779
Control of holders of customs representation authorisations	0	98	0	98	0	0	0	0
Control of holders of other authorisation	7	3	4	14	0	4	3	7
Total	489	327	265	1.081	326	303	316	945

VI.3.6. Legal measures taken regarding the detected irregularities

In addition to direct recovery of large amounts of import duties, on grounds of Reports and revocation of customs and excise authorizations due to the established irregularities, the Customs Administration issues administrative decisions for subsequent collection of import and excise duties and files misdemeanor and criminal charges.

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

In the period January - June 2017, the Customs Administration passed 1,051 decisions for **subsequent collection of import duties and VAT**, in a total amount of 208.7 million Denars, including:

¹⁶ Unit for Surveillance of Holders of Authorisations

- 369 Decisions for subsequent collection of a total of 10.12 million Denars, due to wrongful classification of goods in tariff codes with lower (or zero) rates of import duties;
- 96 Decisions for subsequent collection of a total of 35.09 million Denars, on the basis of established undervaluation as basis for assessment of lower amount of import duties, concluded during the subsequent verification of invoices and other documents concerning customs value that was made with assistance of the Customs Services in the countries of the exporters;
- 171 Decisions for subsequent collection in a total amount of 5.57 million Denars, passed on grounds of detected presentation of invalid proofs of preferential origin of goods, confirmed by the Customs Service of the country of the exporter;
- 412 Decisions for subsequent collection in a total amount of 157.92 million Denars, passed on other grounds and
- 3 Decisions for subsequent collection in a total amount of 0.01 million Denars on grounds of failure to observe excise related regulation..

For comparison, in the same period in 2016, the Customs Administration passed 778 decisions for subsequent collection of import duties and VAT, in a total amount of 65.5 million Denars.

VI.3.8. Criminal charges

In the period January – September 2017, the Customs Administration brought **criminal charges in 48 cases** against **55 natural** and **20 legal entities**, while in the same period in 2016 there were 65 cases of criminal charges brought against 79 natural and 25 legal entities.

CRIMINAL CHARGES BROUGHT																			
Grounds	2016									2017									
	Individual s	Legal entities	Total cases	Individual s	Legal entities	Total cases	Individual s	Legal entities	Total cases	Individual s	Legal entities	Total cases	Individual s	Legal entities	Total cases	Individual s	Legal entities	Total cases	Total (Jan-Sept)
Tax evasion	4	2	2				6	3	3	10	5	5							0
Intellectual Property Rights Protection	8	5	6	2	2	2	2	2	2	12	9	10	7	7	7	1	1	1	9
Falsifying documents										0	0	0							0
Illegal exportation of archeological material, cultural heritage										0	0	0							0
Violation of industrial property	1	1	1	2		2	8		6	11	1	9	2		2	3	2	2	7
Smuggling	3		3	4		4	8		8	15	0	15	11		9	4		3	18
Unauthorised manufacture and trade in narcotics	6		6	1		1			7	0	7	1		1					1
Unauthorised manufacture and trade in weapons and explosives	3		3				2		1	5	0	4	2	1	1	1			3
Trade in excise goods without excise stamps	1		1						1	0	1								0
Removal of stamp or sign affixed by an authorised person				7	2	6	2	1	2	9	3	8	6	4	4	4	1	1	11
Falsifying and use of document and removal or damage of a customs sign	4	2	2						4	2	2								0
Falsifying marking signs										0	0	1		1					1
Customs fraud				5	4	4			5	4	4	2	2	2	1	1	1	2	5
Total	30	10	24	21	8	19	28	6	22	79	24	65	32	14	27	14	3	13	48

VI.3.9. Customs, cash and excise offences

In the period January – September 2017, there were 303 cases of **misdemeanor charges** brought of which 248 for customs offences, 46 for foreign currency related offences and 9 for excise related offences, involving 274 natural persons and 29 legal entities.

In the same period in 2016, there were 495 cases of misdemeanor charges brought of which 406 for customs offences, 55 for foreign currency related offences and 34 for excise related offences, involving 448 natural persons and 47 legal entities.

In the period January-September 2017, **342 misdemeanor cases** were solved and the perpetrators were **fined with an amount of about 19.32 million Denars**.

In the same period in 2016, 571 offence cases were solved and the perpetrators were fined with an amount of about 55.05 million Denars.

In the period January – September 2017, **1,733 on-the-spot-fines** were imposed to **1,042 individuals** and **691 legal entities**, in amount of about 17.48 million Dinars.

In the same period in 2016, 1,509 on-the-spot fines were imposed, against 971 natural persons and 538 legal entities, and the perpetrators were fined with an amount of about 15.63 million Denars.

