

# **Green Book 2023**

Priorities 2024





# ALBANIAN CUSTOMS ADMINISTRATION

# The Green Book 2023 Priorities 2024



# General Directorate of Customs

www.dogana.gov.al

Tel: +355 42 232 988 Mob: +355 684053453

Email: helpdesk.dpd@dogana.gov.al

Tirana, Kashar Mezez, Fushe Mezez, Highway
Tirana-Durres, km 1, Center "Pajtoni Bussines Center", Floor 5



### CONTENT

# **ABBREVIATIONS**

I. The Speech of the General Director5	•
II. Mission	7
III. Organization	3
IV. Main Developments9	)
V. Revenue's Performance of Customs41	L
VI. Law Enforcement43	}
VI.1 Fight against Smuggling43	}
VI. 2 Customs Investigation44	ļ.
V1.3 Customs Intelligence45	•
V1.4 Anti-trafficking47	7
VI.5 Protection of Intellectual Property48	3
VI.6 Risk Analysis and Monitoring50	)
VI.7 Post Clearance Control52	)
VII. Technical Department54	ļ
VII.1 Customs Facilitation54	ŀ
VII.2 Technological Innovation56	;
VII.3 Tariffs57	,
VII.4 Origins57	7
VII.5 Customs Valuation58	3
VII.6 Customs Laboratory59	)
VIII. Excise60	)
VIII.1 Main Excise Products60	)
VIII.2 Technical Excise Directorate63	}
IX. Administrative Department65	;
IX1. Improvement of Customs Infrastructure65	;
X. International Relations69	)
X.1 European Integration69	)
X.2 Cooperation with partners, projects, the European Union and the World	
Bank70	)
X.3 Cooperation with the World Customs Organization74	ļ.
XI. Priorities for 202476	;
XII. Contacts	,



#### **ABBREVIATIONS**

**EU:** European Union

**CEFTA:** Central European Free Trade Agreement

IMF: International Monetary Fund

FIAA: Foreign Investors Association in Albania

**WCO:** World Customs Organization

**AEO:** Authorized Economic Operator

**HMRC:** British Customs and Revenue Agency

**HOIO:** Home Office International Operations of the British Ministry of the Interior

**AKU:** National Food Agency

**PEN-CP:** Innovation for Customs Administration

WB: World Bank

**DHAT:** American Chamber of Commerce

**UNDP:** United Nations Development Program

**UNCTAD:** United Nations Conference on Trade and Development

**UNCODC:** United Nations Office on Drugs and Crime

**BKH:** National Bureau of Investigation

ITMS: Integrated Tariff Management System
SEED: Systematic Exchange of Electronic Data

**EAD:** Export Accompanying Document

**MCEN:** Marine Corps Enterprise Network



# I. The Speech of the General Director Mr. Genti Gazheli

2023 was challenging for Customs Revenues in the conditions of depreciations of Euro and US Dollar, but the Customs Administration achieved the record of USD 2.14 billion revenues and changed the image of the Customs Administration towards a business, professional and ethical service institution.

Combating negative phenomena of smuggling and evasion was at the center of the policies of Customs Administration through law enforcement and interruption of illegal trafficking with a mission, collection of revenues in the budget and equal and ethical professional treatment of business and citizens.

The effects were immediate and stable on the increase of Customs revenues from excise goods, as the best barometer of performance, unaffected by the exchange rate effects, resulting to an increased amount of declared main consumption products for 2023, such as fuels (646,455 tons), cigarettes (3,135 tons), coffee (7,616 tons) and alcoholic beverages.

Based on the technical assistance which Customs received for the first time directly from the IMF, the focus was to facilitate the movement of goods to Customs points to boost the legitimate trade and economic growth, but balancing this with post-clearance controls and risk analyses in order to monitor closely the entities with evasion tendencies and to facilitate the economic entities meeting the standards for obtaining Customs facilities/exemptions.

During this period, we deepened the digitization of Customs services by surpassing the achievements of paperless Customs with the provision of new online services and applications and through E-Albania for 34 Customs services, 4 applications and 21 other services, whose passports are ready for implementation, to bring Customs 100% online.

Business awareness campaigns, conducted with partners, enabled the certification of Authorized Economic Operators, which already are 13 and benefit the Customs procedures facilitations and pass to "green lines", reducing time and costs for business. The AEO Program was certified by CEFTA and the European Commission and currently, in addition to joint recognition with North Macedonia and Serbia, we are working on recognitions by CEFTA and EU countries.

Customs received the highest rating of all the institutions, according to the Foreign Investors Association in Albania (FIAA) survey on "Business Environment in Albania" 2023 with 75/100 points, confirming the proactive business climate.



The evaluation of international partners, such as EU, WCO, IMF, World Bank and WTO arrived after Customs Administration commitment in the implementation of technical assistance projects and the screening process, indicating a positive performance in international reports, questionnaires and activities.

As the European Commission assessed in the 2023 Progress Report, Customs has increased transparency with the public, not only through the publication of the Green Book and other information, but also through business and citizen awareness campaigns, such as those for AEO, Cash Declaration at the border, international conferences, activities with Customs in the region etc.

The future of Customs is the data use - Artificial Intelligence in building risk analysis strategies based on models offered by our partners, mainly IMF, WB, WCO, to focus the energies and monitoring the entities with higher risk profile and facilitating the legitimate trade and protecting fair competition.

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As the European Commission assessed in the 2023 Progress report, Customs has increased transparency with the public, not only through the publication of the Green Book and other information, but also through business and citizen awareness campaigns, such as those for OEA, declaration of "Cash" at the border, international conferences, activities with customs in the region etc.

The future of customs is towards data use - artificial intelligence in building risk analysis strategies based on models offered by partners, mainly IMF, WB, OBD, to focus energy and monitoring towards subjects with higher risk profile and facilitating legitimate trade and protecting fair competition.



# II. Mission



Customs Authorities have as their primary responsibility to supervise international trade of the Republic of Albania, contributing to open and fair trade in the application of the trade policies and those of other sectors of the Albanian economy, affecting trade and security of the entire trade chain, and for this purpose, Customs Authorities aim at protecting the financial and environmental interests of the Republic of Albania from unfair and illegal trade, supporting legitimate business activity; guaranteeing the security and safety of the Republic of Albania and its inhabitants, as well as the environmental protection and, where necessary, in close cooperation with the other Authorities; maintaining the right balance between Customs controls and facilitating the legitimate trade.



