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I. EDITORIAL

In 2015, the Customs Administration successfully persevered with achieving its vision and mission of being a modern and efficient service for the citizens, the economic operators and the country.

The Republic of Macedonia became part of the transit system of the European Union. The accession of Macedonia to the Conventions on a Common Transit Procedure and on the Simplification of the Formalities in Trade in Goods provided for single movement of goods within the territories of the Member States, 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 devoted striving for realization of the economic policies of the Government of the Republic of Macedonia focused on maintenance and improvement of competitive economic environment, by means of continuous proposals and implementation of measures for trade and transport facilitation, resulted in ranking of the Republic of Macedonia in the latest Doing Business Report on the high 26th position concerning the “Trading Across Borders” indicator among 189 countries worldwide, which is an improvement of 101 places, compared to the ranking in 2007, when the Republic of Macedonia was ranked 127th.

Not forgetting its traditional mission to protect the financial interests of the country through timely and efficient collection of the budget revenues, in 2015 the Customs Administration col-

lected 67,233.72 million Denars, which is 6.6% more than the revenues collected in 2014 and 1.8% more than the planned revenues to be collected for 2015.

The successful realization of the activities for accession to the EU Customs Union was noted in the European Commission Progress Report on the Republic of Macedonia, published in November 2015. In particular, the Republic of Macedonia was evaluated with high grade of four for the Chapter 29 – Customs Union and a conclusion that the country has made good progress in the past year and has a good level of preparedness in the area of Customs Union.

The Report of the State Commission for Prevention of Corruption on the implementation of the State Programme for Prevention and Repression of Corruption and Conflict of Interests 2011-2015, notes that, out of 11 sectors, the Customs Administration has reached highest level of realization of the activities.

The success in our work does not happen by chance and it does not come overnight. It is a result of long, focused, patient and team work of the professionals of the Customs Administration.

CUSTOMS

2. CUSTOMS RELATED LEGISLATION

Amendments to the Customs Law were adopted in 2015, deferring the application of the provisions of the Customs Law concerning the use of entry and exit summary declarations in the EU Member States postponed until the accession of the Republic of Macedonia to the EU.

Accordingly, amendments were made to the Customs Law Implementing Regulation. The Regulation was also amended to:

- define the rules applied for single transit guarantee for multiple use;
- extend the validity of the authorization for inward processing from 9 to 12 months, if the holders of the authorizations meet the economic requirements;
- defer the application of the provisions concerning mandatory electronic export declaration;
- enact the issuing of the Certificate of origin FORM A (proof of origin according to the Generalised System of Preferences) by all Chambers of Commerce, for the purposes of trade facilitation and equal access to the market.

In January 2015, Amendments to the Rulebook on Mandatory Data to be entered in the registered records and the record form was adopt-

ed. The amendments stipulate exemption from entering data in the box for tariff code in cases of import and export of domestic goods into and from the Technological Industrial Development Zones, which significantly facilitates the procedure of import and export of domestic goods into and from the TIDZs.

In February 2015, Amendments to the Rulebook on the manner of the completion of the customs declaration and the List of codes used were adopted in order to make a distinction between the Entry Veterinary Documents for live animals and products of animal origin during import and transit.

In March 2015, Amendments to the Rulebook on the type and amount of customs fees collected for services rendered in the customs procedure, excluding payment of this fee for transit declarations submitted and accepted in accordance with an international agreement that the Republic of Macedonia has signed or ratified, i.e. for customs declarations lodged

and accepted under common transit procedure, via the New Computerised Transit System (NCTS), was adopted.

CUSTOMS TARIFF

In 2015, amendments to the Customs Tariff Law were adopted to:

- ensure further alignment of the normative part of the Law with the Council Regulation (EEC) No. 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff, thus fulfilling the obligation of the Republic of Macedonia as a candidate country to transpose the Acquis in the national legislation, as defined in the National Programme for Harmonization of the Legislation with the Acquis and also providing for legal basis for uniform application of the Customs Tariff.
- reduce the customs rates for 20 tariff codes related to cattle leather, raw materials used for production of electric cable installations for the automobile industry, in order to ensure alignment with the customs rates in the South Eastern Europe and improve the competitiveness of the Macedonian economy.

Decision for harmonization of and amendment to the Customs Tariff 2016 was passed, in conformity with the amendments to the Customs Tariff Law. The harmonization of the Customs Tariff 2016 concerns the system of designation and numeric codes (nomenclature), units of measurement, as well as notes about the relevant sections and chapters in the EU Combined Nomenclature. The harmonization of the Combined Nomenclature 2016 included adding 61 new tariff codes, as sub-division of tariff sub-headings of the Harmonized System and erasing of 29 tariff codes due to decreased volume of exchange.

EXCISE

Consolidated version of the Law on Excises was published in the Official Gazette of the Republic of Macedonia, to ensure easier reference and use.

To ensure easier application of the excise

stamps on alcoholic beverages, amendments to the Rulebook for implementation of the Law on Excises were adopted to include two new types of excise stamps for marking by-products and alcohol and smaller dimensions of the type 2 excise control stamp for by-products and alcohol.

The amendments also lay down the quantity of petroleum coke to be dispatched from an excise warehouse.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

New Law on Customs Measures for Protection of Intellectual Property Rights was adopted in May 2015 (“Official Gazette of the Republic of Macedonia” No.88/15). It is structured on the basis of the new EU Regulation No. 608/2013. This Law regulates the conditions and the procedures in cases of customs actions for protection of intellectual property rights, on grounds of existing doubts about infringement of these rights and in cases of customs surveillance and customs control on the customs territory of the Republic of Macedonia, carried out in conformity with the customs regulations, in the cases as regulated by this Law.

New Regulation on the manner of allocation of goods abandoned free of charge by a state authority, defining the procedure of donating goods to vulnerable categories (beneficiaries of social welfare or persons hit by natural disasters), was published in August 2015 (“Official Gazette of the Republic of Macedonia” No. 139/2015), along with the form of Report on goods abandoned free of charge by state authority.

New Regulation on the manner of allocation of goods abandoned free of charge by a state authority, defining the procedure of donating goods to vulnerable categories (beneficiaries of social welfare or persons hit by natural disasters), was published in August 2015 (“Official Gazette of the Republic of Macedonia” No. 139/2015), along with the form of Report on goods abandoned free of charge by state authority.



ALIGNMENT WITH THE LAW ON OFFENCES

REDUCED FINES FOR CUSTOMS AND EXCISE RELATED OFFENCES

The Laws regulating customs matters were amended to ensure alignment with the amended Law on Offences, regarding the amounts of fines for committed customs and excise related offences that are now significantly reduced. Rulebooks prescribing the form and the contents of the Order for mandatory payment of fine were also passed.

Reduced maximal amount of fines for the less grave customs offences

Legal entity

30.000 EUR



5.000 EUR

natural entity

5.000 EUR



750 EUR



Reduced maximal amount
of fines for the graver
customs offences

Legal entity

100.000 EUR



15.000 EUR

natural entity

15.000 EUR



2.250 EUR

ALIGNMENT WITH THE LAW ON GENERAL ADMINISTRATIVE PROCEDURE

All laws in competence of the Customs Administration were aligned with the amended Law on General Administrative Procedure by abolishing the possibility administrative procedure of second degree and introducing possibility to directly proceed to administrative dispute.

3. EU INTEGRATION

The Customs Administration of the Republic of Macedonia is fully committed to introducing customs system completely compatible with the EU Customs System. The activities for implementation of the National Programme for Harmonization of the National Legislation with the Acquis Communautaire, further alignment of the legislation and accession to the international conventions were intensified.

CONNECTION WITH THE EU CUSTOMS IT SYSTEMS

COMMON TRANSIT SYSTEM WITH THE EU AND EFTA COUNTRIES

On 1st July 2015, the Republic of Macedonia became part of the transit system of the European Union. The accession of Macedonia to the Conventions on a Common Transit Procedure and on the Simplification of the Formalities in Trade in Goods provides for single movement of the goods on the territories of Member States, 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 each Contracting Party to the Convention. This means that the transit procedures that have started in a Customs Office in Macedonia can be completed, for example, in a Customs Office in Germany and in vice-versa, without any delays at the border crossing points and without submission of a separate transit declaration in each country of transit. This transit declaration, at the same time, is used as a so-called entry summary declaration to any EU Member States, which is further facilitation for the national economic operators, because previously, according to the EU regulations, the submission of this document was mandatory.

Furthermore, one single bank guarantee is also used to ensure the customs debt in all Contracting Parties to the Convention. This guarantee is charged at the Customs Office of departure; it is

electronically tracked and automatically released at the moment of arrival of the goods in unal-

The Republic of Macedonia is the first country of the Southeast European countries that joined the EU common transit system.

tered state at the Customs Office of destination. Considering that the data on the goods are available to all Customs Offices of transit and to the Customs Office of destination electronically from the moment of acceptance of the transit declaration at the Customs Office of departure, the time of stay of vehicles at the customs terminals for physical examination is significantly reduced, since it can be planned in advance before the arrival of the goods, on the basis of the applied risk analysis.

The Customs Administration provided the possibility for the freight forwarding agents to use an application for electronic processing of the transit declarations free of charge, available on the Customs administration's web site, with 24/7 technical support by the Customs Call Centre via the 197 Customs Hotline, in cases of technical obstacles in the transit procedure.

From the aspect of European integrations, the accession to the Common Transit System that includes 28 EU Member States, four EFTA coun-

The accession to the Convention on a Common Transit Procedure provides for greatly facilitated exchange with the EU and EFTA countries and Turkey that are most important partners of Macedonia in the international trade.



tries and Turkey, is a key point in the pre-accession strategies, considering the fact that Macedonia became part of the EU Customs System before its accession to the EU. From an economic point of view, the accession offers the following benefits: facilitation of the exchange with the EU, EFTA and Turkey; additional value to the Corridors 8 and 10 at international level; improved rating of Macedonia in the reports of several relevant international organisations.

In general, the movement of goods in the common transit procedure is easier and faster, the customs formalities are simplified, and the transit is more efficient. With regard to the benefits for the Customs Administration, the common transit procedure ensures better system of prevention and detection of frauds and higher level of security of the transit operations.

In the period July-December 2015, the Customs Offices of the Republic of Macedonia processed a total of 1,650 customs declarations submitted in common transit procedure (transit started from Macedonia to EU and EFTA countries). In the same period, 1,036 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 destination). 434 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 December 2015, 122 authorizations were issued for the economic operators that allow access to the NCTS and 31 authorisations for principals enabling use of bank guarantee in a common transit procedure.

The Customs Administration shall continue to promote the benefits for the economic operators from the use of common transit procedure.

CUSTOMS 2020 - Programme of the European Commission

The participation of the Customs Administration of the Republic of Macedonia in this programme is of great importance because it provides cooperation, exchange of information and best practices with the customs administrations of the EU Member States, the candidate countries and the potential candidate countries.

By attending meetings, seminars and workshops and participation in the working groups of the EU bodies the Macedonian customs officers are timely informed about the activities taken and planned by the EU Member States for improvement of customs work and realisation of the strategic policies and objectives of the EU.

41 representatives of the Customs Administra-

tion took the opportunity to establish closer contacts with the colleagues in other countries and exchange knowledge, expertise and experience under this programme in 2015.

TAIEX - Technical Assistance and Information Exchange Instrument of the European Commission

Several workshops were realized through the TAIEX instrument in 2015, covering different topics:

- cross-border cooperation in the fight against the criminal activities related to vehicles, particularly heavy machinery (equipment for seeding and construction, trucks, buses);
- risk assessment and physical and documentary control;
- customs procedure in postal traffic and
- revision of the Regional Convention on pan-Euro-Mediterranean rules of preferential origin.

EXBS - Export Control and Related Border Security Programme of the US Embassy in Skopje

Under the EXBS Programme of the US Embassy

in Skopje, 76 customs officers took part in 9 activities, including:

- training on interdiction of weapons of mass destruction (with Macedonian trainers);
- training on Operation of Small Boats by the United States Coast Guard;
- places used for concealment in trains;
- tackling the challenges in the implementation of transit control for the strategic goods with and without trans-shipment;
- control of strategic trade and familiarization with the export control system of Poland;
- prevention of corruption and
- prevention of illegal activities related to commercial motor vehicles and use of the MINI Z hand-held X-ray system.