VI.4. Participation in international activities

In the reporting period, the Customs Administration participated in:

- **International Project „Smart Cat 2“**, organized by the WCO, coordinated by the RILO AP¹⁷ and the RILO ECE¹⁸. The project is focused on combating NPS¹⁹ smuggling. Participants in the project were the RILO AP and RILO ECE Member States, while Member States to RILO of other regions of the world and other international organizations were also invited.
- International operation **"OA 2.1 Western Balkans Joint Action Days"**, organized by Europol²⁰, and focused on the fight against illegal trade in arms. 5 Western Balkan countries, 10 countries of the European Union, Europol and Frontex participated in the operation, with the support of Interpol²¹, EFE and US ATF²².

¹⁷ Regional Intelligence Liaison Office for Asia and the Pacific

¹⁸ Regional Intelligence Liaison Office for Eastern and Central Europe

¹⁹ New Psychoactive Substances

²⁰ The European Union Agency for Law Enforcement Cooperation

²¹ The International Police Organization

²² The Bureau of Alcohol, Tobacco, Firearms and Explosives of the USA

- Kick-off **Meeting for measurement and assessment of organized crime in the Western Balkans** held in the premises of the State Statistical Office in the framework of the UNODC²³.
- International operation **"Thunderbird"**, organized by Interpol in cooperation with the WCO, WCWG²⁴, WEN²⁵ and other law enforcement institutions and supported by ICCWC²⁶, focused on preventing illegal trade in wild animals and related crime management, with activities such as NCP²⁷ both within the operative as well as the postoperative stages of the operation. Members of Interpol and WCO participated in the operation.
- International operation **"Trigger II"** organized by the Interpol, focused on the illegal trade in weapons and drugs, involving the countries of South, Southeast and Eastern Europe.
- **Seventh Meeting of the Working Group on the Prevention of Environmental Crimes**, organized by the SELEC²⁸ Center, held in the period from 4 to 6 May 2017 in Bucharest, Romania.
- International operation **"Spare Parts 2017"**, organized by the SELEC Center with the support of Interpol, focused on combating crime with vehicles and illegal international trafficking of stolen vehicles and parts of stolen vehicles. Participants in the operation are SELEC members.
- First workshop related to the implementation of the **"TECUM"**²⁹ project, organized by the General Command of the Italian Gendarmerie³⁰, held in Rome within 16 - 20 June 2017, with delegations from Austria, Albania, Belgium, Bulgaria, Croatia, Cyprus, France, Germany, Iceland, Italy, Kosovo, Macedonia, Malta, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, the Netherlands and Hungary,
- Second Workshop concerning the realization of the Project TECUM, focused on prevention of illegal trade in all types of waste, organized by EUROPOL, held in the Hague, the Netherlands.
- Second meeting of the South Border Initiative, organized by the EXBS Program of the US Embassy in Skopje, attended by representatives from Albania, Montenegro and Kosovo, held in Skopje

²³ United Nations Office on Drugs and Crime

²⁴ Wildlife Crime Working Group (INTERPOL)

²⁵ Wildlife Enforcement Network

²⁶ International Consortium on Combating Wildlife Crime

²⁷ National Contact Points

²⁸ Southeast European Law Enforcement Center

²⁹ Tackling Environmental Crime through Standardized Methodologies

³⁰ Comando Generale dell'Arma dei Carabinieri

- Seventh (last) Steering Committee Meeting of the Twinning Project "Developing an Advanced System for Collecting and Analyzing Intelligence Information in the Fight Against Organized Crime" held in Skopje - under IPA 2011 - with a twinning partner Federal Criminal Service of Austria, in cooperation with the Ministry of Interior .
- International operation "**30 Days of Action**", organized by the Interpol, focused on the illegal cross-border movement of hazardous waste, illegal disposal of hazardous waste and chemicals, illegal activities of landfills, illegal recycling operations and illegal trade with substances that damage the ozone. The operation was attended by Interpol member countries.
- International Project "**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 all WCO members participate in it.
- International operation "**Global Shield North of Africa, Near and Middle East (GS MENA)**", organized by the WCO, focused on combating illegal trade in chemicals and other components that can be used to make improvised explosive devices - IED³¹. All WCO members took part in the operation.
- International project "**Shot**" focused on the fight against illegal production and trade in alcoholic beverages, organized by RILO-ECE with the support of the WCO. The project is continuous and all WCO members participate in it.
- International operation "**Pangea X**", focused on identifying and preventing on-line sales of counterfeit and illegal drugs, organized by the Organizing Committee composed of health agencies and law enforcement agencies from Canada, France, Ireland, the UK and USA, 3 international organizations (Europol, Interpol and WCO), 2 international forums (PFIPC³² and WGEO³³) and 1 institute (PSI³⁴). Participants in the operation are the members of Interpol and WCO.
- Regional Seminar "**Legal Aspects of Countering Terrorism - LACT**" in Skopje, organized by the US Embassy in Skopje.
- Third meeting on the **South Border Balkan Initiative**, held in Pristina, Kosovo, organized by the EXBS Program at the US Embassy in Skopje.

