



ANNUAL
REPORT
2020







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

ANNUAL
REPORT

20
20

CONTENTS

MESSAGE FROM THE DIRECTOR GENERAL

STRATEGY MAP

I. LEGISLATION	9
I.1. CUSTOMS RELATED LEGISLATION	9
I.2. THE NEW EXCISE DUTY LAW CAME INTO FORCE	9
I.3. NEW LAW ON MOTOR VEHICLES	10
I.4. INCREASED DUTY RELIEF THRESHOLD FOR SMALL SHIPMENTS	10
II. EU INTEGRATION	11
II.1. ADMINISTRATIVE CAPACITY BUILDING IN ACCORDANCE WITH EU STANDARDS	11
III. HUMAN RESOURCES IN THE CUSTOMS ADMINISTRATION	13
III.1 STRUCTURE OF EMPLOYEES	13
III.2 TRAINING AND PROFESSIONAL DEVELOPMENT	14
III.3. INTEGRITY	16
III.4. AWARDS AND PROMOTION	17
III.5. INTERNAL AUDIT	18
IV. DIGITALIZATION	19
IV.1 ICT INFRASTRUCTURE	19
IV.2 INTERNAL ACTS AND OPERATIONAL SUPPORT	21
IV.3 ICT SYSTEM USER SUPPORT	21
IV.4 E-CUSTOMS	23
IV.5 VOLUME OF WORK	24
V. FACILITATION AND ACCELERATION OF CUSTOMS PROCEDURES	26
V. 1 CUSTOMS CHAIRS THE CEFTA SUBCOMMITTEE ON CUSTOMS AND RULES OF ORIGIN	26
V.2. AUTHORISED ECONOMIC OPERATOR -AEO	27
V.3 EU - EFTA COMMON TRANSIT SYSTEM	27

CONTENTS

VI. REVENUES	28
VII. LAW ENFORCEMENT	29
VII.1 RISK MANAGEMENT	29
VII.2 INTERNATIONAL COOPERATION	30
VII.3 INTERNATIONAL AND NATIONAL LAW ENFORCEMENT PROJECTS	31
VII. 4 RESULTS	31
VIII. TRANSPARENCY AND COOPERATION IN THE AREA OF CUSTOMS	39
VIII.1 PUBLIC RELATIONS	39
VIII.2 CUSTOMS HOTLINE (197)	49



MESSAGE FROM THE DIRECTOR GENERAL



Dear readers,

2020 will be remembered as a year in which the entire world faced extraordinary challenges and difficulties caused by the COVID-19 pandemic, prompting changes in people's daily lives, the way we work and restrictions in all spheres of our society. Changes in the economic trends in the world have affected the situation in our country, particularly in the field of financial distribution and protection of citizens has gained additional dimension and importance.

For the Customs Administration of the Republic of North Macedonia, this meant constant readiness to monitor change, flexibility, quick reactions and decision-making in carrying out its traditional function and adherence to its mission and vision. Revenue collection, protection of society and citizens, trade facilitation, and at the same time monitoring modernization trends - remain our strategic priorities, even if it means putting additional efforts to achieve the goals that lead to reaching those priorities.

Despite the aberrant conditions, the projects

and activities that started in 2019 continued to be successfully implemented. In January 2020, a new Law on Motor Vehicle Taxation entered into force, which is in fact the first law adopted with an environmental component and resulted in reduced number of imported vehicles, but more revenues collected. The number of imported vehicles has decreased by 1/3 compared to 2019, while the revenues increased by over 55%. Environmentally friendly vehicles have become more economically viable to purchase, which has a direct impact on the import and use of vehicles with lower carbon dioxide emissions, i.e. reduction of air pollution aimed to ensuring healthier environment, which is a basic prerequisite for the quality of our citizens' life. 2020 also marked the start of implementation of the Law on Excise Duties in electronic form - the excise declarations is filled paperless in the computer system of the Customs Administration.

Last year, the Customs Administration chaired the CEFTA Subcommittee on Customs and Rules of Origin, which has a major impact on facilitating national and cross-border trade. An ambitious program was developed, primarily in order to realize the efforts for trade facilitation in all CEFTA parties, but also the cross-border cooperation and trade with European Union Member States. As Chairman of this Committee at the beginning of March, due to the new situation with the COVID 19 crisis, the Customs Administration in cooperation with all bodies and Ministries in the Government of the Republic of North Macedonia made exceptional efforts to maintain economic activity and ensure open borders in the region. An initiative was launched to establish so-called "Green corridors" under which all CEFTA member countries committed to providing 24 hour operation of border crossings for export and import of goods within CEFTA, as well as at key border crossings with the European Union giving priority passage of sensitive goods, fresh agricultural and food products, medicines and medical equipment.



The Republic of North Macedonia through the Customs Administration is the first country in CEFTA to start the process of international recognition of the issued Authorized Economic Operator authorizations (AEO) for customs simplifications. At the end of 2020, 17 companies were holders of AEO authorisations. Mutual recognition of AEOs, as a key step in strengthening and protecting international trade by reducing controls, enables faster flow of goods and priority at border crossings, with minimum customs formalities at the border crossings.

The Customs Administration remains a partner of the business community and at the citizens' service because it constantly proposes and implements measures to facilitate trade, support e-commerce and transport. As a responsible institution, we make maximum efforts in the cooperation with the economic operators, but also with other government institutions that are directly or indirectly involved in the customs procedure.

Despite all the challenges 2020 brought, the Customs Administration implemented a series of actual measures to facilitate the work of all participants in customs procedures. As a result of the commitment of the employees of the Customs Administration at all levels, we remain leaders in digital operations. The customs procedures that used to be done on paper have now been replaced by electronic procedures and since April 2020 the export from the country is also done completely electronically and without paperwork. Through a pilot project, we are

actively working on also establishing paperless electronic import customs procedure

Statistics shows 7% drop of the total import and 11% drop of the export in 2020 compared to the same period last year. Taking into account the extremely bad economic situation in the world caused by the global pandemic, these figures are still solid results due to the exceptional efforts made by the Government of the Republic of North Macedonia and the Customs Administration.

In May 2020, the Government authorised the Customs Administration to be the leading agency and main coordinator of the New National Single Window System (NSW) project in the country. Beneficiaries of the Project will be the Customs Administration, other government institutions and the business community. This system will integrate the ICT systems used in the Customs Administration as well as other systems of other government institutions and will provide a single point - a window for services for the economic operators. In the next few years, under the Western Balkans Trade and Transport Facilitation Project, financed by the World Bank, a component for Facilitation of Cross-Border Trade in Goods will be developed and implemented.

In the coming year, we will continue to make advancements to remain highly positioned in fulfilling the set vision to be the leading customs administration in the region by upgrading our ICT capacities, improving the customs controls



and the infrastructure at the border crossings.

Concerning the EU integration and with the aim to connect with the Common Regional Market, the Customs Administration has developed a Multi-annual strategy for ICT development and continues with technical preparation and implementation of ICT systems that will be compatible and interoperable with the EU systems. Our priority is the implementation of the new version of the New Computerized Transit System (NCTS phase 5) in line with the latest EU regulations and standards

Preparation of project documentation for reconstruction and equipping of the border crossings Deve Bair, Kjafasan, Delchevo, as well as for the new border crossing Markova Noga in the Prespa region has started, which will ensure standardization of the border crossings in terms of infrastructure and mode of operation. This will further reduce the waiting times at the border crossing, faster transit of goods and passengers and will reduce the costs for the economic operators.

The efforts and joint work of all customs officers resulted in the establishment of a successful and sustainable working environment and finding of solutions to deal with the crisis caused by the pandemic. The customs officers at the border crossings worked diligently in difficult conditions in order to ensure continuity in the international supply chain.

The Customs Administration will continue to be transparent and direct its resources to support

the legal trade and competitiveness, improve the inter-institutional cooperation and will upgrade its capacities and knowledge for EU integration and protection of the well-being and health of citizens.

Congratulations on the 14th April, the day of the Customs Administration!

Acting Director General
Goran Sugareski

STRATEGY MAP OF CUSTOMS ADMINISTRATION OF THE REPUBLIC OF NORTH MACEDONIA

VISION STATEMENT

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

TRADE FACILITATION

- * Harmonization with the European Union
- * Facilitation and acceleration of the flow of goods and passengers
- * Simple and predictable procedures and formalities
- * A client-oriented approach and partnerships

PROTECTION OF SOCIETY

- * Ensuring effective and efficient controls
- * Strengthening the area of „prohibitions and restrictions“
- * Strengthening the fight against Customs Fraud and Crime
- * Building sustainable international relations with the purpose of ensuring a secure supply chain

- * Strengthening of the area „value, tariff and origin“
- * Ensuring efficient revenue collection
- * Improvement of the system for Excise management

- * Strengthening of the HRM
- * Implementation of measures for prevention of misconduct and conflict of interest
- * IT development
- * Improvement of the working processes
- * Efficient and transparent management of public finances
- * Transparency

REVENUE COLLECTION AND PROTECTION OF THE FINANCIAL INTERESTS

MODERNISATION

MISSION STATEMENT

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

I. LEGISLATION

The Customs Administration's work is regulated with several regulations. To further simplify the customs procedures, increase the competitiveness of the domestic economy and reduce the costs of the economic operators and to ensure harmonization of the customs legislation with that of the European Union, amendments were adopted to several laws and regulations in 2020.



I.1. CUSTOMS RELATED LEGISLATION

To facilitate the economic operators in dealing with the global SARS COV-2 pandemic in a state of emergency, the Customs Administration adopted bylaws to abolish the import duty - customs duty rate for medical supplies.

Several other legal acts were adopted in 2020 to reduce the import duty – customs duty rate on certain strategic goods intended as raw materials for the domestic producers.

A Decision on the early application of the Partnership, Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of North Macedonia has been adopted, enabling the application of preferential treatment for goods originating in trade relations between the United Kingdom and the Northern Ireland and the Republic of North Macedonia.

I.2 NEW EXCISE DUTY LAW CAME INTO FORCE

The application of the Law on Excise Duties in electronic form fully started at the beginning of 2020. The excise declarations are now paperless, i.e. filled in the computer system of the Customs Administration.



I.3 NEW LAW ON MOTOR VEHICLES

The new Law on Motor Vehicles is the first enacted law with an environmental component that results in a reduced number of imported vehicles, but greater revenues collected. The number of imported vehicles has decreased by 1/3 compared to 2019, while the revenues increased by over 55%. Environmentally friendly vehicles have become more economically viable to purchase, which has a direct impact on the import and use of vehicles with lower carbon dioxide emissions, i.e. reduction of air pollution aimed to ensuring healthier environment, which is a basic prerequisite for the quality of our citizens' life.

I.4 INCREASED DUTY RELIEF THRESHOLD FOR SMALL SHIPMENTS

To increase the volume of e-commerce in the country, and in line with the recommendations of the European Commission, application of the amended Regulation on the closer criteria and the manner of implementing relief from import duty, as well as the value, quantity and the type or purpose of the goods which may be relieved from import duties increasing the threshold for relief from 45 to 90 EUR started in January 2020.