Albanian Customs, for the fulfillment of its Mission, has defined the following strategic principles:

Principle of the protection of the society and financial interests of the Republic of Albania; The Principle of supporting the competitiveness of Albanian companies; The principle of further facilitation of legitimate trade;

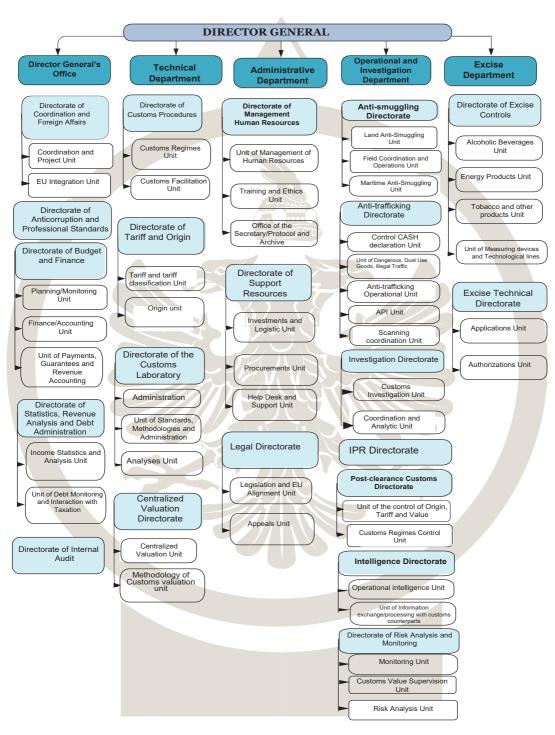
The principle of supply chain control and management used for international movement of goods;

The Principle of cooperation, maintaining, developing and enlargement of mutual relations between Customs Authorities and other Governmental Agencies and between Customs Authorities and the business community;



# III. Organization

**Table 1: General Directorate of Customs** 





# IV. Key developments

January 2023

### Cooperation with the counterparts

The Director General of Customs, Mr. Genti Gazheli, together with the British Customs and Revenue Agency (HMRC) and the Home Office of International Operations (HOIO) received the English Ambassador, Mr. Alastair King-Smith, in a meeting to discuss the successful cooperation between these three Institutions in the fight against the organized crime.



In line with the Joint Official Communication between the Prime Ministers of the United Kingdom and Albania in December, HMRC and H0IO will continue to work closely with the Albanian Customs to combat smuggling and illicit financing.

# January 26, International Customs Day

On the occasion of the International Customs Day, the Albanian Customs Administration held a ceremony where on behalf of the World Customs Organization awarded with "Merit Certificates", some employees for increasing the quality in the provision of Customs Services to business and citizens.





Traditionally, to mark the International Customs Day each year, the WCO Secretariat dedicates a topic that is relevant to the challenges facing the global Customs community. The topic of the WCO for 2023 was "Educating the next generation: promoting the culture of knowledge sharing and professional pride in Customs". Customs Administration, during these years, has had a radical transformation, where business is served at all times, quickly, without bureaucracy and with contemporary standards.

# Meeting with representatives of the Manufacturing Sector of Clothing and Footwear Association

The General Director of Customs, Genti Gazheli, held a meeting with the representatives of the Manufacturing Sector of Clothing and Footwear Association.





Mr. Gazheli expressed the maximum commitment of the Customs Administration to discuss openly and directly the business issues regarding the Customs procedures.

He stressed that information of Customs procedures and formalities, online applications, especially over the last two years, have facilitated the production, importing and (re) exporting activity of businesses in the sector. While the representatives of "Proeksport", expressed their positiveness on the new cooperation and correct relation which has already been established with ACA.





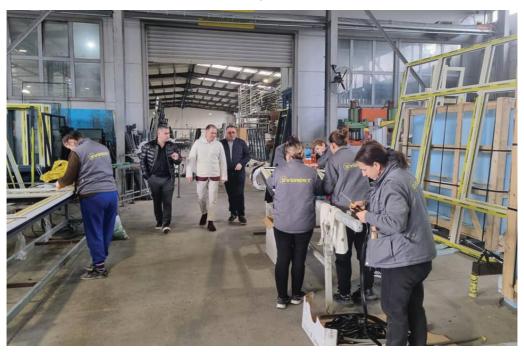
#### February 2023

### Meeting with the Ambassador of Brazil in Tirana, H.E. Mr. Joao Tabajara de Oliveira Junior

The Director General of Customs, Mr. Genti Gazheli, received in an official meeting the Brazilian Ambassador to Tirana, H.E. Mr. Joao Tabajara de Oliveira Junior, where they discussed increasing cooperation in order to encourage investment and trade exchanges between the two countries.

### Working visit to "Everest" Company

The General Director of Customs, Genti Gazheli, conducted a working visit to the Company "Everest", which exercises its economic activity in Tirana, where he invited him to apply for the status of the Authorized Economic Operator (AEO).



Regarding AEO Status, the company applying for this status, benefits favorable and priority treatment according to risk assessment and Customs controls, as well as access to use of all the simplifications and facilitations provided for by Customs legislation. "Everest" is an Albanian Company that produces and exports aluminum profiles, plastic profiles, building facades and parts for motor vehicles. It is currently the largest exporter



in the European market and the United States of America.

Currently in our country, 9 businesses have received the AEO Status, while there are several others in the process.

Mutual recognition of Authorized Economic Operators by Customs Authorities from all the countries of the region is considered a great opportunity for business development in the regional and in the future in the European market.

### Working visit to "Foshner Albania" Company

The General Director of Customs, Genti Gazheli, conducted a working visit to "Foshner Albania" Company which exercises its economic activity in Tirana, where he informed them with all facilitation of Customs procedures that this business can benefit.

"Foshner Albania" has applied to ACA to obtain the Status of Authorized Economic Operator (AEO), from which it benefits favorable and priority treatment according to risk assessment and Customs controls, as well as access to use all the simplifications and facilitations provided for by Customs legislation.



Cooperation was offered to the business in terms of facilitating the procedures, as well as orientation to obtain the Local Clearance Authorization to the entity's premises, in order to reduce the processing time of declarations.



"Foshner Albania" is in our country since 2015 in the field of inward processing in the automotive sector, producing electric line cables for buses, heavy vehicles and finally for Mercedes-Benz cars. It currently has 1040 employees.

### March 2023

### Study Visit and meetings at the Customs House of Morina (Kukes).

Facilitating Customs procedures at the border and reducing the time of processing the Customs Declaration is already being appreciated not only by the domestic business, but also by the International Institutions.



A mission of experts of the World Bank's "Trade Facilitation Support Project" (TFSP II) conducted a Study Visit and several meetings in the Customs House of Morina (Kukes) with representatives of Customs, Border Police and NFA.

Since October 1st 2022, Kosovo Customs has started in the Port of Durres direct clearance of goods which have as destination Kosovo.

#### High Level Summit with World Customs Organization and World Bank

The Director General of Customs, Mr. Genti Gazheli, participated in the High-Level Meeting with the World Customs Organization and World Bank with the topic "Towards the New Generation of Regional Cooperation through Digitalization".





In his word, Mr. Gazheli stressed that "in order to respond to the challenges of the pandemic over the past two years, the priority of the Customs Administration has been digitalization and modernization, well-management and service 24/7 to ensure the customer and business supply chains, as well as the close cooperation with the World Customs Organization, WB, IMF etc.".

The results of digitalization are tangible today for the Economic Operators in reducing the costs and the time of clearance of goods, confirmed by the latest World Bank Study "Time Release Study in Albania" where it is estimated that "the average time of import, transit and export procedures has been significantly reduced and that this is a success story of the Customs Administration".

The Customs Administration has also played a key role within the World Bank Project "Facilitating Trade and Transport in the Western Balkans" which in its first phase includes Albania, North Macedonia and Serbia.