IPA PROJECTS

Under the National Programme for use of the funds of the Instrument for Pre-accession Assistance (IPA), the Customs Administration is a beneficiary in the following projects:



I FURTHER ALIGNMENT OF THE NATIONAL LEGISLATION WITH THE ACQUIS

1. Harmonization of the legislation and procedures with the Acquis and EU best practices related to excise (IPA 2010), the implementation of which started in June 2015 and is realized with the assistance of the Customs Service of Austria. The objective is to fully align the national excise-related legislation with the EU Acquis and strengthen the administrative and operational capacities of the Customs Administration in the process of implementing EU standards in this area.
2. Finalization of the preparation for the accession to the Convention on a Common Transit Procedure (CTC) and to the Convention for Simplification of Formalities in Trade in Goods (IPA 2010), which started in the second half of 2014, with the assistance of the Customs Service of Slovenia, following the introduction of the NCTS. This Project's objective is to complete the last preparations (within 24 months) in the legislation and the internal procedures for accession to the Convention on a Common Transit Procedure.

II ENHANCEMENT OF THE ADMINISTRATIVE CAPACITY FOR INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT

Administrative Capacity Building to fulfil the requirements for accession - Enforcement of Intellectual Property Rights (IPA 2011), whose main objective is to ensure further alignment of the national legislation with the EU Acquis, enhance the capacities, raise the public awareness about the protection of intellectual property rights. The project was launched in January 2016 and will be implemented within the following 19 months.

The twinning project is realized together with the Danish Patent and Trademark Office and the State Institute for Industrial Property. The Project is supported by and includes the following institutions: the Ministry of Interior, the State Market Inspectorate, the Academy of Judges and Public Prosecutors and the Ministry of Culture.

III TECHNICAL ASSISTANCE FOR CUSTOMS IT SYSTEMS TESTING

Technical assistance for testing the functionality and the interconnectivity of the Customs IT Systems in the Customs Administration (IPA 2011). The project will help fulfil the EU conformity requirements and verify the compatibility of the interfaces and interoperability between the Customs Declarations and Excise Processing System (CDEPS) and the New Computerised Transit System (NCTS), the Integrated Tariff Environment (ITE) - EU systems, the Import Control System (ICS), the Export Control System (ECS) and the EU Excise Movement and Control System (EMCS).

IV UPGRADE OF THE BORDER CROSSING POINTS TABANOVCE AND KJAFASAN

Technical assistance for preparation of blueprints for the project designs, project designs and drafting tender dossiers for the works at the road Border Crossing Tabanovce and road Border Crossing Kjafasan (IPA 2011), which will provide assistance for preparation of the technical documentation for upgrade of the road border crossing points Tabanovce and Kjafasan.

Upgrade of the customs clearance facilities at the road Border Crossing Tabanovce (IPA 2012), which includes extension of the present customs terminal for import and export of goods for additional 4000 m², and construction of accompanying facilities. The construction works are expected to start in the fourth quarter of 2015 and to be completed in 2018.

Upgrade of the customs clearance and inspection facilities at the road Border Crossing Kjafasan (IPA 2013), under which new import-export terminal of 9500 m², access roads, premises for customs clearance and for other inspection services will be constructed, and the existing facilities will be reconstructed. The reconstructed border crossing is expected to be commissioned in 2018.

The realisation of the last two projects will significantly improve the infrastructure of both border crossing points and will increase the traffic flow capacity, reduce the waiting time for border formalities, enable use of modern inspection equipment and faster and easier exchange and transport along the Pan-European Corridors 8 and 10.

4. HUMAN RESOURCES

THE HUMAN RESOURCES ARE THE MOST IMPORTANT CAPITAL OF THE CUSTOMS ADMINISTRATION

In the process of modernization, the Customs Administration pays great attention to introducing modern principles of human resources management, improving the training system based on the present needs, future challenges and motivating instruments that encourage to enrichment and cumulative development of the professional knowledge and expertise of the customs officers. All this should ensure constancy of the expected quality performance and should encourage taking initiative, new ideas for improvement and far-reaching visions for future development.

FOUNDATIONS

The Amendments to the Law on Customs Administration, adopted in March 2014 and defining the level and category of the customs officers now classified in 3 categories (category B – managing customs officers, category C – professional customs officers and category D – assisting professional customs officers) entered into force in February 2015. To ensure alignment with the amended Law on Customs Administration, the internal acts regulating the organization of the Customs Administration and systematization of the job positions in the Customs Administration were passed in October 2015, thus completing the reorganization of the Service.

In November 2015 the Director General of the Customs Administration and the Independent Union of the Customs Administration signed a new Collective Labour Agreement of the Customs Administration, providing for greater rights and strictly defined responsibilities of the Customs Administration's employees.

The continuous success of every institution, development of productivity and inventiveness of the employees are conditioned by training, rewards and appropriate human resources management. For that purpose in 2015, the Customs Administration adopted new Rulebooks on the system of rewarding and promotion of customs officers.

New Rulebook on the official uniform, insignia of ranks and the method of awarding, as well as the use by customs officers, prescribing the type, the cut and colour of the official uniform was passed.

Measurement of the social climate

The opinion of the employees about the organizational structure, management and professional development at the Customs Administration is of particular importance to define a better human resources development strategy, to improve the quality, and to accomplish the Customs Administration's mission and its objectives. With the aim to take into consideration the employees' opinion, the Customs Administration conducted a poll for measurement of the social climate at the job posts.

The results of the poll carried out in 2015, led to conclusion that 87% of the employees think that the social climate at the Customs Administration is excellent and good.

Adopted

- New Rulebook on systematization of the job positions,
- New Rulebook on organization,
- New Collective Labour Agreement



New, modern and practical official uniform was prescribed with completely different design.

Employment

Only precisely defined and fixed human resources management policies can ensure the Customs Administration develops into a professional service, capable to deal with the challenges arising in the process of European integration and would enable to reach the strategic objectives.

At the end of 2015, the Customs Administration had 1.135 employees, 2 with a status of office-bearers (Director General and Deputy Director General), 1.014 with a status of customs officers, 12 are civil servants and 107 are employees, in accordance with the Labour Relations Law.

In terms of degree of education, 31 employees are master degree holders, 633 have university education, 19 are college-educated, 423 are with secondary education and 28 have education of a different kind. 56% of the employees of the Customs Administration have university education.

NUMBER OF EMPLOYEES AT THE CUSTOMS ADMINISTRATION			
Organisational unit		2014	2015
1.	Office of the Director General	10	9
2.	Department for International Cooperation, Projects and European Integration	6	5
3.	Internal Audit Department	3	3
4.	Department for Administrative Procedure and Court Representation	16	16
5.	Department for Customs Offence Procedures	27	11
6.	Department Customs Call Centre	18	16
7.	Sector for Human Resources Management	17	19
8.	Sector for Administrative and Technical Matters	183	178
9.	Sector for Information and Communication Technology	28	29
10.	Sector for Accountancy and Finance	39	39
11.	Sector for Professional Responsibility	15	15
12.	Sector for Customs System	29	41
13.	Sector for Excises and Non-tariff Measures	17	20
14.	Sector for Control and Investigation	91	92
15.	Regional Customs House Skopje	214	215
16.	Regional Customs House Bitola	119	125
17.	Regional Customs House Gevgelija	127	124
18.	Regional Customs House Kumanovo	122	124
19.	Regional Customs House Shtip	54	54
Total:		1135	1135

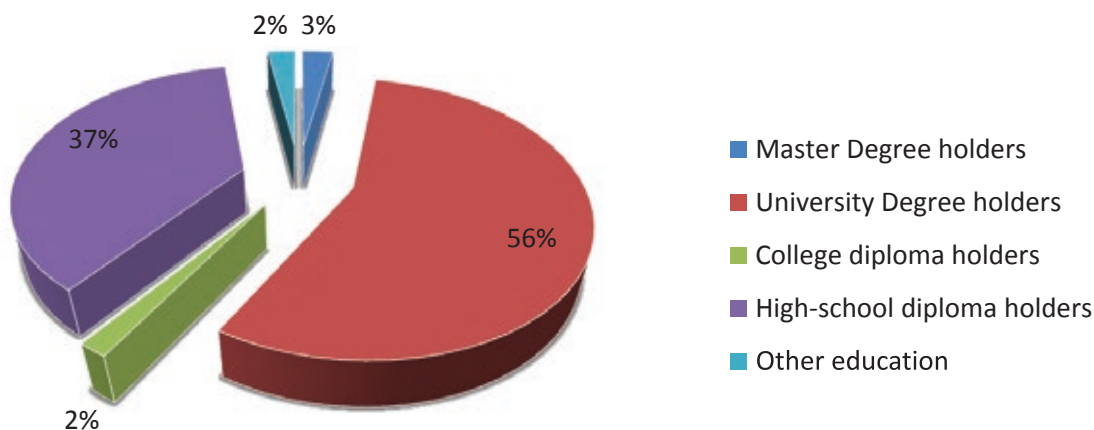
Training and professional development

The system of training and professional development, being a key precondition to successfully achieve the strategic and operational objectives, is based on the human resources policies of the Customs Administration. Permanent training of the customs officers is only one segment of the strategic priority Invest in people.

courses, e-learning courses and presentations;

- Organized 286 activities for professional development of customs officers, attended by 3.587¹ participants. Each participant followed a course in average duration of 7.4 hours (7 hours and 24 minutes). The ratio of the total number of hours of trainings courses realized in this period to the

Qualifications of the Customs Administration's employees



In this area, in 2015, the Customs Administration's activities were focused on the following key points:

- Administration and monitoring of the training, organized by the Customs Administration:
 - Basic training course for 26 customs officers:
 - 14 customs officers with university education,
 - 12 college-educated customs officers.
 - Regular training courses concerning the new adopted internal acts and preparatory activities for implementation of the new IT systems;
 - Realized 24 of the planned 31 training activities and professional development, defined in the 2015 Annual Plan for Training and Professional Development (realization of 77.4%) and were organized and performed by the Customs Administration in form of training

number of employees indicates that each employee obtained training and professional development in average duration

79%
of the Customs Administration's employees participated in activities of training and professional development

training
3 days of
for each employee of the Customs Administration

¹ Of the 1.135 employees (situation at the end of 2015), 895 attended the training. Some employees participated in several training sessions.



of 23.5 hours or approximately 3 working days.

- Training topics:

- connection between the corruption and the organized crime – tools and methods;
- irregularities and fraud;
- interoperability and electronic connection between institutions;
- control of trade companies and use of excise control stamps in internal trade;
- training for professional development of law enforcement officers and development of their leader skills, held in the International Law Enforcement Academy (ILEA);
- Time Release Study: measurement of time needed to transport goods through the border;
- Combating Terrorism Financing and
- Arms export control.

2. Cooperation with the business community and Universities

- Together with the Economic Chambers, economic operators and other institutions, the Customs Administration organised 21 events: conferences, presentations and training courses, that were attended by 473 rep-

resentatives of the business community and employees of the institutions, involved in customs procedures. Topics of discussion were:

- customs debt;
- accession to the Common Transit Convention (NCTC);
- rules of origin; More secure products and services on the market, increased clients' trust;
- present rights and obligations regarding the road transport, at the national and international level;
- fight against the counterfeiting and piracy etc.

21 events

**conferences, presentations
and training courses,
attended by**

**473 representatives
of the institutions and business
community**

INTEGRITY

The integrity is a matter of crucial importance, considering that it has an impact on the legitimacy and can significantly contribute to better capacity for efficient accomplishment of the principle mission and vision of the Customs Administration. Therefore, success in combating corruption and uncompromising and indiscriminate fight against this kind of crime is one of the priorities of our Service.

Taking into consideration its devotion to contribute to preventing corruption, also being one of the strategic objectives for Euroatlantic integrations and interests of the Republic of Macedonia, in accordance with the recommendations of the revised Arusha Declaration, in 2015 the Customs Administration worked on activities for prevention of abuse of official powers and compliance with the introduced professional standards for the employees.

