

CEFTA Agreement

Advantages to Trade in the Region



Introduction

One of the ways to fight the global crisis can and should be higher and better economic cooperation in the Region, i.e. development of the regional economy. In the newly-created situation, favourable impact on the business climate is expected from the CEFTA Agreement, which, as of November 2007, replaced and upgraded the former bilateral agreements, and resulted in the more intensive commodity trade. The CEFTA Region, with round 30 million inhabitants, is important to all the countries, for the commercial and wider economic cooperation.

With the aim to develop the regional economy, the chambers of commerce and industry should commit to identification and implementation of joint projects and approach to third markets. The activities of the chambers of commerce and industry should be directed to starting of the initiatives, with the executive and legislative authorities, on adoption of the laws in the area of economy, by which they will exert influence on the business climate and contribute to upgrading of the economic and systemic ambience.

Chambers of commerce and industry will make a maximum contribution to the development of the economic cooperation and trade, and creation of a single trade zone in this part of Europe. In this process, chambers of commerce and industry expect to be an important partner to the governments, EU, Regional Cooperation Council, and all other entities supporting and participating in development and establishment of the free trade zone in the Region.

Traditional cooperation of our countries, as well as the implementation of the CEFTA Agreement constitute the basis for higher commodity trade and establishment of higher forms of economic cooperation. Active work on upgrading the economic development, increasing exports and foreign direct investments, strengthening competitiveness of the economies, development of entrepreneurship and promotion of the economy of the Region as a respectable investment destination should be the strategic goals of all chambers of commerce and industry of the CEFTA signatories.



CEFTA Agreement

Conclusion of Cefta Agreement

On 19 December 2006 Serbia together with eight other countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania and UNMIC/Kosovo as customs territory in accordance with the UN SC Resolution 1244, became a CEFTA 2006 member country (Central European Free Trade Agreement), the first single multilateral free trade agreement in the South East Europe. Bulgaria and Romania became the EU member countries on 1 January 2007 and they have withdrawn from CEFTA.

All CEFTA members have started to implement the Agreement on 22 November 2007, and new CEFTA 2006 replaced the network of 32 bilateral free trade agreements.

What is Defined by the CEFTA Agreement?

The CEFTA Agreement defines general obligations related to trade in all goods. General rule is that quantitative restrictions and customs and other duties on export and import of goods in trade among countries in the Region will be abolished and that new restrictions will not be imposed.

It is also defined that starting from the day before the Agreement enters into force, a quantitative restrictions, customs and other duties on export and import of goods will not be increased, that is, the level of liberalization envisaged by the Agreement will be applied, under the condition that full

liberalization be achieved by the end of 2010.

The Agreement stipulates: technical barriers to trade, as well as some new fields that have not been included into free trade bilateral agreements: trade in services, investments, public procurements, protection of intellectual property and arbitrary proceedings in case of disputes.

Deadlines to be agreed for specific fields are defined more precisely:

- Technical barriers to trade – Until 31 December 2010 the parties will conclude plurilateral agreements on the harmonization and mutual recognition of procedures for the assessment of technical regulations harmonization.
- Competition – From 1 May 2010 competition rules will be applied to all enterprises, including public enterprises and those with special and exclusive rights, with active participation of independent regulatory body.
- Public procurements – Until 1 May 2010 the parties shall provide for nondiscrimination and national status.
- Protection of intellectual property – Until 1 May 2014 the parties shall sign conventions in this field (which are listed in Annex 7 of the Agreement) and implement them.

Operational rules on the origin of goods (Annex 4), cooperation among customs administrations, rules of competition and state aid, as well as protection rules are also defined.

It is envisaged to apply protection measures in accordance with the determined conditions and pro-

cedures. CEFTA allows application of protection measures against excessive import, as well as antidumping and compensatory measures which can be applied by member countries in case of their market disturbances.

Joint Committee is the highest CEFTA body and it supervises and implements the Agreement and proposes measures for its appropriate implementation. It holds meetings at ministerial level at least once in a year. It has founded three subcommittees (for agriculture, sanitary and phytosanitary issues, customs and origin of goods, technical and non-tariff barriers). CEFTA Secretariat is also founded and it performs professional and organizational work for the needs of Joint Committee.

The Agreement has nine Annexes. Among them are the lists of industrial and agricultural products which have not been fully liberalized by the enforcement of CEFTA 2006.

Novelties in the CEFTA Agreement Pertaining to the Interests of Business

The most important novelties in the CEFTA agreement compared to previous bilateral agreements which are of special interest to business are as follows:

- Possibility to apply diagonal accumulation of the goods origin,
- Introduction of gradual liberalization of trade in services,
- Obligation to equalize investment conditions by applying the WTO rules and by providing for equal status of domestic and foreign investors from the Region,

- Gradual opening of public procurements market and equal status of domestic and foreign suppliers from the countries in the Region,
- Ensuring protection of intellectual property rights in accordance with the international standards,
- Improvement of mechanisms for solving the disputes arising from the Agreement implementation,
- Obligation to respect the WTO rules no matter whether a country is a member of this organization or not.

Diagonal Accumulation of Origin of Goods

As it is the case with the bilateral agreements, liberal, i.e. no customs trade with CEFTA is possible only if the goods are of domestic origin. Compared to bilateral agreements in which only bilateral accumulation of goods origin is applied, which means that a raw material imported e.g. from Bosnia and Herzegovina and used for the production of final product manufactured in Serbia can be exported only to Bosnia and Herzegovina with no custom duties, but not to other countries, the CEFTA Agreement provides for diagonal accumulation of origin, i.e. accumulation of origin from a number of countries in the Region which will in the end obtain the status of domestic origin.

The possibility to apply diagonal accumulation of origin of goods in trade with countries in the Region and in trade of the entire Region with the EU and EFTA and Turkey, should contribute to trade with a bigger assortment of goods with no custom

duties. This will lead to the enlargement of production and exporting capacities and will represent a factor of cohesion for cooperation in the Region. This will create favorable conditions for placement of goods in the EU market. Diagonal accumulation with the EU, EFTA and Turkey is possible only for those countries and territories in the Region that have previously signed relevant free trade agreements with them.

Trade Liberalization

Like other CEFTA countries, Serbia has fully liberalized trade in industrial products since 1 January 2007, and with agricultural products, a certain level of protection has been maintained only in trade with Croatia.

In 2009, the negotiations were held on further liberalization of trade in agricultural products among the CEFTA members.

Serbia has agreed on free trade in agricultural products with Albania and Moldova, and it has achieved substantial level of liberalization with Croatia. Serbia and Croatia have agreed to increase quotas by 200% and reduce to zero the customs tariffs for all agricultural products, other than tobacco and cigarettes, sugar and sugar syrup. An additional Protocol to the Agreement has been signed (and given to Croatia as a depositary). The following steps are further implementation of the procedure and ratification of the additional Protocol by the signatories, and its coming into force. It is expected that implementation of the agreed further liberalization of trade in agricultural products in the CEFTA Region will start in the middle of 2011.

Non-Tariff Barriers

Special problems in the implementation of the CEFTA Agreement, i.e. in free trade, are different non-tariff barriers which, according to some research, exceed one hundred different types in this Region.

Most frequent non-tariff barriers in the Region are the following:

- Complicated procedures on the border-crossing points, high administering and non-harmonized working hours of the customs and inspection services (sanitary, veterinary, radiological);
- Lack of internationally recognized accreditation and certification bodies and insufficient number of certified laboratories and institutions;
- Non-recognition of certificates of quality – agreements on mutual recognition of these documents have not been signed among the countries in the Region, yet. Therefore, each country performs such a control on its own. Each consignment of goods is tested (sampled) twice on both sides of the border;
- Problem of non-conformity of the domestic standards and technical regulations with the international standards;
- Lack of adequate transport and other infrastructure;
- Quite complicated visa regime, corruption and smuggling.

According to CEFTA 2006, each country is responsible for elimination of non-tariff barriers to trade with the countries in the Region, and to report ac-

cordingly on a regular basis to the Joint Committee responsible for implementation of the Agreement.

In the adoption procedure, the measures, procedures and initiatives for solving and elimination of these barriers were identified. This particularly refers to the problem of the mutual non-recognition of certificates of quality (sanitary, phytosanitary and veterinary) for agricultural products, which aggravates trade in these products in the Region.

It is necessary to upgrade the quality infrastructure to the level when Serbian certificates for products will be recognized in all EU and CEFTA Region countries. In 2009, some progress was made in this area through adoption of the specific laws from this scope. With their enforcement, the domestic consumers get a framework for building of a functional quality infrastructure system, harmonized with the corresponding systems in the EU countries and in the neighbourhood. However, it is necessary to adopt a series of by-laws, which will transpose relevant European directives of “new” and “old” approach, and to sign relevant agreements with individual countries.

