

# OHR's Statement at the International Agency's Joint Press Conference in Banja Luka

## OHR Welcomes Passage of Sales Tax Legislation

Yesterday's adoption by BiH's Parliament of the Law on Tax on turnover of goods and services (Zakon o porezu na promet proizvoda i usluga u Bosni i Hercegovini) and the Law on Excise Tax in Bosnia and Hergovina (Zakon o akcizama u Bosni i Hercegovini) is an indication of how effectively BiH's Parliament can work when it does so in the interests of all BiH's citizens. The OHR is pleased to note that, despite receiving a short deadline for the adoption of this legislation, the Collegium of the BiH Parliament responded positively to the challenge, scheduling additional sessions, co-ordinating work between the two Houses and, after a thorough parliamentary debate yesterday [Dec 29], passing the necessary legislation.

This was an ambitious target and this process demonstrates two things; first, that the primacy of parliament has been asserted in the decision making process, and second, that parliament has proved its own capacity to operate as an effective body in the polity of BiH' said the High Representative.

This legislation assures BiH the normal fiscal arrangement of a modern European state. It will increase efficiency and improve BiH's business environment. These Laws are a significant step towards a single economic space and will greatly improve the domestic business environment, as well as

encouraging foreign investment.

The tax rates and basis of payment must be the same across the whole of BiH if there is to be confidence in the single account. As the single account is due to be operational from 1 January 2005, the legislation covering tax rates must be in place by then.