Project Fiche: No. 9
Regional Blueprints Exercise on Customs and Taxation

1. Basic information

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 CRIS Number:</td>
<td>2009/021-373</td>
<td></td>
</tr>
<tr>
<td>1.2 Title:</td>
<td>Regional Blueprints Exercise on Customs and Taxation</td>
<td></td>
</tr>
<tr>
<td>1.3 ELARG Statistical code:</td>
<td>03.29 - Customs</td>
<td></td>
</tr>
<tr>
<td>1.4 Location:</td>
<td>Western Balkans: Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia as well as Kosovo under UNSCR 1244/99 Turkey</td>
<td></td>
</tr>
</tbody>
</table>

Implementing arrangements:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5 Contracting Authority:</td>
<td>European Community represented by the Commission of the European Communities on behalf of the Beneficiaries.</td>
<td></td>
</tr>
<tr>
<td>1.6 Implementing Agency:</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td>1.7 Beneficiary:</td>
<td>The Customs and Taxation administrations of Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia as well as Kosovo under UNSCR 1244/99 and Turkey</td>
<td></td>
</tr>
</tbody>
</table>

Financing:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.8 Overall cost (VAT excluded):</td>
<td>EUR 1 450 000</td>
<td></td>
</tr>
<tr>
<td>1.9 EC contribution:</td>
<td>EUR 1 450 000</td>
<td></td>
</tr>
<tr>
<td>1.10 Final date for contracting:</td>
<td>30 November 2010</td>
<td></td>
</tr>
<tr>
<td>1.11 Final date for execution of contracts:</td>
<td>30 November 2012</td>
<td></td>
</tr>
<tr>
<td>1.12 Final date for disbursements:</td>
<td>30 November 2013</td>
<td></td>
</tr>
</tbody>
</table>

---

1 The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated.
2. Overall Objective and Project Purpose

2.1 Overall Objective

To evaluate the administrative capacity of Customs and Tax administrations in Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia as well as Kosovo under UNSCR 1244/99 and Turkey using the framework offered by the Customs and Fiscal Blueprints published by the European Commission's Directorate General for Taxation and Customs Union².

2.2 Project purpose

Support the management of Customs and Taxation administrations in the Western Balkans and Turkey in their efforts to modernise and align with the Customs and Fiscal Blueprints and acquis.

2.3 Link with AP/NPAA / EP/ SAA³

This project is directly supporting, on a horizontal basis, the priorities in customs and taxation mentioned in the European Partnership / Accession Partnership with the Beneficiaries, priorities reflected also in the National Programme for the Adoption of the Acquis or the National Action Plan adopted by each Beneficiary (see Annex IV).

2.4 Link with MIPD

The IPA Multi-beneficiary Multi-annual Indicative Planning Document (MIPD) 2009-2011⁴, in particular section 2.3.3.6, underlines that in order to identify and evaluate any remaining shortfalls in terms of operational capacities of the beneficiaries, a regional blueprints project should be launched.

3. Description of project

3.1 Background and justification

The Customs and Fiscal Blueprints were developed in 1998 and revised in 2007 (Fiscal) and 2008 (Customs) with the main aim of assisting the beneficiaries to prepare to operate in accordance with EU legislation and standards in the light of their eventual accession to the

---

² Both the Customs Blueprints and the Fiscal Blueprints are practical guidelines laying down clear criteria based on EU best practices, against which a tax, fiscal or customs administration is able to measure its own operational capacity. They can be used to analyse gaps between the existing situation in the Beneficiary and the blueprint standards and thus provide a basis for plans to undertake customs and fiscal reforms. Both documents could be found at the addresses: http://ec.europa.eu/taxation_customs/resources/documents/common/publications/info_docs/customs/customs_blueprint_en.pdf and http://ec.europa.eu/taxation_customs/resources/documents/common/publications/info_docs/taxation/fiscal_blueprint_en.pdf.