Strategy on Integrity and Anti-corruption at the Customs Administration of the Republic of Macedonia 2015-2018 was adopted in March 2015, with which the Customs Administration determined the directions for achieving higher level of integrity, defining the concept of proactive measures for repression of corruption and conflict of interests, with priority given to prevention, rather than repression which will be used to correct any established deviations.

The Customs Administration actively participated in the implementation of the State Programme for Prevention and Repression of Corruption and the State Programme for Prevention and Reduction of Conflicts of Interests with the Action Plan 2011-2015. According to the Report of the State Commission for Prevention of Corruption on the implementation of the State programme for prevention and repression of corruption and conflict of interests 2011-2015, in total of 11 sectors, the Customs Administration has reached highest level of realisation of the activities 92.5% at the end of 2015.



The Customs Administration permanently makes efforts to provide new ways of denouncing cases of corruption. With this purpose, besides the 197 free customs hotline, new Module for re-

porting corruption, i.e. online tool – application for reporting illegal, unprofessional and corruptive behaviour of customs officers was installed on the Customs Administration's website in September 2015

With a publication of a questionnaire on the Customs Administration website, in January 2015 a survey was started to measure the opinion and the positions of the business community concerning the level of existence and exposure to corruption, misuse of official powers and conflict of interests in our institution. The survey was promoted to the members of the Advisory Council at the regular meetings of the Advisory Council – comprised of representatives of the business community, who were encouraged to spread the word to its members and complete the questionnaire.



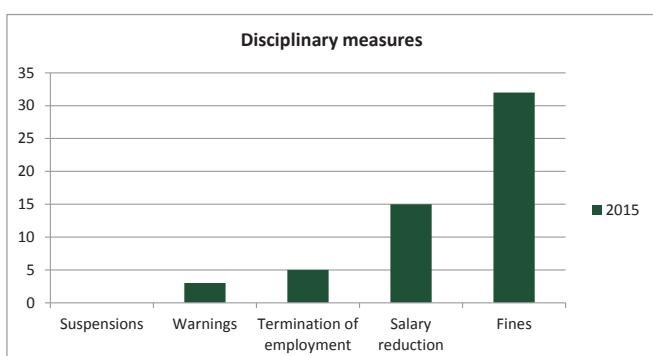
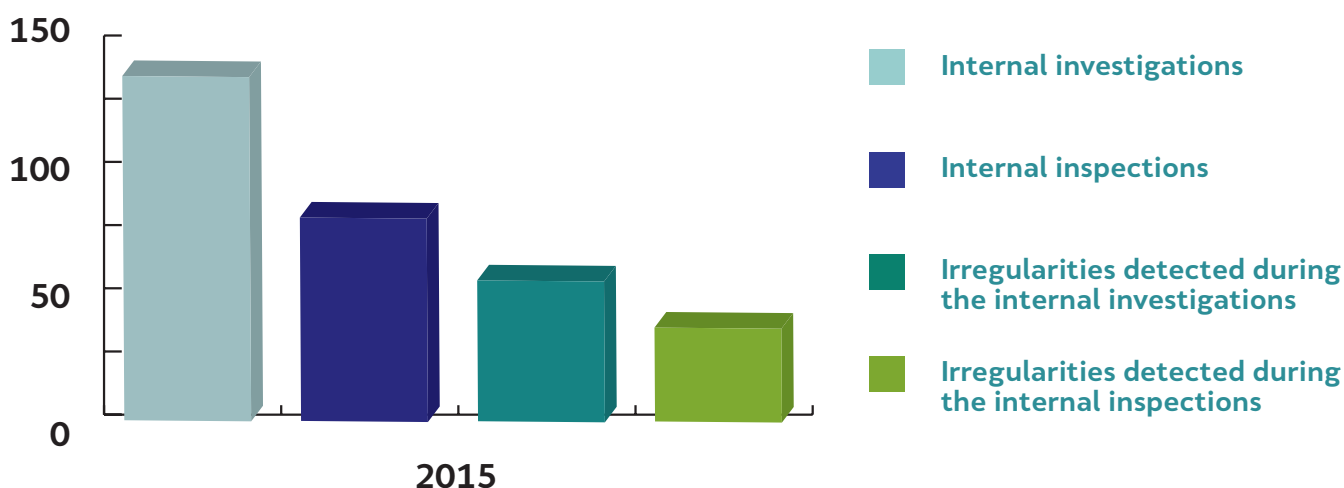
In order to facilitate the daily work and ensure appropriate implementation of the laws and by-laws, Guide on most frequent mistakes and faults in the daily operations in 2015 was published on the Intranet portal of the Customs Administration. The List of risk points in the customs work that are accessible to corruption was revised and drafted for 2015, as a useful tool for permanent and efficient tackling any violations of the customs regulations.

108 internal investigations/controls were conducted in 2015, on grounds of received complaints related to illegal and unprofessional conduct of employees, information received via the 197 customs hotline 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 39 cases it was established that there were grounds that the customs officers had acted contrary to the law.

NUMBER OF CONDUCTED INTERNAL INVESTIGATIONS PER ORGANISATIONAL UNIT		
Organisational unit	2014	2015
Headquarters	18	22
Regional Customs House Skopje	39	25
Regional Customs House Kumanovo	34	26
Regional Customs House Shtip	7	5
Regional Customs House Gevgelija	22	14
Regional Customs House Bitola	17	16
Total	137	108

NUMBER OF CONDUCTED INTERNAL INSPECTIONS PER ORGANISATIONAL UNIT		
Organisational unit	2014	2015
Headquarters	11	24
Regional Customs House Skopje	31	19
Regional Customs House Kumanovo	9	9
Regional Customs House Shtip	10	5
Regional Customs House Gevgelija	14	9
Regional Customs House Bitola	19	5
Total	94	71

Anti-corruption measures



INTERNAL AUDIT

Internal audit is an independent activity of giving objective assurance and advice, introduced with the aim to contribute to increased value and improvement of the work of the subject. It

helps the subject to achieve its goals by applying systematic and disciplined approach for assessment and improvement of the efficiency in the processes of risk management, control and administration.

In 2015, a total of 20 internal audits were conducted in the Customs Administration (18 internal audits in 2014). On grounds of the results of the audits, 84 findings and 91 recommendations were given to improve the operations at the Customs Administration. 71 recommendations were completely implemented, 3 recommendations partly and the actions regarding 4 recommendations are ongoing. For 12 recommendations the deadline for implementation has not expired yet.

UNION ACTIVITIES

The independent Union of the Customs Administration is a voluntary organization of customs officers that takes care of their rights and makes efforts for maintenance and improvement of the work conditions.

In 2015, the Union of the Customs Administration actively participated in the drafting and adoption of the new Collective Labour Agreement, realized working visits to the regional Customs Houses and in direct contact with the Union's members gathered information about the work conditions and their needs.

After adopting a formal Decision at the Union Annual Meeting, the Union signed a Contract on Group Insurance of the union's members. In accordance with the Rulebook on the use of

the union membership funds for solidary assistance, the Union provided financial assistance in amount of one salary to several Union members and tickets for several cultural events.



In September 2015, the VII Customs Union sport games took place in Ohrid. More than 180 customs officers took part in the competitions in several disciplines were (football, basket-

ball, volleyball, shooting, ping-pong, chess, darts and tug of war). In this manner, the Union contributed to building team spirit and strengthening of the mutual relations and communication between the Customs Administration's employees.

VII sports games



VII sports games



*Working visit to the
Customs House Gevgelija*



*Annual
meeting of the
independent
Union*



5. FACILITATION OF CUSTOMS PROCEDURES

SIMPLIFICATION OF THE CUSTOMS AND EXCISE PROCEDURES

Better competitiveness of the Macedonian economy directly depends on how simple, fast and easy administrative procedures are in a country. Key role in this area play the customs and excise procedures. The Customs Administration, as it did so far, will continue with activities and measures to cut down the costs, thus contributing to improvement of the competitiveness of the Macedonian economy.

WORLD BANK DOING BUSINESS REPORT

In the latest World Bank Doing Business Report, the Republic of Macedonia was ranked 26th, among 189 countries worldwide in the 'Trading Across Borders' indicator, which is an improvement for 101 places, compared to the ranking in 2007, when the Republic of Macedo-

nia was ranked 127th.

This fact once again confirms that all projects, measures and activities that have been implemented by the Customs Administration in the field of trade and transport facilitation and acceleration were recognized and supported by the key international associations, such as the World Bank.

Through the Committee created for that purpose, the Customs Administration regularly implements the recommendations of the Report of the World Bank and in cooperation with the business community Customs undertakes activities for improvement of the business environment in the Republic of Macedonia. This close cooperation resulted in continuous improvement of the conditions for doing business and better ranking of Macedonia in the Report.

World Bank Doing Business Report

2015	26
2007	127

↑ of 189 countries in the world covered in the Report

TIME RELEASE MEASUREMENT

The Customs Administration, in cooperation with the World Customs Organisation (WCO) and with the support of USAID, implemented a Time Release Project, in conformity with the WCO methodology.

The Project was implemented in the period June-December 2015, with active participation of representatives of the Ministry of Interior – Sector for Border Affairs and Migrations, Ministry of Agriculture, Forestry and Water Economy – State Inspectorate of Agriculture, Ministry of Health – State Sanitary and Health Inspectorate and Food and Veterinary Agency. To ensure greater inclusion in the measurement process and higher level of transparency, representatives of the private sector (National Entrepreneurship and Competitiveness Council, the Macedonian International Freight Forwarding and Logistics Operators Association (MIFA), the Association of Macedonian Enterprises for Road International Transport-AMERIT and the Association of Employers Associations of Transport Companies of Republic of Macedonia MAKAM-TRANS) were also included in the implementation of the project.

The main objective of the project is to contribute to reaching higher level of efficiency in cross-border trade and in general, better performance of all involved participants in the process of transport of goods across the border. The measurement results and the drawn conclusions precisely identified the obstacles to cross-border trade and corrective measures were proposed for the areas where better efficiency is expected, with regard to each particular activity of the process. The implementation of the proposed measures and activities, based on this measurement analysis should lead to better ranking of the Republic of Macedonia in the Doing Business report of the World Bank, based on the “Trading Across Border” indicator.

SIMPLIFIED CUSTOMS PROCEDURES

One of the main objectives the Customs Administration strives towards is the use of simplified customs procedure to the largest possible extent, rather than the regular one. Using simplified procedures more means easier and faster uninterrupted movement of goods, lower costs for the econom-



ic operators in customs procedure and stronger partnership with the business community.

These are the benefits for the economic operators using simplified procedures:

- fast, easy and efficient realisation of transit, export and import with shortest retention of goods;
- avoidance of costs usually paid in regular procedure at customs terminals (costs related to preparation of declarations, terminal fees and weighing);
- shorter time to complete customs formalities;
- customs clearance formalities outside the working hours of the Customs Offices, during weekends or holidays;
- easier business planning;

- stronger partnership with the Customs Administration.

228 authorisations for simplified procedures were active at the end of 2015 - 51 authorisations for local clearance at import, 73 authorisations for local clearance at export, 70 authorisations for authorized consignee in transit procedure, 34 authorisations for authorized consignor and 2 authorisations for simplified customs clearance.

The Customs Administration will continue to promote the authorizations for simplified procedures to the business community, as one of the most efficient models for easier and faster customs procedure.

STRICTER CRITERIA FOR REPRESENTATION IN CUSTOMS PROCEDURES

Considering the fact that customs agents play a key role in the performance of customs procedures and have significant impact on the business environment of one country, the Customs Administration proposed amendments to the Law on Representation Activities in Customs Procedures to define stricter criteria concerning the granting of authorizations and licenses for representation in customs procedures and mandatory continuous training for customs agents. The amended regulations will lead to higher professional standards in the work of customs agents and better quality, faster customs procedure.

