



MONTENEGRO
MINISTRY OF FINANCE
CUSTOMS ADMINISTRATION

RESULTS OF CUSTOMS ADMINISTRATION IN 2012

Customs Administration of Montenegro is pleased to announce that it has fulfilled its role very successfully during 2012, which is primarily related to the efficient revenue collection, safety and protection of customs territory, simplification of customs procedures and speeding the trade, enhancement of integrity etc.

During 2012 (during the period 01/01/2012 – 20/12/2012 to be exact) the customs administration has collected **341.597.758,08** Euro of revenues, out of which



283.604.720,99 Euro is VAT, **28.316.002,73** Euro of customs duties and **29.040.329,99** Euro of excise duties, which is at the level of budgetary revenues from the last year. We have processed over **350.000** customs declarations for **5210** companies involved in customs procedure. It is important to note that this significant financial result was achieved in the conditions of negative impact of financial crisis

on Montenegrin economy, as well as reduction of level of fiscal duties for some goods in this period.

From the point of view of safety of customs territory and control functions, 2012 was one of the most successful years in operation of Customs Administration of Montenegro.

During 2012 the officers of Customs administration have conducted **4.356** physical checks of the goods and transport vehicles, **63** inspection controls of the importers and **522** scanning of containers in the port of Bar. On the basis of referred controls, Customs administration has detected **219** customs offences. We have initiated the procedure of post collection of customs debt in the amount of **3.726.770.00** Euro. We have filed **239** misdemeanour reports in the amount of **266.050.00** Euro, and also **30** requests for initiation of misdemeanour proceedings to the regional misdemeanour courts. In **128** cases we have



sentenced the protective measure of seizing undeclared goods in the amount of **475.977,59** Euro, out of which **45%** is the excise goods - cigarettes and alcoholic beverages. Due to infringement of intellectual property rights, **14** customs procedures were terminated, the right holders were notified and there are on-going proceedings at competent courts.



During 2012, the customs officers have prevented the import of narcotics to Montenegro in **37** cases. At the border crossing points Sukobin, Debeli Brijeg, Božaj and Šćepan Polje we have seized **647 kg of skunk, 4 kg of heroin and 686 grams of cocaine**. The referred seizures were realized in cooperation with the officers of the Police administration.



During 2012 the customs open line received **34** reports. We have conducted verification and undertaken legally binding actions, and some of those reports were transferred to other competent government agencies.

INTER-AGENCY COOPERATION

During 2012 the Customs administration has accomplished quality and efficient cooperation with the State prosecutor's office, police administration, tax administration, Administration for the prevention of money laundering and terrorism financing, Directorate for inspection, Sanitary inspectorate and other law enforcement agencies. During 2012 we have signed Memorandum of understating with the Environmental protection agency and Market inspectorate.



State prosecutor's office was provided with **9** notifications with documentation on existence of elements of criminal acts. The customs administration is conducting **3** customs investigation with the elements of international organized crime. Customs administration has its representative in the Joint investigative team, managed by the Special prosecutor for organized crime, and in that manner we have speeded up the exchange of information among the security agencies and improved the efficiency of investigations. We have completed the project of electronic interconnecting of customs administration and police administration and established the operational-technical centre.

INTERNATIONAL COOPERATION

During the last year, the activities related to international cooperation, as recommended by the EU, were organized in such manner to contribute to the improvement of this area and higher efficiency and exchange of information. In that sense we have enhanced this segment, both from the point of view of organizational structure and human resources.

We have improved the cooperation with the World Customs Organization. Under the support initiative we have realized the Workshop for risk management system in December 2012. We have also defined further assistance in the areas such as customs investigations and combatting fraud, development of integrity and management of human resources.



During 2012, the Customs administration has initiated the participation in Program Customs 2013. Within the program the officers of the customs administration are exchanging experience and have insight into the best practice of customs services within the EU member states.

We have initiated with implementation of Regional trade logistics, supported by the **World Bank**. Activities undertaken within this project, shall help customs administration to improve the risk management system, post clearance audits, as well as efficient exchange for information with other law enforcement agencies at the border.

Customs administration has cooperation with **EXBS** – Export control and related border security program of the Department of the State of the USA, which shall be used to continue to support the customs administration.

In terms of cooperation with the United Nations Office on Drugs and Crime (**UNODC**), we have agreed on continuation of activities within the global container control programme. The customs administration has received a donation of modern drug detection equipment, and trainings shall be conducted in the forthcoming period.