Mr. Gazheli held meetings with the Secretary General of the WCO, Mr. Kunio Mikuriya, Deputy Prime Minister of North Macedonia, Mr. Fatmir Bytyqi, the Minister of Finance, Mr. Fatmir Besimi and the World Bank Representative, Mr. Massimiliano Paolucci.





Albanian Customs encourages and promotes the role of women at all its management levels.

Happy International Women's Day.







The number of women has increased where about 40% of Customs Administration employees are women.

# Activity on the presentation of the 'Association of Women in Uniform' Project.

Stronger together on International Women's Day!

The Protection Sector and the Department of the British Revenue and Customs Agency HMRC organized an event for the presentation of the project 'Association of Women in Uniform', part of the Women, Peace and Security Initiative to promote gender equality and women's empowerment.

During the meeting, participants had the opportunity to discuss future cooperation and they compared the ideas on how to empower each-other in their daily tasks.





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# April 2023

# Working Visit of the Secretary General of the World Customs Organization, H.E. Dr. Kunio Mikuriya to Kosovo and the Meeting at the Morine-Vermica Border Crossing Point.

On 28th of April 2023, on the occasion of the Working Visit of the Secretary General of the World Customs Organization, H.E. Dr. Kunio Mikuriya in Kosovo and with the participation of the Director General of Albanian Customs and the General Director of Kosovo Customs, a Meeting was held at Morine-Vermica Border Crossing Point, where as a goal was to be informed about the joint work of this Border Crossing Point between the Republic of Kosovo and Republic of Albania Border Authorities.









# **Meeting regarding PEN-CP Project**

The Director General of Customs Mr. Genti Gazheli participated in the Meeting of the PEN-CP Project with the participation of representatives from 14 European Customs Administrations of Member States or Non-Member States of the European Union.



This Meeting was organized by the Albanian Customs Administration, funded by the EU within Horizon 2020 Project intending the establishment of a New Network for promoting Customs innovation and an online platform, providing valuable intermediary services for innovation. In his speech, the Head of Customs Gazheli stated that the Albanian Customs Administration sees this Project as an opportunity towards achieving our objectives for digitalization and standardization of Customs Services in relation to Customs security, Customs Laboratory, Risk Management etc.

Regarding cooperation and information exchange between Customs Administrations and other Law Enforcement Agencies, Gazheli confirmed that those are at the highest levels thanks to the work and commitment of the Customs Administration to be open and cooperative related to law enforcement.

"We are committed to benefit from the new Customs security innovations and technologies from EU Member States Customs and PEN-CP Project serves as an opportunity to establish a network of Customs practitioners, which facilitates the translation of ideas and research requirements and requests for Customs security into solutions, technologies and practical process improvements" - Gazheli stressed.

#### Meeting with the General Director of the Albanian Post.

The General Director of Customs, Mr. Genti Gazheli, held a Meeting with the General Director of the Albanian Post, Mr. Ardit Demiri, in the framework of increasing the cooperation and facilitating Customs procedures in this area.





During this Meeting, Mr. Gazheli emphasized the fact that the Albanian Customs Administration in the framework of facilitating e-Commerce has taken several measures, such as;

- Harmonization of legal and regulatory frameworks for Electronic Commerce.
- Facilitating the movement of postal consignments.
- Simplification of Customs procedures in relation to postal consignments.
- Providing information to customers about postal consignments.

The services provided by the Albanian Customs Administration in the last years have received positive reviews not only from the domestic and foreign business community, but also from important international institutions, such as WB and IMF.

# May 2023

#### Cooperation with the counterparts.

The 23rd Session of the SELEC Council took place on 23rd of May 2023 at the SELEC Headquarters in Bucharest, Romania with the participation of Council Members from SELEC Member States, partners as well as SELEC Management, Liaison Officers and Staff Members.

The meeting was chaired by Mrs. Albina Pajenga, Director of Risk Analysis and Monitoring Directorate, General Directorate of Customs and Mrs. Seda Gunduz, Head of Department, Turkish General Directorate of Customs, as the Republic of Albania holds the Council Chair for 2023 and the Republic of Turkey holds the Deputy Chair for 2023.





### June 2023

# Sessions of the Council of the World Customs Organization

Director General of Customs, Mr. Gazheli, represented the Albanian Customs Administration at the Sessions of the Council of the World Customs Organization (WCO), which elected the new Head for the next five years. The elections took place at the Council Session where 184 Member Countries, representing 99% of the world trade, voted among the candidates.

Albanian Customs supported the candidacy of the United States of America for Secretary General of the WCO, Ian SAUNDERS, who was elected as the Head of the WCO.



### Bilateral meeting on Chapter 29 "Customs Union".

Albania and the European Union held in Brussels a bilateral meeting on Chapter 29 "Customs Union" in the framework of integration.



The Delegation of Albania was headed by the Negotiator of this Chapter, Deputy Minister of Finance and Economy, Ms. Vasilika Vjero.



Ms. Vjero expressed the great importance of the Customs Union in satisfying all the obligations for the full integration of our country into the European Union as an important strategic objective of the Government.



The Director General of Customs, Genti Gazheli, in his presentation, said that the Customs Administration is very committed to raising the standards of services to citizens and business in partnership with the European Union. This process will be the "best scanner" to set the main milestones of approximating the legislation.

Facilitating trade, especially through simplification of procedures and creating a favorable business climate is already one of the priorities of the Albanian Government.

### Gazheli meeting with ACHC: Facilitation of Customs procedures in serving the business

The Director General of Customs, Genti Gazheli, participated in the Forum "CUSTOMS AND BUSINESS IN 2023", organized by the American Chamber of Commerce.

The focus of the meeting was discussion on the facts and concrete figures which show that Business-Customs Relations have improved significantly over the last years, but of course there is always room for further improvements towards a modern Customs according to EU or US Standards. The Head of Customs, Gazheli, presented an important development of the digitalization of Customs services, facilitations for the business, the new applications which will be presented in real time, but also aspects of Business-Customs Relations which are at a very positive stage.

GDC has taken organizational measures with the aim of reducing their use as much as possible.





The Customs Director emphasized as very important the process of modernization and digitalization of the Customs Administration. "I am convinced that information technologies systems are the most efficient instrument in simplifying, facilitating and reducing the cost of business, but also in the fight against evasion and corruption,", adding that "we currently offer 100% of online services by adding 4 new applications which will be presented in real time today to see their operation".

### July 2023



# Meeting with the UNDP Resident Representative in Albania

The General Director of Customs held a meeting with the UNDP Resident Representative in Albania, Mrs. Monica Merino, who appreciated the cooperation so far with the United Nations Organizations, such as UNCTAD, UNODC, GFP and UNDP in Joint Customs Projects.

During this Meeting Gazheli appreciated the cooperation with the United Nations Organizations, such as UNCTAD, UNODC, GFP and UNDP in Joint Customs Projects.

From her side, Mrs. Merino appreciated the progress achieved by the General Directorate of Customs and the cooperation so far with UNDP, committing to deepen this cooperation according to the priorities of the Albanian Customs Administration.