II. EU INTEGRATION

II.1. ADMINISTRATIVE CAPACITY BUILDING IN ACCORDANCE WITH EU STANDARDS

II.1.1. CUSTOMS 2020 – PROGRAMME OF THE EUROPEAN COMMISSION

New Grant Agreement for 2020, for the fiscal year 2020 (1.4.2020-31.3.2021) was signed In March 2020. The program has been implemented continuously throughout the year through participation in video conferencing meetings.

II.1.2. PROJECTS

ONGOING PROJECTS



Improved tax and customs services and procedures

- Twinning Projects funded through IPA 2
- Duration: 36 months (start January 2020)
- Value: 3.5 million Euros
- Implemented through 4 components (Ministry of Finance, Public Revenue Office and Customs Administration)



Improvement of Quality of Customs Controls and Fight against Fraud and Illegal trade in Goods

- Procurement of equipment financed under IPA 2
- Value: 2 million Euros
- Mobile scanner for cargo vehicles and vehicles for transportation of customs K9



Ensuring spatial facilities for Disaster Recovery Centre and establishment of Disaster Recovery Centre for PFM System

- Procurement of equipment financed under IPA 2
- Equipment for Disaster Recovery Centre



Regional economic Development, Governance and Enterprise Growth (EDGE) Project

- USAID Grant agreement
- Value: 100.000 USD
- Procurement of control equipment for border crossing point Kjafasan – Kaftane, hiring expert, training and study visits for Macedonian and Albanian Customs staff



2020 Customs Modernization Project

- Grant from the Government of South Korea
- Value: 700.000 Euros
- Implemented with the Ministry of Interior
- Improvement of the road border crossings with the Republic of Greece – Bogorodica and Dojran (installation of traffic and light signalization at BCPs Bogorodica and Dojran and procurement of weighing scale for FMVs at exit from the country, new lifts for motor vehicles and garage for detailed inspection of PMV and equipment for detection of concealed goods)



Development of border infrastructure between the Republic of Northern Macedonia and the Republic of Greece

- IPA Program for cross-border cooperation between the Republic of Northern Macedonia and the Republic of Greece 2014-2020
- Value - 700,000 euros
- It is implemented in cooperation with the Ministry of Interior
- Improvement of the road border crossings to the Republic of Greece - Bogorodica and Dojran (installation of traffic light signalization at the border crossings Bogorodica and Dojran and procurement of car scales for measuring TMV at the exit from the country, new crane for motor vehicles in the garage for detailed inspections of PMV and equipment for detection of hidden goods)



Western Balkan Trade and Transport Facilitation Project

- Procurement of new National Single Window System
- Data Warehouse (Business Intelligence System DWH-BI)
- Procurement of Video Surveillance System with integrated Automatic Number Plate Recognition System
- Reconstruction of BCP Kjafasan
- Reconstruction of BCP Deve Bair
- World Bank loan
- Value: 9,670,000 USD

FUTURE PROJECTS



NCTS Phase 5 implementation – Upgrade of the New Computerized Transit System to meet the requirements for connection to EU transit procedure. Project implementation is expected to start at the end of 2021 and end in 2023.



EORI and IAM system implementation – to facilitate the work of the economic operators and simplify the access – systems in line with EU MASP. Project implementation is expected to start end 2021 and end in 2023.



Construction and reconstruction of BCP Delchevo – Reconstruction of existing facilities and construction of new ones at BCP Delchevo and expansion of the existing border crossing with new lanes – modernization according to EU standards. Project implementation is expected to start end 2021 and end in 2023.



Control and Investigations Enforcement IT system implementation – System for record-keeping and tracking activities related to controls and investigations, aimed at improvement of the results in the fight against organized crime. Project implementation is expected to start end 2021 and end in 2023.



Procurement of control and investigation equipment - Within this procurement it is planned to procure drug detectors and forensic research devices - in order to improve the results in the fight against organized crime. The project should start with the realization at the end of 2021 and end in 2023.



Construction of Border Crossing Point Markova Noga with the Republic of Greece. The Project covers complete construction of new border crossing point in the Prespa region, in accordance with the signed Agreement with the Republic of Greece. The Project should start with realization at the end of 2021 and end I in 2023, but the start of implementation is directly related to the Decision of the Commission for new border crossing points.

III. HUMAN RESOURCES IN THE CUSTOMS ADMINISTRATION

In 2020, the Customs Administration continued to invest in the promotion and development of its human resource management, considering the human resources as a driving force in achieving the set strategic goals for EU integration and improving the efficiency of the institution.

III.1. STRUCTURE OF EMPLOYEES



EDUCATION OF EMPLOYEES

56.98% of the total number of employees of the Customs Administration are university educated.

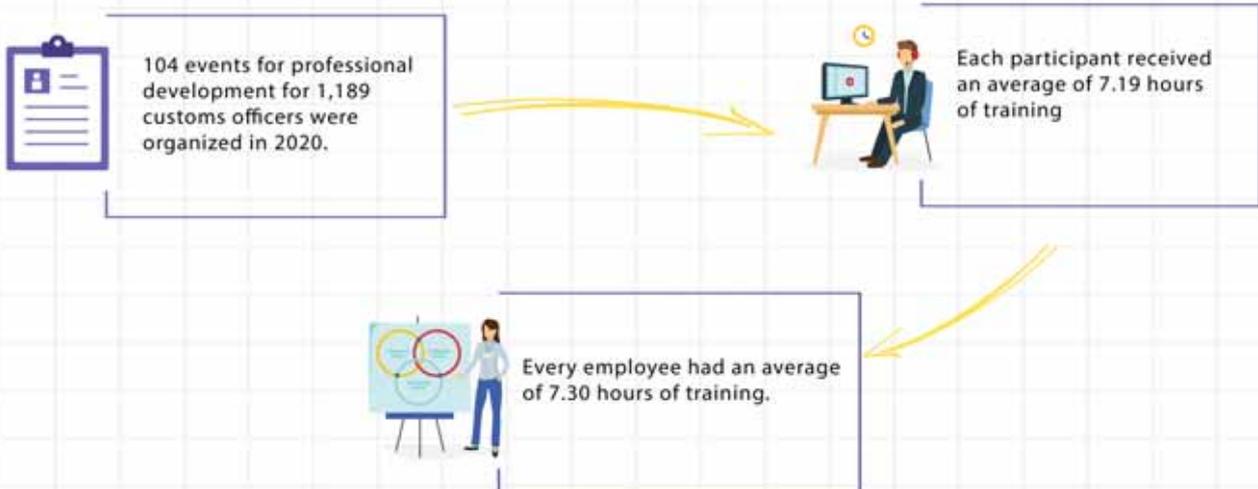


The following acts and regulations related to human resources management were adopted in 2020:

- Collective Labour Agreement of the Customs Administration;
- 2020-2022 Human Resource Management Strategy of the Customs Administration with 2020-2022 Action Plan;
- Rules of conducting Disciplinary Procedure (third edition)
- Order and Disciplinary Rules;
- Code of Conduct for customs officers and
- Rulebook on official ID cards.

III.2. TRAINING AND PROFESSIONAL DEVELOPMENT

104 events for professional development for 1,189 customs officers were organized in 2020. Each participant received an average of 7.19 hours of training, while every employee had an average of 7.30 hours of training.





TRAINING EVENTS IN 2020

- Control of substances, mixtures and equipment controlled by the Montreal Protocol on substances that deplete the ozone layer – familiarization with the role and protection of the ozone layer, the Montreal Protocol and national legislation, common ways of smuggling substances and mixtures with ozone depleting import / export control of substances, identification of substances / mixtures on site / checklist for products / equipment containing substances and / or mixtures controlled by the Montreal Protocol;
- Fight against terrorism by raising awareness of border intelligence - in order to share the British police experience and practice in the fight against terrorism with Macedonian customs and police officers and security services working at international border crossings;
- Transfer prices - in order to improve the knowledge of customs and tax officials about the information contained in the transfer pricing documentation;
- Harmonization of the Customs Law with the Union Customs Code;
- Interviewing techniques – for the preparation of Guide for interviews;
- Business process models - to familiarize the participants how to use business process models as applied in the EU Customs Union, the basic objectives of business process models, methodology and how to use the customs data model of the EU;
- Preparation of EU national technical specifications - mandatory IT systems - in order to strengthen the capacity of the Customs Administration for NCTS Phase 5 in creating business concept;
- Preparation of reports on the current normative framework of customs debt guarantees and write-off of uncollected claims - to develop discussions and cooperation in workshops between national and international experts;
- Harmonized system and classification of goods to improve the knowledge of the customs officials for classification, especially for goods that are classified in Ch. 84, 85 and 90, and application of deployment rules;
- Identification of products from different brands – identification of products from the brands "Adidas", "Reebok", "Canon", "Bavaria", etc.;
- Workshop on the basic aspects related to the work of the interdepartment group (Police and Customs) on the work of international anti-trafficking organizations such as UNODC-WCO CCP and UNODC-WCO-INTERPOL AIRCOP
- Basic training for customs officers for 28 new employees started in December 2020 and is expected to be completed by April 2021.
- In 2020, additional trainings were held for 254 customs agents. Due to the declared pandemic, these trainings were held remotely for 4 groups of customs representatives. The Customs Administration organizes additional trainings once every two years.

III.3. INTEGRITY

Building and promoting the integrity of the Customs Administration and the customs officer is a top priority of our institution. Resilience to corruption and other forms of misuse of office is strengthened through implementation of the policies, standards and procedures that are part of the integrity system.

Based on the action plan, the received complaints related to illegal and unprofessional conduct of the employees, the tips received via the customs hotline 197, as well as on grounds of the information submitted directly by the line managers and the employees in the Customs Administration, there were 84 internal investigations and 48 internal controls, during which 56 irregularities were identified related to the actions of the customs officers.

Number of conducted internal investigations and controls per organizational units

Number of conducted internal investigations per organizational units:

- Headquarters: 3
- Customs House Skopje: 33
- Customs House Kumanovo: 23
- Customs House Shtip: 1
- Customs House Gevgelija: 15
- Customs House Bitola: 9
- Total: 84

Number of conducted internal controls per organizational units:

- Headquarters: 7
- Customs House Skopje: 12
- Customs House Kumanovo: 5
- Customs House Shtip: 5
- Customs House Gevgelija: 8
- Customs House Bitola: 11
- Total: 48

53 complaints via the customs hotline (197) and 2 on-line reports through the Customs website were received for illegal, unprofessional and corrupt behavior of the customs officers.



With distribution of brochures and posters, for the third year in a row, the Customs Administration is implementing the promotional campaign "Stop Corruption" which aims to raise the public awareness for reporting cases of corruption, conflict of interest and misuse of office of customs officials, as well as of the harmful consequences caused by this phenomenon.

Since the adoption of the Integrity and Anti-Corruption Strategy of the Customs Administration for the period 2019-2022 with an Action Plan, only in one year 37% of the planned activities have been fully realized, 26% have been partially realized, and 11% are in the process of realization

III.4. AWARDS AND PROMOTION

4 customs officers received 15% pay raise because they performed their work with great success and quality.

6 customs officers received performance-related pay raise, in accordance with the Rulebook on the customs officers rewarding system.