IMPROVED SYSTEM OF SELECTIVE CONTROLS BASED ON RISK ANALYSIS

In the middle of 2014, 30% of the submitted customs declarations were selected on the so-called “red” channel (physical examination) and 35% of declarations to the “yellow” channel (documentary control). In order to improve the conditions for trading and the competitiveness of the Macedonian companies, the System of selective controls based on risk analyses was improved - by the end of 2015, the physical examinations were reduced to 10% and the documentary controls to 18%, thanks to the appropriate focusing of customs controls, which led to better results than the expected (the intention was to reduce the physical examination to 10% and the documentary controls to 25% within the period of three years). The achieved results and the de-

creased intensity of the conducted customs controls enable faster customs procedures for the economic operators that comply with the customs and other regulations concerning import and export of goods, on one hand, and better efficiency and effectiveness in the controls on the other hand.

Improved system for selective controls - Reduced percentage of physical and documentary customs controls

	2014	2015
Physical control %	30	10
Documentary control %	35	18

ENSURED CONTINUOUS WORK OF CUSTOMS IN CRISIS

A distant location Disaster Recovery Centre was installed, ensuring crucial ICT system data backup, which can be used in a situation requiring fast recovery in cases of disaster, i.e. providing continuity of the business processes. This is crucial for the Customs Administration and the economic operators, since it would be possible to prevent a situation of non-availability of the systems that can cause standstill in the functioning the customs authorities, interrupted and slowed down movement of the goods across the border and unexpected financial implications.

The introduced concept of joint border controls with the neighbouring countries, upgrade and modernization of border crossing points, introduction of the new Customs Declaration and Excises Processing System is expected to contribute to further progress in the future.

E-CUSTOMS

NEW SOFTWARE FOR CUSTOMS DECLARATION AND EXCISE DOCUMENTS PROCESSING

The activities for implementation of the new Customs Declarations and Excise Processing System² that will replace the existing system ASYCUDA (started in May 2012) continued in 2015. The implementation of a modern and sophisticated sys-

² CDEPS



tem for processing customs declarations and excise documents is one of the most important engagements of the Customs Administration, since the introduction of this system will provide for paperless environment in the customs work and quality information support to the processing of customs and excise documents.

In the course of the past year, there was regular communication with the Contractor's experts for resolving the open issues and problems related to the already delivered modules. Detailed analyses were made and workshops were held with the Contractor's experts for resolving the open issues.

EXIM

The Single Window System for Issuing Import, Export and Transit Licenses and Tariff Quota is an electronic system becoming more and more sophisticated and efficiently contributes to acceleration of the customs procedures. The number of registered users grows every day.

EXIM RELATED STATISTICS

Description	2014	2015
Number of involved public institutions	16	17
Number of licenses issued via EXIM	60	60
Number of economic operators users of the EXIM	5,275	5,893
Import, export and transit licenses issued via EXIM	79,0178	84,637
Applications for tariff quota submitted via EXIM	6,850	6,927
Average time for obtaining a license via EXIM	2.5 h	3.4 h

At the end of 2015, 5,893 economic operators were registered users of the system, being for 678 more compared to the number of users in 2014.

84,637 licenses were issued in 2015 via the EXIM system, which can be obtained by application to the 12 (of the 17 registered) state authorities directly involved of in the procedure of issuing licenses. 60 different import, export and transit licenses and tariff quota can be obtained through this electronic system and the majority of issued licenses concern import of food products (32 thousand), veterinary documents (15,4 thousand), certificates of organoleptic examination (11,8 thousand), consents for customs clearance of items of common use (9,8 thousand) and medicines and medical aids (8,6 thousand). The average time for obtaining a license in 2015 was about 3.4 hours.

PORTAL FOR ELECTRONIC COMMUNICATION

To make the everyday operations of the business community and natural persons easier and to reduce time and costs, the Customs Administration installed the Portal for Electronic Communication through which the external users have 24/7 access and can apply and receive reply concerning over 70 standardised requests.

At the end of 2015, PEC had 446 registered external users. They submitted to Customs 37,607 requests via PEC, of which 1,217 were approved. The applications for use of incomplete declaration were dominant per number (7,572), followed by allocations for relief from import duties (6,121), applications for approval of extended deadline (1,671) and applications for simplified procedures under import (1,057).

PREFERENTIAL ORIGIN OF GOODS

The Republic of Macedonia has concluded Free Trade Agreements with Turkey, Ukraine and the EU, EFTA and CEFTA Member States. The trade with all CEFTA countries is completely liberalised. With regard to the other agreements, only the import of industrial goods is liberalised.

CUSTOMS AND EXCISE AUTHORISATIONS AND LICENSES

CUSTOMS AND EXCISE AUTHORISATIONS		
Type of authorisation	2014	2015
CUSTOMS AUTHORISATIONS		
Authorization for representation activities in customs procedures	345	319
Licenses for representation in customs procedures	1,216	1,243
Customs procedures with economic impact	5,869	5,606
Authorisation for inward processing	174	169
Authorisation for outward processing	18	16
Authorisation for customs warehousing	78	82
Processing under customs surveillance	1	1
Authorisations for single use	4,793	5,338
Simplified customs procedures	236	230
Authorization for local import customs clearance	51	51
Authorization for local export customs clearance ИЗВОЗ	89	73
Authorisation - authorised consignee in transit	65	70
Authorisation-authorized consignor	29	34
Authorisation for submission of simplified declaration	2	2
Binding Tariff Information	525	558
Authorisation for approved exporter	108	118
Approval for deferred payment of customs debt	131	171
EXCISE AUTHORISATIONS		
Excise licenses	83	83
Excise preferential use permits	329	342
Total	8,842	8,670

The import of agricultural products with these countries is subject to payment of import duties, the less sensitive agricultural products are imported without payment of customs duties and for certain products tariff quota are prescribed, with free or reduced customs duties within prescribed quantities.

APPLICATION OF FREE TRADE AGREEMENTS (in billion denars)				
Contracting Party	Import and export in 2014		Import and export in 2015	
	MKD	%	MKD	%
EU	279,3	82,3	300,4	83,6
EFTA	1,3	0,4	1,5	0,4
CEFTA	45,7	13,5	50,8	13,8
Albania	3,2	0,9	4,2	1,2
Bosnia&H	6,4	1,9	7,8	2,1
Montenegro	1,4	0,4	1,6	0,4
Kosovo	8,0	2,4	9,0	2,4
Serbia	26,6	7,8	28,1	7,6
Moldova	0,1	0,0	0,1	0,0
Turkey	12,9	3,8	14,9	4,1
Ukraine	0,3	0,1	0,4	0,1
Total	339,4	100,0	368,0	100,0

The foreign trade in 2015, that was subject to preferential treatment, amounts to 368 billion Denars, an increase for 8.8%, compared to the 339.4 billion Denars in the same period in 2014. The trade with the EU Member States prevails (300.4 billion Denars) and takes for 81.6% of the total trade. The trade with CEFTA in the reported period was 50.8 billion Denars or 13.8% of the total trade with preferential origin, where the trade with Serbia predominates.

TRAFFIC OF FREIGHT VEHICLES AT BORDER CROSSING POINTS

In 2015, the road border crossings of the Republic of Macedonia were passed by over 881 thousand FMVs

511 thousand loaded FMVs,
370 thousand empty FMVs

PROCESSED CUSTOMS DECLARATIONS

NUMBER OF COMPLETED CUSTOMS PROCEDURES (in thousand)		
Type of customs procedure	2014	2015
Transit	363.0	320.6
Export	183.4	188.6
Regulat export	107.9	108.2
Simplified export procedure	72.8	77.6
Temporary export	2.7	2.7
Import	417.4	439.9
Regular import	288.8	300.4
Simplified import procedure	96.0	107.9
Customs warehousing	6.5	7.4
Temporary admission	22.9	21.5
Import of temporary exported goods	3.0	2.8
Re-export	26.3	27.5
Total	990.1	976.6

* not including documents related to customs procedure for destruction of goods (IMA9, IMZ9) and incomplete declarations (IMB4, IMB5, IMB7)

Greatest frequency was noted at the border crossing points with Greece → about 343 thousand FMVs (about 39%)

BCP Bogorodica → 31% of the total traffic

TRAFFIC OF FMV PER BORDER CROSSING (IN THOUSAND)							
Border crossing		2014			2015		
		Total			Total		
		Loaded	Empty	Total	Loaded	Empty	Total
Kosovo	Blace	41.9	59.7	101.7	35.4	68.2	103.6
	Jazince	0.0	3.7	3.7	0.0	4.2	4.2
	Total	41.9	63.4	105.3	35.4	72.4	107.8
Serbia	Tabanovce	186.6	48.2	234.8	169.4	58.3	227.7
	Pelince	0.0	0.0	0.0	0.0	0.1	0.1
	Total	186.7	48.3	235.0	169.4	58.4	227.8
Bulgaria	Deve Bair	24.2	19.7	43.8	23.7	20.6	44.3
	Delcevo	16.5	14.8	31.2	15.8	16.5	32.3
	Novo Selo	21.8	22.7	44.5	22.5	22.8	45.3
	Total	61.9	57.2	119.0	62.0	59.9	121.9
Greece	Dojran	23.8	19.0	42.8	30.5	20.0	50.5
	Bogorodica	156.8	95.9	252.7	162.5	109.8	272.3
	Medzitlija	6.1	10.5	16.7	6.3	13.9	20.1
	Total	186.6	125.5	312.2	199.3	143.6	342.9
Albania	Stenje	0.4	1.5	1.9	0.4	1.2	1.6
	Kjafasan	37.1	31.5	68.6	44.2	31.9	76.1
	Sv. Naum	0.3	0.5	0.8	0.0	0.5	0.5
	Blato	0.5	1.7	2.2	0.8	2.3	3.1
	Total	38.2	35.2	73.4	45.4	36.0	81.4
Total		515.2	329.7	845.0	511.4	370.3	881.8



6. LAW ENFORCEMENT

The Customs Administration is an important state body whose primary function, from a historic point of view has been collection of customs duties. Today, the place and role of Customs in society is greatly different. Besides collecting revenues, Customs is an important link in the chain providing support to the international trade. Every modern Customs Service plays a crucial role in the security system of its country. It is a constituent part of the system for prevention of illegal trade and unfair competition, impediment of trade in prohibited goods and financing terrorism, safeguarding the environment and cultural heritage.

ADMINISTRATIVE CAPACITY BUILDING

The Customs Administration in 2015 continued to work on modernization of its systems for risk analysis, customs intelligence, post-clearance controls, investigation and the operation of its special units.

RISK MANAGEMENT

The progress made in customs risk management resulted in reduced number of customs controls of the economic operators that are compliant in respect of customs and other regu-

lations related to import and export of goods, which led to faster customs procedures without decreasing the effectiveness, efficiency and results in customs controls that had previously been achieved.

The measures taken in all areas of customs operations, including the risk management area are expected to lead to even greater reduction of the percentage of physical and documentary controls with the increase of the volume of export in the forthcoming period, but with no impact on the results of the conducted controls and revenues collected.