### Official Visit to the United Nations Trade and Development Office "UNCTAD"

Director General of Customs, Genti Gazheli, paid an official visit to the United Nations Office for Trade and Development "UNCTAD".



During the Meeting that Mr. Gazheli had with the Deputy Secretary General of UNCTAD, Mr. Pedro Manuel Moreno, it was discussed the further enlargement of cooperation in the field of digitalization.

An important part of the discussions that the ACA Delegation had during the Meetings was the signing of the Agreement on the Pilot Project on "ASYHUB", which will carry out the "Pre-Arrival and Pre-Departure Processing of Sea Cargoes" and B2G (Business-to-Government) digital exchange, financed by Home Office of the United Kingdom.

#### Working Visit to the Border Crossing Point, Qafe Thane - Kafasan

The General Director of Customs, Genti Gazheli and the General Director of North Macedonia, Stefan Bogoev, conducted a Working Visit to the Border Crossing Point, Qafë Thane - Kafasan where the Investment Protocol between the Parties was signed.





- ◆ The implementation and effectiveness of the "One-Stop-Shop" Concept at this BCP are now in the final stage.
- ◆ The "One Stop Shop Project" will contribute to the simplification of administrative procedures for Customs Authorities and Economic Operators and as well it will facilitate and ensure the trade.

# On the Inauguration of the Joint Border Crossing Point (ONE STOP SHOP) between The Qafe Thane Customs (Albania) and Kafasan Customs (North Macedonia)

On July 31st, the Joint Border Control of "ONE STOP SHOP" between Albania and North Macedonia was launched, significantly facilitating the circulation of people and goods between the countries through simplified procedures.

Prime Minister Edi Rama and Prime Minister of North Macedonia Dimitar Kovacevski, accompanied by their respective Deputy Prime Ministers, Interior Ministers, Customs Directors and Police Heads of the two countries visited the Joint Border Crossing of Qafe Thane - Kafasan, where the new Border Program "One Stop – One Control" became effective.





Providing services to citizens and businesses at the same window where the Administrations of both countries serve for Border, Customs and Food Controls, has resulted in the simplification of control procedures, halving the time and increasing the transparency of the respective Administrations.

At the Inauguration Ceremony held on this occasion, the Prime Minister of North Macedonia, Dimitar Kovacevski, mentioned among other things that: "Today we are an example of how two neighboring countries should behave. Today we are here with Albania to open ONE STOP SHOP for Police and Customs Services. What follows from tomorrow is the increase of the capacities of the employees who work here, but also the adoption of new methods of work which will reduce the time of waiting."



### August 2023

# Meeting on the flow of visitors to our country, as well as to prevent and fight the border crimes.

State Police, Customs and Port Authorities - as the perfect energy to cope with the flow of visitors to our country, as well as to prevent and fight the border crimes.



In the framework of intensive work being carried out by all State Police structures and supporting ones in order to better manage the peak of the 2023 tourist season, as well as the flow of the visitors and tourists choosing Albania, the General Director of State Police, Major Director Muhamet Rrumbullaku held a meeting with the General Director of Customs, Genti Gazheli and with the General Director of the Port Authority, Pirro Vengu.

The Meeting, extremely important, after focusing the discussions of the Head of the Institutions to the fight against trafficking of narcotics, arms trafficking, against smuggling, passing of significant amounts of money which are result of crime, as well as the rapid and accurate processing of citizens' data and vehicles by which they move and to avoid the bureaucracies in order to maximize the movement and minimize the time costs



#### September 2023

# Official Visit of the President of the Republic of Kosovo, H.E. Ms. Vjosa Osmani Sadriu to our country



Facilitation of Customs procedures, direct clearance at the Port of Durres, record time of transit of exports and imports in Morina Customs, exchange of information between the two Customs Administrations and the follow-up of the implementation of Agreements/Protocols are already part of the daily work of the Albanian Customs Administration.

In the framework of the 2-day official visit that the President of the Republic of Kosovo, H.E. Ms. Vjosa Osmani Sadriu, held in our country, one of her stops was the Kosovo Customs Point in the Port of Durres.

The General Director of Customs, Genti Gazheli, informed President Osmani that only during this year the goods and containers which are cleared in Durres and have as destination the Kosovar market have increased by 50% this year. This is thanks to the facilitation of Customs procedures and fast service to business.

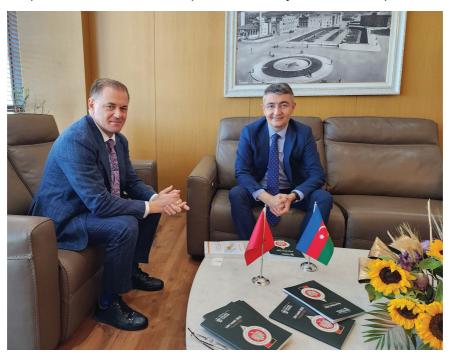




Albania has a positive trade balance with Kosovo. For 2022 the value of imports reached 16.2 Billion ALL, while the value of exports at 37.7 billion ALL, while the volume of imports was 172.8 thousand tons and the volume of exports reached 707 thousand tons.

# Official Meeting, H.E. Mr. Anar Huseynov, Ambassador of the Republic of Azerbaijan to our country.

The General Director of Customs, Genti Gazheli, received in an official meeting, H.E. Mr. Anar Huseynov, Ambassador of the Republic of Azerbaijan to our country.



Mr. Gazheli informed the Ambassador about the activities of the institution he heads, emphasizing the importance of facilitating legitimate business, controlling the movement of goods, combating corruption and illegal trafficking.

Additionally, there was a discussion about enhancing cooperation in the customs field between the two countries.

# On the signing of the Cooperation Agreement between the General Directorate of Customs and the National Bureau of Investigation.

The Cooperation Agreement between the General Directorate of Customs and the National Bureau of Investigation is signed granting access to the electronic system "Asycuda World".





The Agreement was signed in the premises of the General Directorate of Customs by Mr. Genti Gazheli, Director General of Customs and Ms. Aida Veizaj (Hajnaj), Director of the National Bureau of Investigation (BKH).

The purpose of the Agreement is to prevent and combat criminal offenses of national and international organized crime, terrorism and corruption.

# On the IMF Mission's assessments for improving the performance within the Middle Term Revenue Strategy.



The IMF appreciates the progress of the Customs Administration.

An International Monetary Fund mission within the Medium Term Strategy of Albania for Revenue (MTRS) held meetings with the Director General of Customs Mr. Genti Gazheli and technical staff from 4-8 September 2023.

An International Monetary Fund Mission within the Middle Term Revenue Strategy of Albania (MTRS) held meetings with the Director General of Customs Mr. Genti Gazheli and the technical staff from 4th - 8th of September 2023.



In the preliminary assessments, the mission evaluated the improvements in the performance of the Customs Administration. According to the Mission, there have been positive developments regarding Cooperation and Information Exchange Agreements with local and international partners to fight the informality.

#### Euro-Balkan Ministerial of Ministers of Economy from EU and the Region

The Euro-Balkan Ministerial of Ministers of Economy from EU and the Region took place in the frame of the Berlin Process with the participation of over 20 High-Level Delegations.