³ AP = Accession Partnership; NPAA = National Programme for the Adoption of the Acquis (for Candidates), National Action Plan (for Potential Candidates); EP= European Partnership; SAA = Stabilisation and Association Agreement

⁴ C(2009)5418
European Union. They have proven to be a valuable and useful tool for evaluating the operational capacity of Customs administrations both for the beneficiaries undergoing reforms and for those providing assistance to them.

The Customs and Fiscal Blueprints are practical guidelines laying down clear criteria based on EU best practices against which a Customs or Tax Administration is able to measure its own operational capacity. They can be used to analyse gaps between the existing situation and the blueprint standards and thus provide a basis for reform plans. They also help to ensure that any assistance requested or provided is structured, consistent and properly targeted, with clear objectives and measurable results.

Some beneficiaries (see point 3.6) have already started to use the Blueprints in their modernisation efforts through their own means or with funding from EU. Nevertheless, the process of leveraging the Blueprints as a means of self-assessment combined with a heterogeneous implementation approach during the assessment phase diminishes the value of the entire process. This may make the results less relevant both for the administrations and for directing the financial assistance towards the areas that need most attention.

The main merit of the present project is that it is designed to address the problems mentioned above in a coherent and structural way for all the beneficiaries concerned. Indeed the Blueprints exercise will be executed by one single consultant, which will perform the assessment everywhere using a common methodology and in the same timeframe. Once completed, the results will provide a solid basis for better allocating further financial and technical assistance in Customs and Taxation under a coherent multi-annual perspective.

3.2 Assessment of project impact, catalytic effect, sustainability and cross-border impact

This project is expected to provide a more coherent indication of the main challenges facing the beneficiaries to bring about possible regional synergies and to allow for economies of scale in performing the assessment and supporting subsequent changes. The results may be used in the short and medium term by the beneficiaries in revising their strategic plans and by the donors in better targeting the financial assistance to the priority areas.

Sustainability in the long term will be increased through the training activities and participation of the beneficiaries' experts in the process of assessment based on the Blueprints. Once identified, the challenges, which are common to several administrations and/or on a regional basis, could be addressed through specific regional projects.

3.3 Results and measurable indicators:

Component I - Assessment:

Result A: Individual assessment of each beneficiary performed

Measurable indicators in relation with Result A
- Customs / Fiscal Blueprints assessment performed;
- Individual report for each chapter of the Customs / Fiscal Blueprints drafted
- An overall report for each beneficiary will be delivered within six months from the start of the project. The report should provide recommendations and clearly indicate the most

---

5 Croatia is not included in the scope of this project due to the advanced stage reached by the accession negotiations in Customs and Taxation chapters.
important areas needing attention and/or further assistance, in the short, medium and long term.

**Component II – Training and awareness:**

**Result B:** At least two people from each department involved in the blueprint exercise trained to repeat the exercise autonomously

*Measurable indicator in relation with Result B:*
- Training sessions held

**Result C:** Awareness sessions held with the top management of each beneficiary

*Measurable indicator in relation with Result C:*
- At least two awareness sessions held with the top management (one at the start of the project and one at the end).

**3.4 Activities:**

**Component I:**
A: Gaps and needs analysis of the administrative capacity performed for each chapter of the blueprint; reports drafted.

**Component II:**
B: Curricula defined and training performed for the beneficiary’s staff.

C: Usefulness and conclusions of the blueprint exercise discussed in awareness sessions with the top management.

**3.5 Conditionality and sequencing:**

Before the start of the project, tasks and responsibilities of all involved parties will be defined, and the people involved in the Blueprints exercise from the beneficiary will be clearly nominated.

**3.6 Linked activities**

Blueprints exercises performed or to be performed in Croatia, Bosnia and Herzegovina, Kosovo\(^6\) and the former Yugoslav Republic of Macedonia\(^7\).