In the reporting period of 2017, the Customs Administration inserted 54 seizures in the CEN³⁵ database of seizures and 50 pieces of information on seizures of goods were

³¹ Improvised Explosive Device

³² Permanent Forum on International Pharmaceutical Crime

³³ World Green Economy Organisation

³⁴ The Pharmaceutical Security Institute

³⁵ Customs Enforcement Network

submitted to the SELEC Center, 11 pieces of information on seizures of drugs to the ZKA³⁶ Balkan Info.

For comparison, in the same period in 2016, the Customs Administration inserted 52 seizures in the CEN database of seizures, 49 pieces of information on seizures of goods were submitted to the SELEC Center and 4 pieces of information on seizures of drugs to the ZKA Balkan Info.

VI.5. Protection of Intellectual Property Rights

In the period January – September 2017, in 40 cases, the customs officers seized 701,946 pieces of goods, suspected of violating intellectual property rights.

The impounded goods in this period are shown in the table below:

SEIZED PRODUCTS SUSPECTED OF INFRINGING INTELLECTUAL PROPERTY RIGHTS										
No.	Type of products	Unit of measurement	2016				2017			
			Q1	Q2	Q3	Total (Jan-Sept)	Q1	Q2	Q3	Total (Jan-Sept)
1	Clothing, accessories and other related products and raw materials	Piece	2.879	2.409	1.021	6.309	117		130	247
2	Footwear and accessories	Pair	10.973	40	38	11.051	2.304	183	876	3.363
3	Perfumes, deodorants, cosmetics etc.	Piece	221.405	49.840	653	271.898	167.616	6.942		174.558
		Kg	0	0	0	0	0			0
4	Telephones, IT, audio, video, parts and equipment etc.	Piece	668	1.575	288	2.531	62	3	1	66
5	Auto spare parts and equipment	Piece	132	1	1	134	0	4.916	5.371	10.287
6	Medicines	Piece	0	0	0	0	0			0
7	Other goods	Piece	103.956	6.528	58.656	169.140	295.247	666	217.512	513.425
Total		Piece	340.013	60.393	60.657	461.063	465.346	12.710	223.890	701.946
		Kg	0	0	0	0	0	0	0	0

The Customs Administration, in cooperation with the representatives of holders of rights of trademarks, pursuant Article 30 of the Law on Customs Measures for protection of intellectual property rights, determined new amounts for donation of confiscated goods from the warehouses of the Customs Administration: 920 blouses, 460 shirts, 100 pairs of jeans and 240 pairs of shoes. After completing all procedures for the removal of the marks, the goods will be handed over to the Ministry of Labor and Social Policy after the Government passes a Decision for donation.

In the period January-September 2017, based on the confirmation that the goods in question violate intellectual property rights, 337,410 pieces of counterfeit products including: 156,000 sweets, 85,248 chocolate eggs, 52,500 chocolate bonbons, 17,055 pairs of socks, 11,886 stickers, 7,328 pieces foodstuff (tulumba, baklava and cookies), 4022 pairs of shoes, 2,406 deodorants, 669 pieces of car equipment (keys, plastic stickers and plastic emblems), 525 blouses, 62 watches, 6 mobile phones and 3 diagnostic devices for motor vehicles were destroyed under customs supervision.

³⁶ Zollkriminalamt

VII. TRANSPARENCY AND COOPERATION IN CUSTOMS MATTERS

VII.1. Public relations

Transparency of an institution is the key element in establishing good relations with all target groups and building favourable publicity, positive institutional image and prevention or resolving unwanted situations. In the reporting period, the concrete activities in this area included publication of 95 notifications on the actions of the Customs Administration, the introduced novelties and detected irregularities related to undeclared and counterfeit goods and customs frauds.

VII.1.1. Events

Marked 26th January - International Customs Day

The Customs Administration of the Republic of Macedonia marked 26th January – the International Customs Day, this year devoted to the ‘Data Analysis for Effective Border Management’ them.