37 PROMOTIONS

15 customs officers were promoted in the Headquarters:

- 2 customs officers to job position Head of department
- 4 customs officers to job position Senior Advisor
- 4 customs officers to job position Advisor
- 1 customs officers to job position Chief Inspector
- 1 customs officers to job position Senior Inspector
- 1 customs officers to job position Operator
- 2 customs officers to job position Administrative Operator

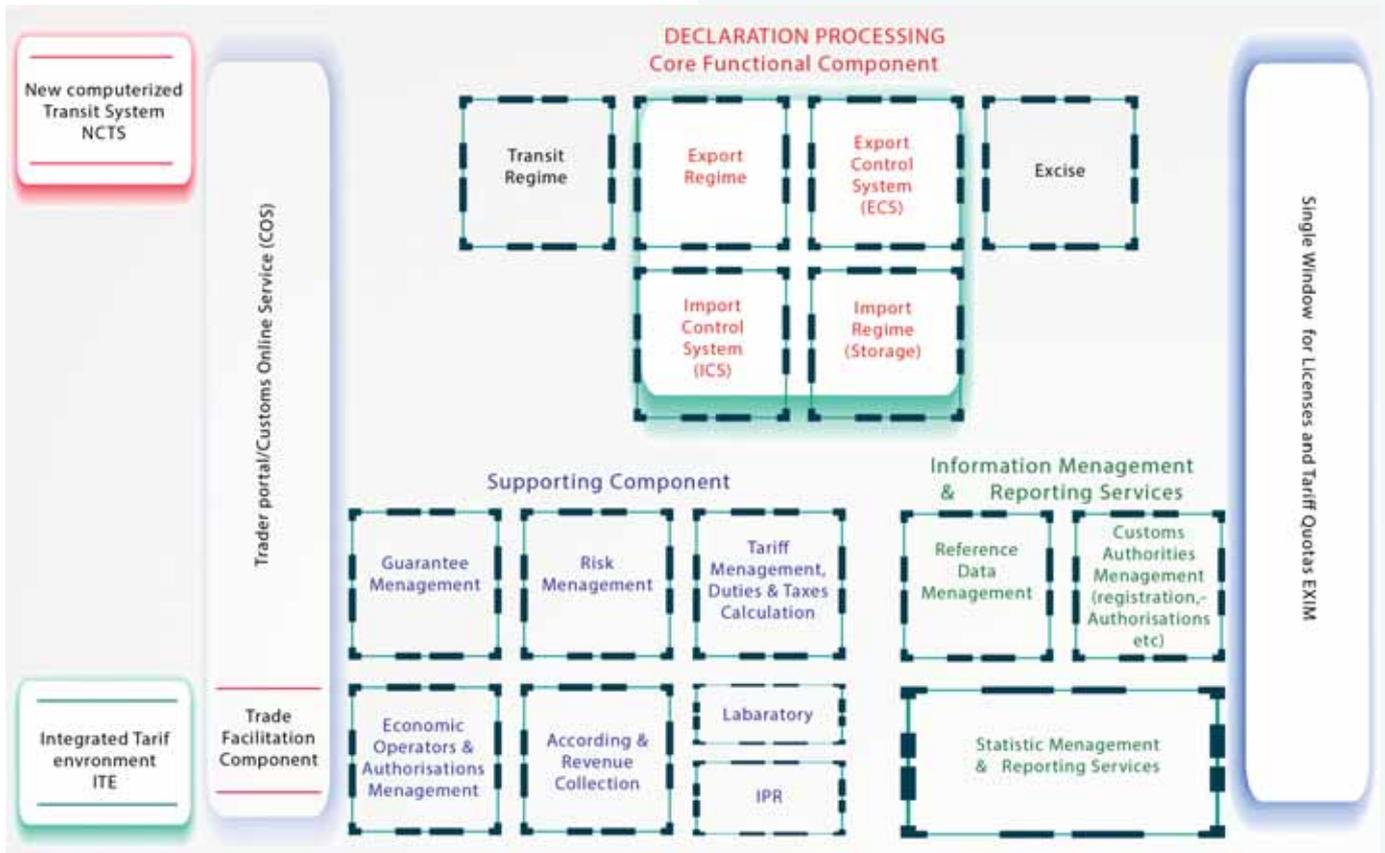
Во царинарниците се унапредени 22 царински службеници:

- 2 customs officers to job position Head of Customs Office
- 6 customs officers to job position Shift Leader
- 5 customs officers to job position Shift Guide
- 3 customs officers to job position Senior Customs Officer Controller
- 3 customs officers to job position Senior Advisor
- 1 custom officers to job position Senior Customs Officer
- 2 employees to job position customs officer

III.5. INTERNAL AUDIT



IV. DIGITALIZATION

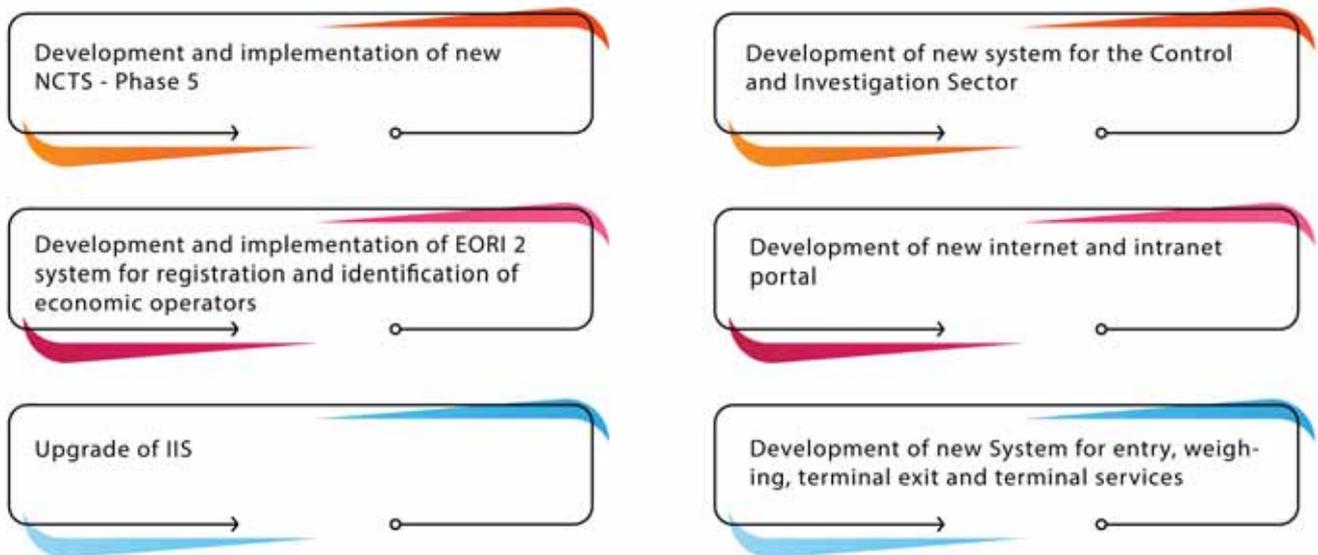


IV.1. ICT INFRASTRUCTURE

During 2020, the ICT Sector got intensively involved in activities for development and improvement of the current ICT systems.

The new Steering Committee for the implementation of the "eCarina" (eCustoms) Program became operational. The Committee is responsible for monitoring and coordination of the project progress related to the following systems: Customs Declarations and Excise Document management System (CDEPS), Single Window for import, export and transit of goods licenses (EXIM), Integrated Tariff Environment (ITE) and the New Computerized Transit System (NCTS), and as of October 2020, the National Single Window (NSW) Development and Implementation Project. These projects are also included in the Multi-annual Strategic Plan of the EU for the implementation of eCustoms (MASP) and their harmonization and implementation is one of the conditions for their interoperability and interconnection with the European customs systems.

In 2020, the ICT Sector established appropriate dynamics for the operation of the Life Cycle Application Management Committee whereby 8 working groups were formed with members from competent organizational units, who prepared the following draft project documents (DPD) for upgrade of current and development of new software applications:



In 2020, the working groups also prepared technical specifications (TS) for the development of the new NCTS - phase 5 system, TS for a new Customs Portal, TS for the CDEPS upgrade and IIS.

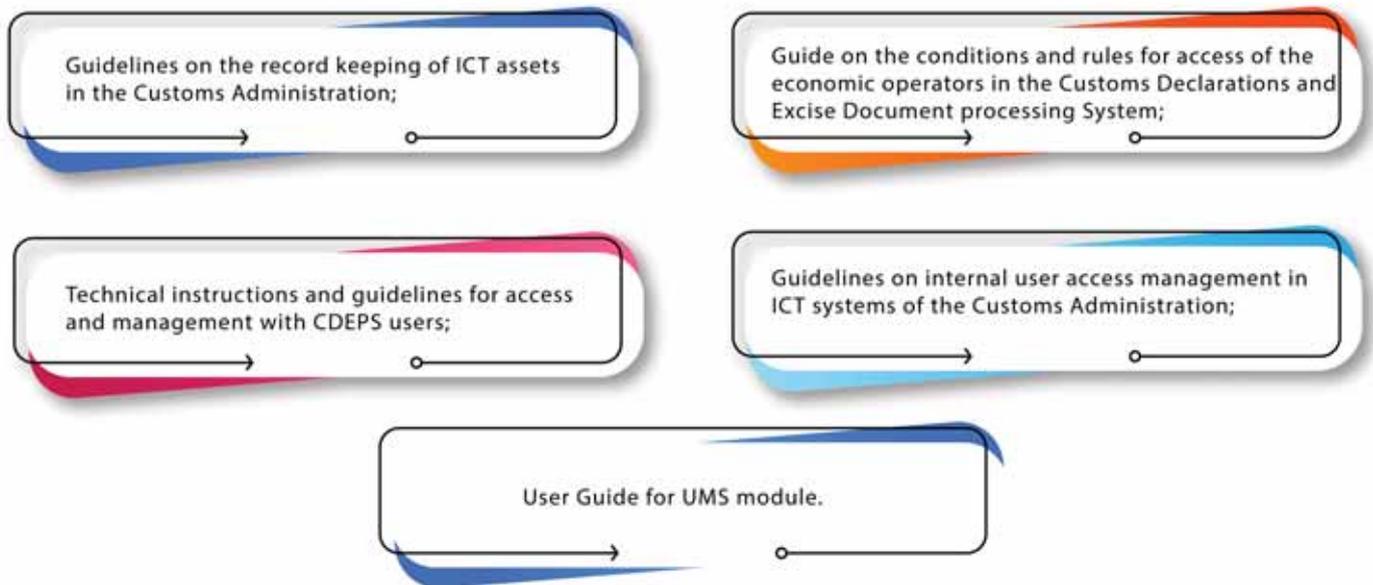
The preparation of these specifications was supported with recommendations and experiences from colleagues from the Croatian and Austrian customs Administrations through 11 workshops held under the IPA twinning project: Strengthening the administrative capacity of the Customs Administration.