The problems that can be noticed in the area of quality infrastructure reflect in the lack of institutionalized accredited bodies, due to which it is not possible to implement consistently the CEFTA Agreement. A positive example recorded in this segment, is initialling of the Protocol of mutual recognition of the documents issued by the accredited bodies and facilitation of bilateral trade in goods of the subject supervision, between the Ministry of International Trade and Economic Relations of Bosnia and Herzegovina and the Ministry

of Agriculture, Forestry and Water Management / Ministry of Health of the Republic of Serbia. This Protocol, which was initialled in the middle of 2010, should be signed as soon as possible.

Serbia should reach the level of full European and international recognition of quality infrastructure and accreditation, as the main and only acceptable mechanism. It is only then that we will have sufficient conditions for acquiring the certificate for the domestic market, which will be valid on the internal EU market, and which has been projected for the market of the CEFTA Region. This is a very extensive task, in which the CEFTA members have reached different levels. Therefore, the solution to the faster movement of goods, until full harmonization of the regulations in the area of quality infrastructure, should be sought in mutual recognition of certificates.

Permanent Forum of the CEFTA Chambers

After signing the CEFTA Agreement, on the initiative of the SCC and with the support of Eurochambres, the Permanent Forum of the Chambers of CEFTA Countries (with three Working Groups with the same names as the Subcommittees of the Joint Committee) was established in Belgrade, in April 2007.

The objective of the Forum is to support the economies of these countries, through the inter-chamber cooperation and dialogue, in their efforts to maximise the positive effects of creation of the Free Trade Zone in the Region. The most discussed important topics and activities of the Forum are

the following: the first effects of the CEFTA implementation, seminars and education, non-tariff barriers to the regional trade, solution to the problems of non-recognition of certificates of quality, liberalization of trade in agricultural products, rules of origin and diagonal accumulation of origin, sectoral linking and regional clusters, initiatives for discussions on environmental protection within the implementation of CEFTA, etc.

Priorities in the Implementation of CEFTA

In 2010, CEFTA was chaired by Serbia, and in 2011, by alphabetical order, it will be chaired by UNMIK/Kosovo. Four main priorities have been established for further implementation of CEFTA, which have been confirmed by the CEFTA Secretariat:

- Potential opening of the negotiations on liberalization in the area of trade of services. This first priority includes the preparations for and the beginning of the negotiations in conformity with the WTO, and its ultimate goal is progressive liberalization and opening of the services market among the CEFTA countries;
- Creation of equal conditions for investments. This is the second priority that has to create the conditions for attraction of as many investments as possible to the CEFTA Region. That is why it is necessary to eliminate the administrative and other barriers, with the ultimate goal to form a common investment market with harmonized investment policies of the countries in the Region. It is necessary to upgrade the cooperation of the national agencies for promotion of

investments into the Region;

- Opening of the public procurements market. The third priority that has to ensure progressive and efficient opening of the public procurements market of the CEFTA members by 1 May 2010, with implementation of the principle of the national treatment (the same conditions for domestic and foreign bidders). In this connection, all CEFTA members harmonized their legal regulations (according to Article 35, point 2, of the Agreement);
- Achievement of competitiveness and harmonized trade liberalization. The fourth priority should ensure implementation of an adequate policy for protection of competition of the CEFTA members, in order to utilize fully the effects of trade liberalization. Therefore, it is necessary to achieve better cooperation of the national competitiveness agencies.

CEFTA-DIHK Partnership Project

The CEFTA-DIHK Partnership Project is established with the aim to promote the cooperation in the region and with Germany through consistent implementation of the CEFTA Agreement and internationalization of the SEE countries' economies. Participants and partners in the project are national chambers beneficiaries of the project: Union of Chambers of Commerce and Industry of Albania, Foreign Trade Chamber of Commerce of Bosnia and Herzegovina, Croatian Chamber of Commerce, Economic Chamber of Commerce of Macedonia, Chamber of Commerce of Moldova, Chamber of Commerce of Montenegro and Ser-

bian Chamber of Commerce, as well as national chambers that are not beneficiaries of the project: Bulgarian Chamber of Commerce and Industry, Union of Hellenic Chambers, Romanian Chamber of Commerce and Industry and Union of Chambers of Turkey. The Project is realized with the support of the Federal Ministry for Economic Cooperation and Development (BMZ) which is provided through the Association of German Chambers (DIHK).

Activities of the Project are:

- Support to CEFTA Working Groups work;
- Bringing the non-tariff barriers to a minimum;
- Support to chambers in the application of new services;

- Organization of chambers and companies from SEE participation at joint stands in the fairs and exhibitions in the SEE and Germany;
- Organization of cooperation bourse/meetings for companies within the SEE region and in Germany;
- Publishing of guides, brochures, PR materials on different topics;
- Foundation of network of education centers in commercial and industrial chambers for the needs of companies, etc.

The Project has begun in July 2010 and it will last three years with a possibility to be extended.



Republic of Albania

General Information

Territory: 28,748 km²

Population: 3.6 million

Borders with: Montenegro, UNMIK Kosovo, Macedonia and Greece.

Capital city: Tirana, 727,000 inhabitants

State organization: Republic

Official language: Albanian

National currency: Lek

GDP: \$23.6 billion

Trade Regime

Albania is member of World Trade Organization since September 2000. During and after this process Albania started a long road of harmonization of legislation in conformity with international rules and WTO. As such trade Regime of the republic of Albania is in accordance with International trade regulations.

Albania has a liberalized export and import regime for goods. However the import of goods detrimental to human health, flora and fauna, and to the integrity and national security of the Republic of Albania is restricted to specific requirements by

law. Such goods (under export and import license control), are classified as:

- Military and strategic materials;
- Radioactive materials;
- Dual use products;
- Drugs and psicotron materials.

Export

Exports have no taxes or any other restrictive measure. There are no quotas, prohibitions or other restrictions on export.

Import

Albanian imports are subject to a simple tariff system, ad-valorem. The level(s) of customs duties are settled based on the Combined Goods Classification Nomenclature of 12 digits, which is fully in compliance with European Commission Combined Nomenclature. Customs duties vary from 0%, 2%, 5%, 10% and 15%. Tariffs with CEFTA Countries and European Commission Countries are 0%.

Albanian imports duties includes import value added tax of 20%, (VAT) and some special products such as: tobaccos and cigarettes, alcoholic beverages, gas and oil, perfumes etc. are subject to excise tax. Excise taxes are advalorem and fixed tax.

Albania's import licensing requirements and the procedures to implement these requirements are set out in a variety of different laws, regulations, ministerial orders, and decisions of the CoM, rules and ministerial guidelines. Documentary and other information must be presented in order for the license to be granted. If these requirements are met, the license is automatically granted. Exceptions to this apply for narcotic and psychotropic drugs and certain flora and fauna for which quantitative restrictions apply, as well as for medicinal products, military goods, and fish and fish products where licensing is not automatic.

Albania has no quantitative restrictions on imports, compliant with WTO requirements as well as with all the other Free Trade Agreements.

Albania applies no quotas on imports except for the preferential quotas made under the Free Trade Agreements with CEFTA countries, Turkey and EFTA countries.

Import Procedures

All persons interested in performing final import procedures of their goods at the Albanian Customs must dispose the following documents:

1. Import declaration (SAD-import)

The customs import declaration form is a general administrative document approved in the Republic of Albania, in conformity with the attached format. You may obtain this declaration form and detailed information including, instructions for filling it out, directly from the customs agency offices, or you may find them on the internet by ac-

cessing the on-line ASYCUDA WORLD declaration system. You must fill out each element contained in this declaration to begin the clearance procedure for imported goods.

2. Purchase Invoice

The purchase invoice is issued by a selling company located abroad. The invoice must contain the basic elements of the selling and purchasing transaction, including the date of transaction, the date of delivery of goods, the correct name and address of the purchaser in Albania, the correct name and address of the seller abroad, the number of parcels or other similar packaging, an accurate description of the goods, the quantity, price per unit and the total value of transaction, discounts in prices, and any losses in transport. If the sale invoice does not contain any of the afore-mentioned elements, then it may be rejected by the Albanian customs authorities, or may provide grounds for further inspection and investigation.

Aside from the mandatory elements mentioned above, the invoice may also indicate any other quantity or quality elements related to the referred transaction.

The invoice must be in English (international language), or in the language of the originating country of goods. However, the Albanian customs authorities will ask for an official translation of it.

The seller and purchaser of goods are held legally responsible for all the elements declared in the invoice.