**Albania:**
IPA 2007: Tax administration – IT advice and training with Twinning; IT equipment;
IPA 2008: Customs - Support to the alignment of customs procedures; Logistic support;

**Bosnia and Herzegovina:**

---

\(^6\) under UNSCR 1244/99
\(^7\) Customs Blueprints exercise Croatia – performed in 2007, under a project financed by Phare 2005; Customs and Fiscal Blueprints exercise Bosnia and Herzegovina – performed in 2008, under a 2007 FWC project (lot 11); Customs and Fiscal Blueprints exercise Kosovo – to be performed in 2009-2010, financed by IPA 2008; Customs Blueprints exercise the former Yugoslav Republic of Macedonia – announced in mid 2008 by the Customs Administration, not performed yet, funded by the national budget
IPA 2007: Customs and Fiscal Blueprints exercise Bosnia and Herzegovina – performed in 2008, under a 2007 framework contact project (lot 11).
IPA 2008: Integrated Border Management, including support to *acquis* alignment of ITA;
IPA 2009: Customs and Taxation - IT equipment (planned).

**The former Yugoslav Republic of Macedonia:**
IPA 2007: Customs - Support to the implementation of Customs Reform Strategy (Development of CDPS, alignment of legislation, border controls);
IPA 2007: Taxation - Support to Tax Reform
IPA 2008: Customs - Interoperability of the Customs Administration’s IT system with EU customs IT systems
IPA 2009: Customs - Strengthening the capacity of the Customs Administration (planned);

Customs Blueprints exercise – announced in mid 2008 by the Customs Administration, not performed yet, funded under the national budget

**Kosovo:**
IPA 2008: Customs - IT enabling and support (planned);
IPA 2008: Taxation - Support the improvement of IT structure in the Tax Administration and assess the compatibility with the EU requirements and standards;
IPA 2009: Installation of new IT infrastructure (planned);

**Montenegro:**
IPA 2008: Customs - Development of administrative capacity;

**Serbia:**
IPA 2007: Customs - Development of NCTS;
IPA 2008: Customs - Enhancement of enforcement capacity;

**Turkey:**
Phare 2006: Customs - NCTS, ITMS, CCN/CSI;
IPA 2008: Customs - Inspection system at railroad border points;
IPA 2009: Customs - Strategic management capacity;
4. Indicative Budget (amounts in EUR)

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>IB (1)</th>
<th>INV (1)</th>
<th>TOTAL EXP:RE EUR</th>
<th>IPA CONTRIBUTION EUR</th>
<th>COMMUNITY % (2)</th>
<th>NATIONAL CONTRIBUTION % (2)</th>
<th>PRIVATE CONTRIBUTION</th>
<th>% (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1</td>
<td>X</td>
<td></td>
<td>1 450 000</td>
<td>1 450 000</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contract 1</td>
<td></td>
<td></td>
<td>1 450 000</td>
<td>1 450 000</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL IB</td>
<td></td>
<td></td>
<td>1 450 000</td>
<td>1 450 000</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL INV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL PROJECT</td>
<td></td>
<td></td>
<td>1 450 000</td>
<td>1 450 000</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Amounts net of VAT
(1) In the Activity row use "X" to identify whether IB or INV
(2) Expressed in % of the Total Expenditure (column (a))
5. **Indicative Implementation Schedule (periods broken down per quarter)**

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Start of Tendering</th>
<th>Signature of contract</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td>Q1 2010</td>
<td>Q3 2010</td>
<td>Q3 2011</td>
</tr>
</tbody>
</table>

6. **Cross-cutting issues**

   6.1 **Equal Opportunity**

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

   6.2 **Environment**

This project does not involve any activities with an environmental impact.
ANNEXES

I- Logical framework matrix in standard format

II- Amounts (in EUR) contracted and disbursed per quarter over the full duration of project

III- Description of Institutional Framework

IV- Reference to laws, regulations and strategic documents:

V- Details per EC funded contract (where applicable)

VI- Acronyms used
## ANNEX I: Logical framework matrix in standard format

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project Fiche</th>
<th>Programme name and number</th>
<th>2009/021-373</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Blueprints Exercise on Customs and Taxation</td>
<td>Contracting period expires</td>
<td>Disbursement period expires:</td>
</tr>
<tr>
<td>30 November 2010</td>
<td>30 November 2013</td>
<td></td>
</tr>
<tr>
<td>Total budget: EUR 1 450 000</td>
<td>IPA budget: EUR 1 450 000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>To evaluate the administrative capacity of the beneficiaries using the framework offered by the Customs and Fiscal Blueprints published by the European Commission’s Directorate General for Taxation and Customs Union.</td>
<td>Blueprints exercise performed and reports delivered for each Beneficiary.</td>
<td>Quarterly and Final Reports</td>
</tr>
<tr>
<td>Project purpose</td>
<td>Objectively verifiable indicators</td>
<td>Sources of Verification</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------</td>
<td>-------------------------</td>
</tr>
</tbody>
</table>
| To support the management of the beneficiaries in their efforts to modernise and align with the Customs and Fiscal Blueprints and *acquis.* | - Blueprints exercise performed and reports delivered  
- Customs and Tax strategic and actions plans subsequently adapted to reflect the Blueprints exercise  
- Subsequent financial assistance directed towards key areas identified in the Blueprints exercise | - Project reports  
- DG TAXUD monitoring and/or assessment reports  
- Country Reports issued by the European Commission  
- Projects for Customs and Taxation approved under IPA 2011 and onwards  
- Beneficiaries revised strategies and actions plans | The management of the Beneficiaries will fully support the Blueprints exercise and will implement its conclusions. |

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| A) Individual assessment of each beneficiary performed.  
B) At least two people from each department involved in the blueprint exercise trained to repeat the exercise autonomously.  
C) Awareness sessions held with the top management of each beneficiary | - Customs / Fiscal Blueprints assessment performed;  
- Individual report for each chapter of the Customs / Fiscal Blueprints drafted  
- An overall report for each beneficiary delivered within six months from the start of the project. The report should provide recommendations and clearly indicate the most important areas needing attention and/or further assistance, in the short, medium and long term.  
- Training sessions held  
- At least two awareness sessions held with the top management (one at start and one at end), for each beneficiary. | - Project reports  
- DG TAXUD monitoring and/or assessment reports  
- Projects for Customs and Taxation approved under IPA 2011 and onwards  
- Beneficiaries revised strategies and actions plans | The management of the Beneficiaries will fully support the Blueprints exercise and will implement its conclusions. |
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Costs</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Gaps and needs analysis of the administrative capacity performed for each chapter of the Blueprints.</td>
<td>- Service Contract</td>
<td>EUR 1 450 000</td>
<td></td>
</tr>
<tr>
<td>- Curricula defined and training performed for the Administrations' staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Usefulness and conclusions of the Blueprints exercise discussed in awareness sessions with the top management</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ANNEX II: Amounts (in EUR) contracted and disbursed per quarter over the full duration of project

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Contracted: 1 450 000
Cumulated: 1 450 000
Disbursed:
- Contract 1: 290 000, 725 000, 435 000
- Cumulated: 290 000, 1 015 000, 1 450 000
ANNEX III: Description of Institutional Framework

Albania
- Customs: Headquarters (Tirana), 17 Customs Offices and 5 Customs points, 1200 staff.
- General Tax Directorate: Headquarters (Tirana), 15 regional tax offices and 21 service offices, 1230 staff.