Under auspices of **Venice cooperation initiative**, coordinated by the customs agency of Italy, the activities of customs administration within the technical groups for intellectual property, valuation and protection of health of citizens have ended.



During 2012 we have concluded the protocols on electronic exchange of data with Serbia, Kosovo, Albania and Bosnia and Herzegovina – thus ending the Phase II of SEED Project, implemented with support from the European Commission. This system represents a step ahead in enhancement of fighting against organized crime and prevention of smuggling, speeding up of customs

procedures and facilitation of legal trade, combatting corruption as well as improvement of regional cooperation.



Customs administration has also concluded the Memorandum of understanding with the customs agency of Italy on exchange of pre-arrival data, which is important from the point of view of safety of two ports.

Moreover, during 2012 we have continued with the activities on realization of project entitled "Preparation of customs administration for the implementation of New computerized transit system – NCTS". The Project shall be implemented in the next year with the twinning partners from the Austrian customs service, through twinning light project, using the IPA 2011 funds. The project is of very great importance for customs service, since the application of Common transit convention (NCTS) is one of preconditions for accession to European Union.

During 2012 The Customs Administration improved bilateral cooperation with customs services of Great Britain, France, Italy, Slovenia, as well as with customs services of region countries: Albania, Serbia, Croatia, Bosnia and Herzegovina and Kosovo. The Customs Administration improved also cooperation with Delegation of European Union in Montenegro, Directorate for Taxation and Customs Union (DG TAXUD), Embassies of United States of America, Great Britain, France and Italy, as well as with other international organizations and institutions. There were exchanged 114 information with international institutions dealing with fight against organized crime and terrorism: OLAF, SELEC, EUROPOL, WCO-RILO. There were conducted 4 international common customs operations organized by World Customs Organization (WCO) and Centre for enforcement in South-Eastern Europe (SELEC).



In the accession process of Montenegro to EU, in the part of harmonization of legislation to EU *Acquis*, related to the Chapter 24, the Customs Administration conducts intensive activities in changing Criminal Procedure Code, Law on Customs Service, Customs Law and other regulations, while into Criminal Code there were already made some needed changes. In that way there will be provided conditions needed for accession to the Convention on mutual cooperation among customs administrations (Naples II), Convention on common transit and Decision on implementation of informatics technology for customs purposes. In addition, the officers of Customs Administration are members of Working groups for Negotiation Chapter VII-Intellectual Property Rights, Negotiation Chapter XI- Agriculture and rural development and Negotiation Chapter

XXVII-Environment Protection. Members of Working groups take part in preparation of bilateral screenings and in making of the report related to competencies of Customs Administration from these areas.

The Customs Administration participates actively in technical negotiations for change of the Stabilization and Association Agreement between European Union and its members of the one part and the Republic of Montenegro of the other part because of accession of the Republic of Croatia to European Union on 1 July, 2013. The Customs Administration covers also regular application of the REGIONAL Convention on Pan – Euro – Mediterranean preferential rules on origin of goods and actively participates in Working group for the change of this Convention.

TRADE FACILITATION AND COOPERATION WITH BUSINESS ENVIRONMENT

In order to have further facilitation of the trade, The Customs Administration conducts activities for introducing of Customs Information System (CIS) application for simplified procedures of declaration of goods for export based on book keeping entry, which implementation is expected for the beginning of 2013.

The Customs Administration has issued during 2012, 5 approvals for simplified procedure of declaration of goods based on trade or official documentation (invoice) during import or export of goods and introduce certain application into Customs Information System (CIS).



In order to improve cooperation with business environment it was created everyday communication with economic entities and their associations (Chamber of Commerce of Montenegro, Union of Employers, Business Alliance etc.). In 2012, within "Open door day ", there were made meetings with members of Board of Association of Freight forwarders of Chamber of Commerce of Montenegro where there were discussed actual problems of economic entities. In addition, for economic entities and their associations there were organized trainings and seminars which had various topics. The Customs Administration timely responses on queries made from natural and legal persons and submitted by regular post, via e –mail and via web site of Customs Administration.

In order to improve TARICG (electronic database of Montenegrin measures, established by connection of tariff headings with customs rates, import/export measures, tariff quotas and preferential), during 2012 there were inserted into TARICG data from national regulations.

