

Statement by the Steering Board Ambassadors

The law drafted by the Indirect Tax Policy Commission will shortly be considered by the Council of Ministers and then enter parliamentary procedure. The Steering Board Ambassadors urge all the parliamentary parties to adopt this law as soon as possible. The draft reflects the consensus reached in the Commission and charts a clear path for BiH to adopt an indirect taxation system, including VAT, which will be in line with European standards.

The Steering Board Ambassadors, as well as the European Commission, the IMF and the World Bank, support the adoption of the law as soon as possible. If it is enacted by the end of the year, BiH will have passed a milestone on the road to Europe, unlocking significant funds for implementing these reforms, and putting in place a system that will deliver more money for schools and other public services.

This process will be a significant test for the parliamentary parties of BiH. They have a democratic right to amend this draft law in line with parliamentary procedure, however each party must weigh up the potential consequences of unravelling the careful political consensus upon which the Commission's draft is based. The ITPC was, of course, comprised of BiH representatives. The international community will not intervene in this process. BiH is in a period of transition. The politicians of BiH themselves need to take responsibility for ensuring that key reforms are implemented if they are to convince Europe that they are serious about European integration.