

Implementation of customs tariff law

OHR warmly welcomes the unanimous decision of the Council of Ministers yesterday to cease to apply preferential customs treatment to imports from the Republic of Croatia and the FRY. This decision is a direct result of the Decision by the Presidency on 20 April to stop the application of the Agreement on Economic Cooperation (Split agreement) between the Federation and Croatia. The RS government earlier passed a decree to cease the Decree on Trade with the FRY (5 February 1999).

The BiH customs policy will be fully implemented in all parts of the country from 15 May. Both Entities will cease to apply preferential treatment to imports from Croatia and the FRY from that date, levying both customs tariffs and additional import duties on these imports. The Additional import duties will replace the illegal prelevmani on the Entity level.

This represents a major step in the normalization of the BiH economy. For the first time, BiH can be considered a unified customs territory. The budgets of both Entities will benefit enormously. The decision by the CoM also removes a major distortion to the internal trade between the two Entities, and it will help to cut down fiscal evasion.