Concerning improvement of ICT infrastructure, complete consolidation of the four ICT systems (CDEPS, ITO, EXIM, NCTS) was performed with their migration to a new hardware platform. Virtualization of all physical servers of the ASYKUDA system, which is more than 20 years old, has also been completed.

During 2020, technical specification was prepared and a contractor was selected for procurement of ICT equipment and system software for upgrading the ICT infrastructure at the primary location of the data center of the Customs Administration and ICT infrastructure for establishing a reliable computer-data center at a remote location ("Disaster Recovery").

IV.2. . INTERNAL ACTS AND OPERATIONAL SUPPORT

The following new acts were adopted and other amended:

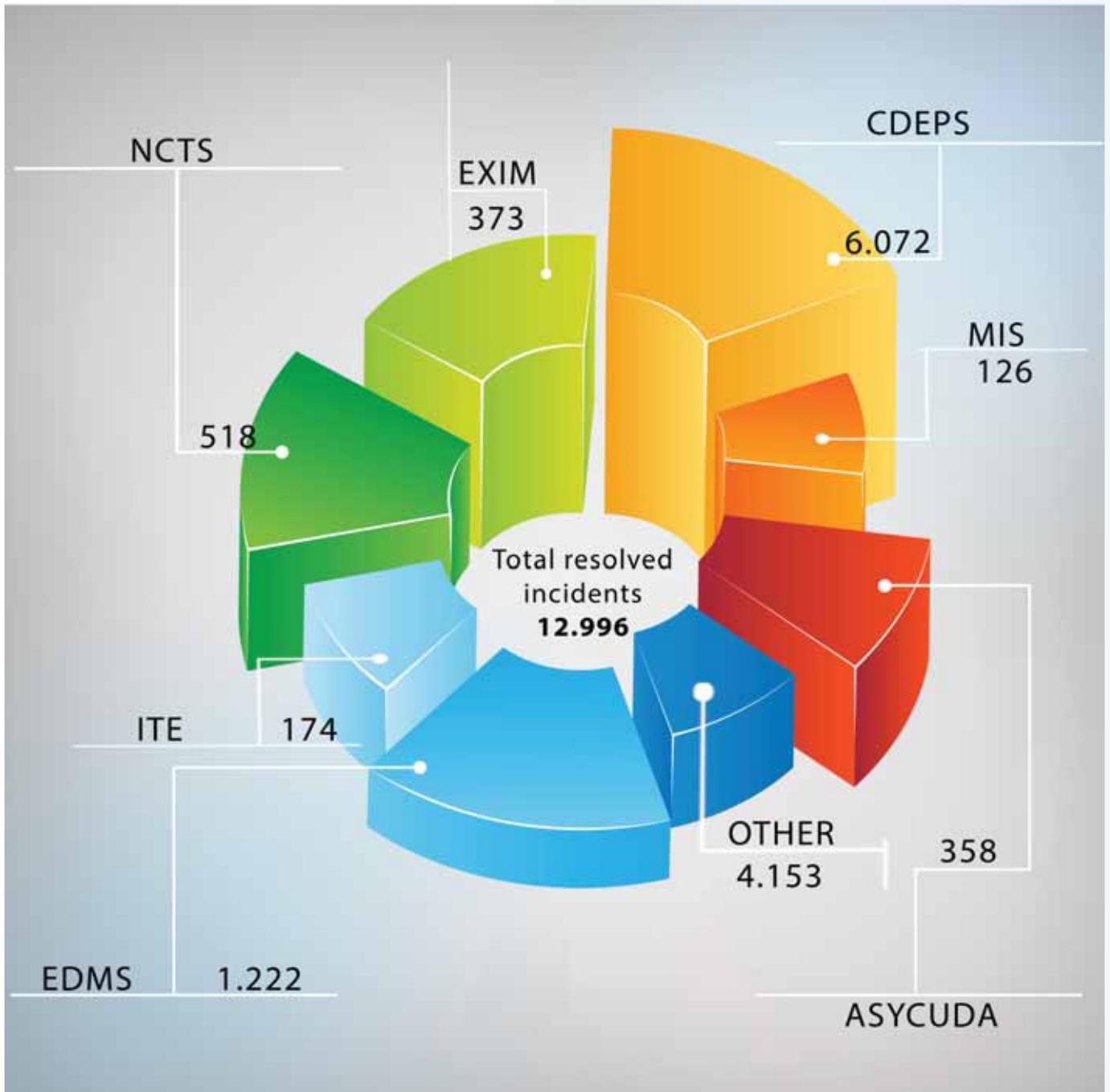


ICT Development Strategy of the Customs Administration for the period 2021-2025 and Action Plan for interconnection and interoperability of the Customs Administration with the EU systems (2021-2023) have been prepared, including the projects from the first phase of the EU Multi-Annual Strategic Plan for implementation of eCustoms that are planned to be implemented. The development and implementation of these ICT systems are a condition for the accession of the Republic of North Macedonia to the EU.

IV.3. ICT SYSTEM USER SUPPORT

To ensure maintenance and continuity of the ICT systems, 12,996 incidents, service requests and business problems that were reported via the Service Desk of the Customs Administration were solved. Of these, 288 incidents and service request were related to hardware and network problems, while 12,708 claims related to software and business problems.

In terms of software application support during 2020, the majority of the resolved claims (6,072) were related to the functioning of the CDEPS. The structure of resolved claims for the bigger applications is presented below:



The part “Other” (4.153) mainly refers to support provided to users for access to systems.

Average availability of ICT systems and applications in 2020 was 99%.

In March 2020, immediately after the start of the pandemic, the ICT Department established tools for video conference meetings and provided constant support to staff to carry out their activities through these tools.



During 1st June – 31st December, despite the work circumstances, 350 meetings, workshops and training courses were organized in the Customs Administration, attended by 1,900 participants through Cisco Webex and Microsoft Teams Platforms.

IV.4. E-CUSTOMS

IV.4.1. CUSTOMS DECLARATIONS AND EXCISE DOCUMENTS PROCESSING SYSTEM – CDEPS

Excise Management System (EMCS) was fully developed and put in function. The system supports the application of the New Excise Duty Law and the Law on Motor Vehicle Tax.

In April 2020, Trader portal was put into function, enabling the economic operators to calculate duties directly in the CDEPS prior submitting the import customs declaration.

Pre-arrival information on express mail module was put into production.

At the end of June 2020, changes were made in the EXIM system in the part for discharge and reservation of licenses and it was also made faster.

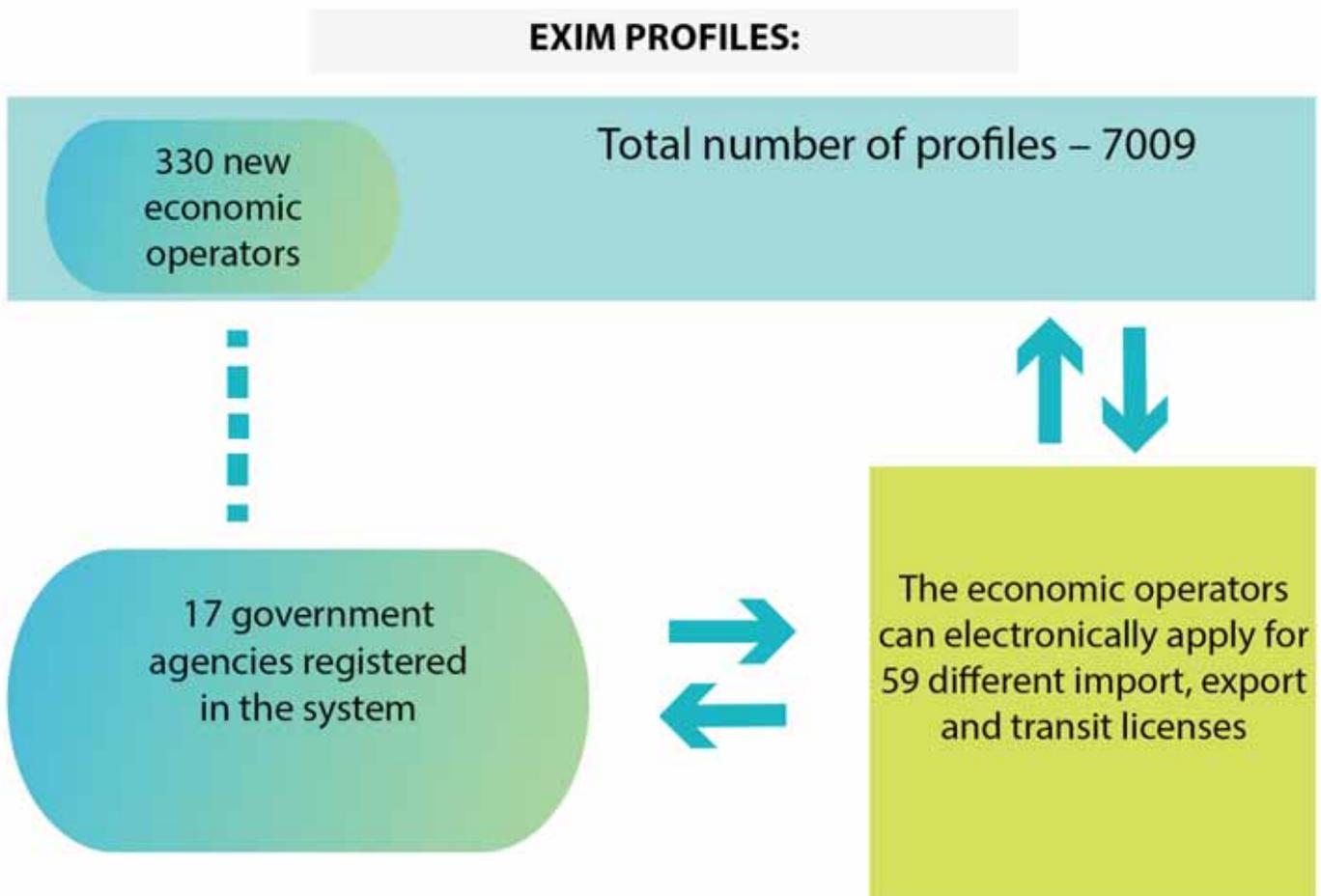
The Customs Declarations and Excise Document Processing System CDEPS was put into production for export procedures on 3rd June 2019. This system, which replaced the ASYCUDA system, provides interoperability and interconnections with EU customs information systems, management of customs declarations and excise documents (completing, recording, acceptance, processing and archiving), control of the movement of excise goods and customs goods through exchange of standardized electronic messages with the economic operators, efficiency in the implementation of controls over collected and refunded customs duties, excise duties, fees and other duties, facilitation of trade through accelerated flow of goods, as well as improving supply chain security, in accordance with EU and WCO standards. Activities for improvement of the CDEPS functionalities continued in 2020.

IV.4.2. INTEGRATED TARIFF ENVIRONMENT (ITE)

In 2020, activities for promotion of the Integrated Tariff Environment - ITE continued. The activities in this period were focused on overcoming problems in the new tariff quota management module, the interface between ITE and CDEPS, analysis and preparation of a specification for upgrade of the Binding Tariff Information module and elimination of errors showing in the integration of national subnumbers

IV.5. VOLUME OF WORK

IV.5.1. EXIM



The Single Window System for Import, Export and Transit Licenses and Tariff Quota - EXIM, enables the registered economic operators to apply for 59 different types of import, export and transit licenses from 12 (out of 17 registered) state agencies, directly involved in the licensing process.