The Albanian customs authorities are entitled to carry out a posteriori (post-clearance) verifications

and investigation, and are entitled to re-assess the import duties on the basis of such verifications.

3. Transport document for the goods

The transport document for the goods includes the carrier's document, which must contain the following mandatory elements: the correct name and address of the purchaser in Albania, the correct name and address of the seller abroad, the number of parcels or other similar packaging, an accurate description of the goods, the quantity, total net and gross weight of the goods, and the total net and gross weight of the means of transport, the date of receipt of the goods and the date of delivery of the goods.

The international transport documents may include CMR or TIR, or any other voucher issued by a broker or carrier, which must contain the elements mentioned above.

Given that Albania has adhered to the TIR Convention or ATA Carnet Convention, the procedures based on a TIR carnet voucher facilitate and favor this process.

4. Cargo list or manifest of goods

Overall, the cargo list or the manifest of goods is a part of the transport documents for the goods, and contains a detailed description of the type of goods and their packaging. However, the cargo list is not a mandatory document in each case of import. If only a limited number of type of goods is transported, then there is no need for a cargo list, and the description in the transport voucher or document is more than sufficient.

5. Certificate of origin

A certificate of origin is not a mandatory document for performing the import procedures. Nevertheless, if the imported goods are included in the relevant lists of the different schemes of preferential tariff benefits, then in order to receive preferential treatment, you will need to possess a certificate issued by the authorized institutions in the basic country of origin.

6. Veterinary and phytosanitary certificate (for agricultural products)

It is obligatory that import of animal and plants, their products and their by-products, be accompanied by the relevant phytosanitary and veterinary certificate.

7. Import license

In general, import to the Republic of Albania is free, and does not entail an import license.

However, in specific cases involving the import of scrap and waste material suitable for reprocessing, recycling and destruction, import is limited to holders of import licenses.

Regardless of the required documents outlined above, the import of goods detrimental to human health, flora and fauna, and to the integrity and national security of the Republic of Albania is prohibited by law. Each importer or declarant is held legally accountable for failure to declare the import of prohibited goods.

Export Procedures

All the persons interested to carry out final export procedures for their goods at the Albanian customs, should have the following documents:

1. Export Declaration (DAV-export)

The export customs declaration is a universal administrative document approved by the Republic of Albania, according to the attached form. This declaration as well as all the elements and instructions how to fill it either can be found at the customs agencies' offices or online through the access in the online declaration system ASYCUDA WORLD. Every element in this declaration has to be filled in order for the export customs clearance procedure to start.

2. Invoice of purchase

The invoice of purchase is issued by the selling entity within the country. The invoice should bear the basic elements of the selling transaction, such as: the data of transaction, date of delivery, precise name and address of the seller in Albania, precise name and address of the buyer outside of Albania, number of boxes or other similar packaging, precise description of goods, quantity, price per unit and total amount of transaction, price deduction and transport losses. If the invoice of purchase doesn't have any of the above elements it can be refused by the Albanian customs authorities or might constitute a cause for doubts and further investigation.

Beside the above obligatory elements, the invoice may include any other quantitative and qualitative element related to the said transaction.

The invoice should be in Albanian or any other international language, but the Albanian customs authorities request its official translation.

The seller and the buyer of the goods are the persons legally responsible for all the elements declared in the bill.

3. Transport document

The transport document is the document of the transporter of goods, which should include these obligatory elements: precise name and address of the seller in Albania, precise name and address of the buyer outside of Albania, number of boxes or other similar packaging, precise description of goods, quantity, price per unit, total net and gross weight of the goods and the total net and gross weight of the vehicle of transport, as well as the date of shipment.

The international transport documents may be CMR or TIR, or any other broker or transporter bill, provided they include the above elements. The procedures carried out based on a TIR transport bill are facilitating and favorable because of Albania's adherence to TIR Convention or Carnet ATA.

4. Loading list or manifest of goods

The loading list of goods or the manifest generally accompanies the transport documents and shows the detailed type of goods and their packaging. The loading list though is not an obligatory document for each export. When only a limited number of types of goods are transported there is no need for a loading list, but the description on the invoice or the transport document is sufficient.

5. Certificate of Origin

The certificate of origin is not an obligatory document for carrying out export procedures. Nevertheless, if the exported goods are included in the respective lists of different schemes of preferential tariff benefits, in order to benefit from these preferential tariffs you need to have this certificate, issued by the customs office where the export procedure is being carried out.

6. Veterinary and phytosanitary certificate (for agricultural products)

If goods of animal origin and their byproducts are exported, as well as plants and their byproducts, it is obligatory to accompany the goods with the relevant phytosanitary and veterinary certificates.

7. Export licenses

Generally, the export to the Republic of Albania is free and doesn't need an export license.

Nevertheless, in special cases and for goods of specific use, please refer to the license scheme of the destination country.

Free Trade Agreements

- CEFTA 2006 Agreement on Amendment of and Accession to the Central European Free Trade Agreement
- The Stabilization and Association Agreement with EU
- Free Trade Agreement with Turkey
- General System of Preferences: Japan, New Zealand, Norway, Russian Federation, Switzerland, USA (UNCTAD GSP List of Preferences)

The Union of Chambers of Commerce and Industry of Albania

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Bosnia and Herzegovina

General Information

Territory: 51,129 км²

Population: 4.5 million

Borders with: Serbia, Montenegro and Croatia

Capital city: Sarajevo, 450,000 inhabitants

State organization: Federation

Official language: Bosnian, Croatian and Serbian

National currency: Convertible Mark (BAM)

GDP: \$17.5 billion

Trade Regime

Bosnia and Herzegovina is in the process of negotiations of the conditions of membership to the World Trade Organisation (WTO). Since the beginning of negotiations, and later through the process of stabilisation and association, the process has been initiated to harmonise domestic legislation with the international rules and rules of this organisation. Today, the foreign trade regime is almost fully harmonised with the international trade rules.

Bosnia and Herzegovina has a very liberal and transparent foreign trade regime. In accordance with the provisions of the Law on Foreign Trade

Policy, there are no quantitative restrictions of import/export and domestic and foreign goods and services are subject to identical regimes, which completely follow the Treatment of the Most Favoured Nation and National Treatment (NT). Due to security and/or control reasons, certain groups of goods are on permits (licences) regime, which has been explained in the section "Permits".

Export

Bosnia and Herzegovina does not apply custom duties on exports, charges having equivalent nature or other forms of restrictive measures. The export quotas, prohibitions or other forms of export limitation are not applied.

Import

Import into Bosnia and Herzegovina is conducted according to the Customs Tariff of Bosnia and Herzegovina which is harmonised each year with Combined Nomenclature of EU and positive legislative regulations. The Customs Tariff of BiH includes two types of customs rates: ad valorem and compound customs duties (ad valorem + specific customs duty). Tariff items are of 10 digits where the last two represent the national classification of goods. Ad valorem rates range between 0%, 5%, and 10% to 15%. The Customs Tariff, besides MFN rates includes the columns that list the rates that

are applicable for the countries Bosnia and Herzegovina has agreed some preferential regime with. The use of preferential customs rate is conditioned by the existence of the proof of origin that follows certain goods from the country with whom the benefits are agreed with.

Goods imported into Bosnia and Herzegovina and placed in free circulation are subject to payment of value added tax (VAT) at the rate of 17% while certain groups of products (e.g. coffee, cigarettes, oil, oil derivatives etc.) are subject to payment of specific taxes (excise) in accordance with the Law on Excise of BiH. The rates of specific taxes have ad valorem and/or specific rates form.

Bosnia and Herzegovina has no agreed tariff quotas under the CEFTA Agreement, which indicates that the goods originating in its members are imported exclusively per agreed customs rate. Should there be no proof of origin, then the goods are imported per prescribed MFN customs rate.

Import Procedures

The customs declarations are prescribed by the Law on Customs Policy of BiH and Decision on Implementation Regulations of the Law on Customs Policy. The customs declaration may be filed in written form or, in some cases, by using data processing technique. The official form of single customs declaration (JCI form) in written form is provided in Annex 16 of the Decision. The Sector for Customs of the Indirect Taxation Administration of BiH issued the Instruction on Completing the Customs Declaration filed in written form and by using data processing technique and cumula-

tive declaration which can be found on the web page of the Administration (www.uino.gov.ba).

The declaration must be made in one of the BiH languages. With customs declaration for placement of goods in free circulation it is required to enclose the following documents:

- invoice representing the basis for the declared customs value of goods,
- declaration of value with the data for determining customs value,
- documents required for application of preferential tariff measures or other measures deviating from the valid regulations such as proof of origin,
- all other required documents pertaining to given goods; e.g. veterinary and phytosanitary certificates, licenses etc.