CUSTOMS AND OTHER CONTROL

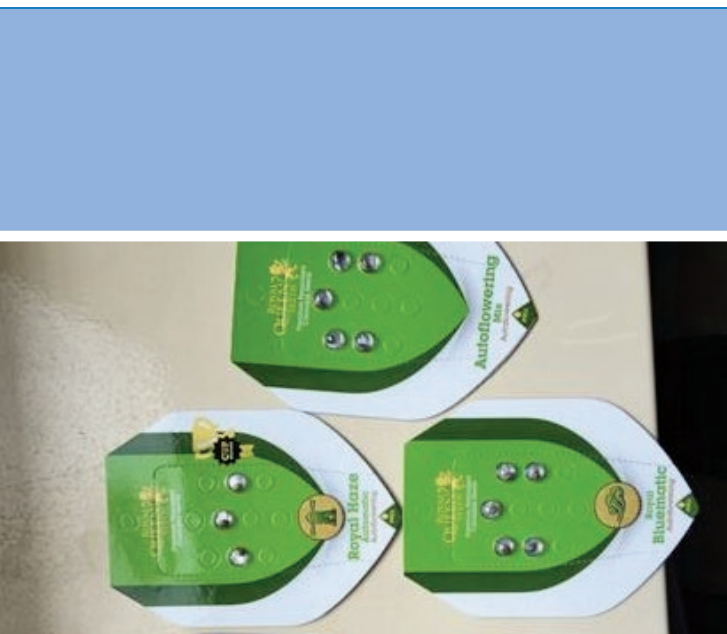
PHYSICAL CUSTOMS CONTROL

Physical customs control means particular activities conducted on the customs territory of the country, including: inspection of goods, means of transport, personal luggage and other goods that passengers carry with or on them. Furthermore, customs control involves conducting official procedures to ensure compliance with customs regulations as well as other legislation related to

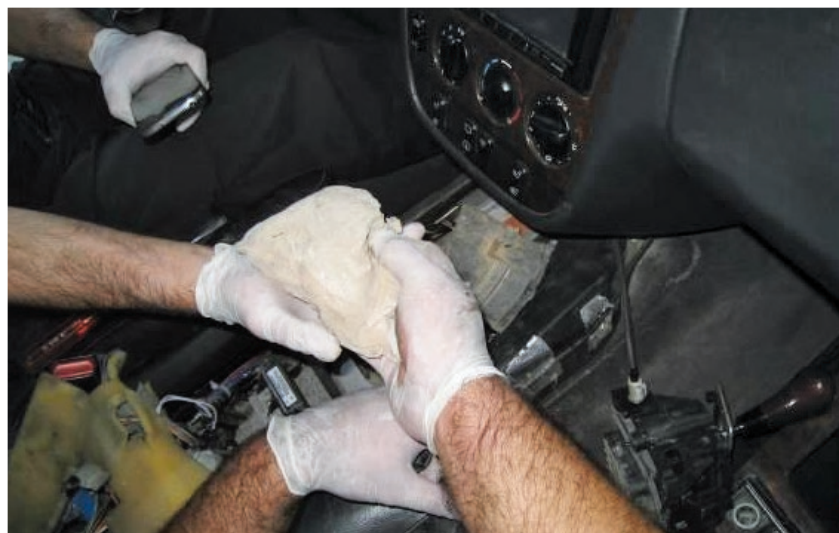
goods, subject to customs surveillance.

PREVENTION OF ILLICIT TRADE IN NARCOTICS, PSYCHOTROPIC SUBSTANCES AND PRECURSORS

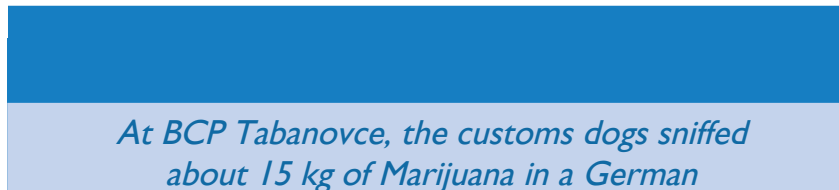
In more than 25 actions in 2015, the customs officers prevented illicit trafficking of about 57 kilograms of different narcotics, including 50 kg of Marijuana, 6 kg of Heroin, 192 grams of Amphetamine in powder, 80 Cannabis seeds etc.



Marijuana seeds detected at CO Post Office Skopje, during inspection of a shipment for a person from Skopje ordered from the Netherlands via the Internet



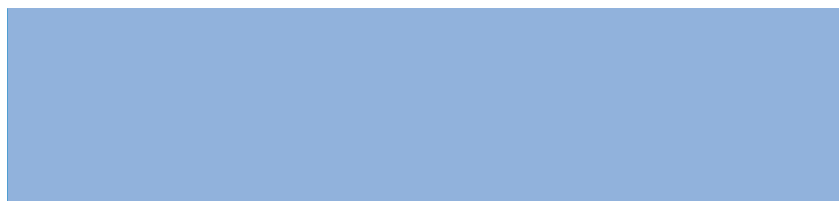
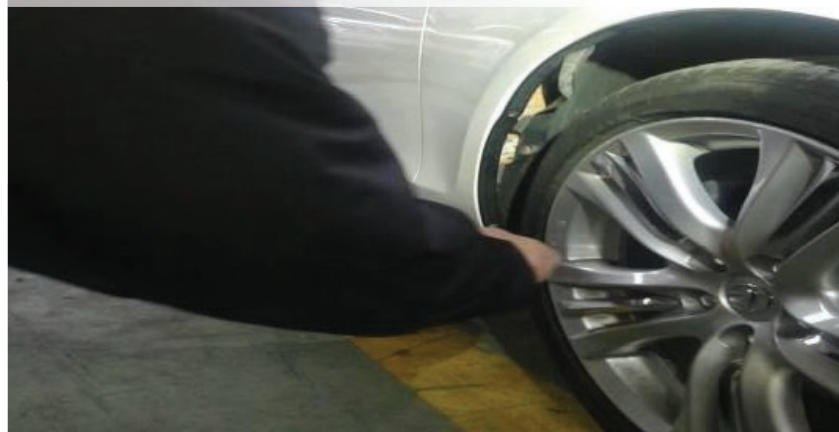
BCP Bogorodica – entrance in the country – seized 2.83 kg Heroin



At BCP Tabanovce, the customs dogs sniffed about 15 kg of Marijuana in a German vehicle



4 kg of Marijuana detected at the BCP Tabanovce in an Albanian car



PREVENTION OF ILLEGAL TRADE IN WEAPONS AND EXPLOSIVES

In 16 attempts in 2015, Customs prevented smuggling of over 4 thousand pieces of ammunition and explosives including guns, ball and hunting ammunition, firecrackers, fireworks and fireworks rockets.



Gas pistol seized at BCP Tabanovce – entrance in the country



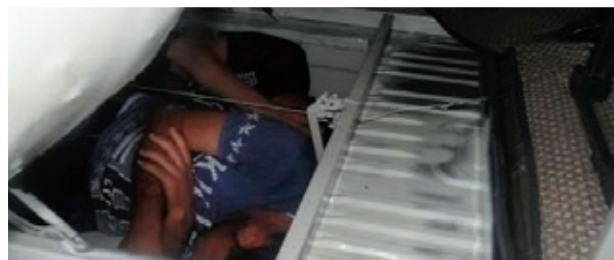
30 hunting cartridges detected at BCP Bogorodica – entrance in the country

PREVENTION OF ILLEGAL MIGRATION

In 2015, Customs prevented 34 cases involving 1,404 migrants attempting to illegally cross the border of the Republic of Macedonia.



24 migrants found in a refrigerated truck, controlled at the BCP Bogorodica – entrance in the country



Two illegal migrants found in a German van during routine checks at the BCP Bogorodica - entrance in the country

PREVENTION IN ILLEGAL TRAFFIC IN CIGARETTES AND TOBACCO PRODUCTS

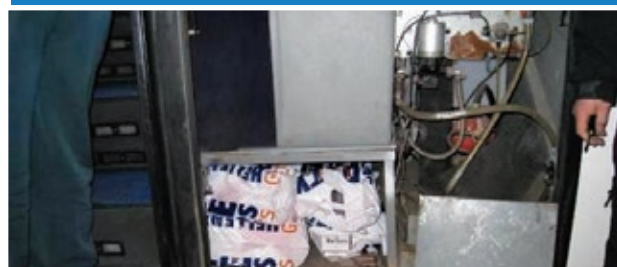
In 77 actions, Customs prevented smuggling of 427,703 pieces of cigarettes and 399 kilograms of tobacco.



120 kg tobacco found at BCP Tabanovce – exit from the country



15,200 cigarettes found at the Airport



12,000 cigarettes found at the BCP Bogorodica – entrance in the country



30,000 concealed cigarettes found at the BCP Deve Bair exit from the country

PREVENTION OF ILLEGAL TRANSFER OF CASH

In 2015, there were 89 attempts for illegal bringing in or taking out of cash in different currencies in equivalent amount of about 1.2 million Euros (1,017,830 Euro, 37,300 US Dollars, 5,400 Australian Dollars, 4,950 Canadian Dollars, 3,900 British Pounds, 126.000 Macedonian Denars and 99,200 Swiss Franks).



126 thousand Macedonian Denars found and seized at the BCP Medjitlija – entrance in the country



152,395 Euros found in a specially designed bunkers in vehicle inspected at the BCP Tabanovce – exit from the country

Besides the mentioned, below are other interesting seizures:

- 3,913 live animals, aquarium fish and tortoise (5 attempts);

- 10.480 pieces of foodstuff, food supplements, 14,624 kg of fresh fruit, meat and other food products and 6.094 litres of alcohol and soft drinks (73 attempts);
- about 10 kg and 18,387 pieces of medications, ampoules, dental and medical materials and aids (24 attempts);
- almost 7 kg of golden jewellery, about 2.3 kg of silver jewellery and 10,770 pieces of other jewellery (49 attempts);
- 8 thousand pieces of perfumes and cosmetics and 5 kg cleaning products (26 attempts);
- 176 thousand pieces and 16 thousand kilograms of different goods (340 attempts).

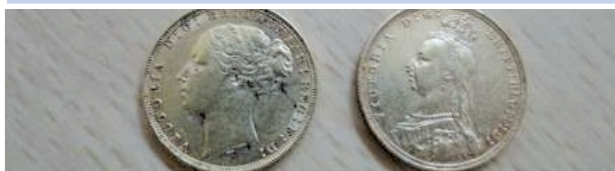


3300 aquarium fish and 600 small tortoises, 10 kg of tortoise food detected near the entrance to Skopje in a vehicle that previously entered Macedonia from Bulgaria



Almost 3 kg of gold found in a Turkish bus

2 British gold coins from 1879 and 1892 with Queen Victoria effigy, found with Greek citizens at the BCP Bogorodica – entrance in the country





Illegal factory for full production of counterfeit sports shoes of well known brands discovered in Skopje

765 different medicaments, originating in India and declared for import clearance at CO Airport Skopje seized due to suspicions in their quality



3 attempts for smuggling of flying cameras - drones were prevented in 2015



DECLARED FOREIGN CASH

Almost 15 million Euros in different currency were legally declared at the border crossing points in 2015, of which 14,761,386 Euros at entrance in the country while 101,400 Euros at exit from the Republic of Macedonia.

The declared foreign cash includes: 12,205,709 Euros, 1,712,410 Swiss Franks, 1,095,202 US Dollars, 35,960 British Pounds, 55,000 Canadian Dollars, 20,400 Australian Dollars, 425,000 Norwegian Kroner, 66,000 currency of Western Samoa and 28,000 Macedonian Denars.

Control of Excise Goods in the Internal Market

The Customs Administration carries out control of the trade in excise goods in all phases (import, export, transit, manufacture, warehousing and sale from excise warehouses, as well as wholesale and retail trade of excise goods. Several organizational units of the Customs Administration take part in these activities: Customs Houses (import, export, wholesale and retail sale outside excise warehouses), Control and Investigation Sector (mobile Units, Investigation department, Trade Companies Control Department), Sector for Excise and Non-Tariff Measures and other units. The Customs Administration uses all available human and material resources in these activities within the framework of its competences. Through the continuous surveillance of the trade in excise



goods in all phases of trade, the Customs Administration has a great contribution in the fight against the grey economy, tax evasion and the safety of consumers in the Republic of Macedonia.

The main objective of these controls is to ensure equal conditions for all stakeholders on the excise goods market, efficient collection of excise in all phases of trade, protection of the end-users (consumers) from potentially unsafe and dangerous alcoholic beverages.

In 2015, the Customs Administration conducted 8 synchronized and coordinated controls of the retail sale, covering the entire territory of the Republic of Macedonia.

Over 400 facilities were subject to controls and in 93 cases, irregularities were found. About 3,400 litres of alcohol, 14 kg of tobacco and 23 packets of cigarettes were seized for which excise duties were not paid and no health certificates were presented for them.

DOCUMENTARY CUSTOMS CONTROL

Documentary customs control is verification of the authenticity and accuracy of customs and other documents used in customs procedures, in line with the regulations.

Over 29 thousand cases were discovered in 2015 where Customs found inadequate documents for clearance, of which 90% refer to invalid, forged and other inadequate documents presenting lower customs value for calculation of import duties. 644 cases were discovered where the declarants presented invalid certificates of preferential origin of goods in order to evade payment of import duties, around 700 cases of wrong tariff classification in order to pay lower import duties and over 232 cases of presentation of other improper documents to evade payment of import duties or trade policy measures and 33 other cases involving other kinds of invalid documents. By presentation of invalid and falsified customs and other documents the importers attempted to evade payment of import duties in amount of over 860 million Denars.