In 2020, a new module was developed within the EXIM system that serves to record Covid-19 infected patients and their contacts, in line with the needs of the State Sanitary and Health Inspectorate (SSHI), in close cooperation with the Customs Administration. The data from the EXIM system are downloaded from the "RAAVIO" system for automatic monitoring and stopping of persons who are trying to leave the country through the national airports, and who must remain in isolation.

In 2020, intensive work was done on development of web services that will enable connection and exchange of data between EXIM and the Weapons Registration System of the Ministry of Interior. The exchange of data between the systems of the two institutions will take place through the Interoperability System.

■ IV.5.2. NCTS

As part of the project for upgrade of the New Computerized Transit System (NCTS), eTIR was developed and put into operation. This was till now done in the old ASIKUDA system.

To ensure more efficient controls, a new module for monitoring excise goods transiting through the country has been prepared, the implementation of which began on 1st January 2021.

V. FACILITATION AND ACCELERATION OF CUSTOMS PROCEDURES

The Customs Administration permanently works on maintaining the existing and introducing new possibilities for facilitation and acceleration of the customs procedures and conditions for their implementation, with the support of information and communication technology.

V.1. CUSTOMS CHAIRS THE CEFTA SUBCOMMITTEE ON CUSTOMS AND RULES OF ORIGIN

In 2020, the Customs Administration of the Republic of North Macedonia chaired the CEFTA Subcommittee on Customs and Rules of Origin. Under the chairmanship, the Customs Administration produced an ambitious agenda for trade facilitation between the CEFTA parties. The 19th and 20th meetings of this Subcommittee on Customs and Rules of Origin were organized. The Central European Free Trade Agreement is a Free Trade Agreement between the Central Europe countries, not members of the EU. Members of CEFTA, besides the Republic of North Macedonia are Albania, Bosnia and Herzegovina, Moldova, Montenegro, Serbia and Kosovo.

The key priorities of the Republic of North Macedonia as chair were facilitating trade in goods: resolving issues related to regional trade with CEFTA and monitoring of the implementation of AP5, emphasizing the implementation of the CEFTA Customs Risk Management Strategy 2020-2024 and expanding to support the activities related to the review of requests and documentation for import, export and transit, i.e. the chairperson supported and encouraged the parties to facilitate the activities related to transit, particularly when it comes to transparency, promotion of dialogue between the private and public sectors in CEFTA, strengthening the communication with the private sector, improvement of the distribution and publication of information through social networks regarding the procedures of the CEFTA structures, the achieved results and benefits, and to seek active opinion of the private sector in using appropriate platforms, giving full support to close cooperation with the Subcommittee on Agriculture and the Sanitary and Phyto-sanitary Issues and the Subcommittee on Non-Tariff Measures with mutual recognition programs and any other issues of common interest that can be identified.

To ensure integration of CEFTA on the EU market, intensive work was done to launch the application of mutual recognition of AEO between the members of CEFTA, EU and EFTA.

Intensive work was also done to ensure the harmonization of development and regulations with EU legislation on e-commerce as this has completely changed the perception of trade in the international trade arena.

A discussion was also opened on the application of the revised Regional Convention on Pan-Euro-Mediterranean Preferential Rules (Transitional PAM Convention), as well as the consideration of expanding the cumulation of origin by amending the free trade agreements with the European Union, the European Free Trade Association (EFTA) and Turkey.

Particular attention was paid to the consequences of cumulation of origin as a result of the United Kingdom's exit from the European Union, mutual recognition of authorizations for Authorized

Economic Operator, enhanced functions of the Systematic Electronic Exchange of Data (SEED) and decision-making on real-time data exchange.

Guided by the vision to be the leading Customs Administration in the region, at the beginning of March, when we were all affected and under pressure due to the new situation with the corona crisis, in cooperation with all bodies and Ministries in the Government of the Republic of North Macedonia we once again made exceptional efforts to maintain of economic activity, in order to keep the borders in the region open. As chairmen of the CEFTA Subcommittee on Customs and Rules of Origin, an initiative was launched and so-called green corridors were established, with all CEFTA member states committed to providing 24 hour operation at border crossings for export and import of goods within the CEFTA region, as well as at key border crossings with the European Union, with priority for fresh agricultural and food products, medicines and medical equipment.

In the comprehensive in-depth review of the progress made, the current activities and the challenges that are emerging and will arise in the future, the following steps for the extended application of the "green corridors" towards the EU borders were presented.

V.2 AUTHORISED ECONOMIC OPERATOR - AEO

The Republic of North Macedonia through the Customs Administration is the first country in CEFTA that has started the process of international recognition of the issued Authorized Economic Operator authorizations (AEO) for customs simplifications. Currently, 17 companies have AEO authorisations, which is an increase in the number of issued approvals for an authorized economic operator. Mutual recognition of AEO, as a key step in strengthening and protecting international trade, by reducing controls allows faster flow of goods and their priority of the so-called Green lanes all over the region.

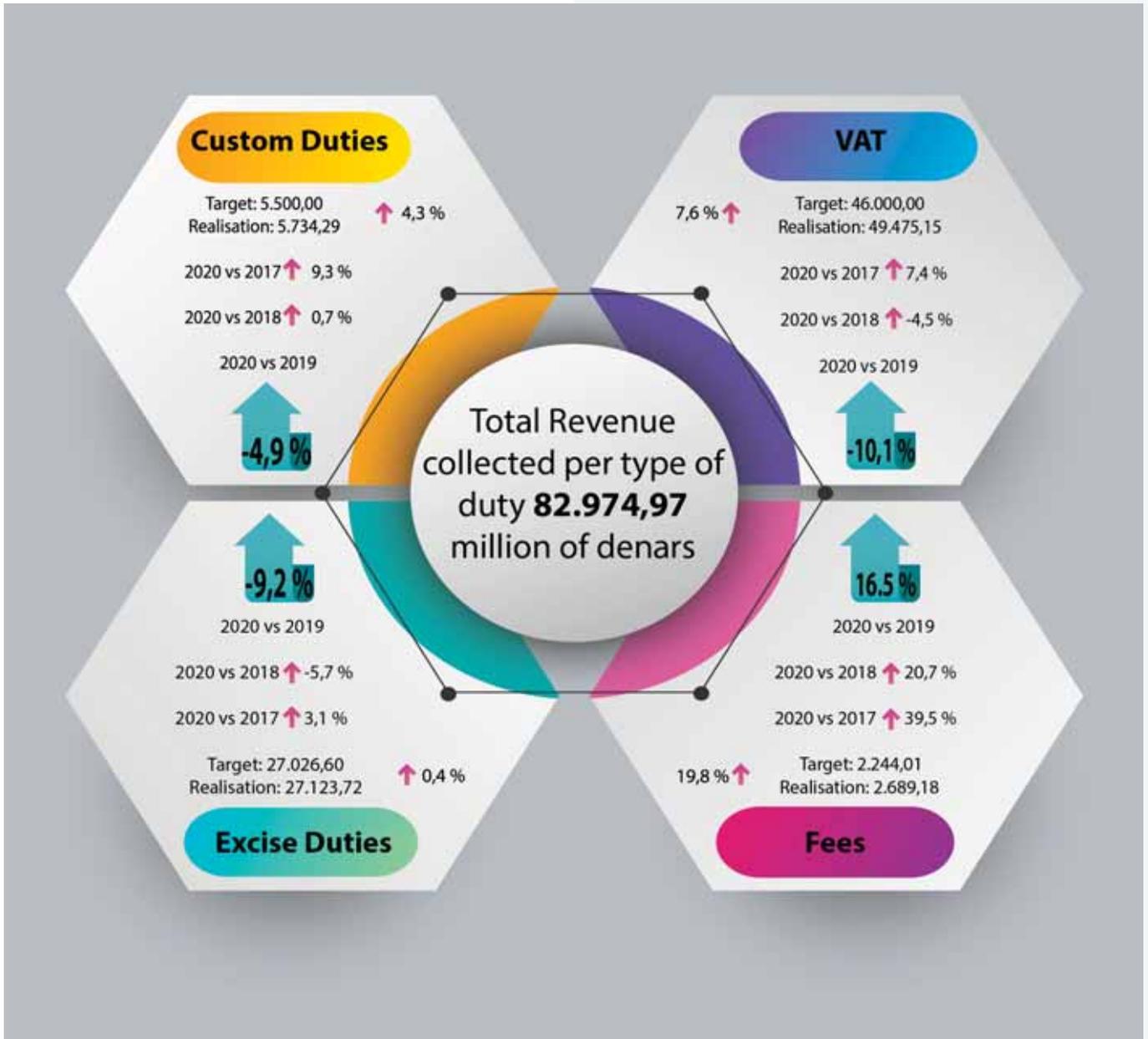
V.3. EU – EFTA COMMON TRANSIT SYSTEM

The Conventions on a Common Transit Procedure and on the Simplification of Formalities in Trade in Goods ensure a single movement of goods within the Member States, from one point of entry to the place of completion of the transit procedure, no matter how many countries and border crossings the goods should transit. An electronic transit declaration initiating a transit procedure in any state - party to the Convention on a Common Transit Procedure is acceptable to all States Parties to the Convention.