Given that timely collection of quality data and its quality analysis are an important prerequisite for successful planning of revenue collection and operations, establishing priorities, decision making and performance measurement, the Director General of the Customs Administration, Natasha Radeska Krstevska presented Certificates of Merit from WCO Secretary General Mr. Kunio Mikuriya to twelve customs officers who gave significant contribution in this area. The Certificates of Merit were awarded to the customs officers for their contribution in: successful design of the System for Exchange of Data (SEED) between the SEED participating country, their analysis and statistics, data analysis for identification of risk points that resulted in success action for prevention of drugs and tobacco trafficking and the successful realization of the WCO Time Release Study, which the Republic of Macedonia, in cooperation with the WCO conducted as first country in the region.

Training on Strengthening the Enforcement of Intellectual Property Rights

Under the EU Twinning Project on Strengthening the Enforcement of Intellectual Property Rights, the Customs Administration of the Republic of Macedonia organized two training courses on this subject with experts from the European Union.



At the first course on **“Cooperation and networking for efficient fight related to intellectual property offences and similar crimes”**, participants from different institutions exchanged experiences in law enforcement, their tasks and competences concerning this topic. The training, held within 7-8 February 2017, provided grounds for operational cooperation and common approach to the problem of the institutions. The second training course **„Internet monitoring“** whose objective was to expand the knowledge of the employees in law enforcement procedures related to internet trade was held on 9th February 2017. Representatives of the Ministry of Interior, the Macedonian Agency for Medicines and Medical Devices, the State Market Inspectorate, the State Office of Industrial Property the Coordinative Body on Intellectual Property Rights and the Customs Administration. This way, the Customs Administration contributes to enhancement of the cooperation between the institutions and building professional and expert staff to manage the challenges in the fight against intellectual property rights violations.

Selection of Most Successful Customs Officers and Offices

Pursuant the Law on Customs Administration and the Guidelines on performance measurement of border and inland customs offices, every six months the Director General of the Customs Administration passes a Decision on selection of most successful customs officers, inland and border customs office.

For the period January – June 2017, the Customs Office Gevgelija, Regional Customs House Gevgelija, was selected as most successful office for customs clearance, while the Customs Office Tabanovce-Motorway – passenger traffic section came first – ranked in the selection of best border customs office. **Zoran Dojranliev** of the Customs Office Gevgelija was selected most successful officer of a customs clearance office,

while **Igor Gavrovski** of the Customs Office Bogorodica, as most successful border customs officer.

Training: Prevention and Detection of Cross-border Trafficking of CBRN Substances and Dual-use Goods

Under the Project for Strategic Goods Control implemented by the WCO, a national training course “Strengthening the Strategic Trade Control Enforcement Capacities for prevention and detection of cross-border trafficking of CBRN substances and dual-use goods” was organized in cooperation with the Customs Administration of the Republic of Macedonia.



The objective of the training objective was to strengthen the national strategic trade control enforcement capacities. The trainees were trained to conduct control, risk assessment, profiling, targeting, review or operational activities. Representatives from the Ministry of Economy, Ministry of Interior, Ministry of Defense and the Customs Administration attended the training, held within 4th – 7th April 2017 at the Customs Administration in Skopje.

Celebration of 14th April –Day of the Customs Administration Day

The Customs Administration of the Republic of Macedonia celebrated 25 years as an independent state authority. On that occasion, on 12th April 2017, a traditional ceremony took place at the amphitheater of the Customs Administration which was attended by high state officials, the ministries, the diplomatic corps, representatives of science and the business community, the board of directors of the Customs Administration, other partners and friends of Customs.



The Minister of Finance of the Republic of Macedonia opened the ceremony and congratulated the jubilee to the customs officers. In his address speech, he noted that despite the changes and challenges taking place in society and the economy over the years, the Customs Administration has managed to develop in a modern and efficient institution.

Customs Director General referred to the successful work of the Customs Administration in 2016 in her address, noting that the results are visible and measurable. She emphasised the most prominent successes from 2016 – the maintained 27th position of the Republic of Macedonia in the latest World Bank Doing Business Report at the indicator “Trading across borders” among 190 countries of the world.



In 2016 remarkable success was achieved in collection of duties that are in the competence of the Customs Administration - in 2016 Customs collected 72.9 billion, which is 8.5% more than the revenues collected in 2015 and for 5.5% more than the revenues planned to be collected for 2016.

Two twinning projects were completed successfully: " Harmonization of the legislation and procedures with the Acquis and EU best practices related to excise"(IPA 2010) and "Finalization of the preparation for the accession to the Convention on a Common Transit Procedure and to the Convention for Simplification of Formalities in Trade in Goods" (IPA 2010).