On October 16th, 2023 Albania, raised to a new level, recently appreciated for the economic progress and reforms by the prestigious International Agency S&P, welcomed a platform of discussion and cooperation among many countries, which were present in Tirana with their leaders who completed the first organization of the Berlin Process outside the EU borders.

October 2023

#### **Workshop on Facilitation of Administrative Procedures**

The Transport Community encourages the efficient cooperation between Customs and Law Enforcement Agencies between EU and Western Balkans.

Kapshtica and Kakavija Customs House staff participated in the Workshop on Facilitation of Administrative Procedures for passing of goods and movement of passengers at Border Crossings between the Western Balkans and the European Union.

The functioning of an integrated regional market and the promotion of free movement of goods, the expansion of green channels and the facilitation of procedures are important aspects of the EU support for the countries of the region in the integration process.





Meeting with French Customs Experts

In the framework of cooperation with UNODC (UNO) and Albanian Post, a Meeting with experts of French Customs was held in the Transit Office in Tirana in order to exchange the best European experiences in the field of postal packages control, risk profiling and Cooperation Customs - Post.



The Meeting was held within the Hermes Project, funded by the United Nation Office of Crime and Drugs and aims to improve the control of prohibited goods with particular focus on small weapons, light weapons and explosives through packages and postal consignments.



### Albania- Italy, strengthen the cooperation in Customs field

The General Director of Customs, Genti Gazheli, received in an official meeting in Tirana, the Director of Foreign Relations of the Italian Customs Agency, Mr. Andrea Mazzella.



During this Meeting, the Head of Albanian Customs appreciated the cooperation so far with the Italian counterparts, where their assistance has been very valuable in



Missions which have left traces, such as CAM - Albania, CAFAO, EU-TACTA, Mezzogiorno Balcani - Corridor VIII. Also, IPA Projects with key partners the Italian Customs Agency, such as IPA technical assistance for Risk Analysis, Post-Clearance, IPR and Laboratory, following up with NCTS and recently with ITMS, that have helped a lot in improving the performance and aligning many procedures with those of European countries.

Gazheli highlighted that the important partnership is the regional Project SEED, whose success has been certified over the years, as well as the mutual assistance in the Protocol of Understanding between the General Directorate of Customs and the Italian Customs Agency of 2003 in the area of information exchange and the fight against trafficking between the two



Adriatic coasts, the implementation of which has had and has a significant impact on the prevention, detection and punishment of illegal trade. This Protocol has already been updated with the developments of technology and the needs of our two Governments and the periodic information exchanges are currently conducted electronically in reports generated by the respective systems.

#### ACA is an important part of Albanian Institutions in the EU Integration Process

Albania and the European Union held in Brussels a Bilateral Meeting on Chapter 33 "Financial and Budgetary Provisions" in the framework of integration. During this meeting, the Albanian Party reported on the level of legal, institutional and administrative preparation for Chapter 33, which covers the rules regarding the financial resources necessary for the financing of the EU budget after membership.



Representatives of the Customs Administration were part of the official delegation to the Bilateral Meeting which took place in Brussels on 25th of October 2023 by providing an important contribution to this process.

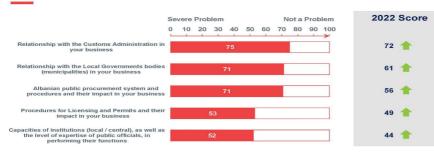
# Customs receives the highest rating from all Institutions according to the Foreign Investors Association in Albania (FIAA) Survey "Business Environment in Albania 2023

Customs receives the highest rating from all Institutions according to the Foreign Investors Association in Albania (FIAA) Survey "Business Environment in Albania 2023". The highest rating compared to all the other institutions, 75 out of 100 points, marks the highest performance.



# Doing Business in Albania in 2023

Relationship with Albanian Institutions



10 | FIAA Business Environment Survey 2023



The Customs Administration, assessing the results of the survey, remains committed to its mission to ensure transparent Customs procedures, increasing cooperation with other institutions and the private sector in order to realize the revenues for the state budget while maintaining the right balance between facilitation of procedures and customs controls.

## British Embassy's First Conference to support Women in Uniform



Over 50 representatives from Albanian Customs participated in the First Conference of the British Embassy Program in support of Women in Uniform.

Customs Representatives, part of the Board of this Initiative, were on the panel, where institutions such as the State Police, the Army of Albania and the Kosovo ones, showed their journey to the institution, the difficulties and barriers encountered, cooperation with the other gender and how they managed to overcome the difficulties encountered.

In the General Directorate of Customs 975 employees are employed, out of which 31.1% are women.



## November 2023

# Regional Conference on Trade Facilitation reshapes the Cooperation and Integration of Western Balkan Economies in the Digital Era

Albanian Customs with the support of GIZ, organized on 8th – 9th of November 2023 in Tirana the Regional Conference on Trade Facilitation "Strengthening Collaborative Partnerships in the Digital Era".

The Conference brought together about 200 high representatives from the Western Balkans, Moldova, EU Member States, European Commission, World Customs Organization and the United States, where it was highlighted for closer cooperation to use the potential of partnerships created in the continuously evolving digital landscape.

Customs and other Western Balkan State Agencies will cooperate even more closely to use the potential of partnerships created in the continuously evolving digital landscape.

These were the main conclusions from the Regional Conference on Trade Facilitation "Strengthening Collaborative Partnerships in the Digital Era", held on 8th – 9th of November in Tirana.

Mr. Ervin Mete, Minister of Finance and Economy of Albania, underlined the progress made in the regional economic integration, mentioning that the Berlin Process is a good opportunity to meet our common goals for economic integration and development of the Balkan Region. "Harmonization of Customs procedures with those of the EU Common Market is of a priority in this regard. This Conference is a good opportunity not only to share the visions and the ideas, but also to establish new bridges of cooperation and I wish to serve as such" - said Mr. Mete.



H.E. Karl Bergner, Ambassador of Germany to Albania, emphasized the importance of collaborative efforts on the economic growth of the region. "Regional Economic Integration is essential to succeed with the economic reforms in the Western Balkan



Economies and it must strengthen their commitment to elaborate effective trade policies which can meet the obligations of future EU Membership. The major priority of such efforts is to accelerate the enlargement agenda in the region and implementation of the Berlin Process Initiatives, which have already become an integral part of EU policy towards the region," - he said



Mr. Genti Gazheli, Director General of Customs, underlined the importance of adaptive strategies in facilitating trade. "Customs is the first gateway to the European Integration Process and therefore the harmonization of Customs procedures with those of the Common European Market takes priority. It is certain that facilitating trade activities has a positive impact on the economy when procedures are implemented efficiently and effectively. Facilitating Customs procedures on imports, exports and transit has several benefits for increasing the trade volumes while reducing excessive bureaucracy and costly delays for business as well as administrative costs at the border".





Dr. Hubert Perr, Head of Cooperation, EU Delegation in Albania, mentioned that the work on trade facilitation is fundamental, both for the development of the regional market and for integration into the EU Common Market. He confirmed the European Union's commitment to deepen cooperation and integration in the region: "The New Growth Plan for the Western Balkans testifies the EU commitment to enlargement and acceleration of integration, with the aim of addressing socio-economic convergence since now".