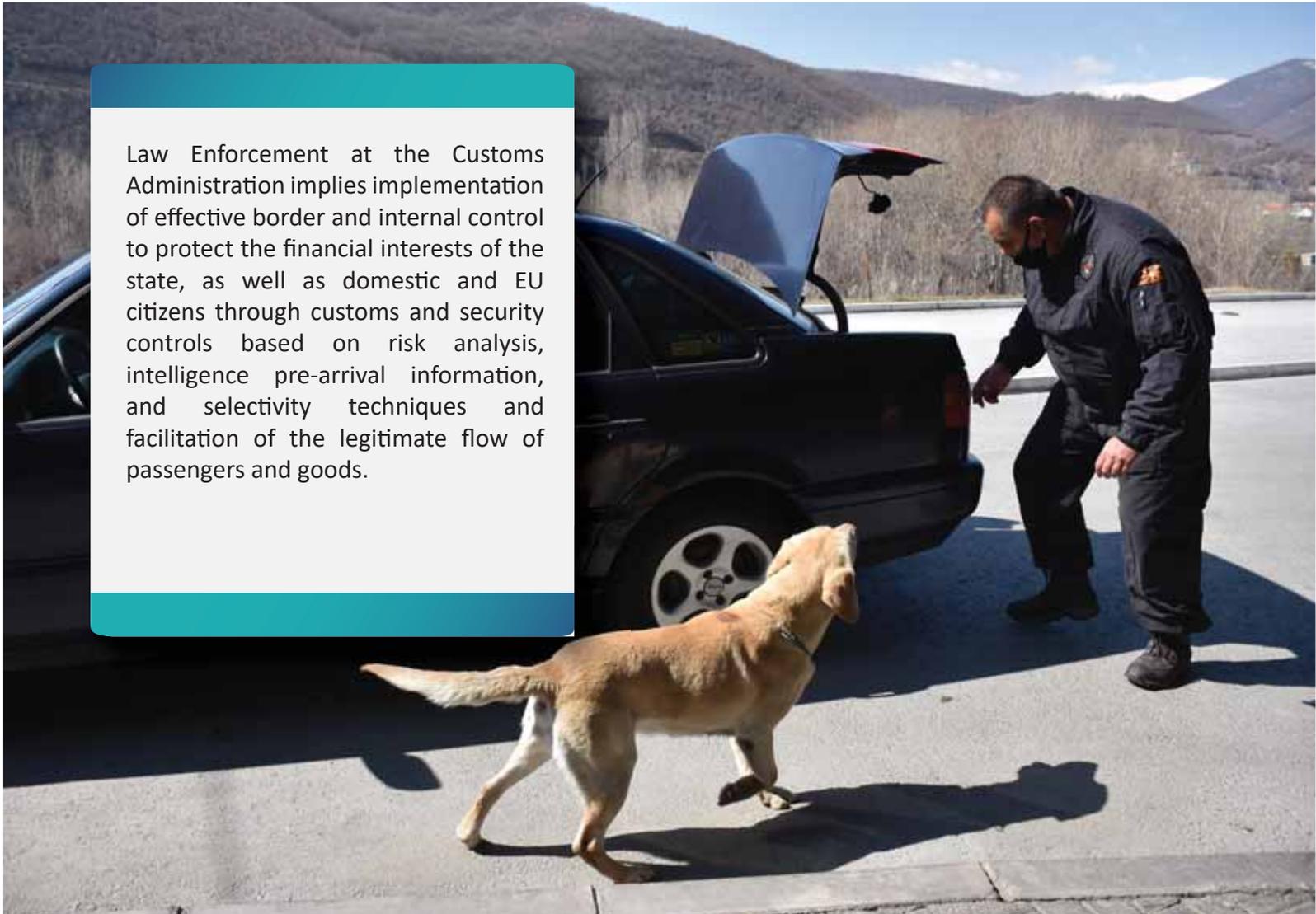
By December 2020, 151 authorisations for access to the NCTS and 75 approvals to principals for use of bank guarantee in the joint transit procedure were granted to economic operators.

VI. REVENUES COLLECTED



VII. LAW ENFORCEMENT

Law Enforcement at the Customs Administration implies implementation of effective border and internal control to protect the financial interests of the state, as well as domestic and EU citizens through customs and security controls based on risk analysis, intelligence pre-arrival information, and selectivity techniques and facilitation of the legitimate flow of passengers and goods.



VII.1. RISK MANAGEMENT

Risk management is a basic tool for customs control to closely profile and select targets, without unnecessary delays and burdens for the legal trade. Hence, this field is subject to permanent regulation and advancement by the Customs Administration.

In the field of risk management, activities for determination and profiling of risks and the manner of performing customs supervision continued, in line with the specifics of each customs procedure and type of transport.

In 2020, a number of risk criteria were prepared or revised, in accordance with the obtained data and information, as well as according to the current trends in international trade and amendment of legislation in order to facilitate trade, while increasing safety and security, i.e targeting high risk cargo.

As a continuity of the IPA Twinning Project "Strengthening the operational and institutional capacities of the Customs Administration" in order to ensure harmonization with the European Union standards in the area of risk management, preparation for implementation of the project recommendations started by updating of the internal Guidelines and procedures.

The Working group for preparation of draft Technical specification for development of a System for Control and Investigations identified the steps for realization of the activities and including all aspects of control activities and results on all levels.

Under the project "Consultations for modernization of the Customs Administration of the Republic of North Macedonia" in the part for risk management, several workshops were organized which will result in recommendations for enhancement of the customs processes, ensure better services for the Macedonian companies and greater national security through better control of the international movement of goods and passengers.

VII.2. INTERNATIONAL COOPERATION

Continual close cooperation and information exchange with:
Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Slovenia, Serbia, Croatia, Montenegro;
ZKA , OLAF , SELEC and RILO , WCO , UNODC , EUROPOL , INTERPOL

¹ZKA – Zollkriminalamt

²OLAF – European Anti-Fraud Office

³SELEC – Southeast European Law Enforcement Center

⁴RILO – Regional Intelligence Liaison Office

⁵WCO – World Customs Organizations

⁶UNODC – United Nations Office on Drugs and Crime

⁷EUROPOL – The European Union Agency for Law Enforcement Cooperation

⁸INTERPOL – The International Criminal Police Organization

Participation in 14 international operations organized and supported by the WCO, OLAF, Interpol, Europol, CITEC Secretariat, SELEC and others, focused on the fight against illicit trade and smuggling of chemicals, explosives, wildlife, counterfeit medicaments, substandard foodstuffs and beverages, plants, various goods that infringe intellectual property rights, hazardous waste and all other types of waste, substances that deplete the ozone layer, weapons, parts of weapons, ammunition, drugs, firearms, cultural goods, detection and prevention of forest-related crimes, etc.

VII.3. INTERNATIONAL AND NATIONAL LAW ENFORCEMENT PROJECTS

Within the chairmanship of the CEFTA Subcommittee on Customs and Rules of Origin, the work program for 2020 included activities for implementation of the Regional Risk Management Strategy 2020-2024 and improvement of the SEED data exchange system, as well as initial activities to establish common risk profiles in this system.

VII.4. RESULTS

In all customs offices, customs control is carried out on the basis of selectivity, following pre-determined risk criteria. They are set up following risk identification, analysis of information obtained from the organizational units of the Customs Administration, government agencies, the private sector and freely available information. Contemporary trade trends and methods used for tax evasion, endangering the security of the population are monitored and analyzed. By continuous information gathering, the risk indicators of the individual risk criteria are regularly updated.

⁹CITEC – The Convention on International Trade in Endangered Species of Wild Fauna and Flora

During 2020:

VII.4.1. DETECTED CASES OF ILLEGAL TRADE IN:

NARCOTICS, PSYCHOTROPIC SUBSTANCES AND PRECURSORS



In 2020, Customs prevented 3 attempts for smuggling of about 5 kilograms of heroin, 0.4 grams of heroin and 20 cubic units of methadone.

In cooperation with the Ministry of Interior, an attempt to smuggle about 5 kilograms of heroin was prevented. The drugs, packed in 10 packages, were found in specially prepared bunkers under the wing of a BMW passenger motor vehicle, with Macedonian license plates, driven by a Macedonian national.

CASH AND SECURITIES

In 10 attempts, Customs prevented illegal transfer of 107,200 Euros.

20,000 Euros detected and seized at the border crossing Tabanovce.



MEDICAMENTS AND MEDICAL AIDS



3 attempts for smuggling 1,610 packs of medicaments and 17,750 tablets for birds were prevented in 2020.

During control of a freight motor vehicle with Skopje license plates, driven by a Macedonian national at the Dojran – BCP Dojran road, officers of the Operational matters Department found 247 packs and 1,200 medical needles in a cardboard box wrapped in a sleeping bag and placed under the cabin bed.



During inspection of a Kosovo registered car, driven by a Turkish national, at BCP Tabanovce Motorway, the mobile customs teams found undeclared medicaments under the driver's seat and in the personal luggage: 2,468 tablets, 124 capsules and 5 creams.

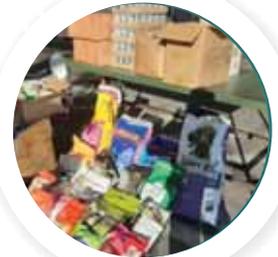
FOODSTUFF



8 attempts for smuggling of 1,435 pieces, 586 kilograms of food products, 54,000 capsules of dietary supplements, 195 liters of slimming syrups, 19 kilograms of dietary supplements, 48 kilograms of coffee and 213 kilograms of animal feed were prevented in 2020.

During control of goods originating in the Republic of Turkey, destined for an importer from Gostivar, declared for import customs clearance at the Customs Office Tetovo, the customs officers found 469 kilograms of undeclared Turkish delight, 67 kilograms of food glue, 5 kilograms of food coloring, 7 kilograms of pishmani and 13 kilograms of halva.

During control of a Macedonian registered passenger van, driven by a Macedonian national, at the BCP Tabanovce Motorway, the mobile customs teams found 219 kilograms of undeclared cat and dog food in cardboard boxes and bags in the trunk of the vehicle between the travel bags.



TOBACCO, CIGARETTES AND OTHER TOBACCO PRODUCTS

In 2020 in 6 cases, attempts to smuggle 64,350 cigarettes and 114 kilograms of tobacco were prevented.

In 2 actions the Customs Administration in cooperation with the State Market Inspectorate, conducted in retail facilities and green markets on the territory of Skopje and Tetovo, seized 113 kilograms of cut tobacco and 415 boxes of cigarettes.



During control of a Macedonian registered car driven by a Macedonian national at the Kjafasan Border Crossing Point, the customs officers found 100 kg of flavored hookah tobacco in the trunk of the spare tire covered with clothes and inside dog food bags placed under the driver and in front front passenger seat covered with clothes.



197 boxes of cigarettes with Macedonian excise stamps were found at the Skopje International Airport in the luggage of, a Macedonian citizen - passenger travelling to Copenhagen.

APPAREL, ACCESSORIES, TEXTILE PRODUCTS AND RAW-MATERIALS



13 attempts for smuggling of 2,332 ready-made textile products and fashion accessories were prevented in 2020.

At BCP Tabanovce Motorway, during control of a passenger van with Macedonian license plates, driven by a Macedonian national, the customs officers found 139 pieces of undeclared sportswear (shorts, T-shirts, tracksuits and sweatshirts)

At BCP Bogorodica – entrance section, during inspection of a Slovenian registered truck, driven by a Bosnian national, the customs officers found 18 undeclared women's fur coats in the cab of the truck placed in bags in the compartments and on the upper bed.



During the control of 2 cardboard packages owned by a Turkish citizen who arrived from Istanbul at the Skopje International Airport, 283 pieces of protective work equipment (gloves, helmets, shoes and vests) were found.

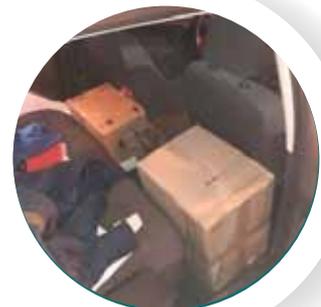
During control of an Albanian registered truck loaded with goods from Turkey intended for importer from Albania that arrived at BCP Bogorodica - entrance section, the customs officers found 480 pairs of sports shoes bearing marks of protected trademarks, suspected of infringing intellectual property rights.



COSMETICS, PERFUMES, PERSONAL HYGIENE PRODUCTS

4 attempts for smuggling of 1,239 pieces of cosmetics, perfumes and hygiene products were prevented in 2020.

During control of a passenger motor vehicle with Macedonian license plates, driven by a Macedonian national at BCP Bogorodica, the customs officers seized 669 pieces of hair care products.



OTHER GOODS



In 2020, Customs prevented 27 attempts for smuggling 8306 pieces of goods.

