

<u>High Representative Extends Mandate of ITA Governing Board</u> Chairman

Today, the High Representative, Dr. Christian Schwarz-Schilling, extended Peter Nicholl's mandate as Governing Board Chairman of the Indirect Taxation Authority (ITA) until 13 January 2008.

Since the relevant domestic authorities did not appoint an Initial Chairman to succeed Mr. Nicholl in this function in accordance with the Law on the Indirect Taxation System in BiH and the High Representative's Decision of December 19, 2006, the position of ITA Chairman would become vacant as of 1 June 2007. The High Representative discussed this issue with Prime Minister Spiric last week noting the need to extend the Chairman's mandate to ensure continuity within this important post.

Extending Mr. Nicholl's mandate facilitates the adoption of a solution to the revenue allocation dispute, and allows the ITA Governing Board to focus on strategic policy issues and on the efficient supervision of the Indirect Taxation Authority for the future. The extension also allows the ITA to focus on establishing the administrative capacity in the ITA Governing Board necessary for the transition to a local chairman.