Mr. Philippe Duponteil, Director of Digital Customs and Tax Policies (DG TAXUD) of European Commission highlighted that "cooperation, partnership and trust are three words which walk hand in hand in the Customs world. Those three words were the torch of the European Commission in the last two years".

Mr. Kunio Mikuriya, Secretary General of the World Customs Organization asserted that the promotion of regional trade facilitation stands high on the agenda of the WCO. He added - "In practice, the "Single Window" approach, as a digital cooperation platform, will support Customs to provide one-stop services to businesses, thanks to more coordinated border management, including more state agencies, and accelerate the trade facilitation towards a paperless and even contactless trade in the future".

## December 2023

Albania voted in the Regional Convention on the Pan-Euro-Mediterranean Preferential Rules of Origin enabling another facilitation for business.



At the invitation of the European Commission, the Director General of Customs, Mr. Genti Gazheli, attended the Meeting of the Joint Committee on Pan-Euro-Mediterranean Preferential Rules of Origin (EPM) in Brussels.



According to the voted Convention, from 1st of January 2025 the certificate of origin of goods will be issued electronically with digital signature reducing the time and costs for businesses on the origin of goods, both in import and export.

# Fight against illegal transport of money and non-declaration at Border Crossings in Albania

The General Directorate of Customs and the State Police, with the support of the European Union, the Council of Europe and the German Government, presented at Rinas Airport an awareness campaign for informing passengers about the rules for transporting money in Albania and abroad

The campaign informs travelers that they must declare the amount of money above 10,000 Euros to Customs Authorities at the time of entry or exit from Albania, to avoid the risk of violating the legal obligations in the fight against illicit transport and money laundering. Also, the General Directorate of Customs and the State Police presented the tools they are using to identify illegal transport of money, these tools were enabled with the support of donors. This includes a high-tech luggage scanner and the sniffer dogs' team, which has received a double training on identifying narcotics and sums of money provided by the EU-funded Project EU4Focal.





## V. Revenues Performance of Customs

The Customs Administration reached the record of USD 2.14 billion, the record of the last 5 years (revenues converted to USD with the average annual exchange rate).

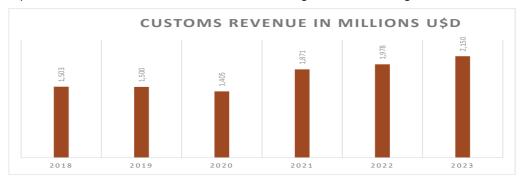


Chart 1: Customs revenue in Millions of Dollars

The factors which have affected each tax compared to the same period a year ago.

**Customs Duty,** +686 Million ALL an amount influenced by the increase in import of: Metal Constructions +180 Million, Basket Products +166 Million ALL, Sugar +127 Million, Clothes +98 Million, etc.

**Excise, in total +4.8 Billion ALL**, which is the result of the increase in the import of fuel by about +2.4 Billion (increased the amount consumed by about 65,000 tons), Gas +668 Million, Cigarettes +536 Million and Beer +75 Million. Since excise duty is a tax on quantity is unaffected directly by the exchange rate and as seen from the data, all articles have performed fantastically well.

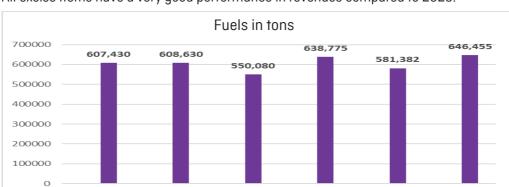
**VAT**, compared with 12 months of 2022 has been around -**10.5 Billion ALL** less, mainly influenced by:

- 8.7 billion ALL from the lack of electricity imports.
- 2.1 billion of the fuel price decrease.
- 1.7 billion of the gas price decrease.
- 725 million ALL because of the lack of imports of basic metals.
- 592 million ALL from the decrease of vegetable oils and fats price.

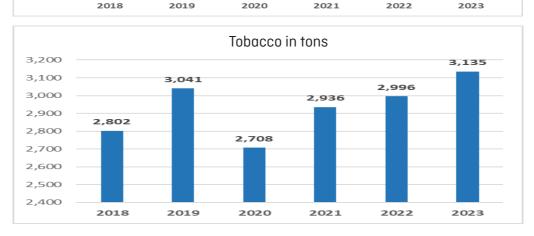
A positive effect is from the used vehicles by +2.5 billion and Others with +872 million. It should not be forgotten that the effect of the exchange rate has reduced VAT by 15.8 Billion ALL, which completely overturned the negative view of this tax, if we did not have this impact. Also in the VAT, it has a very strong impact even the decrease of prices in the international stock exchange with a total effect in 12 months of -8.8 Billion ALL.

Mineral Rent, -1.3 Billion ALL influenced by the reduction of revenues from the crude oil by -1 Billion (decrease in quantity of 56,000 tones and price drop about 20%) and the decrease of the other minerals by about -300 Million, influenced by the price on international stock exchanges although in quantity were exported about 281,000 tons more.



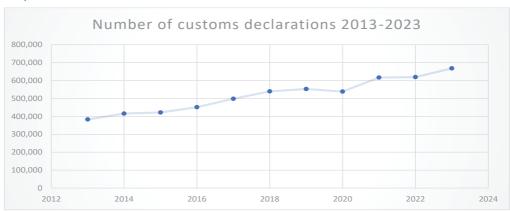


All excise items have a very good performance in revenues compared to 2023.



The number of processed Custom Declarations is another performance element of the Customs Administration. January-December 2023 is the highest number of declarations processed where the largest increase is offered by Import Declarations 4, which are also the Declarations which bring revenues to the Customs Administration, showing the increase of the number of declarations to Customs.

Graph 2: Number of Customs Declarations 2013-2023





# **VI. Law Enforcement**

#### VI.1. Fight against Smuggling

During **2023**, **2,032** inspections were carried out by the Anti-Smuggling Directorate (Road & Sea Unit), of which **248**, or about 12.40% have been full controls.

During the exercised inspections, **65 cases** were discovered, where we have **61 criminal cases**, with a total value of **ALL 18,454,842**. The effectiveness of controls for the period January - December 2023 results in the amount of **24.60%**. (The value of the fines, reported by the AS Group's findings. Reflected in the database, enforcement and amendments of Customs decisions, following the findings by the AS Groups).

<u>Full controls and effectiveness January - December 2022/2023, reflected in the following table:</u>

Hom	No of controls in order	No of criminal controls	Total/full controls	Effectiveness
2022	159	30	189	15.87%
2023	187	61	248	24.60 %

Table 3: Controls January-December 2022/2023

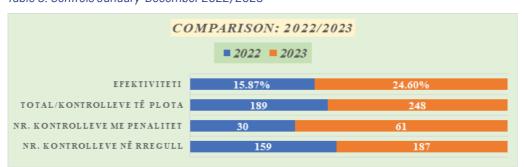


Table 4: Comparison January-December 2022/2023

A/S	Cases with	penalties	Total/Value	
A/S Directorate	January-December 2022	January-December 2023	January-December 2022	January-December 2023
Total:	30	61	ALL6,268,265	ALL18,454,842

Compared to the same period of 2022, it turns out that in 2023, there are 31 cases of more infractions or 103% more, as well as an increase in the value of the penalties, by 12,186,577 ALL more, or (+194% more in value).