At BCP Blace, during control of a car with Macedonian license plates, driven by a Macedonian national, in the luggage compartment near the spare tire and inside the vehicle, the customs officers found 250 smart watches "Intelligence Health Bracelet" and 150 "i7 Mini" headphones.

During control of the luggage of a Macedonian national who arrived from Istanbul at the Skopje International Airport, the customs officers found 26 undeclared watches and 2 sets of pocket watches.



During control of the luggage of a British citizen who arrived from Istanbul at the Skopje International Airport, the customs officers found 49 pieces of women's jewelry (chains, bracelets, earrings, rings, plates and brooches) and 1 bag of zirconia stones.

At BCP Deve Bair entrance section, during control of a Bulgarian registered tractor driven by a Macedonian national, the mobile customs teams found undeclared pyrotechnics: 660 firecrackers and 36 fireworks, hidden in a portable refrigerator in the cabin of the vehicle.



INTERNAL MARKET CONTROL OF EXCISE GOODS



During control of a Macedonian registered passenger van driven by a Macedonian national, police officers from SIA Veles found 480 liters of homemade grape rakia and 40 liters of homemade mastika, which were handed over to the mobile customs teams for further proceedings, because the person is not registered as a farmer - a small producer of alcoholic beverages.

VII.4.2. INTELLECTUAL PROPERTY RIGHTS PROTECTION

69,520 pieces of goods were temporarily detained in 26 actions during 2020 due to reasonable suspicion of infringement of intellectual property rights. With regard to the origin of the temporarily detained goods on these grounds, goods originating in Turkey were dominant with about 90% and goods from People’s Republic of China with 7%.

TYPE OF GOODS DETAINED DUE TO SUSPICION OF IPR VIOLATION



VII.4.3. CUSTOMS CLEARANCE CONTROL

On the spot customs controls resulted in 26,621 cases of irregularities found where inappropriate documents and non-compliance with commercial policy measures (invalid, forged and other inappropriate documents) were submitted. By doing so, the importers attempted to evade payment of about 497,68 million denars of import duties.

VII.4.4. DECLARED FOREIGN CURRENCIES

<p>Over 6 million Euros in different currencies were declared at the border crossing points mostly at entrance in the country, or an average of 504, 516 Euros a month.</p>	<p>Of these 4,598,540 were EUR, 50, 812 MKD, 348,870 CHF, 254,900 USD, 77,000 GBP, 217,000 DKK and 6,000 CAD.</p>	<p>Greatest amount of foreign currencies was declared at CO Blace (43.88%), CO Airport (19.82%) and CO Bogorodica (14.28%).</p>
--	--	--

VII.4.5. POST CLEARANCE AUDIT

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

During 111 trade companies' control, 31 cases of attempted tax evasion amounting to 27.12 million Denars and 8 cases of non-compliance with customs regulations were detected.

During 5 controls of LPG users as fuel, no attempts for irregular applications for excise duties refund were found.

In 46 controls of holders of excise licenses or permits and retail and wholesale traders, as well as on ground of previously conducted controls, the customs inspectors found 23 cases of underpaid excise duties in an amount of about MKD 371.03 million denars and 4 excise offences were detected.

VII.4.6. SUBSEQUENT COLLECTION OF IMPORT AND EXCISE DUTIES

In 2020 Customs passed 1,680 Decision for subsequent collection of import duties in total amount of 435.10 million Denars, of which:

2020

- Inappropriate tariff classification – 128 Decisions (collection of 13.12 million denars);
- Undervaluation – 5 Decisions (collection of 0.53 million Denars);
- Invalid proofs of preferential origin – 153 Decisions (collection of 14.67 million Denars);
- Other grounds – 409 Decisions (collection of 29.84 million Denars)and
- Failure to observe excise related regulation: 985 Decisions (collection 376.94 million Denars)

VII.4.7. CRIMINAL CHARGES

2020

24 cases of criminal charges brought against 28 individuals and 12 legal entities.

2019

46 cases of criminal charges brought against 50 individuals and 19 legal entities.

VII.4.8. MISDEMEANOR CHARGES

358 misdemeanor charges against 242 individuals and 116 legal entities

2020

825 misdemeanor charges against 412 individuals and 413 legal entities

2019

Solved 689 misdemeanor cases, the offenders find with 10 million Denars.

2020

Solved 969 misdemeanor cases, the offenders find with 26 milion Denars.

2019

2.323 On-the-spot against 499 individuals, 912 legal entities, fines amounting to 13,97 milion Denars.

2020

3.465 On-the-spot against 723 individuals, 1.371 responsible persons in legal entities and 1.371 legal entities, fines amounting to 56,7 million Denars.

2019

VIII. TRANSPARENCY AND COOPERATION IN THE AREA OF CUSTOMS

VIII.1. PUBLIC RELATIONS

The transparency of an institution is crucial in establishing good relations with all target groups and building a favorable publicity, good institutional image and prevention or resolution of adverse effects. In that regard in 2020, regular announcements were published about the activities of the Customs Administration, novelties introduced in the customs operations, as well results in detected undeclared and counterfeit goods and customs frauds.

VIII.1.1. EVENTS

26TH JANUARY INTERNATIONAL CUSTOMS DAY "CUSTOMS FOSTERING SUSTAINABILITY FOR PEOPLE, PROSPERITY AND THE PLANET"



On this occasion, Customs Director General Gjoko Tanasoski, traditionally awarded certificates of merit from WCO Secretary General Kunio Mikuria to individuals, institutions and organizations, who stood out with their proactive actions to ensure sustainable progress for citizens, society and the planet. In recognition of the great commitment and engagement, several customs officers received certificates of merit since they particularly supported the application of the New Customs Declaration and Excise Document Processing System (CDEPS) and the shift to digitalization.

28 YEARS CUSTOMS ADMINISTRATION



14th April 2020 marked 28 years since the Customs Administration became independent and sovereign, gaining control over the customs territory of the Republic of North Macedonia. Considering the health circumstances the Customs Day could not be celebrated in the traditional way, so it was marked with a video address by the Director General who presented the results of 2019. Finance Minister and WCO Secretary General Kunio Mikuria congratulated the Customs Day to all customs officers.

On the occasion of the Customs Day, the employees of the Customs Administration selflessly donated funds (111,400 denars) as part of the humanitarian action conducted each year. In cooperation with the Red Cross of the Republic of North Macedonia, 50 packages of food products were donated to the elderly and disabled.

BORDER CROSSING POINT BELANOVCE-STANCIC OFFICIALLY OPENED



BCP Belanovce-Stancic, which connects the regions of Kumanovo and Gjilan in Kosovo was officially opened. This border crossing point is expected to improve the business activities and trade and will enable citizens from the neighboring municipalities in both countries to connect.

The border crossing was built with EU funds, under IPA program. The facility costs 1.2m Euros provided by the EU and 10 % state support. The construction of the 15km road from the village of Slupchane to the border crossing Belanovce is financed by the state and costs 6 million euros.

THE CUSTOMS ADMINISTRATION WITH THE HIGHEST SCORES IN THE 2020 EUROPEAN COMMISSION REPORT



The Customs Administration, as part of the preparations for the Republic of North Macedonia's preparations for accession to the European Union, continuously introduces new IT customs procedures systems.

Acknowledgement of the successful activities for facilitation of customs procedures is the recognition the Customs Administration received in this year's EC Report on the progress of the Republic of North Macedonia in joining the EU.

Chapter 29 - Customs Union has the highest score given in this report with the conclusion that the Customs Administration has made good progress in the previous year and maintains a good level of preparedness in the area of Customs Union.

The concept of digital customs became reality and this was acknowledged in the EC report : "The country has completed, applied and maintained a new electronic system for processing customs declarations and excise documents (CDEPS)".

The report also states that One-stop shop border control with Serbia has been established, enabling more successful detection rates of illegal cross-border activities, thus increasing security.

The harmonization of the customs legislation with the EU legislation, introduction of the concept of Authorized Economic Operator (AEO), improved inter-institutional cooperation, participation in international operations to combat illicit drug trafficking, counterfeiting and excise goods, weapons, explosives, hazardous waste and chemicals, wildlife and plants, cultural goods and the fight against trafficking in human beings, etc also contributed to the good score.

VIII.1.2. INTERNATIONAL COOPERATION

DONATIONS



The British Embassy donated a new sophisticated handheld vehicle scanner, intended for the mobile customs teams as a standard tool used in everyday operations.

The EXBS Program of US Embassy donated protective and technical equipment aimed at improving the capacity of the control system of the Customs Administration.



The United Nations Office on Drugs and Crime (UNODC) donated \$ 5,000.00 worth of personal protective equipment to the uniformed officials of the Customs Administration and the Border Police for adequate protection in the performance of their regular duties during the COVID 19 pandemic.

WORKING MEETINGS



28.01.2020

Bilateral meeting with senior representatives of Austrian Customs who presented details on the upcoming activities of the new IPA project which will be focused on Chapters 16 - Taxation and 29 - Customs Union, and which will be realized with the expert assistance of Austria.

28.02.2020

5th Informal Regional Meeting of the Directors of the Customs Administrations of the Western Balkans held in Ohrid with the main goal of preparing a joint approach of the customs services from the region to promote economic cooperation and address the problems in the Western Balkans.

03.03.2020

Working visit of the Dutch Ambassador Dirk Jan Kopp, recognizing the progress made by the Republic of North Macedonia in the past period putting particular attention to the progress of the Customs Administration in all fields, especially in the area of digitalization and development of IT systems towards achieving a complete uncharity environment.

28.07.2020

The European Union and the German Federal Ministry for Economic Cooperation held a virtual kick-off meeting for a new project "Support to Regional Economic Integration" which aims to strengthen trade relations and further deepen economic integration between the CEFTA parties.

12.08.2020

Meeting with UNODC to inform and agree on joint activities within the regional project for promotion of the rule of law and good governance through targeted border control measures at ports and airports.

06.10.2020

Meeting between the Customs Director General with Emma Harper, representative of the British Embassy in Skopje who discussed the successful cooperation between the Macedonian Customs and HMRC Revenue and Customs, as well as future plans for intensified action to facilitate transport and trade.

27-28.10.2020

In cooperation with the United Nations Economic Commission for Europe (UNECE) and the World Bank, the Customs Administration hosted the 3rd Annual Conference on One-Stop-Shop Data Exchange System in the Western Balkans. Support and recognition of the Western Balkans countries was given to move towards European integration and get closer to the standards for digital information exchange, in relation to dealing with the consequences of the Covid-19 pandemic on trade and transport.

10.12.2020

Protocol meeting between the Customs Director General with Georgi Hristov, Bulgarian Consul in Skopje and Martin Zahariev, Attaché. At the meeting, the Director presented the future projects and plans of the Customs Administration for infrastructure improvement and modernization of the border crossings with the Republic of Bulgaria, with the ultimate goal of facilitating transport and trade.

IN 2020, THE CUSTOMS ADMINISTRATION CHAIRED THE CEFTA SUBCOMMITTEE ON CUSTOMS AND RULES OF ORIGIN

CEFTA ACTIVITIES



27.02.2020 Within the CEFTA conference "Looking backwards moving forward" held in Tivat, Montenegro, organized by GIZ, CEFTA and the European Commission, the Director General of the Customs Administration Gjoko Tanasoski, as a panelist and Chairman of the CEFTA Subcommittee on Customs presented the achievements of the Customs Administration in the field of trade facilitation and digitalization.