RESULTS OF DOCUMENTARY CUSTOMS CONTROL

Type of document		Invoices (presented lower value)	Certificates of preferential origin	Wrong tariff classification	Other docu- ments for calculation of import duties	Other invalid documents	Total
2014	Invalid	20,659	333	473	35	6	21,506
	Falsified	4	2	0	5	0	11
	Other	7,890	100	107	60	43	8,200
	Total	28,535	435	580	100	49	29,717
2015	Invalid	14,368	523	519	151	6	15,576
	Falsified	0	1	0	76	0	77
	Other	13,500	111	169	5	169	13,812
	Total	27,868	644	688	232	688	29,465

CUSTOMS LABORATORY

The Customs Administration supports the general strategy of the Customs Administration by ensuring correct identification of the nature and appropriate classification of the goods which are imported, exported or which transit the country. The main task of the Customs Laboratory is to conduct analysis to identify samples taken by customs officers and to provide an opinion on the tariff classification of the analyzed samples, in accordance with the Harmonized system and the Combined Nomenclature.

With the modernisation of the Customs Laboratory, its basic function changed. From the initial analysis conducted to ensure correct determination and collection of customs and other import duties, nowadays with the identification of goods whose import is restricted or prohibited, what becomes most prevalent is the protection of the environment, health and safety of people.

The purpose of the incorrect tariff classification is to benefit from a lower or 0% customs rate or VAT rate, and to avoid prohibitions and restrictions for import of goods introduced with the trade policy measures. The analyses led to conclusion that the importers who applied incorrect tariff classification attempted to evade customs duties in the amount of 1.2 million denars. Appropriate measures, as per the Law, were taken against the offenders.

RESULTS FROM POST CLEARANCE CONTROL

Post-clearance control covers control carried

out in the premises of companies following completed clearance, as well as surveillance of holders of authorizations for customs procedures with economic impact, authorizations for simplified customs procedures, excise licences etc.

In 2015, Customs carried out 1,231 controls of trade companies, concerning import and export procedures. In 107 cases it was established that there were attempts to evade customs duties amounting to 69.4 million Denars.

CRIMINAL CHARGES AND CUSTOMS, EXCISE AND FOREIGN CURRENCY RELATED OFFENCES

In 2015, the Customs Administration brought criminal charges in 110 cases, against 123 natural and 48 legal persons (in 2014, 94 criminal charges were raised, against 119 natural and 72 legal persons).

In 2015, 1,294 requests for initiation of offence procedures were raised against 730 natural and 564 legal persons, of which 1,091 for customs offences, 88 foreign currency related offences, 112 excise offences and 3 offences related to violations of intellectual property rights.

1,752 offence cases were solved in 2015 and the offenders were fined with an amount of about 120.2 million denars.

In the reported period, 2,848 on-the-spot fines were imposed against 1,462 natural and 1,386 legal entities that have to pay fines in the amount of 33.8 million Denars In the same period of

RESULTS OF CONTROL OF TRADE COMPANIES		
Type of control	Total 2014	Total 2015
Control of trade companies	72	89
Control of excise permit holders	56	46
Control of holders of authorisations for inward processing	237	240
Control of holders of authorisations for customs warehousing and premises of temporary storage	235	203
Control of holders of other authorisations with economic impact	20	13
Control of holders of authorisations for simplified customs procedures	220	557
Control of holders of customs representation authorisations	58	69
Control of holders of other authorisations	25	14
Total	923	1231

2014, 2.264 on-the-spot fines in amount of 21,2 million Denars were filed, against 1.466 natural persons and 798 legal entities.

PARTICIPATION IN INTERNATIONAL ACTIVITIES

In 2015, the Customs Administration continued its cooperation and participation in international operations, meetings and exchanges such as the following, as most significant: regular cooperation with the SELEC, ZKA Balkan Info, WCO, EU-ROPOL through exchange of information and participation in international operations and projects:

THE CUSTOMS ADMINISTRATION TOOK PART IN 9 INTERNATIONAL OPERATIONS

- GLOBAL SHIELD - monitoring and detection of illegal trade in precursor chemicals that can be used for production of improvised explosive devices;

- CLEAN EARTH - focused on identification and prevention of illegal trade in counterfeits for plant protection products and hazardous waste;
- BALKAN GATE - identification and prevention of illegal trade in counterfeit and pirated goods;
- WESTERLIES 3 - fight against smuggling of amphetamines and other narcotics by air traffic passengers;
- AUNT II - surveillance and detection of smuggling of cigarettes in small quantities;
- CATALYST - prevention of trade in new psychotropic substances;
- WESTERN BALKAN ACTION DAY within EMPACT FIREARMS - for fight against illegal trade in weapons;
- SKY-NET II - fight against illegal trafficking of drugs and precursors in postal parcels and express delivery consignments;
- KNOW HOW - identification and prevention of import, export and transit of all types of counterfeit and pirated goods in commercial and non-commercial shipments on the territories of the SELEC.

The regular cooperation with UNODC continued through the Macedonian contact point in UNODC, as well as with EU-TWIX and OLAF through exchange of information, with the Customs Services of Albania, Bulgaria, Germany, France, Croatia, Serbia, Kosovo and Turkey – intelligence training, by high representatives of Customs Intelligence Service of Turkey, where opinions, best practices and experiences were exchanged in the area of strategic, tactic and operational planning and informant handling.

The Customs Administration took part in an international workshop held in Germany, the topic of which was inclusion of the Police Services in the Balkan Info System for exchange of information in fight against drug smuggling.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

In terms of intellectual property rights protection, the Customs Administration is an

efficient service and a guarantor of the state and citizens, protecting the health and life of people, but also the fiscal interests of the country and the conditions for environment of fair competition.

As before, in 2015, the Customs Administration continued to successfully detect and prevent illegal trade and to dedicate its resources to the fight for protection of the intellectual property rights through different activities and actions.

The Customs Administration took an active part in the WCO Project on Intellectual Property Rights Protection, but also in international missions and operations such as Operation Balkan Gate.

On the occasion of 26th April – World Intellectual Property Day, in cooperation with the Coordinative Body for Intellectual Property, 1,033 pieces and 4 rolls (100 m) of fabric – proven as counterfeits were destroyed at the Drilsla landfill.

In their daily work, the customs officers actively use the WCO's IPM (Interfaced Public Member) platform. In 2015, the platform of the WCO was used by 539 customs officers – application users (529 in 2014). The application is an efficient tool for recognition of products' originality, as well as for effective detection and proving the counterfeit nature of seized products.

In 2015, the number of registered requests for customs protection of the intellectual property rights doubled, compared to 2014. At the end of 2015, 673 trademarks were registered for customs protection, while in 2014 the number of this type of requests was 345.

In 163 actions conducted in 2015, the customs officers seized almost 1.3 million pieces and 700 kg different types of goods, due to reasonable doubts that they violate intellectual property rights.

21.626 pieces of counterfeit cosmetic products, toys, textile articles, fashion accessories, key pendants etc. were destroyed in 2015 following completed procedures and confirmation that the goods in question infringe intellectual property rights.

New requests for protection of intellectual property submitted to Customs

Gap, Allergan, Botox, Bulgari, Chevrolet, Chanel, Louis Vuitton, iPhone, Casio, Cinderella Logo, Sleeping Beauty, Daewoo, Love Pink, Victoria's Secret, La Senza, Henri Bendel, Trussardi, Spiderman, Fisher-Price, Cacharel, Mickey Mouse logo, Minnie Mouse logo, Pluto logo, Barbie, View-Master, Matchbox, Tyco, La Viva Fruit, Scrabble, Bugatti, Range Rover, Hummel, Porsche Carrera, Porsche Cayenne, Passat, Golf, Polo, Bora, Vento, Sharan, Beetle, Lupo, New Beetle, Fox, Always, Always Duo, Ariel Brilliant, Ariel Color Activ, Automat Ariel, Isentress, Keytruda, Belsomra, Piaget, Vacheron Constantin, Baume & Mercier, Jeger-Lecoultre Organon, Ice Watch, Ice, Chloe, Luminor, Radiomir, Panerai Lancel, Roger Dubuis, Firestone, Paradontax, 212 One Ice, Carolina Herrera New York, Nina De Nina Ricci, Love in Paris, Panadol, Wilkinson, Sensodyne, Ventolin, Zinat, Diesel Only The Brave, Disney, Disney Fairies, Pirates Of The Caribbean, Jack Sparrow, Pokemon, Minions, Zomlings, Gsk, Paco Rabanne, Bridgestone, Елкичка, Jack Daniels, Alfa Rome, New Balance, Seat, Kosmodisk, Giorgio Armani, Emporio Armani, Acqua Di Gio, Armani Code, Reebok, Superga, Motorola, Real Madrid, Durex, Neutra-activ, Scholl, Veet, Air Wick, Lannate, Winston, Tosca Blu, Hello Kitty, Hankook, Eti, Etimat, Sonicare, Saeco, Cat, Caterpillar, Zara, Timberland, Longines, Dora the Explorer, Levi's, 501, Tissot, Rado, Casio, Yves Saint Laurent, L'Home Yves Saint Laurent, Cinema, Opium, La Roche-Posay и Piuto Flips.

SEIZED PRODUCTS SUSPECTED OF INFRINGING INTELLECTUAL PROPERTY RIGHTS

	Type of product	Unit of measurement	Total 2014	Total 2015
1	Medicines	Piece		160
2	Auto spare parts and equipment	Piece	1,208	2,515
3	Telephones, IT, audio, video, parts and equipment etc.	Piece	7,876	1,080
4	Footwear and accessories	Piece	32,419	3,848
5	Clothing, accessories and other related products and raw materials	Piece	200,864	18,227
6	Perfumes, deodorants, cosmetics etc.	Piece	546,317	215,91
7	Other goods	Piece	156,618	1,041,345
8	Total	Piece kg.	945,302 768	1,282,266 700

7. REVENUE COLLECTION

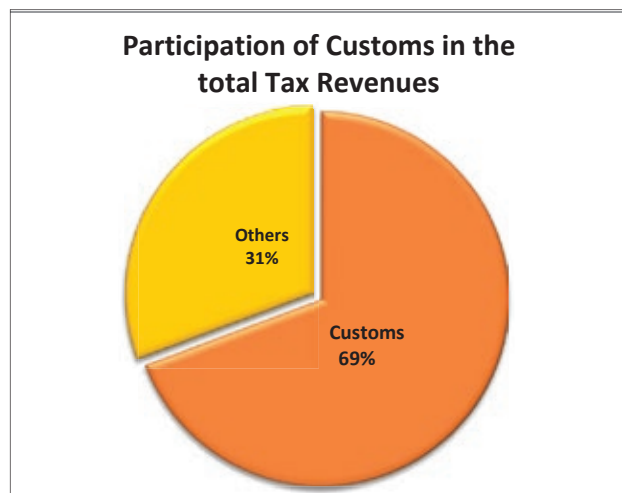
REVENUES COLLECTED

One of the basic competences of the Customs Administration is calculation and collection or draw-back of export and import duties, taxes and other fees related to import, export or transit of good.

The duties and taxes administered by the Customs Administration are:

- Customs duties,
- VAT on import,
- Excise duties (production, import and trade)
- Fees.

Of the total planned revenues for 2015, the Customs Administration participates with 69%, while the other revenue collecting institutions and agencies with 31%. It should be noted that the VAT on import which is collected by the Customs Administration usually covers 87% of the total net VAT collected, and the Public Revenue Office is



responsible for collection of VAT from internal trade, VAT on donations as well as VAT refund.