During the ceremony, there was a presentation about the modernization of the system for selective controls, which resulted in reduction of the number of physical and documentary checks, while the percentage of shipments processed through the green channel (free passage of goods) doubled from 35% to 75%. At the same time, the number of detected irregularities and additional collection of customs and other duties increased.

Traditionally, on this day, Customs expressed its gratitude to institutions and individuals whose work contributed to the successes of the Customs Administration and supported reforms in customs matters. On behalf of the Customs Administration, the Director General awarded 2 Plaques and 10 certificates of Merit.

As part of this year's Customs Day, a blood donation campaign was successfully organised in which over 150 customs officers showed their humanity.

Public Campaign “Stop Counterfeits”

On 24th April 2017, a campaign to raise the public awareness about the harmful effects of counterfeit products was launched at the Ramstore Mall in Skopje. The Customs Administration of the Republic of Macedonia actively participates in the campaign, organised under the twinning project "Strengthening of Intellectual Property" which is implemented by the Danish Patent and Trademark Office. One of the main priorities of the Customs Administration is to improve its institutional and administrative capacities for efficient and effective fight against counterfeiting and piracy. This is

done through introduction of stricter customs controls measures for detection and prevention of import, transit and export of goods violating intellectual property, as well as by strengthening the cooperation with holders of IPR rights and their representatives in the country on one hand and with all competent institutions in the country and abroad, on the other. This campaign was focused on protecting consumers from buying counterfeit products. The counterfeit products are a huge risk to human health, and the world global has seen huge losses due to activities related to production and releasing counterfeit products into circulation. Experts from the EU, associates of the Twinning project, representatives from the National Institute of Industrial Property and other relevant institutions attended the event. Banners and a stand were placed at the main entrance of Ramstore Mall where customs officers present samples of counterfeit products and give brochures to citizens. The visitors showed great interest to familiarize themselves with the problem concerning the presence of counterfeit products on the market.

VII.2. Customs Cooperation

VII.2.1. International Cooperation

WCO European Region Heads of Customs Meeting

Within 19th – 21st April 2017, Macedonian Customs Director General attended the WCO European Region Heads of Customs Meeting that took in Vienna, Austria.



At the meeting the delegates expressed interest in taking further actions to facilitate transport for the benefit of the economy in the region of Europe, where customs administrations plays an important role. The five priorities of the World Customs Organization for this year: trade facilitation, security, e-commerce, cooperation between Customs and Tax authorities and cooperation between Customs and Police were particularly highlighted at the meeting.

The main topic of discussion was the existing systems and the advantages that would come from the introduction of compatible transit system. The idea of providing an interface that would allow participation in the electronic transit system for all countries of Europe was presented. Experience from the application of different transit

modes and their operation nationwide, and their benefits were also discussed in detail, particularly from the aspect of facilitation in terms of risk management.

The delegates took into account the preliminary requirements to be met for starting a project for development of a compatible system, such as the legal framework that needs to be provided in order to be able to start such a project, the necessary technical conditions and the financing of the project. Conclusion of this meeting was to establish a working group with transit experts whose task would be to analyze the national transit systems and suggest the possibility of introducing such a compatible transit system.

On the sidelines of the meeting, the Director General of the Customs Administration had bilateral meetings with Directors of several Customs Administrations of the European region, in order to exchange views on the current challenges in the region and the possibilities for bilateral activities.

Seminar on Strengthening the Cooperation between Customs and Tax authorities

The Director General of the Customs Administration participated at the high level Seminar on “Strengthening of the Cooperation between Customs and Tax Authorities”, held within 27th – 28th April 2017 in Malta.

What is common for Customs and Tax authorities is the fact that they are responsible for control and collection of taxes and duties and fraud prevention.



The Participants at the seminar discussed the current level of cooperation between the two services, as well as how the cooperation can be improved and strengthened, and the goals to be achieved and what concrete steps should be taken to achieve them.

WCO Council Session

The Director General of the Customs Administration of the Republic of Macedonia attended the 129th / 130 Session of the Customs Cooperation Council within the World Customs Organization (WCO), which was held from 6 until 8th July 2017 in Brussels, Belgium.

This year, the World Customs Organization marked 65 years of its establishment.



In his address on this occasion, WCO Secretary General Mr. Kunio Mikuriya noted that since the 17 member countries who attended the inaugural session in 1953, the WCO has grown into an organization with over 180 member states in 2017, becoming a global center of expertise of Customs and an important factor in the global trade.