January - December 2022/2023							
Violation Home Evaded Duties Penalty Total							
Smuggling 2022	28	2,829,285	3,325,555	6,154,840 ALL			
Smuggling 2023	41	4,615,391	6,702,441	11,317,832 ALL			

Table 5: Number of Customs Violations Divided into: Administrative Offenses 2022/2023

January - December 2022/2023							
Violation Home Evaded Duties Penalty Total							
Smuggling 2022	2	14,179	99,246	113,425			
Smuggling 2023	20	1,784,252	5,352,758	ALL7,137,010			

Table 6: Number of Customs Offences divided into Smuggling: 2022/2023

Compared to the same period of 2022, it is noted that we have increased the number of the value, both for cases of Administrative Offenses and Cases of Smuggling.

## VI.2. Customs Investigation

The Directorate of Investigation, based on information from other GDC structures or on issues initiated mainly after data collection and the performance of preliminary actions, on the basis of reasonable doubts about the criminal offenses provided for in the criminal legislation in the area of Customs on evasion of Customs duties or Excise duties, according to Article 277 of the Law No 102, dated 31.07.2014 "Customs Code of the Republic of Albania", as amended, it has prepared and forwarded to the Prosecutor's Office, the following Criminal Reports/Referrals.

## Among the criminal offenses referred to are:

- "Smuggling of other goods" provided for by Article 174 of the Criminal Code;
- " Smuggling of goods to which excise duties apply" provided for by Article 172 of the Criminal Code;
- "Concealment of income" provided for by Article 180 of the Criminal Code;
- The non-declaration of money and of valuable objects" provided for by Article 179/a of the Criminal Code;
- "Breaking, Removing, Replacing the Security Signs of Customs Authorities", provided for by Article 179/b of the Criminal Code.
- "Abuse of office" provided for by Article 248 of the Criminal Code.

# For the period 1st of January 2023 – 31st of December 2023:

- 9 (nine) referrals have been submitted to the Prosecutor.
- ♦ **18 (eighteen) administrative violations** have been found.
- ♦ 32 (thirty-two) smuggling violations have been found.
- ◆ **51 (fifty-one) information for decision making** have been forwarded to Customs Houses.



#### Description of the most important cases:

1st of January 2023 – 31st of December 2023

Evaded duties	Penalties	Total
38,822,686 ALL	197.870918 ALL	236,693,604 ALL

Nr.	Total offenses/referral cases
	O References for vehicles found with various Customs violations.
	9 References to other Customs violations.
	18 Cases of Customs violations of administrative nature with Cus-toms duties avoided 127,764 ALL and penalties 4,737,970 ALL.
	<b>34</b> Customs offenses. Smuggling with Customs duties avoided 38,694,922 ALL and penalties 193,132,930 ALL.
	<b>53</b> cases of decision-making information forwarded to Customs Houses for entities or persons who have committed administra-tive/criminal violations.

Table 7: Number of Cases and Violations

#### VI.3. Customs Intelligence

During January-December 2023, in the framework of the SAA, International Conventions and Bilateral Agreements, information is exchanged with several countries and international organizations.

During this period, 179 requests for information and various Customs verifications have been sent to Customs counterparts, reflected in the table below.

Most of the requests were addressed to the German Customs Administration, since during this year the number of requests for verification of the values of the vehicles was increased, as well as to the Italian Customs Administration, since with the latter we exchange data periodically. There is an increase of about 59% of the number of requests addressed to our counterparts compared to 2022, during which we have sent 74 requests for assistance.

Meanwhile, for the same period, January-December 2023, 124 responses were received from counterpart Customs (some of them are also related to our requests for counterparts during 2022), according to the following order:

There is an increase of about 31% of the number of responses received from our counterparts compared to 2022, during which 85 responses were received.

For the same reporting period, we have received 46 requests for verification from counterparts, mainly from Greece and Italy. Even this year, the requests of the counterparts were mainly focused on verifications of the invoices issued by Albanian exporters and the confirmation of the residential addresses, or notification of the Albanian citizens who have committed violations in the territories of the requesting Customs.

We have an increase of about 20% of the number of requests from our counterparts compared to 2022, during which we received 37 requests.



During January-December 2023, we have sent 42 responses to our counterparts, (some of them related to their requests made in 2022) with relevant information and documentation, as shown in the following table:

There are no changes in terms of the number of responses returned to counterparties compared to 2022 during which we have returned 43 responses.

For the same period, from the information exchange with the Italian Customs and the processing of electronic data, 42230 records have been processed, resulting in 64 cases that did not match with any data into our system and 457 with irregularities. The cases that did not match into our system and those with irregularities have been sent for further proceedings towards the Directorate of Investigation. There is a 41% decrease in the number of records processed for this year compared to 2022, during which 72068 records were processed.

However, the number of records processed in 2023 is at the same level with the number of records processed in 2021.

#### **nCEN**

The **National Customs Enforcement Network (nCEN)** database is operational from 1st of March 2021. **nCEN** is currently being used in version 3.3.1. 39 Customs Officers are continuously assisted in entering data for various seizures carried out by the Customs or in cooperation with the Police.

During 2023, 108 seizure cases carried out by Customs/Police Authorities are validated in nCEN, as shown in the following table:

Table 8: Validated Seizures in nCen 2023, 108 Total Cases

Total of Cases	Cash	Drugs	Cigarettes/ Tobacco	Medica- tion	Bever- ages	Weap- ons	IPR	Various smuggled goods (tax&duty)
113	72	16	1	1	1	4	3	15

The number of validated cases in nCEN has increased by 42% compared to 2022, during which about 63 cases were validated.

For the same period, 11 cases of clandestine seizures have been reported to SELEC. There is a 76% decrease in cases compared to 2022 during which 46 cases of clandestine seizures were reported.

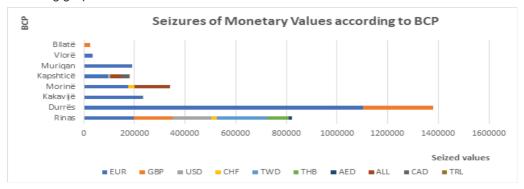
Cooperation is strengthened through rapid communication with all the contact points in application of agreements on mutual Customs assistance with counterparts.

During the reporting period, from the exchange of information with the Counterpart Customs, information received from the Directorate of Investigation and information retrieved from RESHDA database, it resulted that the avoided customs duties are in the amount of 27.418.053 ALL.