The data for the total Budget for 2015 and the data on the revenues, as well as the planned revenues of the Customs Administration per type of duty and tax which were collected are shown in the table below:

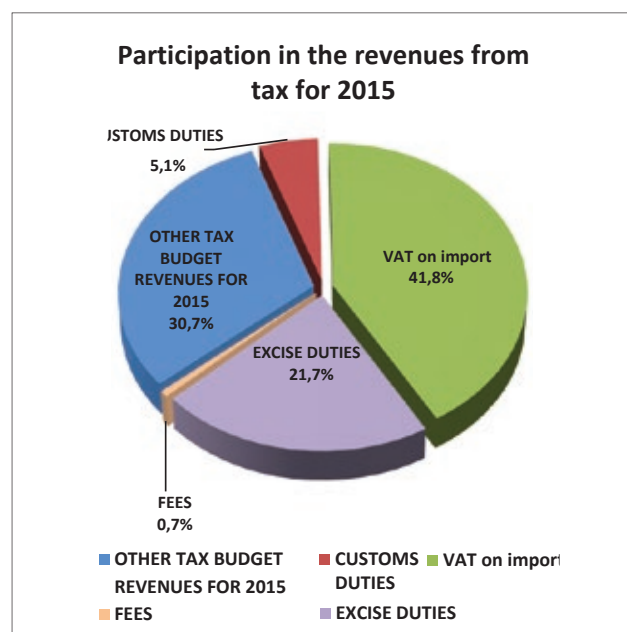
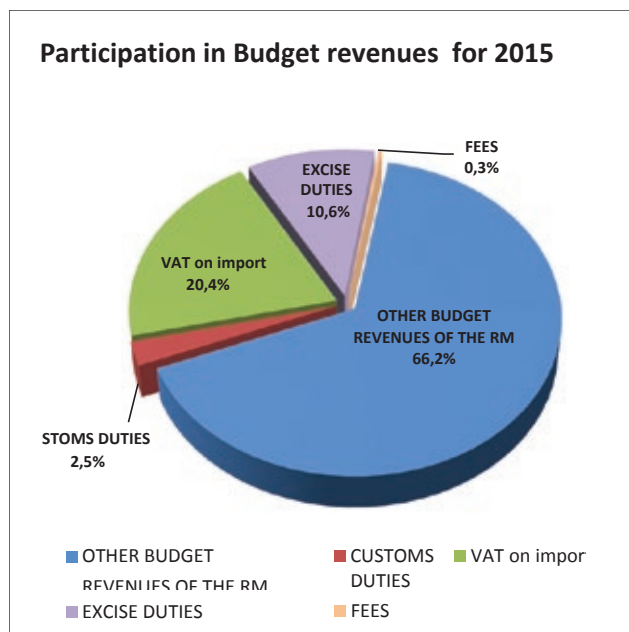
PARTICIPATION OF CUSTOMS IN THE BUDGET OF RM FOR 2015

in million Denars

TOTAL REVENUES in the BUDGET		Participation in the Budget of RM			
	195.238,11				
TAX REVENUES	95.33800	Participation in Tax Revenues 100%			100%
REVENUES of customs duties, VAT Excise duties and fees	66.047,55	Participation of Customs duties, VAT, Excise and Fees 100%		69,3%	33,8%
CUSTOMS DUTIES revenues	4.843,00	Participation in revenues from customs 100%			
Customs duties	4.843,00	100%	7,3%	5,1%	2,5%
VAT revenues	44.492,00	Participation in revenues from VAT 100%			
VAT on import	39.850,00	89,6%	60,3%	41,8%	20,4%
EXCISE revenues	20.721,55	Participation in revenues from Excise duties 100%			
Excise duties from internal trade	15.755,00	76,0%			
Excise duties from import	4.966,55	24,0%			
FEES revenues	1.500,00	Participation in revenues from fees 100%			
Fees on import	633,00	42,2%	1,0%	0,7%	0,3%

The structure of the revenues planned for collection by the Customs Administration and their participation in the total 2015 Budget tax revenues on one side and the total 2015 Budget revenues on the other are shown in the diagrams below:

revenues on one side and the total 2015 Budget revenues on the other are shown in the diagrams below:



In 2015, the Customs Administration collected 67,233.72 million Denars . This is:

- 6,6% more compared to the achieved revenue collection of 63,064.52 million Denars in the same period of 2014

- 1,8% more compared to the planned revenues of 66,047.85 million Denars; and

Plan and collection within January – December 2015, compared to the same period in 2014-2012					
Period	Plan 2015	Realized 2015	Realized 2014	Realized 2013	Realized 2012
January-December	66.047,85	67.233,72	63.064,52	61.882,98	64.120,14
Index:		Collection/Plan 2015	2015/2014	2015/2013	2015/2012
Period 2015/14, '13, '12		1,8%	6,6%	8,6%	4,9%

- Compared to the revenues collected in 2014, in 2015 Customs realized:

HIGHER COLLECTION OF:

- Excise duties for 15,4%,
- VAT on import for 2,7% and
- Customs duties for 2,6%

LOWER COLLECTION OF:

- Fees for -1,1%

SUBSEQUENT COLLECTION OF IMPORT AND EXCISE DUTIES

2.046 Decisions for subsequent collection of outstanding customs debt amounting to 112.6 million Denars were passed in 2015:

- 392 Decisions for subsequent collection of 29.3 million Denars due to incorrect tariff classification of goods in headings with lower (or zero) import duty rate;
- 138 Decisions for subsequent collection of 11.7 million Denars due to declared lower value of goods, as basis for calculation of import duties, as confirmed with verification of invoices and other documents concerning customs value conducted by the Customs Authorities of the exporting countries;
- 480 Decisions for subsequent collection of 12.2 million Denars due to invalid proofs of preferential origin of goods, as confirmed with verification conducted by the Customs Authorities of the exporting countries and
- 1.036 Decisions for subsequent collection of 59 million Denars on other grounds.



8. TRANSPARENCY

The Customs Administration is committed to creating high level of openness in its work, aiming to improve public trust and establish a system that ensures transparency, public participation and cooperation. We promote accountability and information to the public about what we do, in accordance to the law, by providing public information availability that permits easy search and use. This makes us more efficient and improves the quality of decision-making.

The knowledge the Customs Administration has is dispersed in society. The Customs Administration is fully committed to involve all interested stakeholders in preparation of legislation, thus benefitting from the collective expertise and information, but this is also a way to lend an ear to the public to improve our performance.



RAISING OF THE PUBLIC AWARENESS

Oral Declaration of goods with no cost for customs agents services

The internet shopping growth in Macedonia led to greater import of personal use consignments ordered online. With the aim to raise the public awareness that there is a possibility to cut down on their costs for services rendered by customs agents, in March 2015, the Customs Administration launched a campaign to informing the citizens about the possibility to submit oral customs declaration with no costs for customs agents services.

For the purposes of the campaign, a video with all the details about how to use oral customs declaration was created and informative booklets in Macedonian and Albanian language were printed.

Cashless payment of customs duties and fees

Following the latest trends of cashless payment aiming to ensure quality and fast service for the citizens, at the beginning of 2015, the Customs Administration introduced a possibility for cashless payment of customs duties and other customs related taxes. Thanks to this possibility, the citizens and the economic operators need not travel to the nearest town or branch office of the Macedonian Post Office or commercial

ЦАРИНСКА УПРАВА

БРЗИ ПРАТКИ

УСНО ПРИЈАВУВАЊЕ НА СТОКА
БЕЗ ТРОШОЦИ ЗА ЦАРИНСКА ДЕКЛАРАЦИЈА

banks, neither queue to pay the duties (customs and other duties and fees) related to customs formalities and from the beginning of 2015, these services will be available at a single desk, at the Customs Offices. 24 POS terminals were installed in the 5 Regional Customs Houses on the territory of the Republic of Macedonia (6 terminals at the Customs Houses Skopje, Bitola and Kumanovo each, 5 terminals at the Regional Customs House Gevgelija and 1 terminal at the Regional Customs House Shtip).

Cash Control

In December 2015, the Customs Administration reactivated the campaign to inform the passengers entering into, exiting from and transiting through the territory of the Republic of Macedonia, on their rights and obligations concerning the bringing in/taking out of cash in the periods of increased frequency of passengers. For the purposes of the campaign, booklets were printed with information for passengers about the customs regulations related to cash control. Together with the booklets, a video was made and it is broadcasted on the screens of the airports Alexander the Great and St. Paul the Apostle. Information boards with informing the passengers about their rights and obligations were also made, with details about the allowed amounts of cash that can be brought in or taken out from the country, along with information about the allowed quantities of tobacco and alcoholic products, perfumes, personal hygiene products, medicines, pets, etc.

197 CUSTOMS HOTLINE



The 197 Customs Hotline, which has been operational for 13 years, allows the citizens to directly participate in the fight against corruption, smuggling and illegal work of the Service.

In 2015, a total of 9,902 calls (an average of 28 calls per day) were received on the 197 Customs Hotline, of which: „A“³ class calls – 26 calls, „B“⁴ class calls – 46 calls, „C“⁵ class calls - 758 calls and „J“⁶ class calls – 35 calls. Most of the calls were related to the functioning and the situation at the borders crossings and the inland customs offices, as well as the performance of particular customs procedures. After processing the received calls, the competent services of the Customs Administration undertook all necessary activities and measures for correction of the established flaws in the work.

FREE ACCESS TO INFORMATION

In 2015, the Customs Administration received 7 requests for free access to information of public character and they were appropriately addressed.

INTERNET, INTRANET, QUESTIONS, COMPLAINTS AND SUGGESTIONS

In 2015, the Customs Administration's website was visited almost 2 million times by about 30 thousand users. 628 pieces of different information were published on the website of the Customs Administration in Macedonian, English and Albanian. In the reporting period, the visitors sent 869 questions, complaints and suggestions. 589 questions of clients were answered to, and the complaints and suggestions were forwarded to the competent services.

904 pieces of information were published on the Intranet Portal.

3 „A“ class calls - information implying urgent actions by a customs officer or mobile customs unit.

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

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

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



SOCIAL RESPONSIBILITY

Humanitarian aid to three socially vulnerable families



On the occasion of 14th April – the Day of the Customs Administration, upon the initiative of the customs officers, an action for humanitarian aid to three socially vulnerable families in Kumanovo was successfully organised. The customs officers donated as much as they could - money, food and clothing, intended particularly for the 10 children of these three families. Upon initiative of the Customs Administration, the Ministry of Labour and Social

Policy provided these families with food and clothing and the municipality of the city of Kumanovo assisted in clearing the area around their home. The aid was handed during Easter season.

150 customs officers gave blood

150 customs officers gave blood and showed their humanity on the occasion of 14th April – the Day of the Customs Administration, when a traditional blood donation was organized on the whole territory of the country.

Tree Day

The Customs Administration of the Republic of Macedonia took an active part in the traditional action “Tree Day” that happened on 2nd December 2015. Customs officers of all border crossings in the country organized actions for planting bedding plants and together with representatives of the border agencies and local authorities of the neighbouring countries planted around 200 trees.

Donation of seized goods to socially vulnerable categories

In 2015, pursuant the provisions of the Law on Customs Measures for Protection of Intellectual Property Rights and following adopted Decisions on donation of seized goods by the Government of the Republic of Macedonia, the Customs Administration on three occasions handed over about 6,500 pieces of clothing and 360 pairs of trainers that were donated through the Ministry of Labour and Social Policy to socially vulnerable categories and victims of natural disasters.

USAID APPRECIATION TO THE CUSTOMS ADMINISTRATION

In December 2015, the Customs Administration was presented with a Plaque of Appreciation of the U.S. Agency for International Development for its continuous support and strong partnership with the USAID Investment Development and Export Advancement Support (IDEAS) Project, focused on enhancement of the economic development of Macedonia, through government and business sector capacity building. The Customs Administration was supported through this project in its efforts for accession of the country to the Convention on a Common Transit and in the activities of planning and realization of Time Release Study, conducted in conformity with the WCO methodology.

CUSTOMS COOPERATION

COOPERATION WITH THE BUSINESS SECTOR

Advisory Council

Four additional members - Macedonian-Bulgarian Chamber of Commerce, Macedonian-Turkish Chamber of Commerce, Dutch Chamber of Commerce and Association of the German Chambers of Industry and Commerce-Representative Office in Skopje joined the Advisory Council, which in 2015 held 4 meetings. The topics of discussion included presentation of the novelties in customs operations.

The business sector proposed other activities for further improvement of the situation at the border crossings aimed at reduction of the waiting time and improvement of the technical condi-

tions. Several initiatives were taken into consideration, including the initiative for joint controls with the neighbouring countries at the borders.