INFORMATION TECHNOLOGY

The Customs Administration started with activities on preparation of IT Strategy, in order to provide efficiency and compliance with systems of European Union.

Customs information system of Customs Administration uses contemporary trends and highly set standards of European countries in the area of information technologies. This System provided that during 2012 economic entities submitted over million electronic messages related to the various types of goods and percentage of electronic submission of declaration in u 2012 was 99%.



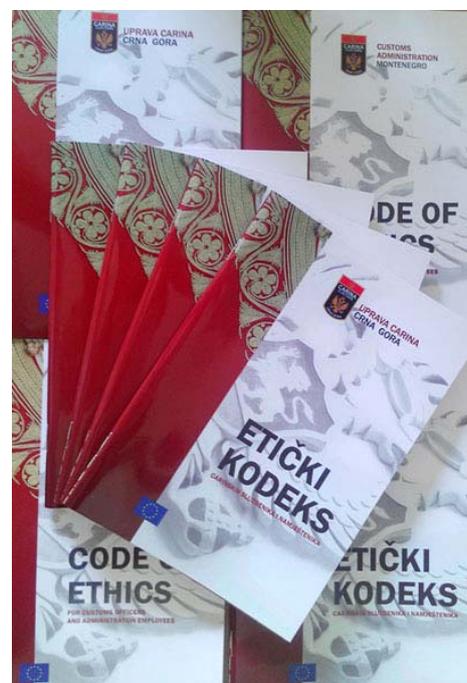
In 2012 there were continued activities on implementation of software module of system SAT (Risk Analysis System) and SPP (System of Business Rules) into CIS.

It was made upgrading of financial module for more efficient monitoring of revenue collection (claims and inflows) and its implementation is expected at the beginning of 2013.

INTEGRITY

Customs Administration promotes and stimulates integrity, the highest values, estimation for ethic principles, justice and social responsibility. As a result of such approach, a while ago, new Ethic codex for customs officials and employers was adopted , in accordance with international standards. For the first time Ethic Council was established and its role was to follow up implementation of Ethic code provisions. During the past time, Department for internal control was strengthen by its personnel, with the goal to perform their duties in more efficient level.

Customs administration performs its strategy of zero allowance for corruption, which means adequate adjudication, no matter for earned convenience, during the corruption action and status of employee. This is best illustrated by data which shows that in the period from January 01th till December 18th, 2012, 16 files were in front of disciplinary Commission. In 8 cases were delivered a verdict - penalty, and in one case cessation of labour relations. Two customs officers were relieved disciplinary responsibility, while for 5 customs officers disciplinary procedure is on going.



PROFESSIONAL IMPROVEMENT

Recognizing human resources as the most precious value of each institution, Customs administration is devoted to the capacity building in this field of work. In the previous year, 170 different types of training courses were performed in accordance with following topics: investigation and money laundering, health protection, preventing of illicit flow of radioactive material, integrity and corruption, detection and preventing of smuggling of weapons for mass destruction, investigation of corruption offence, goods valuation, protection of environment, simplifying procedures, development of inter - agency cooperation etc. During the training courses, 107 were realised in Montenegro and 63 abroad, 363 customs officers participated in them. Professionally elusiveness of customs officers was organized by international organizations and programs (WCO, EXBS program for export control and borders security, INTERPOL, OEBS, UNDP, UNODC etc) as well as, by the institutions in Montenegro (Ministry of defence, Ministry of foreign affairs and European integration, Police Directorate, Agency for human resources etc.).

PUBLIC RELATIONS

Being aware of importance for transparency in its work, highly appreciated needs of global public and business community for opportune information, Customs administrations over its PR service maintains ordinary contacts with media representatives and cherishes transparent relation through timely information delivering and rendering answers on posted questions. Using web site (www.upravacarina.gov.me), by means of media and direct contact, PR service offers to public relevant information. During 2012, on web portal were announced 130 information, regarding to the work results of customs officers. Physical and legal persons propound a question to the Customs administration, over web portal or directly by sending e-mail to the PR service. In the period of 11 months, on 140 questions were replied. Customs administration has approached its activities to the public over its movie »**Borders are deiving, the Customs service is connecting**«, which was showed premiere on the Customs service day on October 18 th. Movie has accomplished its mission- to approach to the wide public competencies and activities of Customs administration, as a modern service which has in its focus integrity and reaching highly set international standards.