The delegates discussed the strategic goals of the Organization, including: promoting security and facilitation of international trade, including simplification and harmonization of customs procedures, promoting a fair, efficient and effective collection of public revenues, protecting the society, the health and life of people, contribution to the fight against crime and terrorism, promotion of digital customs, especially to support coordinated border management, capacity building of customs administrations, strengthening of the cooperation between Customs, Tax and other government institutions, as well as cooperation with bilateral and international institutions. To mark the tenth anniversary of the EU accession to the WCO, Mr. Pierre Moskovich, Commissioner for Economic and Financial Affairs, Taxes and Customs of the European Union, addressed the delegates at the session. The EU Commissioner spoke about the future of the Customs Union, with particular emphasis on e-commerce, the Union's Customs Code, digital customs and security, including current and future anti-terrorism initiatives, as well as the situation with regard to the WTO Trade Facilitation Agreement. During the session, Mr. Enrique Canon, Director General of Also, the delegates at the session of the Customs Co-operation Council discussed the manner of accession of new members to the WCO and noted the need to continue the discussion on this issue at an additional session of the Council in December 2017, when Deputy General Secretary of the WCO will also be elected.

On the margins of the Council session, in accordance with the Agreement of the Government of the Republic of Macedonia and the Government of the Russian Federation for Cooperation and Mutual Assistance in Customs Matters, the Director General of the Customs Administration of the Republic of Macedonia and the First Deputy Director of the Federal Customs Service of the Russian Federation signed a Protocol on exchange of documents and information related to customs value of goods and a Work plan for its implementation.



The objective of the Protocol is to provide effective control when declaring customs value of the goods exchanged between the two countries, thereby reducing the risk of fraud, smuggling, corruption, or evasion of customs duties, taxes and other charges, while facilitating the legitimate trade between the two countries.

Working Meeting of the Director General with the Head of Cooperation at the Delegation of the EU

On 23rd August 2017 at the Customs Administration Headquarters, Customs Director General Gjoko Tanasoski had a working meeting with Nikola Bertolini, Head of Cooperation at the Delegation of the European Union in Skopje.



The working meeting was an opportunity to discuss the mutual cooperation and support the Delegation of the EU is providing to the Customs Administration in its path to reaching the European standards in customs operations.

Director General Tanasoski informed his guest about the determination and commitment to meet the EU standards in customs operations and the readiness of the Customs Administration for further reforms with EU support to meet all the necessary standards for membership in the EU Customs Union. In that direction, further steps for cooperation were defined.

Grant Agreement with the Export Control and Related Border Security Programme of the US Embassy

On 29th August 2017, Customs Director General had a working meeting with George R. Clarke, Regional Advisor of the Export Control and Related Border Security Programme (EXBS). The discussion at the meeting was focused on the cooperation between the US Embassy and the Customs Administration, under the Export Control and Related Border Security Programme, established in 2004.



A Grant Agreement for donation of equipment to the Customs Administration (worth 55,874.67 USD) was also signed.

The equipment, intended for prevention of illicit trafficking of goods consists of 2 videoscope inspection systems, 4 density measuring kits, 5 sets of basic inspection equipment and 5 radiation detection pagers.

The participants agreed also about the need to reinforce the cooperation in the forthcoming period, with the aim to improve the operational capacities of the Customs Administration and reach more remarkable results in the field of protection of the borders and society in general, as well as in the area of international trade facilitation.

Strengthening Macedonia – Turkey customs cooperation

To enhance the bilateral cooperation, on 15th September 2017 a working meeting was held between Customs Director General and Bunyamin Kutlu, Counselor for Commerce at the Embassy of the Republic of Turkey. During the meeting, both sides expressed readiness to strengthen cooperation in customs matters and permanent mutual communication at all levels,



thus ensuring proper implementation of the agreements on customs, economic and trade cooperation, and development of the bilateral economic cooperation of the Republic of Macedonia with Republic of Turkey as well.

Formal Ceremony at BCP Blace, US Embassy Donated Border Security Equipment

On 24th September 2017, at a formal ceremony, organized at the border crossing point Blace, the US Embassy through the Export Control and Border Security Program (EXBS) and the International Criminal Investigative Training Assistance Program (ICITAP) donated equipment for interdiction of illegal trade in goods.



As part of the long-term cooperation to strength border security and law enforcement the United States donated equipment to the Customs Administration and the Ministry of Interior - Border Police and the Radiation Safety Directorate. The 207,000 US Dollars worth donation includes equipment for interdiction of cross-border crime (videoscope systems, boosters, radiation detection pagers and tools), computers, all-terrain vehicles and a patrol vehicle. US Ambassador Jess Baily, Interior Minister Oliver Spasovski and Customs Director General Gjoko Tanasoski attended the formal ceremony. The Director General of the Customs Administration stated that the equipment donated today, worth nearly 60,000 US Dollars, will be used in the best possible way to achieve even better results in protecting the citizens and ensure their security.