Working meeting with the Foreign Investors Council of the Republic of Macedonia

Working meeting between the representatives of the companies-Members of the Foreign Investors Council and experts of the Customs Administration was held in March 2015. The meeting was convoked with the aim to discuss the opened customs issues through direct dialogue and propose solutions for improvement of the business environment in the Republic of Macedonia. The experts of the Customs Administration presented the novelties in the customs operations, introduced for trade facilitation and simplification of the customs procedures.



Meeting with the importers and producers of excise goods

To ensure better cooperation with the producers and importers of excise goods – tobacco products and alcoholic beverages, the Customs Administration organized three working meetings in July and September 2015. About 40 company representatives attended the meetings at which the novelties in the excise related customs operations were

presented and the opened questions and possibilities for their resolution were considered, with a view to improve the entire excise system.

CUSTOMS IN CONTACT WITH THE STUDENTS

Internship for students

In 2015, the Customs Administration provided internship for 74 students of the faculties with which Memorandums of Cooperation have been signed, with the objective to provide the students with the possibility to understand the role and the powers of the Customs Administration.

Presentation on Human Resources Management for the students

With the aim to enable the universities to establish career - making centres and to provide possibilities for the students to extend their theoretical knowledge and capacity for practical use, in April 2015 representatives of the Customs Administration delivered a presentation before students of the Faculty of Tourism and Hospitality in Ohrid – Department for Customs and Freight Forwarding. The event was an opportunity to inform the students about the recruitment system, re-deployment, promotion, evaluation and professional development of the customs officers, as well as the legal basis for practical implementation of these systems at the Customs Administration. The students showed great interest in the recruitment procedure and career making and actively participated with asking questions.

The process of accession to the Convention on a Common Transit Procedure presented to the students of the University of Tourism and Management Skopje

In February 2015, presentation on the process of accession to the Convention on a Common Transit (CCT) was delivered before students of the University of Tourism and Management Skopje. The students were informed about all completed and the follow up activities for timely accession to the Common Transit Convention (CTC). In the framework of the activities for intensification of the cooperation between the Customs Administration and the educational institutions, a visit to a Customs Office was agreed to be organised for the students of the University of Tourism and Management, so that they

can get acquainted with the customs procedures.



Students at the Faculty of Economics got familiarized with the work of the Customs Administration

In December 2015, a presentation was delivered before students of the Faculty of Economics – Ss. Cyril and Methodius University in Skopje focused on the work and results of the Customs Administration. These presentations are a result of the successful collaboration between the Customs Administration and the Faculty of Economics, but also part of the signed Memorandum on cooperation between the two institutions.

SIGNED MEMORANDUMS OF UNDERSTANDING

With Philip Morris, Tutunski Kombinat Prilep

By signing a Memorandum of Understanding (June 2015), focused on strengthening of the coordination and cooperation in the fight against illegal trade of tobacco products, the Customs Administration and Philip Morris, Tutunski Kombinat Prilep expressed their commitment to for implement effective framework of cooperation that will have positive effects for the state revenues collection. The Memorandum envisages mechanisms for fight against illicit tobacco products, including among other things, specific training for Customs and exchange of relevant information for the investigations and prosecutions.

With the Food and Veterinary Agency

In June 2015, the Customs Administration of the Republic of Macedonia and the Food and Veterinary Agency signed a Memorandum of Understanding that encourages intensification of the mutual cooperation in the field of inspection of the food of animal and non-animal origin and the

food contact products, with its final objective to protect the economic, commercial, fiscal and social interests of the Republic of Macedonia.



With the Faculty of Economics - Ss. Cyril and Methodius University in Skopje

The Customs Administration and the Faculty of Economics - Ss. Cyril and Methodius University in Skopje signed a Memorandum of Cooperation in November 2015 for intensification of the activities of the Regional Training Centre of the World Customs Organisation and strengthening the cooperation with the high education institutions. The signing of the Memorandum will ensure that scientific research about the impact of the amendments to the customs and excise procedures on the national and regional economy is one of the tools for strategic decision - making and further modernization of the Customs Administration.



INTERNATIONAL COOPERATION

125th/126th session of the World Customs Organisation Council

The Director General of the Customs Administration participated at the 125th/126th Session of the Customs Cooperation Council of the

World Customs Organisation, held in June in Brussels, at which Customs Heads of 179 Member States considered and adopted the recommendations and the reports of the committees and specialised bodies of this organisation, defining the directions for their future work, focused on harmonisation of the global customs work. The delegates considered the progress in realisation of the strategic priorities and activities of the WCO, in area of: security and facilitation of the international trade, promotion of fair, efficient and effective collection of customs revenues, protection of the society and public health and security, building of the capacities of the Customs Services and promotion of the exchange of data between all participants in customs procedures. At this session the Council defined the strategic principles of the further action of the WCO. The discussion topics included also the adoption of the Action Plan with recommendations for the work of the Customs Services, for better results and competitiveness of the economic operators.



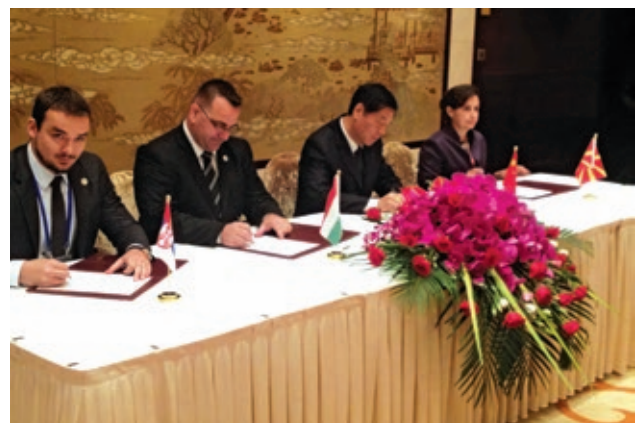
2015 Heads of Customs Conference of the WCO Region Europe

In April 2015, delegation of the Customs Administration attended the Heads of Customs Conference of the WCO Region Europe, held in Wroclaw – Poland, in organization of the World Customs Organization. At the conference, measures for improvement of the methodology for customs performance measurement, which are already largely implemented by the Customs Administration of the Republic of Macedonia, were proposed. The delegates reached an agreement to draft a Regional Strategic Plan and the region's appropriation of the WCO Strategic Plan, which takes into account the development directions for



the CARM and other administrations in the region. During the conference the Director General of the Macedonian Customs realized informal bilateral meetings with the Heads of Customs of the neighbouring countries in which the current activities of the Customs Administration were presented and opinions on the challenges in the region were exchanged, with expressed interest to arrange official bilateral activities, particularly in area of the EU Common Transit System recently implemented in the Republic of Macedonia.

Customs Heads Forum “Silk Road Economic Belt” in China



In May 2015, delegation of the Customs Administration of the Republic of Macedonia took part at the Customs Heads Forum organised in the People’s Republic of China, the objective of which was to support the connection between the customs administrations and their development. Representatives of about 60 countries, high representatives of all significant European and international organisations whose operations are related to the customs, as well as the Secretary General of the World Cus-



toms Organisation, Mr. Kunio Mikuriya attended the Forum. Following the signing of the Framework Agreement on Cooperation in Facilitating Customs Clearance among the Chinese, Hungarian, Macedonian and Serbian Customs (December 2014), the Directors General of the four customs administrations signed a Cooperation Plan in Facilitating Customs Clearance (2015-2016), which regulates the setting up of contact points, establishment of the working group mechanisms, the facilitation and all other matters related to the implementation of the signed Framework Agreement, organisation of workshops, seminars in customs matters and meetings of the working groups.

Regional Workshop on protection of intellectual property rights

Regional workshop on identification and prevention of import, export and transit of counterfeits and pirated goods, organised by the World Customs Organisation, under the auspices of the Japanese Customs Cooperation Fund (CCF Japan), took place in Skopje in March 2015. Customs officers from Macedonia as host country, Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Italy, Montenegro and Serbia had an opportunity to exchange experiences and acquire new knowledge about the actions undertaken in the field of protection of intellectual property. The workshop agenda was focused on further reinforcement of the operational capacities, reaching higher level of awareness, effective selection of the shipments based on risk analysis and assessment and definition of techniques for detection of goods being subject to protection of intellectual property right, exercises to recognize differences between original products and counterfeits. Among the participants there was also representative of the Europol and the workshop was used for exchange of experience and consideration of proposals for future cooperation.



28th meeting of the EU-EFTA Joint Committee for Common Transit

Delegation of the Customs Administration attended the 28th meeting of the EU-EFTA Joint Committee on common transit and simplification of formalities in the trade in goods that took place in November 2015 in Istanbul-Turkey, where the Customs Administration for the first time participated as a member. The attendees discussed about the functioning of the two relevant Conventions, the New Computerised Transit System (NCTS) and the EU/EFTA Working Group. The delegates also considered the status of accession of the Republic of Serbia to the Conventions and adopted decisions concerning the invitations for accession of Serbia to the Convention. At the meeting, representative of the Customs Administration delivered a presentation on the functioning of the NCTS in the Republic of Macedonia.

First meeting of the Working Group for cooperation and facilitation of customs clearance formalities

In March 2015, high representatives of the Macedonian Customs attended the first meeting of the Working Group for cooperation and facilitation of customs clearance formalities, composed of representatives from Macedonia, China, Hungary and Serbia. The meeting took place in Shanghai, China. The Working Group was created on the basis of the Framework Agreement on cooperation and facilitation of the customs clearance formalities that was signed between the Customs Services of the People's Republic of China, Republic of Macedonia, Republic of Serbia and Hungary. The participants discussed the possibility for organizing workshops on use of sophisticated equipment in customs controls, risk analysis and exchange of experiences acquired in the domain of customs procedures and facilitation and acceleration of the trade.





Training on Control and Investigations

In September 2015, renowned experts of the Republic of Turkey delivered training for Macedonian customs officers in the area of controls and investigations. The training is a result of the successful bilateral cooperation between the Customs Services of Macedonia and Turkey. For the attendees, it was an opportunity to see the experiences and practices of other country in the area of controls and investigations, and to compare the current situation and identify future needs and expectations. The attendees were familiarized with the concrete results of the cooperation in the field of information exchange and presented their opinions and proposals for its strengthening.



Donation by US Embassy (EXBS Program)

On 9th June 2015, the Export Control and Related Border Security (EXBS) Program of the US Embassy in the Republic of Macedonia officially donated equipment to the Customs Administration and the Ministry of Interior of the Republic of Macedonia in intended for tackling illicit trade of goods. The equipment donated to the Customs Administration consists of manually-operated X-ray scanner of the latest generation, fibre scopes, busters, radiation detectors etc.

Women in security institutions

In February 2015, high representatives of the Kosovo security institutions (Police, Custody



centre, Customs) met with representatives of the Customs Administration of the Republic of Macedonia. The meeting was part of the Project “Women in Kosovo Security Institutions”, supported by the Embassy of Norway in Kosovo. The Project’s objective is to raise the awareness on women’s contribution in the security institutions and a motivation to choose a profession of a uniformed officer.

Meetings of the Heads of the Border Customs Offices of the neighbouring countries

In 2015, the International Customs Day was celebrated under the slogan “Coordinated Border Management”. Upon the initiative of the Customs Administration of the Republic of Macedonia, the Heads of the Border Customs Offices organised bilateral meetings with their colleagues of the Customs Services of the neighbouring countries, in the spirit of good neighbourly relations, which was an opportunity to discuss the strengthening of the established mutual cooperation and other topics of common interests.



On the occasion of the International Customs Day, the WCO traditionally awarded Certificates of Merits, through its members, to persons and organizations that have contributed to improvement of the coordinated border management. With reference to this event, the Customs Administration awarded 5 Certificates of Merits to Customs Offices of Serbia and Kosovo. For the excellent operational cooperation, particularly in exchange of information of common interest, Certificates of Merits were awarded to 3 Customs Offices of Serbia and 2 Customs Offices of Kosovo. Certificate of Merit was awarded also to the Regional Center for Nord Border Affairs at the Ministry of Interior.



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