

## **OHR's Statement at the International Agency's Joint Press Conference**

The High Representative is calling on the BiH Parliament to adopt the Interim Law on Merging the Customs Administrations and creating the Indirect Tax Authority under urgent procedure at the sessions of House of Representatives on Friday 27 June and the House of Peoples on Monday 30 June.

The High Representative said in interview yesterday: "This is the test for BiH authorities to prove its commitment toward the reforms and to lead the country into Europe". "This is an exceptionally important moment for RS, for BiH and for your future. If BiH doesn't pass this law, it will send the message to the world, which is still prepared to help, that we are not serious when it comes to implementing necessary reforms," Ashdown told reporters.

The Interim Law is an important first step in merging the customs administrations and in creating a more efficient tax system. The current sales tax system and divided customs administration is a playground for fraud. Reform is essential if we are to ensure that more customs and tax revenue goes to its citizens, rather than to criminals.

More money in the public cash-boxes means more money for public sector. It means that the pensioners will receive money checks on time, teachers will get paid, and hospitals will be able to function properly.

At the last meeting in Sarajevo PIC called on the Indirect Tax Policy Commission to complete the comprehensive framework law by the end of July so that tax reform can move forward at the pace necessary to bring economic benefits. The Steering Board expressed its willingness to continue assistance in this area.