Bosnia and Herzegovina
- Indirect Taxation Authority (Customs and Taxation): Headquarters (Banja Luka), 4 Regional
- Centres, 30 customs sub-offices and 59 customs posts

Kosovo
- Tax Administration: Headquarters (Pristina), 8 Regional offices + large taxpayer unit, 640 staff
- Customs Service: Headquarters (Pristina), customs offices, 570 staff

The Former Yugoslav Republic of Macedonia
- Customs: Headquarters (Skopje), 5 Customs Houses, 41 Customs offices, 1200 staff
- Public Revenue Office: Headquarters (Skopje), tax offices, 1250 staff

Montenegro
- Customs: Headquarters (Podgorica), customs offices, 520 staff
- Tax Administration: Headquarters (Podgorica), tax offices, 620 staff

Serbia
- Customs: Headquarters (Belgrade), 13 customs houses, 140 customs posts/units/points, 2600 staff
- Tax Administration: Headquarters (Belgrade), 5 Regional centres, 201 offices /units/points, 6600 staff

Turkey
- Customs Undersecretariat: Headquarters (Ankara), 18 Regional Customs and 4 Customs Enforcement Directorates, 143 Customs Offices and Customs Enforcement Offices, 8960 staff
- Tax (Revenue) Administration: Headquarters (Ankara), 29 Regional Directorates, 489 offices, 45000 staff
ANNEX IV: Reference to laws, regulations and strategic documents

European Partnership / Accession Partnership priorities for Customs and Taxation:

Albania:

Short-term priorities:

- Ensure continued approximation of Albanian customs and taxation legislation to the EU acquis and further increase administrative capacity to implement customs and tax legislation and to fight corruption, cross-border crime and fiscal evasion.
- Improve transparency and the exchange of information with EU Member States in order to facilitate enforcement of measures to prevent avoidance or evasion of taxes.

Medium-term priorities

- Further align customs legislation and procedures with EU practices; in particular, ensure approximation of rules and procedures for transit, customs warehouses, customs valuation, physical controls and risk analysis to EU standards. Ensure that national tariff is timely updated on the basis of the most recent Combined Nomenclature.
- Fully implement the computerised system for customs declaration and customs data processing in all customs offices.
- Further approximate tax legislation with the EU acquis, notably in the field of excise duties, and commit to the principles of the Code of Conduct for business taxation, ensuring that new tax measures also comply with these principles.
- Reinforce the capacity of the tax administration, in particular in the fields of tax controls and audit, in order to increase compliance and reduce tax evasion.
- Complete the process of computerising tax offices.

Bosnia and Herzegovina:

Short-term priorities:

- Further approximate customs and tax legislation and procedures with the acquis and ensure that the Bosnia and Herzegovina tariff is timely updated on the basis of the most recent Combined Nomenclature.
- Ensure that the legal framework for free zones is compatible with EU standards and guarantees adequate supervision of free zones.
- Ensure proper implementation of rules of origin, including diagonal cumulation.
- Implement customs valuation rules in accordance with international standards and practices.
- Dismantle taxes with an effect equivalent to a customs duty (customs fees for the processing of customs declarations).
- Further improve the administrative capacity to implement customs and tax legislation and to fight against corruption, cross-border crime and fiscal evasion.
- Agree on a permanent formula for allocation of indirect tax revenue between the State, Entities and Brčko district.
- Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures are in compliance with these principles.

Medium-term priorities

- Ensure continued approximation of customs and taxation legislation to the acquis and further increase administrative capacity to implement this legislation and to fight corruption, cross-border crime and fiscal evasion.
- Improve the transparency and exchange of information within the region and with the EU in order to facilitate enforcement of measures preventing avoidance or evasion of taxes

The former Yugoslav Republic of Macedonia:

Short term priorities:

Chapter 16: Taxation
- Increase the administrative capacity to implement tax legislation and to fight fiscal evasion.
- Take structural measures urgently to reform control policy and improve control capacity.
- Develop an audit strategy and adequate IT systems.
- Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures comply with them.