20.03.2020 At the initiative of the Customs Administration, a meeting of experts from the CEFTA member states, the CEFTA Secretariat, the Regional Cooperation Council, the Transport Community, the EU Directorate-General for Enlargement and the Directorate-General for Taxation and Customs - was held via video conference. The purpose of the meeting was to ensure free transit within CEFTA (establishment of the so-called "Green Corridors"), particularly for basic goods - medical supplies and food, cooperation with agencies involved in customs clearance of goods, electronic exchange of information before the arrival of goods between the CEFTA members and possible connection with the EU member states.



14.05.2020 The 19th Meeting of the CEFTA Subcommittee on Customs and Rules of Origin was held. The meeting was focused on the start of the international recognition of the Authorized Economic Operator - AEO authorizations at CEFTA level. The delegates expressed satisfaction with the rapid establishment and functioning of the "Green Corridors" and also discussed the application of this type of corridors in the future for goods of authorized economic operators and perishable goods.

07.07.2020 based on the positive experiences and achieved expectations, not only of the customs services, but also of all stakeholders involved in international trade, it was concluded that the introduced and functional "Green Corridors" should remain operational in the future, until the end of the pandemic.



22.09.2020 the successful measures to facilitate trade in conditions of health crisis at the BCP Tabanovce were presented during the official visit of senior representatives of the CEFTA Secretariat, the EU Transport Community and the Regional Cooperation Council.

29.09.2020 A consultative meeting was held via video conference to agree on activities to further facilitate the movement of goods, which will be covered by the next Multi-annual Action Plan - Regional Economic Area 2021-2024 (MAP REA 2021-2024)

17.10.2020 The 20th Meeting of the Subcommittee on Customs and Rules of Origin was held, where the members of the Subcommittee - Customs Administrations of the CEFTA Parties opened a debate on the implementation of the revised Regional Convention on Pan-Euro-Mediterranean Rules (PEM Convention) and considered the possibility of extending the cumulation of origin by amending the Free Trade Agreements with the European Union, the European Free Trade Association (EFTA) and Turkey.

05.11.2020 Meeting of the Ministers of Economy of the Berlin Process for the Western Balkans where the achieved results were presented within the Multi-annual Action Plan for Regional Economic Area with special emphasis on cross-border e-commerce.

12.11.2020 The 17th Meeting of the Subcommittee on Trade, Industry, Customs and Taxation between the Republic of North Macedonia and the European Union was held via video conference. This is the highest forum for dialogue and exchange of experience on the progress made in the field of European integration and the adoption of the Acquis Communautaire.

17.12.2020 A panel discussion was held at the conference "Week dedicated to CEFTA" which reviewed all activities to address the challenges of the Covid-19 pandemic, to reduce uncertainty and declining economic activity.

VIII.1.3. CUSTOMS COOPERATION

GRANT FROM SOUTH KOREA FOR A MODERN DIGITAL CUSTOMS ADMINISTRATION



On 2nd June 2020, the project "Modernization of the Customs Administration of the Republic of North Macedonia" started, funded by the Government of South Korea. The objective of the project is to support the capacity building of the Macedonian Customs Administration, particularly in the area of express shipments, detection of illegal financial flows, as well as risk analysis in e-Commerce.

CUSTOMS DIRECTOR GENERAL IN A MEETING WITH THE GENERAL DIRECTORS OF THE CUSTOMS ADMINISTRATIONS FROM ALL OVER THE WORLD

On June 25, 2020, a meeting of the Directors General of the World Customs Organization (WCO) was held. In the wake of the Covid-19 pandemic, the meeting took place via video conference. At the meeting, after the comments of the Chairman of the Council and the WCO Secretary General, the proposed amendments to the Harmonized System - version 2022 were accepted in a shortened procedure, approved by the Harmonized System Committee. The recommendations from the 103rd session of the Finance Committee were approved, and the extension of the mandates for certain management positions of the working bodies of the Council was confirmed and the nominations for the working structures responsible for issues in the field of policy, audit and finance were accepted.

6th ANNUAL MEETING AND 5th TECHNICAL MEETING OF THE GROUP OF AIRPORTS IN SOUTHEAST EUROPE

On 13th November 2020, the 6th Annual Meeting and the 5th Technical Meeting were held within the South East European Airports Cooperation Group (CGSEEA). CGSEEA was established at the suggestion of Pompidou Group's Airports Group to develop regional activities tailored to the specific needs of airports in South East Europe.

137TH SESSION OF THE WCO COUNCIL OF HEADS OF CUSTOMS

On 10th December 2020, the 137th Extraordinary Virtual Meeting of the WCO Council of Heads of Customs was held, to discuss several topics and determine guidelines for future activities. The delegates discussed the reports of the various WCO committees, which are subject to approval by the council.

VIII.1.4. INTERINSTITUTIONAL COOPERATION

17.09.2020 - Working meeting held between representatives of the Customs Administration and the Deputy Prime Minister for European Affairs Nikola Dimitrov - Secretariat for European Affairs.

24.09.2020 Presentation / training for the employees of the State Sanitary and Health Inspectorate (SSH) on the new RAVIO module, developed within the EXIM system that serves for automatic monitoring and stopping of COVID 19 positive individuals trying to get out from the airports from the state. This module was developed due to the needs of the State Sanitary and Health Inspectorate, in close cooperation with the Customs Administration.

19.11.2020 Online lecture for 3rd year students at the Faculty of Economics at the University "Goce Delchev" from Shtip by the Director General of the Customs Administration.

07.12.2020 The 5th meeting of the National Trade Facilitation Committee was held to announce introduction of a completely paperless environment for all customs procedures.

09.12.2020 The 1st Steering Committee meeting of the National Single Window development and implementation Project was held via video conference, chaired by Deputy Prime Minister for Economic Affairs Fatmir Bitiqi. The Customs Administration is the leading agency and coordinator of the activities in this project, which is realized as a component within the Trade and Transport Facilitation Project in the Western Balkans, financed with a loan from the World Bank.

16.12.2020 Through an online platform, Customs representatives participated in the public debate on "2021-2024 Tax System Reform Strategy", organized by the Ministry of Finance. The institutions of RNM that contributed to the preparation of the Strategy and will be involved in its implementation are the Ministry of Finance, the Public Revenue Office, the Customs Administration, the Financial Intelligence Office and the Financial Police Directorate.

18.12.2020 The Director General of the Customs Administration, Gjoko Tanasoski, delivered online lecture for students at the "Mother Teresa" University so that they can get acquainted with the novelties the Customs Administration introduces in the work processes. Lectures given to students from higher education institutions are part of the joint activities prescribed in the memoranda of cooperation through which the symbiosis of science and practice is maintained.

VIII.1.5. COOPERATION WITH THE BUSINESS COMMUNITY

Several meetings with the business community were organized to strengthen the cooperation with the business community, which is a key factor for building trust, promoting good governance and speeding up and simplifying the customs procedures.



06.02.2020 Customs Director General paid a visit to the Municipality of Delchevo, a city on the border with an EU member state, in order to present the novelties in customs operations aimed at facilitating cross-border movement of people and goods to the businessmen from the region. During the visit, the companies "Krzno DOOEL", a company for production of work clothes and "Alpi Com", a company that deals with the production of veneer and crushed veneer elements, a presentation of the working production processes was made and the current situation and business climate were discussed.

18.02.2020 Customs Director General visited the factory for automobile parts "Telamon" which is considered one of the largest companies in the United States, based in Europe in the Republic of North Macedonia. At the meeting, emphasis was placed on the further simplification of the customs procedures and the beginning of the application of the local customs clearance within the factory.

19.03.2020 A meeting was held at the Ministry of Economy between representatives of the Ministry of Finance, the Customs Administration, the State Market Inspectorate and producers from the food industry.

19.03.2020 The Director General of the Customs Administration attended a meeting with the largest exporters from the country, directly affected by the new COVID 19 situation, which took place at the premises of the Chamber of Commerce.

26.06.2020 An online meeting was held with the Advisory Council of the Customs Administration concerning the upcoming projects. The representatives were informed about the further development of digital customs and e-customs system, the development of a new single window system - EXIM and the plans for further modernization and digitalization of the work of the Customs Administration.

01.10.2020 The Director General of the Customs Administration attended the traditional meeting with the transporters which focused on the challenges and consequences of the Covid-19 pandemic. The Director General of the Customs Administration stressed the importance of mutual cooperation with all agencies and Ministries in the Government of the Republic of North Macedonia, where exceptional efforts were made to maintain economic activity in order to keep the borders in the region open during the corona crisis.

26.11.2020 The Director General of the Customs Administration officially opened the second day of the e-commerce Conference. Emphasis was placed on cross-border e-commerce and the common regional market, which will open the way for our country to deepen regional economic integration and the EU market in the future.

03.12.2020 As part of its regular activities for intensification of contacts with the business sector in the Republic of North Macedonia, the Director General of the Customs Administration paid a working visit to "Technical Textile", "Grand Tex LTD", and "Bioreaser - M". The purpose of the visit was to get acquainted with the working processes of the companies, and the current situation and business climate in the country were discussed.

06.12.2020 The Director General of the Customs Administration together with Fatmir Bitiqi, Deputy Prime Minister in charge of economic affairs, coordination of the economic departments and investments and Konstantin Georgieski, Mayor of the Municipality of Ohrid paid working visits to the companies "ASP-PAK", "LTH - Learnica "and" Kostal "from Ohrid. The purpose of the visit of the companies was to get acquainted with their work processes, to inform the representatives of the companies with the future projects of the Government and the Customs Administration, as well as the possibilities of applying simplified customs procedures.

14.12.2020 To further promote the working material under the motto "For a stronger Macedonian economy in the post-Covid-19 period", the Chamber of Commerce organized a press conference at the Tabanovce border crossing on the "Priority steps to stimulate economic activity and export growth." The Customs Administration, as a proven partner of the business community, has made efforts throughout the past year to facilitate the export of economic operators and to ensure the smooth transit of goods.



VIII.2. CUSTOMS HOTLINE 197

24 ЧАСА ДЕЖУРЕН ЦАРИНСКИ ЦЕНТАР

197

In 2020, a total of 5,021 calls were received on the 197 Customs Hotline, which is an average of 14 calls per day.

„A“ class – 18 calls, „B“ class – 13 calls, „C“ class – 260 calls и „D“ class – 61 calls



Most of them were related to the operation of and conditions at the borders and inland customs offices, as well as manner of conducting particular customs procedures. As a result of the processed calls received on the customs hotline, controls were conducted by the border and inland customs offices, as well as by the Customs Mobile Teams. The competent services processed, analysed and conducted investigations, under their competences.

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

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

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

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



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

DESIGN & PRINT:
GRAFO PROM - BITOLA

NUMBER OF COPIES: 130



РЕПУБЛИКА СЕВЕРНА МАКЕДОНИЈА
ЦАРИНСКА УПРАВА
ЦАРИНА • CUSTOMS