Customs bodies may also request transport documents to be enclosed, and in some cases the documents pertaining to prior customs procedures. The customs declaration can also be filed electronically only for shipping agents with authorized access to the customs server. However, the verified and signed printed version of the declaration on the JCI form is also valid.

Besides the regular procedure, it is possible with prior consent, to file the customs declaration through simplified procedures as well. These procedures are regulated by Article 73 of the Law and Articles 160-175 of the Decision. These are procedures of incomplete declaration, procedure based on invoice and procedure of local customs clearance.

The declaration is filed to the customs office where the goods are shown. Whether the declaration is filed prior or after showing of the goods, the declaration shall be accepted only after the goods it pertains to are shown to the customs. The declaration can be filed even outside of work days and working hours of customs bodies, with the authorisation upon the filer's request and at his expense.

Export Procedures

The export procedure is regulated by Articles 157 and 158 of the Law on Customs Policy of BiH and Articles 133, 134, 138, 140, 142, 143b, 144b, 145b, 391-401 and 423-429 of the Decision on Implementing Regulations of the Law on Customs Policy. At export, based on customs declaration, the official form of single customs declaration (JCI form) is used in written form and it is provided in Annex 16 of the Decision. The Sector for Customs of the Indirect Taxation Authority of BiH (Administration) issued the Instruction on Completing the Customs Declaration filed in written form and by using technical data processing and cumulative declaration which can be found on the web site of the Administration (www.uino.gov.ba).

Together with the completed customs declaration it is required to enclose the following documents:

- invoice which is basis for declaration of customs value of goods,
- declaration of value with the data for determining customs value of goods,
- documents required for application of preferen-

tial tariff measures or other measures deviating from valid regulations such as proof of origin,

- all remaining required documents pertaining to given goods; e.g. veterinary or phytosanitary certificates, licenses etc.

The customs declaration can be filed electronically as well, only for the shipping agents who have authorized access to the customs server. However, it is valid also when it is verified and signed in printed version on the JCI form.

Besides the regular procedure, it is possible, with prior authorization, to file customs declarations in a simplified manner (regulated by Articles 186-196 of the Decision). These are procedures of incomplete declaration, based on invoice with the status of approved or approved exporter and based on local customs clearance.

The declaration is filed to the competent regional office per place of registration of the exporter or per location of packaging or uploading of goods and it is possible to file it electronically which is regulated by Article 129 of the Decision.

The declaration for export may also be filed a posteriori (once the goods leave BiH customs territory) to the competent regional customs office per place of registration of the exporter. In order for such a declaration to be accepted the exporter must submit the satisfactory evidence of quantity and type of goods and circumstances leaving BiH.

Free Trade Agreements

- CEFTA 2006 Agreement on Amendment of and Accession to the Central European Free Trade Agreement

- The Stabilization and Association Agreement with EU
- Free Trade Agreement with Turkey
- General System of Preferences: Japan, Canada, Switzerland, USA, Iran, Norway, New Zealand

Foreign Trade Chamber of Bosnia and Herzegovina

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Republic of Croatia

General Information:

Territory: 87,609 km²

Population: 4.4 million

Borders with: Slovenia, Hungary, Serbia, Bosnia and Herzegovina and Montenegro

Capital city: Zagreb, 780,000 inhabitants

State organization: Parliamentary republic

Official language: Croatian

National currency: Kuna (HRK)

GDP: \$77.992 billion

Trade Regime

The Ministry of Economy, Labor and Entrepreneurship (MINGORP) is the competent body for definition, administration and coordination of foreign trade policies of the Republic of Croatia in line with Croatian Economic Policy. MINGORP is also responsible for the employment policies and industry (apart from the foodstuffs, wood, and tobacco), shipbuilding, energy, mining, co-operatives (except from agricultural), small and medium enterprises, public procurement and investment promotion.

WTO Agreements and trade relations with the Eu-

ropean Union are the main factors influencing the trade system of the Republic of Croatia. In the period of accession to the World Trade Organization, Croatia has harmonized its regulation with WTO regulation and disciplines.

The Trade Law (OG 87/08, OG 116/08, and OG 76/09) regulates the conditions for carrying out trade activities in the domestic market, the performance of foreign trade, safeguard measures on import, the measures limiting the conduct of trade, unfair competition, and control and administrative measures. Of great importance for local and foreign investors are the Companies Act, which regulates the conditions of economic activities (OG 111/93, OG 34/99, OG 121/99, OG 52/00, OG 118/03, OG 107/07, OG 146/08 and OG 137/09) and the Investment Promotion Act (OG 138/06) which regulates the investment promotion of domestic and foreign legal or natural persons who perform economic activities, with the aim of stimulating economic growth, development and achievements of Croatian economic policy goals.

In order to fulfill its international obligations, ensure national security, protect the lives and health of humans, animals and plants, and protect human environment, the Croatian Government adopted the Decree on Goods Subject to Import and Export Licensing (OG 77/10). Regulation is fully consist-

ent with relevant WTO rules. Permits for all goods are issued automatically if the application meets all the prescribed conditions and is in accordance with international conventions or agreements, for which Croatia is a party.

The Republic of Croatia has a liberal import and export regime. However, due to national and international security, and protection of the health of people and the environment, the import and export of certain types of goods needs an import/export procedure, in order to obtain adequate permits from the competent institutions. The list of goods for which a permit is needed is regulated with a Decree on determining goods exported or imported based on permits (OG 77/10).

Pursuant to the Customs Tariff Act, the Croatian Government at the end of each year adopts the Decree on Customs Tariff, which prescribes the level of tariff rates that will apply to imports of goods next year, and includes duties on imports from countries with whom Croatia has no preferential trade regime, international commitments (tariffs and quotas) in the framework of the WTO, SAA and free trade agreement.

Imports of goods into the Republic of Croatia are subject to VAT in the amount of 23%. According to the Law on Value Added Tax (OG 47/95, OG 106/96, OG 164/98, OG 105/99, OG 54/00, OG 73/00, OG 48/04, OG 82/04, OG 90/05, OG 76/07, OG 87/09 and OG 94/09) the tax base on importation of goods makes the customs value determined by the customs regulations, and if not included, following costs:

- Customs duty, special taxes, fees and similar

duties paid at import of the goods, except from VAT;

- Expenses, such as commissions, expenses for packaging, transportation and insurance, which have incurred until the first destination.

Some products, apart from VAT, are also subject to excise and special taxes. The following is included in excise goods: Alcohol and alcoholic beverages, tobacco products, fuels and electricity. There are special taxes for import of vehicles, motorbikes, vessels and aircrafts; non-alcoholic drinks, coffee and luxury products.

Import Procedures

Documents required for importing consignments into the Republic of Croatia:

1. SAD/border

SAD (Single Administrative Document) from the border contains BCP Customs certification about the entry of goods into the territory of the Republic of Croatia with all data in relation with the goods and recipient.

2. List of Items

Filled by forwarders at border if there is more than one recipient.

3. Import Invoice

For regular import, invoice must contain the following information:

- a) Consignor (Full Business Name, Address and Identification Number).
- b) Recipient (Full Business Name, Address and

Contact Person).

- c) Invoice Number and Date of Issue.
- d) Description of Goods (quantities and values shown separately and in total).
- e) Gross/Net Weight.
- f) Total Number and Packaging Type.
- g) Parity in relation with INCOTERMS 2000.
- h) EUR 1 for originating goods (goods value of over 6,000.00 EUR) or invoice declaration for lesser values.

For free or gratis consignments, the invoice must be proforma, the same as with the export procedure, with a note that it is a free consignment with the value exclusively for duty purposes; and must contain the following information:

- a) Consignor (Company Name, Address and Identification Number).
- b) Recipient (Company Name, Address and Contact Person).
- c) Proforma Invoice Number and Date of Issue.
- d) Description of Goods (quantities and values shown separately and in total).
- e) On lower part of invoice show gross/net weight and packaging volume.
- f) Parity in relation with INCOTERMS - International Commercial Terms.

4. Phytopathological Control Certificate at the BCP for consignments of plant origin

5. Veterinary Control Certificate at the BCP for

consignments of animal origin.

6. Import Disposition

For goods subject to special inspections, the manner of conduct shall be as described;

Special permit by the Agency for Medicinal Products required for medical instruments.

Market or sanitary inspections for technical, food or textile products or leather accessories, respectively.

7. Import Permit

If the goods are on the special license list, the importer is obliged to obtain the appropriate import permit from the competent institutions.

Export Procedures

Export of goods from Croatia is usually free and without restrictions. Export duty is paid only in exceptional cases for protection purposes. In certain cases the exporters are faced with the so-called quantity quotas (mostly for agricultural products), which for the foreign recipient would mean paying preferential duty rates, or protective tariffs.