Customs Director General at a Meeting with the Macedonian –Turkish Chamber of Commerce

On 25th September 2017, the Director General of the Customs Administration attended a meeting of the Board of the Macedonian- Turkish Chamber of Commerce (MATTO), to meet the members of the Board of Directors, and to get acquainted with the current trade related topics between the Republic Macedonia and the Republic of Turkey.



In his address, the Director General of the Customs Administration expressed gratitude for the invitation and stressed that this kind of meetings are very important for building successful communication among all stakeholders involved in customs procedures. The representatives from MATTO had the opportunity to share with the Director General the challenges they face on daily basis and expressed their readiness to strengthen the cooperation in the area of customs operations, in order to develop the bilateral economic cooperation of the Republic of Macedonia with the Republic of Turkey.

Working Meeting with Representatives of Delegation of the EU

On 26th September 2017, the Director General of the Customs Administration had a working meeting with Mr. Jaromir Levicek, high representative of the Delegation of the European Union - Head of the Operations, Economics and Finance Department.



The working meeting held in the premises of the Customs Administration, was an opportunity to emphasize the determination and commitment to meet the EU standards in customs operations, and the readiness of the Customs Administration for further reforms. In that direction, further steps for cooperation were defined. The need for continuing the cooperation in the coming period through regular high-level meetings, was also noted.

VII.2.2. Cooperation with the Business Community

To enhance the cooperation between the Customs Administration and the private sector, representatives of the Customs Administration, together with representatives of the business community attended a **Workshop on preferential rules of origin**.

In the period January – September 2017, the Customs Administration actively worked on the implementation of measures and projects in order to further advance from the current 26th place of the Republic of Macedonia at the indicator "**Cross-border Trade**" in the "**Doing Business**" Report of the World Bank for the following year, in line with the obligations from the Government of the Republic of Macedonia.

Meeting with the Meat Processing and Meat Production Group at the Economic Chamber of Macedonia

On 11th September 2017, Customs Director General took part at the working meeting with representatives of the Meat processing and Meat production Group at the premises of the Economic Chamber of Macedonia. The meeting was convened as a result of the perceived need to increase the competitiveness of the domestic meat processing companies, which would later result in greater use of the production capacities of domestic companies of this industry. By acknowledging the needs of the domestic meat processing companies requesting equal conditions concerning raw material, i.e. exemption from import duties on import of raw materials, a solution was proposed for introduction of preferential tariff treatment, due to the type of goods or its final use at import frozen pork for processing.

Meeting with the Textile Trade Association

On 12th September 2017, Customs Director General had a working meeting with representatives of the Textile Cluster, led by Marijana Perkovska, President and Natasha Sivevska - Executive Director of the Textile Cluster. The attendees discussed the challenges that the textile industry faces in its operations and the possibilities for better application of customs procedures and legislation to ensure facilitating of the work process of the textile cluster.



Customs Director General heard the requests of the economic operators and showed will for fast resolution

To open new channels for communication and cooperation with all participants in the customs procedure, a working meeting was held on 14th September 2017 in the amphitheater of the Customs Administration that was attended by large number of representatives of the business community.



Customs Director General opened the meeting, welcoming the present and expressing great satisfaction with the positive response to the meeting, as a good sign for mutual interest in building successful cooperation. He noted his expectations for intensification of the collaboration, fruitful discussions and exchange of opinions, thus achieving one of the basic objectives of the Customs Administration - to be a partner of the business community, service of the citizens and to constantly propose and introduce measures for trade and transport facilitation.

The representatives of the Freight Forwarders' Association, the association of transporters and several Chambers of Commerce, as well as businessmen from several areas took the floor at the meeting and generally pointed out that much needs to be done to eradicate corruption, ensure objectiveness in selectivity in controls, to make the customs procedures faster, but also gave suggestions and opinions on how things could be improved. During his closing address, the Director of the Customs Administration stressed that he will put maximum effort to increase the trust between the administration and the customs stakeholders, and to eradicate corruption, as well as to develop strategies, procedures and methods for facilitating trade and take measures in accordance with the applicable law in the Republic of Macedonia and the legitimate needs of the business community.

