

# **Decision Enacting the Law on Amendments to the Law on Excise Duties in Bosnia and Herzegovina**

**In the exercise** of the powers vested in the High Representative by Article V of Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) to the General Framework Agreement for Peace in Bosnia and Herzegovina, according to which the High Representative is the final authority in theatre regarding interpretation of the said Agreement on the Civilian Implementation of the Peace Settlement; and considering in particular Article II.1. (d) of the last said Agreement, according to the terms of which the High Representative shall “Facilitate, as the High Representative judges necessary, the resolution of any difficulties arising in connection with civilian implementation”;

**Recalling** paragraph XI.2 of the Conclusions of the Peace Implementation Conference held in Bonn on 9 and 10 December 1997, in which the Peace Implementation Council welcomed the High Representative’s intention to use his final authority in theatre regarding interpretation of the Agreement on the Civilian Implementation of the Peace Settlement in order to facilitate the resolution of any difficulties as aforesaid “by making binding decisions, as he judges necessary” on certain issues including (under sub-paragraph (c) thereof) “measures to ensure implementation of the Peace Agreement throughout Bosnia and Herzegovina and its Entities”;

**Further recalling** that the responsibility for indirect taxation has been transferred to Bosnia and Herzegovina by an agreement signed by the Federation of Bosnia and Herzegovina and Republika Srpska that regulates distribution of competences in that domain;

**Mindful** that the Parliamentary Assembly of Bosnia and Herzegovina enacted the Law on Excise Duties in Bosnia and Herzegovina establishing unique excise tax rates; thus ensuring achievement of the principles of a single economic space;

**Noting** that pursuant to Article 29, paragraph 1, of the Law on Excise Tax in Bosnia and Herzegovina that the printing and distribution of unique tax stamps should have been ensured by 30 June 2005;

**Further noting** that certain technical deficiencies in the implementation of the existing legislative framework have thus far delayed the establishment of the aforementioned of unique tax stamps;

**Recalling** paragraph XI of the February 3, 2005, Communiqué of the Peace Implementation Council, Political Directors, by which “the Steering Board noted with approval that the BiH Parliamentary Assembly has enacted legislation on Sales and Excise Tax and laws providing for a State-level single-rate VAT system to be introduced in BiH by January 2006 at the latest,” which are European Union Feasibility Study Requirements, and emphasized that “implementation must now follow”;

**Further recalling** Article 25 of the Law on the Indirect Taxation System of Bosnia and Herzegovina, (*hereinafter, ITS Law*), according to which the Indirect Taxation Authority (*hereinafter, ITA*) is obliged to take over the jurisdiction for collecting and distributing indirect taxes from the jurisdictions of the Tax Administration of Republika Srpska, Tax Administration of the Federation of Bosnia and Herzegovina and the Tax Administration of Brčko District (*hereinafter, Tax Administrations*) by no later than the day of entry into force of the Law on Value Added Tax, and to accordingly undertake necessary activities to enable successful transfer of those jurisdictions;

*Respectful* of ITA’s efforts, demonstrated by the partial assumption of jurisdiction from Tax Administrations for collecting indirect taxes, and of the need for the ITA to undertake additional activities in the coming period that will enable it to take over all competencies from the Tax Administrations arising from the collection of indirect taxes;

Having taken into account and considered the totality of the matters aforesaid, the High Representative hereby issues the following:

## **DECISION**

### **Enacting the Law on Amendments to the Law on Excise Duties in Bosnia and Herzegovina**

(“Official Gazette of Bosnia and Herzegovina ”, No.62/04)

which is hereby attached as an integral part of this Decision.

The said Law shall enter into force as a law of Bosnia and Herzegovina, with effect from the date provided for in Article 3 thereof, on an interim basis, until such time as the Parliamentary Assembly of Bosnia and Herzegovina Parliament adopts this Law in due form, without amendment and with no conditions attached.

This Decision shall come into force forthwith and shall be published without delay in the "Official Gazette of the Bosnia and Herzegovina".

Sarajevo , 13 July 2005

Paddy Ashdown

High Representative

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## **THE LAW ON AMENDMENTS TO THE LAW ON EXCISE DUTIES IN BOSNIA AND HERZEGOVINA**

### **Article 1**

In the article 29, paragraph 1, the date "30<sup>th</sup> June 2005 " is amended and shall read "31 December 2005 ".

### **Article 2**

Article 31 shall be amended and shall read as follows:

"The respective Entity Ministries of Finance and Brcko District Tax Administration are hereby authorised to ensure continuous printing of existing tax and control stamps until the deadline referred to in Article 29, paragraph 1, of this Law unless the Governing Board issues a Decision approving the printing and issuance of a uniform tax and control stamp."

### **Article 3**

This Law shall come into force forthwith and shall be published without delay in the Official Gazette of Bosnia and Herzegovina.