Types of Export:

- Definitive export;
- Export of goods for production abroad;
- Temporary export;
- Re-export of goods – re-exporting goods is subject to prescribed formalities for export of goods, including application of trade measures.

Documents or export certificates:

1. Single Administrative Document (SAD) is the basic document lodged for any goods intended to be exported. It is lodged to the competent customs house – office i.e. the one controlling the area in which the exporter has registered office/residence or where the goods have been packed/loaded for export. Customs declaration may be lodged by exporter or proxy eligible to perform forwarding.

2. Export Invoice - document containing documentary evidence regarding the goods value required for clearance purposes in the importing country.

For regular export, the invoice must contain the following:

- a) Consignor (company name, address and identification number).
- b) Recipient (company name, address and contact person).
- c) Invoice Number and Date of Issue.
- d) Description of Goods (quantities and values shown separately and in total).
- e) On bottom part of invoice show gross/net weight and packaging volume.
- f) Parity in relation with INCOTERMS - International Commercial Terms.
- g) Mandatory documents for goods of Croatian origin:
 - EUR 1 Form for goods value exceeding 6,000.00 EUR - in total or individually;

- Manufacturer's statement with EUR 1;
- Invoice declaration for insured parcels of up to 6,000.00 EUR.

3. Export disposition for Customs and forwarders.

4. Waybill for the transport of goods (document: P2M1.2.1C1.3 CMR.jpg).

5. Certificate of Origin - The certificate for the goods origin shall be obtained if so required by contract with a foreign person, foreign state regulations or Croatian regulations.

In addition to the abovementioned, certain products require the following documents:

1. Export permit - The export of certain types of goods requires special permit issued by the competent state authority.

2. Special Certificates (sanitary, veterinary, phytopathological, certificate of quality) - The special certificates, sanitary, veterinary, phytopathological or quality certificates shall be obtained for exporting certain types products, such as food, animals, consumables, medications, etc. Certificates are issued by the department ministries (Ministry of Agriculture, Fisheries and Rural Development and Ministry of Health and Social Welfare).

Free Trade Agreements

- CEFTA 2006 Agreement on Amendment of and Accession to the Central European Free Trade Agreement
- The Stabilization and Association Agreement with EU

- Free Trade Agreement with EFTA
- Free Trade Agreement with Turkey
- General system of Preferences: Australia, Belarus, Canada, Japan, Kazakhstan, New Zealand, Russia, Ukraine and USA

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Republic of Macedonia

General Information:

Territory: 25,713 km²

Population: 2.0 million

Borders with: Serbia, UNMIK/Kosovo, Bulgaria, Greece and Albania

Capital city: Skopje, 507,000 inhabitants

State organization: Parliamentary republic

Official language: Macedonian

National currency: Macedonian denar (MKD)

GDP: \$19.330 billion

Trade Regime

Macedonia is member of World Trade Organization since April 2003. During and after this process Macedonia went through a process of harmonization of legislation in conformity with international rules and WTO.

In general, Macedonia applies liberal export and import regime for goods. However, the import and export of certain goods has been forbidden to provide protection of:

- National security and public moral;
- Human health, flora, fauna, endangered species

and environment;

- National wealth with artistic, historical or archaeological value;
- Intellectual property.

Detailed list of the goods forbidden for import and export has been provided in the by-law on Trade policy measures and Decision on forms of export and import.

Macedonian imports and exports are subject to a tariff system stipulated in the Law on customs Tariff, integrated into Tariff guideline 2010. The Law stipulates tariffs for each particular good. Preferential trade agreements apply with EU, CEFTA, EFTA, Turkey and Ukraine, which stipulate tariff free regime to most of the goods. However, imports of particular goods from CEFTA 2006 Parties - Albania, Croatia and Moldova have been subject to the quota system. The quotas applying to these countries could be found in the Tariff guideline 2010. If these quotas are reached, then respective goods could be imported, but as a subject of a regular import duties.

Import Procedures

By the import procedure, the customs authority authorizes the release of foreign goods in free cir-

ulation in the Republic of Macedonia. The import includes completion of formalities for import and entry, application of trade policy measures and payment of import duties and other levies, in accordance with the regulations. The import may be carried out by the importer or by its representative, with a relevant authorization granted by the importer.

For the purposes of the import of goods into the Republic of Macedonia, the following documents have to be submitted:

1. Customs Declaration

The customs declaration is the primary document lodged in the case of the import of goods. When a customs declaration covers goods that are classified under two or more tariff codes of the Customs Tariff, the data relating to each tariff code shall be deemed as constituting a separate declaration. The official form for the customs declaration shall be the Single Administrative Document (SAD). The contents of the form are laid down by the Regulation on Customs Code Implementation. The SAD is used for carrying out the import and export customs procedures. The Rulebook on the completion of the SAD sets forth the sub-sets of the SAD to be used in the case of import of goods, and provides a detailed description of how to complete the form. The single administrative document is lodged in writing or electronically to the competent customs authority.

2. Purchase Invoice

The purchase invoice is a document proving the purchase of the goods abroad. The invoice is issued by the immediate foreign seller or by the

agent who brokered the sale. In case of a purchase through an agent, the invoice should clearly state the purchase price of the goods and the brokerage provision charged by the agent, or two invoices should be provided: the seller's invoice as a proof of the price paid, and the invoice by the agent for the brokerage commission paid. The Customs Administration of the Republic of Macedonia recognizes only original invoices – pro-forma invoices and copies of the original documents shall not be accepted. Under exceptional circumstances, when the importer requires time to obtain the original documents, the goods may be imported upon providing a security for the payment of the customs debt that may be incurred by the import.

There is no prescribed standardized format for the invoice, but it must contain the following elements: heading "Invoice", number and date, reference to related documents (contract number, pro forma invoice, delivery notes, etc.), name and address of the seller, name of the recipient (if the recipient is not the declarant), description of the goods (according to the tariff classification, commercial/trade denomination and/or technical code and name), unit price and total price, approved discounts and relevant amounts, parity (terms of delivery), unit measure of the goods, gross and net weight, country of origin, signature and stamp of the seller who issued the invoice. In addition to the above, the invoice may also contain other elements that describe in greater detail the qualitative and quantitative properties of the goods. The seller and the buyer guarantee and are held liable for the credibility of the data stated in the invoice. The invoice may be written on computer, typewrit-

er or hand-written. In the case of an invoice written by hand, it should be legible and clear so as to be acceptable as a valid document.

3. Transport Document

The transport document is issued by the carrier that is transporting the goods. The document should contain the following elements: heading "Transport Document", date and number, name and address of the carrier, name and address of the buyer in the Republic of Macedonia, name and address of the foreign seller or representative (agent), description of the goods (according to the tariff classification, commercial/trade denomination and/or technical code and name), unit measure, quantity, unit price and total price, net and gross weight of the goods and total net and gross weight of the transport vehicle, signature and stamp of the carrier. The international road transport documents may be CMR or TIR licenses or other licenses by an authorized freight forwarder containing the elements stated above. Macedonia is a country signatory of the TIR and ATA Carnet Conventions. In the case of transport of the goods by air or by railway, air or railway bill of lading is provided, respectively.

4. Bill of Lading or Cargo Manifest

The bill of lading or the cargo manifest usually accompanies the transport documents and contains a detailed description of the goods and their packaging. In case of an import of a single type of goods, there is no need for a bill of lading, but the description within the invoice or transport document shall be sufficient.

5. Certificate of Origin

The certificate of origin is not a mandatory document for the import of goods. It shall be required if the agreements that the Republic of Macedonia concluded with other countries provide for the authorization of a preferential tariff treatment of goods imported from those countries. The certificate of origin should be issued by a competent authority in the relevant country.

6. Veterinary and Phyto-Sanitary Certificates

In the case of import of livestock, goods of animal origin and products thereof, as well as seeds, plants and related products, the goods shall mandatorily be accompanied by veterinary or phytosanitary certificates issued by the competent authorities of the country of import.

7. Import Licenses

The import of specific products requires obtaining import licenses and authorizations issued by the competent authorities (Ministry of Economy, Ministry of Environment, Ministry of Culture, etc.) The goods that shall be subject to import licenses are listed in detail in the Decision for Classification of Goods to Import and Export.

Export Procedures

During the export procedure, the Customs authority issues approval allowing domestic goods to exit the customs area. The export includes completion of formalities for export and exit of goods, application of trade policy measures and payment of export duties, if prescribed. The export may be carried out by the exporter or by its representa-

tive, with a relevant authorization granted by the exporter.