Chapter 29: Customs union
- Increase administrative capacity to implement customs legislation and to fight cross-border crime.
- Further approximate legislation and procedures to the acquis, in particular in the areas of transit and allocation of tariff quotas.
- Align the law on technological/industrial development zones with the acquis.

Montenegro

- Further align customs legislation and procedures with the acquis. Continue to modernise the customs administrations in order to ensure a high level of administrative capacity and to fight against corruption, cross-border crime and fiscal evasion.
- Further align tax legislation with the acquis. Improve implementation of tax laws, focusing on revenue collection and control in order to reduce tax fraud.
- Apply the principles of the code of conduct for business taxation and ensure that new tax measures are in conformity with those principles.

Serbia

- Complete the alignment of customs legislation necessary for proper implementation of the SAA, strengthen the capacity of the customs administration to fight corruption, cross-border crime and fiscal evasion and strengthen enforcement capacity, especially in the areas of risk analysis and post-clearance control.
- Continue approximation of tax legislation to the acquis, implement tax legislation, in particular on revenue collection and control in order to reduce tax fraud and increase enforcement capacity.
- Commit to the principles of the Code of Conduct for business taxation and ensure that new tax measures comply with these principles.
**Kosovo**

- Continue approximation of tax and customs legislation to the EU acquis. Further increase the administrative capacity of tax and customs services to enforce legislation and to combat corruption, cross-border crime and tax evasion.

**Turkey:**

Short term priorities:

**Chapter 16: Taxation**
- Take practical steps leading to a substantial reduction in discriminatory taxation of alcoholic products, imported tobacco and imported cigarettes, and present a plan with clear milestones, and agreed with the Commission, for the rapid elimination of any residual discriminatory taxation,
- pursue alignment of VAT and excise duties, in particular on structure and applied rates,
- continue strengthening and modernizing the tax administration, including the IT sector, in order to increase compliance and improve collection of tax revenues and to reduce the informal economy.

**Chapter 29: Customs Union**
- Align legislation on free zones with the relevant acquis, particularly for rules concerning customs controls and tax auditing,
- strengthen the enforcement capacity of the customs administration, particularly regarding the fight against illegal trade and counterfeit. Continue the preparations for interconnectivity of the IT systems with the EU,
- eliminate customs duty relief for goods covered by the Customs Union and which are sold in duty-free shops to travellers entering in Turkey.

Medium term priorities:
**Chapter 16: Taxation**
- Continue alignment of excise duties and VAT, in particular as regards deductions, exemptions, special schemes, tax refunds and the application of reduced rates.

**Chapter 29: Customs Union**
- Complete alignment of customs legislation on dual-use goods and technologies, precursors and counterfeit and pirated goods.
ANNEX V: Details per EC funded contract

A service contract will be awarded following a restricted call for tenders, to be launched in Q1 2010.

<table>
<thead>
<tr>
<th>Type of Contract</th>
<th>Amount in EUR</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td>1 450 000</td>
<td>12 months</td>
</tr>
</tbody>
</table>
## Annex VI - Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCN / CSI</td>
<td>Common Communications Network / Common Systems Interface</td>
</tr>
<tr>
<td>CDPS</td>
<td>Customs Declaration Processing System</td>
</tr>
<tr>
<td>DG TAXUD</td>
<td>European Commission Directorate General responsible for Taxation and Customs Union</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>EMCS</td>
<td>Excise Movement Control System</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>ITA</td>
<td>Indirect Taxation Authority, Bosnia and Herzegovina</td>
</tr>
<tr>
<td>ITMS</td>
<td>Integrated Tariff Management System</td>
</tr>
<tr>
<td>MS</td>
<td>Member State</td>
</tr>
<tr>
<td>NCTS</td>
<td>New Computerised Transit System</td>
</tr>
<tr>
<td>TARIC</td>
<td>Tarif Intégré Communautaire</td>
</tr>
<tr>
<td>VIES</td>
<td>VAT Information Exchange Systems</td>
</tr>
</tbody>
</table>