VII.2.3. Interinstitutional cooperation

In the period January-September 2017, the Customs Administration organized 4 activities that were attended by 33 participants from other institutions. The activities covered the following topics:

- **Cooperation and networking for efficient fight over the intellectual property rights** - the goal was operational cooperation, experiences from other law enforcement agencies, joint approach to the problem in the field of intellectual property and operational action plan;

- **Internet Monitoring - Strengthening the intellectual property rights enforcement** to show the possibilities of Internet monitoring, what should and what should not be monitored on the Internet, as well as experiences from other national agencies concerning Internet monitoring;
- **Training for economic promoters**, in order to educate them on inward processing procedures, simplified procedures, free zones, customs tariff and international customs cooperation.
- **Prevention and Detection of Cross-border Trafficking of CBRN Substances and Dual-use Goods** to strengthen the national strategic trade control enforcement capacities.

VII.2.4. Internet and Intranet

In line with its principles of transparency and accountability in its work, to effectively share information to the target audience and to improve the positive opinion by promoting its work and achieved results, the Customs Administration developed a new website in accordance with the latest technological solutions> it was put in function in the first week of May 2017, and for the first time it is also available in the following Cyrillic domain: " царина.мкд ". The stylish design and the relevance of published information aims to increase the interest of citizens by increasing the number of visits and views on the new website.

Additionally, there is a possibility for access to information published on the new website for people with disabilities which is enhanced by the introduction of the WCAG 2.0 standard for web accessibility (<http://wcag.mioa.gov.mk>).

In the period January – September 2017, the website was visited by 108,373 users. In the reporting period, the visitors sent 329 questions, complaints and suggestions. In the reporting period, 188 pieces of information in Macedonian, English and Albanian language were published on the Customs Administration's website.

WEBSITE STATISTICS								
	2016				2017			
	Q1	Q2	Q3	Total (Jan-Sept)	Q1	Q2	Q3	Total (Jan-Sept)
Published content	116	88	78	282	87	42	59	188
Vistors	44.794	43.565	41.869	130.228	50.775	32.335	25.263	108.373
Visits	472.624	471.232	444.401	1.388.257	464.356	297.133	175.097	936.586
Most frequently visited tabs (no)								
News	273.025	282.807	266.777	822.609	284.628	162.285	61.876	508.789
NCTS	22.589	21.916	20.830	65.335	22.578	15.037	14.378	51.993
Customs Tariff	9.893	7.480	7.770	25.143	8.111	4.251	5.419	17.781
Contacts	7.469	7.062	7.133	21.664	6.535	3.124	2.957	12.616

In the reporting period, the website was visited 936,586 times. Most frequently visited tabs were: “News” (visited 508,789 times), “New Computerised Transit System – NCTS” (visited 51,933 times)“, “Customs Tariff” (visited 17,781 times), Contacts” (visited 12,616 times)³⁷.

In the same period in 2016, the website was visited 1,388,257 times.

VII.2.5. Customs Hotline (197)

In the period January-September 2016, a total of 5,786 calls (an average of 21 calls per day) were received on the 197 Customs Hotline, of which: “A” class calls³⁸ – 13 calls; “B” class calls³⁹ – 19 calls; “C” class calls⁴⁰ – 409 calls and “J” class calls⁴¹ – 26 calls. Most of the calls were related to the operation and conditions of the borders and inland customs offices, as well as performance of particular customs procedures. As a result of the processed calls received over the customs hotline, controls were conducted by the border and inland customs offices, as well as by the Customs Mobile Teams. The competent services carried out processing, analyses and investigation, being in domain of their responsibilities.

CUSTOMS HOTLINE 197								
Type of calls	2016				2017			
	Q1	Q2	Q3	Total (Jan-Sept)	Q1	Q2	Q3	Total (Jan-Sept)
Class A	3	4	2	9	7	2	4	13
Class B	10	8	7	25	11	4	4	19
Class C	176	250	192	618	132	107	170	409
Class J	9	6	19	34	13	3	10	26
Other	1.636	1.963	2.271	5.870	1.811	1.776	1.732	5.319
Total:	1.834	2.231	2.491	6.556	1.974	1.892	1.920	5.786

³⁷ The methodology used to obtain these statistics is different from the previous methodology used on the old website

³⁸ “A” class calls are information implying urgent actions by a customs office or mobile customs unit.

³⁹ “B” class calls are information imposing additional examination/investigation by other Departments at the Control and Investigation Sector or other Departments of the Customs Administration.

⁴⁰ “C” class calls are information that cannot be used, i.e. is related to delays, communicated by transporting companies, complaints or praises concerning customs procedures.

⁴¹ “J” class calls are about information forwarded to the Sector for Professional Standards, concerning citizens’ complaints for corruptive and unprofessional work of the customs officers.