For the purposes of the import of goods into the Republic of Macedonia, the following documents have to be submitted:

1. Customs Declaration

The customs declaration is the primary document lodged in the case of the export of goods. When a customs declaration covers goods that are classified under two or more tariff codes of the Customs Tariff, the data relating to each tariff code shall be deemed as constituting a separate declaration. The official form for the customs declaration shall be the Single Administrative Document (SAD). The contents of the form are laid down by the Customs Code Implementing Regulation. The SAD is used for carrying out the import and export customs procedures. The Rulebook on the completion of the SAD sets forth the sub-sets of the SAD to be used in the case of export of goods, and provides a detailed description of how to complete the form. The single administrative document is lodged in written or electronic form to the competent customs authority.

2. Invoice of sale

The invoice of sale is a document proving that goods have been purchased abroad. The invoice is issued by the immediate seller in the country or by the agent who brokered the sale. In case of a purchase through an agent, the invoice should clearly state the purchase price of the goods and the brokerage provision charged by the agent, or two invoices should be provided: the seller's invoice as a proof of the price paid, and the invoice by the

agent for the brokerage commission paid. The Customs Administration of the Republic of Macedonia recognizes only original invoices – pro-forma invoices and copies of the original documents shall not be accepted.

There is no prescribed standardized format for the invoice, but it must contain the following elements: heading "Invoice", number and date, reference to related documents (contract number, pro forma invoice, delivery notes, etc.), name and address of the seller, name of the recipient, description of the goods (according to the tariff classification, commercial/trade denomination and/or technical code and name), unit price and total price, approved discounts and relevant amounts, parity (terms of delivery), unit measure of the goods, gross and net weight, country of origin, signature and stamp of the seller who issued the invoice. In addition to the above, the invoice may also contain other elements that describe in greater detail the qualitative and quantitative properties of the goods. The seller and the buyer guarantee and are held liable for the credibility of the data stated in the invoice. The invoice may be written on computer, typewriter or hand-written. In the case of an invoice written by hand, it should be legible and clear so as to be acceptable as a valid document.

3. Transport document

The transport document is issued by the carrier that is transporting the goods. The document should contain the following elements: heading "Transport Document", date and number, name and address of the freight forwarder, name and address

of the salesperson in the Republic of Macedonia, name and address of the buyer or representative (agent), description of the goods (according to the tariff classification, commercial/trade denomination and/or technical code and name), unit measure, quantity, unit price and total price, net and gross weight of the goods and total net and gross weight of the transport vehicle, signature and stamp of the freight forwarder. The international road transport documents may be CMR or TIR licenses or other licenses by an authorized freight forwarder containing the elements stated above. Macedonia is a country signatory of the TIR and ATA Carnet Conventions. In the case of transport of the goods by air or by railway, air or railway bill of lading is provided, respectively. During the Customs Procedure, the export goods must be sealed by the competent customs body.

4. Bill of Lading or Cargo Manifest

The bill of lading or the cargo manifest usually accompanies the transport documents and contains a detailed description of the goods and their packaging. In case of an export of a single type of goods, there is no need for a bill of lading, but the description within the invoice or transport document shall be sufficient.

5. Certificate of origin of the goods

The certificate of origin of the goods is not a mandatory document for the export of goods. The Certificate is necessary if the agreements concluded between the Republic of Macedonia and other countries have prescribed for the import in those countries to have approval for preferential tariff treatment of goods originating from the Republic

of Macedonia. The Competent body for issuing of certificates for Macedonian origin is the Chamber of Commerce of the Republic of Macedonia (www.mchamber.org.mk).

6. Veterinary or Phyto-Sanitary Certificates

In the case of export of livestock, goods of animal origin and products thereof, as well as seeds, plants and related products, the goods shall mandatorily be accompanied by veterinary or phytosanitary certificates.

7. Export permits

The export of specific products requires obtaining export licenses and authorizations issued by the competent authorities (Ministry of Economy, Ministry of Environment, Ministry of Culture, etc.) The goods that shall be subject to import licenses are listed in detail in the Decision for Classification of Goods to Import and Export.

Free Trade Agreements

- CEFTA 2006 Agreement on Amendment of and Accession to the Central European Free Trade Agreement
- The Stabilization and Association Agreement with EU
- Free Trade Agreement with EFTA
- Free Trade Agreement with Turkey
- Free Trade Agreement with Ukraine
- General system of Preferences: Australia, Belarus, Canada, Japan, Turkey, New Zealand, Norway, Switzerland, Russia and USA

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Republica Moldova

General Information

Territory: 34,000 km²

Population: 4.5 million

Borders with: Ukraine and Romania

Capital city: Chişinău, 700 000 inhabitants

State organization: Parliamentary republic

Official language: Moldovan

National currency: Moldovan leu (MDL)

GDP: \$10.141 billion

Trade Regime

Moldova has been a member of WTO since 26 July 2001. The commitments of the Republic of Moldova adopted by the Working Group on Moldova's accession to WTO (WT/ACC/MOL/37/Add.2 of 23.02.01) and ratified by the Moldovan Parliament by Law no.218-XV of 1 June 2001 as an organic law. This has brought new opportunities, responsibilities and challenges for enterprises, traders and authorities from Moldova within the global economy.

During and after this process Moldova started a long road of harmonization of legislation in conformity with international rules and WTO. As such

trade Regime of the Moldova is in accordance with International trade regulations.

Moldova has a liberalized export and import regime for goods. However the import of goods detrimental to human health, flora and fauna, and to the integrity and national security of the Republic of Moldova is prohibited by law.

In accordance with the Law regulating the licensing of entrepreneurial activity no.451-XV/30.07.3001, **export of** the following types of goods is licensed:

- scrap and waste of ferrous and nonferrous metals, batteries, used batteries, including processed state,
- substances that deplete the ozone layer and the equipment and products containing such substances,
- arms and ammunition, organic weapons, sporting and/or hunting, shooting, training, decoration, collection and self-defense,
- the cryptographic and technical means of protection of the information, technical resources for the attainment of hidden information.

Import of the following types of goods is licensed:

- ethyl alcohol, alcoholic beverages and imported beer,

- tobacco items, tobacco and fermented tobacco,
 - plant protection products and fertilizers,
 - toxic chemical substances and materials, household items and chemicals, production, substances that deplete the ozone layer and the equipment and products containing such substances,
 - arms and ammunition, organic weapons, sporting and/or hunting, shooting, training, decoration, collection and self-defense,
 - the cryptographic and technical means of protection of the information, technical resources for the attainment of hidden information,
 - perfumes and cosmetics,
 - gasoline, diesel and/or liquefied gas filling stations.
- certificate of origin (this is not an obligatory document, but it is needed when imported goods can benefit of preferential tariff schemes),
 - veterinary and phytosanitary certificates (these are obligatory papers in case of agricultural products),
 - import licenses (import license is needed in special cases and for specific goods, as for example import of tobacco).

The customs fees and duties which need to be paid in an import procedure include the following:

- Value added tax (VAT), which, barring exceptions, is 20%;
- Import duty according to the Customs Tariff;
- Customs processing fee;
- Excises according to the Fiscal Code;
- Authorization (license) fees.

Measures of economic policy imply the observance of restrictions on the introduction or import of goods and vehicles into Moldova established for the purpose of economic policy, which provide for licensing, quotas, taxation, price ceilings and thresholds.

Imports from certain countries enjoy preferential tariff treatment. Such treatment would be applicable only upon the submission of a certificate of origin for the imported goods. In the event such preferential treatment is tied to a quota, the importer will also have to submit an import certificate from the relevant authority.

The customs clearance, as a rule, takes place at the

Import Procedures

Import is the customs regime under which goods are released into free circulation on Moldova's customs territory provided that all customs fees are paid and measures of economic policy are applied.

Any person or company which carries out import procedures should have the following papers:

- import declaration,
- purchase invoice,
- transport document (CMR or TIR),
- cargo list of goods (a document which accompanies the transport papers and shows detailed type and packaging of imported goods),

regional customs office which is nearest to the importer's legal address. Once the stamp "Liber de vama" ("Free from customs") is applied, the imported goods may be released into free circulation.

The main regulatory documents on imports are the Customs Code and the Government Decision nr. 1140 on Regulations for Customs Destinations.

Export Procedures

Export is the customs regime under which goods are permanently taken out of Moldova's customs territory without an obligation to bring them back to this territory. Goods may be placed in this regime if all applicable taxes and fees have been settled, measures of economic policy are respected and other requirements set out by the law are observed.

The exporter has to submit the customs declaration to the customs office nearest its legal address or nearest to the place that the goods are loaded. In reasonably justified cases, the customs declaration can be submitted to a border customs office.

Any person or company which carries out export procedures should have the following papers:

- export declaration,
- invoice,
- transport document (CMR or TIR),
- cargo list of goods (a document which accompanies the transport papers and shows detailed type and packaging of exported goods),
- certificate of origin (this is not an obligatory document, but it is needed when exported goods

can benefit of preferential tariff schemes),

- sanitary-veterinary and phytosanitary certificates (in case of agricultural products),
- export licenses (generally, export from the Republic of Moldova is free and does not need an export license. Still, export license is needed in special cases and for specific goods, as for example export of arms and ammunition).

The main regulatory documents on exports are the Customs Code and the Government Decision no. 1140 on Regulations for Customs Destinations.

Free Trade Agreements

- CEFTA 2006 Agreement on Amendment of and Accession to the Central European Free Trade Agreement
- Bilateral agreements with 9 CIS countries
- CIS Multilateral Free Trade Agreement
- GUAM Agreement on free trade zone between: Georgia, Ukraine, Azerbaijan and Moldova
- General System of Preferences: Canada, EU, Japan, Switzerland, Turkey, USA (UNCTAD GSP List of Preferences)

Chambers of Commerce and Industry of Moldova

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Montenegro

General Information

Territory: 13,812 km²

Population: 672,000

Borders with: Serbia, UNMIK/Kosovo, Croatia, Bosnia and Herzegovina and Albania

Capital city: Podgorica, 170,000 inhabitants

State organization: Parliamentary republic

Official language: Montenegrin

National currency: Euro (EUR)

GDP: \$6.439 billion

Trade Regime

Application of the Interim Agreement on Trade and related matters between the European Community and Montenegro, the Free Trade Agreement CEFTA 2006 and other agreements (Russian Federation, Turkey), as well as the relatively recent admission of Montenegro into the World Trade Organization contribute to the fairly liberalized export-import regime of Montenegro.

Particular law regulates the conditions that provide for the trade with weapons, military equipment and dual-use goods intended for the realization and protection of the safety, security and

foreign political interests of Montenegro. Trade with such goods can be pursued only by a person possessing a license for foreign trade with controlled goods.

Export

In accordance to the Law on Foreign Trade, foreign trade of goods is free and it can be limited only in specific conditions set forth in this Law. Each person can perform export activity in accordance with the regulations defining the purpose of a certain activity. Exporters of goods subject to issuance of permits for conduct of activities are required to meet the condition of registration in accordance with the Law on Foreign Trade in Arms, Military Equipment and Dual-Use goods, the Law on Tobacco, the Law on Medicines, the Law on Production and Circulation of Narcotics and the Law on Chemicals.

There are no export duties in Montenegro, nor is it forbidden to export any goods. Exceptionally, the Government can impose quantity limitation of exports only in following cases:

- in the case of critical shortage of necessities in Montenegro, or the need to eliminate the consequences of such shortage,
- for the purposes of protection of the non-re-

renewable natural resources, if the limitation of exports is applied simultaneously with the limitation of domestic production or consumption.

Import

Customs duties are paid on goods imported into the customs territory of Montenegro in accordance with the rates and tariffs set forth in the Customs Tariffs. Customs duties can be levied in two manners, as follows:

- the percentage rate compared to the value of goods (ad valorem),
- in a fixed amount per unit of goods mass (specific duty).

For part of the agricultural - alimentary products, a combined duty has been determined, that is, both ad valorem and specific duty are charged simultaneously. Ad valorem duties are prescribed within the scope from 0% to 30%. Specific duties range from € 0.04 per 1 kg to € 1 per 1kg.

Customs rates stipulated with international agreements are only applied to goods of preferential origin from countries covered by such agreements.

Customs Tariff of Montenegro recognizes only the import quotas for agricultural products determined with the CEFTA 2006 Agreement, the Interim Agreement on Trade and Related Matters between the EU and Montenegro and the Free Trade Agreement between Montenegro and the Republic of Turkey.

Alcohol and alcoholic beverages, tobacco and petroleum and petroleum products, as well as their substitutes are subject to excise tax collection in compliance with the Law on Excise. Import excise

duty is levied in the event of importing. Value added tax is levied on imported and domestic goods at the rate of 17%. Obligation for VAT payment occurs at the same time with the obligation to pay customs and other imports duties.

The VAT on goods temporarily imported for the purposes of further processing, repair or assembly is calculated on the return according to the value added in the foreign country and the materials used for the specified purposes. Exemption of VAT payment applies both to imported and domestic goods. Temporarily imported goods are exempted from VAT payment, provided that they are exempt from payment of customs duty in accordance with the customs regulations. VAT is calculated on the goods exempt from VAT payment and subsequently put in free circulation (in the same amount that should have been calculated when importing such goods).

Import Procedures

Goods imported from abroad, for which exemption from payment of import duties is not provided, shall be custom cleared in regular customs procedure. Party in customs procedure is a person on the basis of whose application customs procedure is started. However, a party in customs procedure does not have to participate directly, instead it can authorize a representative, or customs agent who will present the party before the customs authorities.

Cross border points can send the goods of transit declaration to the customs offices in the interior where regular customs procedure shall be con-

ducted. The following documents shall be submitted to the customs office where the goods are being cleared: import customs declaration; invoice and other commercial documents; transport documents; certificate issued by competent authorities, or approval (license) for import, if determined for certain type of goods.

Import declaration

Goods that are imported have to be accompanied by an import declaration. Customs declarations shall be submitted: in written; electronic data transfer (where technical possibilities are provided for and where usage of such means is authorized by the customs service); or verbally.

Single Administrative Document (SAD) is a regulated form and used as a written customs declaration. It has to be signed and contain all information necessary for the application of the regulations regulating the import of goods. Generally, it is completed by a person authorized for representation by entering data about: purchaser of goods, import regime, the country of origin of goods and the country of payment, date of transfer of the goods across border, means of transportation, price, gross and net weight in kilograms etc.

Customs declarations may be submitted only by an authorized person who is able to place the goods for inspection or to ensure insight in the goods to a competent customs authority, together with all documents required for the purpose of implementation of the rules regulating the process the goods are declared for. Person applying for customs declaration has to have seat or residence in Montenegro.

The customs office, for the purpose of controlling the customs declarations it receives, can:

- examine the documents included in the customs declaration and the documents attached to the declaration,
- request the person applying for customs declaration to submit other documents for the purpose of verifying the accuracy of the particulars in the declaration,
- examine the goods and take samples for analysis of the goods or for further examination.

The transport of the goods to the place of inspection and sampling as well as the handling of goods necessary for the inspection or sampling shall be performed by the person applying for customs declaration or it shall be performed on his responsibility. The costs arising from this shall be borne by the person applying for declaration.

Besides the customs declaration, the following documents have to accompany the goods that are imported:

Import invoice is a document on the basis of which delivered goods are paid, and it is issued by the seller of goods. The invoice specifies the date of issue, quantity of goods, description and characteristics of goods, unit price presented in agreed currency and measurement units, total value of goods, the place of dispatch, the date of the invoice, the address of the buyer, signature of the seller etc.

Besides the afore-cited information, the invoice should contain other elements as well, depending on the type of goods being imported.

Transport documentation regulates the shipping and transport of goods. The most important documents regarding transport are the following:

- CMR,
- railway consignment note (CIM),
- bill of lading,
- air waybill (AWB).

CMR is issued by the shipper and is a document serving as evidence that the goods have been accepted for transport. With this document the shipper undertakes to transfer the goods and deliver it to the recipient, the customer. CMR is issued in three identical copies, one copy for the sender, one copy accompanies the goods to a recipient, and the third copy is kept by the shipper. CMR contains information about: the sender's company, the recipient company, a detailed description of the goods, the markings of the vehicle, transport costs and customs duties, as well as a list of documents attached to the waybill.

Certificate of origin is not a mandatory document, but it is of essential importance for the importer because it indicates possible preferential origin of goods in the country of the importer and thus reduces the costs for customs clearance. The certificate of origin is issued by competent authority from the country of origin of the goods.

Veterinary or phytosanitary certificate (for agricultural products) is a mandatory document that must accompany goods of plant or animal origin, which provides that the package meets the specific requirements.

Import license

In general, the import of goods into Montenegro is free. However, the import of certain types of goods requires a license due to their specific nature.

Export Procedures

Persons engaged in export must present proper documentation required for the purpose of the application of the rules regulating this customs procedure. The type of documentation that needs to be presented depends on the export business; however, any person or company that carries out export procedures should have the following papers:

Export Declaration

Goods intended for export are listed in the export declaration. Export customs declaration is submitted to the customs house competent for monitoring the area where the exporter is established or resides or where goods are packed or loaded for export. The export declaration in writing shall be submitted in a prescribed form. It must be signed by an authorized person and must contain all information necessary for the application of the regulations regulating the customs procedure for which the goods are declared. All documents required for the purpose of implementation of the rules regulating the customs procedure for which the goods are declared shall be attached to the customs declaration.

Export Invoice is a document on the basis of which delivered goods are paid, and it is issued by the

seller of the goods. The invoice specifies the date of issue, quantity of goods, description and characteristics of goods, unit price presented in agreed currency and measurement units, total value of goods, the place of dispatch, the date of the invoice, the address of the buyer, signature of the seller etc. Besides the mentioned elements the invoice can contain other elements as well, depending on the type of goods being exported.

Transport Documentation regulates the dispatch and transport of goods. The most important documents regarding transport are the following:

- CMR,
- railway consignment note (CIM),
- bill of lading,
- air waybill (AWB).

CMR is issued by the shipper and is a document serving as evidence that the goods have been accepted for transport. With this document, the shipper undertakes to transfer the goods and deliver them to the recipient, the customer. CMR is issued in three identical copies, one copy for the sender, one copy accompanies the goods to a recipient, and the third copy is kept by the shipper. The waybill contains information about: the sender company, the recipient company, a detailed description of the goods, the markings of the vehicle, transport costs and customs duties, as well as a list of documents attached to the waybill.

Certificate of Origin is not a mandatory document, but it is of essential importance because it indicates possible preferential origin of goods and thus reduces the costs for customs clearance. The

origin of goods determines whether a preferential customs rate shall be applied for the particular goods. The certificate on preferential origin is issued by the customs authority, whereas the certificate on non-preferential origin is issued by the Chamber of Commerce of Montenegro.

Veterinary or Phytosanitary Certificate is a mandatory document that must accompany goods of plant or animal origin in export. This document shows that the package meets the specific requirements.

Export license

Generally, the export of goods from Montenegro is free. However, the export of certain types of goods requires a license due to their specific nature. The Ministry of Culture decides on applications for issuance of licenses to export products of artistic, cultural and archaeological value.

Free Trade Agreements

- CEFTA 2006 Agreement on Amendment of and Accession to the Central European Free Trade Agreement
- The Stabilization and Association Agreement between Montenegro and European Union
- Free Trade Agreement with Russian Federation
- Free Trade Agreement with Turkey
- General System of Preferences: Schwidzeland, Japan and Norway

Chamber of Economy of Montenegro

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Republic of Serbia

General Information

Territory: 99,269 million km²

Population: 9.5 million

Borders with: Hungary, Romania, Bulgaria, Macedonia, Albania, Montenegro, Bosnia and Herzegovina and Croatia

Capital city: Belgrade, 1.6 million inhabitants

State organization: Parliamentary Republic

Official language: Serbian

National currency: Dinar (RSD)

GDP: \$79.940 billion

Trade Regime

Foreign trade activities and the regulation of foreign trade circulation of goods and services, as well as the conduct of economic activities by foreign persons in the Republic of Serbia, and domestic persons in other states or customs territories, are under the Law on Foreign Trade of the Republic of Serbia. The Law on Foreign Trade in Serbia is pursued in accordance with the rules of the World Trade Organization (WTO) and the regulations of the European Union (EU).

The freedom in foreign trade activities is the fun-

damental principle, thus making the foreign trade free and may be restricted exclusively in accordance with the provisions of the Law.

Legal entities and entrepreneurs are entitled to the same rights in foreign trade activities as those arising from domestic sales.

Pursuant to the foreign trade regulations, Serbia has a special regime for specific cases:

- Licensed import and export of goods;
- Foreign trade with weaponry, military equipment and double-purpose goods;
- Export of sugar into European Community Member States;
- Special types of foreign trade activities;
- Duty exemption on the basis of foreign investment;
- Direct investments abroad (company, subsidy and representative office);
- Activities registered by the Ministry;
- Protective measures for the domestic economy.

Foreign trade with weaponry, military equipment and dual-use goods is regulated under a special law.

Pursuant to the Law on Foreign Trade, the Government of the Republic of Serbia prescribes measures affecting foreign trade activities. In the scope thereof, the Decision on Determining Goods Subject to Issuance of Specific Documents on Importation, Exportation and Transit has been adopted by the Government.

Import licenses are required for narcotics (including psychotropic substances), medicines containing narcotics, precursors, vitamins, blood products, microorganisms, human body parts etc., non-registered medicines and medical devices, endangered species of wild fauna and flora and protected plant and animal species, substances depleting the ozone layer and products containing such substances, sources of ionizing radiation, waste, arms, military equipment and dual-use goods and asbestos, industrial explosive, hunting and sports arms and ammunition for such arms, precious metals, banknotes and specific agricultural products for veterinary purposes. The majority of the above-mentioned goods are subject to import licenses in accordance with international conventions.

A license is a document issued for import, export or transit of certain goods at the applicant's request. The license issuance is in the competence of the relevant Ministry or other competent authorities in accordance with the regulations applicable to certain fields.

Documents that are submitted with the application for issuing license:

- Photocopy of the registry certificate, or data registry certificate if the applicant is obliged to

be registered;

- Proof on fulfilment of the prescribed requirements for issuing license.

There is a limited list of prohibitions (temporary and/or permanent) against the importation of certain products based usually on technical conditions related to environmental protection.

Products currently prohibited include:

- Second-hand motor vehicles, which do not have engines built according to at least Euro-3 standard referring to the maximum levels of allowed exhaust gas emission and noise (excludes vehicles of historic importance, old-timers and vehicles imported as a donation or humanitarian aid, in accordance with regulations governing donations and humanitarian aid);
- Hazardous waste (prescribed types of hazardous waste may be imported subject to an import license);
- 19 poisonous substances;
- Certain substances depleting the ozone layer;
- Wild species of plants and animals subject to protection in compliance with international conventions.

Import Procedures

The import of goods is carried out through the procedure for the release of goods into free circulation. It is a customs procedure where the participants in the procedure acquire the rights and obligations related to the imported goods.

In order to place goods within the procedure for the release into free circulation, specific requirements have to be met; the goods must be covered by a relevant declaration for the purposes of the procedure for the release of goods into free circulation, the relevant documents for implementation of the procedure have to be enclosed with the declaration, and the goods covered by the declaration have to be delivered to a customs house.

By placed under procedure of release into free circulation, foreign goods acquire the status of domestic goods, which implies the finalization of the prescribed import-related procedures, as well as the collection of all prescribed import duties, taxes, excise and other charges.

If a consignment consists of goods that are classified under several different tariff codes, and if the classification of the goods and the processing of the declaration causes operations and expenses that are disproportionate to the calculated customs duty, the customs authority may, at the request of the declarant, allow the calculation of customs duty for the entire consignment on the basis of the tariff classification for those goods with the highest customs rate.

Goods released into free circulation with a favourable or zero rate customs rate, provided they are used for a specific purpose, shall remain under customs supervision. Provided import duties have been paid, customs supervision will cease with the ending of the conditions underlying the approval of a more favourable or zero rate, for example; when the goods are exported or destroyed, or if the goods are used for purposes other than those

prescribed in the application of a more favourable rate.

Goods released into free circulation shall lose the status of domestic goods if the declaration for the release of goods into free circulation is revoked, or if the amount of import duty payable for those goods is reimbursed in the following cases:

- in the procedure for inward processing, with the application of the reimbursement system,
- if the goods have defects or fail to satisfy the requirements of the contract under which they has been imported,
- in cases when the reimbursement of import duty is conditional on export, e.g. by re-export or placement of the goods under another permissible relevant customs procedure or use.

Export Procedures

The export procedure is governed by the provisions of the Customs Code. Within the export procedure, the customs authority approves the movement of domestic goods out of the customs area of the Republic of Serbia.

The export procedure includes the application of export formalities and trade measures, and the calculation of an export duty, if such a duty is provided by the law.

Domestic goods destined to leave the customs area of the Republic of Serbia are subjected to an export procedure, with the exception of goods under outward processing or transit procedure.

The export declaration is submitted to the compe-

tent customs authority according to the head of office or the residence of the exporter, or in accordance with the place of packing, i.e. the loading of the goods to be exported.

The release of goods for exit shall be granted provided the goods are leaving the customs area of the Republic of Serbia in the state they were on acceptance of the export declaration.

Free Trade Agreements

- CEFTA 2006 Agreement on Amendment of and Accession to the Central European Free Trade Agreement
- The Stabilization and Association Agreement between Serbia and European Union
- Free Trade Agreement with EFTA
- Free Trade Agreement with Russian Federation
- Free Trade Agreement with Turkey
- Free Trade Agreement with Belarus
- Free Trade Agreement with Kazakhstan
- General System of Preferences: Japan and Norway

Serbian Chamber of Commerce

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