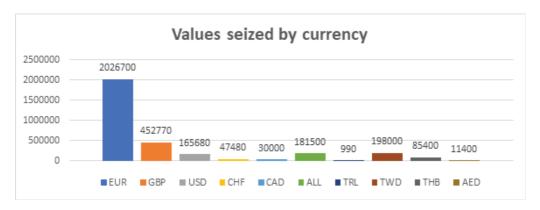


#### VI.4. ANTI-TRAFFICKING

During 2023, 73 cases were detected of non-declaration of monetary values at the border (44 cases at entry and 29 cases at exit), with an increase in seizures compared to 37 cases in 2022 (28 cases at entry and 9 cases at exit). The Customs Houses where the most frequent cases are recorded are Rinasi, Durres, Kakavija, Morina, according to the following graph.



- The total values seized in 2023 compared to 2022 are:
  - ♦ EUR 2.026.700 (EUR 1.301.349 EUR 2022)
  - ♦ GBP 452.770 (GBP 164,790 in 2022)
  - USD 165.680 (not had in 2022)
  - ◆ CHF 47.480 (not available in 2022)



- In the framework of the prevention of money laundering and terrorist financing in the Customs system, based on indicators of suspicious activity, 19 RADs have been sent to the Financial Intelligence Agency for further investigation in 2023.
- With the approval of DCM No 480, dated 01.08.2023 "On the adoption of detailed rules for the procedure for declaration at the border and the imposition of administrative sanctions by Customs Authorities", the Anti-Trafficking Directorate, in cooperation with the Directorate of Investigation and the Legal Directorate, has carried out the training of operational staff of the Border Customs Houses.



- In cooperation with international partners, 8 Operations in Border Customs Houses were conducted, of which 6 Operations organized by EU4FOCAL "Action Days, in cooperation with Guardia di Finanza and Border Police Department; 1 Regional Operation "CLAUDIUS II" organized by HMRC in cooperation with Regional Customs Administrations; 1 Operation "DEMETER IX" organized by WCO.
- Anti-trafficking Operational Groups during 2023 have carried out a total of 1840 controls at various Border Customs Houses resulting in undeclared cash seizures.
   In cases where commercial goods are identified, they are referred to Customs Houses for the follow up procedures.
- The ALPIU Passenger Information Unit, through the ATSG system, has targeted 794 citizens in order to control and prevent illegal activities that can be carried out through the crossing of the state border of the Republic of Albania.
- Active participation in the EU Accession Process, specifically in **Chapter 24** "Freedom, Justice and Security", **Chapter 27** "Environment and Climate Change", **Chapter 29** "Customs Union", **Chapter 31** "Foreign Security and Defense Policy".
- Active participation in the framework of the drafting of the National Risk Analysis for Money Laundering, where the leading institution is the Financial Intelligence Agency.
- Action Plans and Cross-Sector Strategies related to "Combating Terrorism 2021 2025", "Combating Trafficking in Persons", "Integrated Border Management", "Control of Small Arms and Light Weapons, Ammunition and Explosive Materials 2019-2024", "Strategy against Organized Crime and Serious Crimes 2021 2025" have been implemented and reported.

#### **VI.5. Intellectual Property Protection**

The Intellectual Property Protection Directorate (IPR) has administered **110 Applications** for Action submitted by the right holders and/or legal representatives for the protection of intellectual property rights, for which are proposed:

104 applications for approval and 6 rejected applications for non-fulfilling the conditions provided for by the law.

# The update of the legal framework (primary and secondary) in accordance with the EU legislation and/or important sectoral strategic documents.

In the framework of the screening process, IPRD has directly contributed to Chapters 7 and 29 during the meetings held in Brussels, where the work of this Directorate over the years, the legal basis, and important information were presented.

During this period, work was carried out on amending the implementing provisions though which IPRD has made the relevant proposals for the adoption of the Manual on filling out application forms.



## **Trainings**

In the framework of increasing administrative capacities, the Intellectual Property Protection Directorate has carried out training in Customs Houses. The training is focused on the legal basis in the intellectual property area.

In total, 45 Customs Officers from Kukes Customs House, Kakavija Customs House,

Kapshtice Customs House, Fier and Vlora Customs Houses, Berat Customs House, Tirana and Durres Customs Houses were trained (45 is the number of the trained customs officers).

### Summary Statistics 2022-2023:

According to statistical data for 2023, there has been an increase of 570% compared to the previous year (2022).

<u>Table 12-Statistical Data according to the</u> Suspended Items 2022 vs 2023 (detailed):

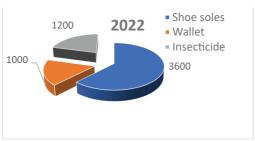
<u>Table 13:</u>

YEAR	2022	2023
Wallets	1000 pieces	-
Sports shoes	3600 pieces	8912 pairs
Towels	-	499 pieces
Swimming suits	-	1223 pieces
Pants	-	3848 pieces
Gym Sets	-	1778 pieces
T-shirt	-	10574 pieces
Hats	-	2400 pieces
Lingerie	-	2418 pieces
Insecticide	1200ml	-
Socks	-	1450 pairs
Total	5600 pcs/ pairs/ml	33102 pairs/ pieces/ml

Trademarks	Quantity
Tommy Hilfiger	8341 Pcs/Pairs
Hugo Boss	6018 pieces/pairs
Armani	1985 pieces/pair
Louis Vuitton	2071 pcs/pairs
Adidas	2783 pcs/pairs
Nike	7261 pcs/pairs
Puma	1010 pieces/pairs
Calvin Klein	571 pcs/pairs
Bottega Verde	330 pcs/pairs
Prada	95 pieces/pairs
Dolce&Gabbana	145 pcs/pairs
Prada	115 pcs/pairs
Different	2377 pcs/pairs

Quantity	2022	2023
Piece (Sports Sneakers)	4600	24190
MML (Insecticide)	1200	-
The other (different)	-	8912
Total	5800	33102





Graphic 3: Suspended Articles



the period of 2023

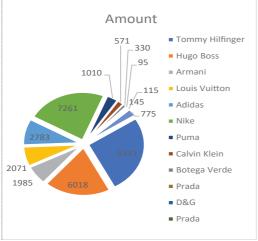


Chart 5: Trademark Quantity

# Handling of cases with distinct problems encountered in 2023:

During 2023, there are 6 active risk profiles in relation to IPR or otherwise 1.6% of the total.

#### VI.6. Risk Analysis and Monitoring

## Continuous monitoring of the Electronic Customs Declaration Processing System

The Monitoring Sector during 2023 has followed and verified in total 454 Customs declarations initiated by the online monitoring of the electronic Customs declaration processing system. All cases are followed up, coordinated and reported in real time. The effectiveness of controls with violations during 2023 has resulted in 15%.

Table 16: MS-Followed Controls (2023)

Source Information	Correct	Incorrect	Total	effectiveness
SM	202	33	235	14%
MONITORING/VERIFICATIONS WEIGHT	252	47	299	16%
Total	454	80	534	15%

Meanwhile, the following table shows the controls with violations and the corresponding disclosures divided into missing obligations and fines.



Table 17: Findings of controls followed by SM (2023)

Source Information	incorrect	liability	penalties	Total
SM	33	1.454.191	1.342.053	2.796.244
MONITORING/VERIFICATIONS WEIGHT	47	3.332.022	5.316.829	8.648.851
Total	80	4.786.213	6.658.882	11.445.095

In the table below are reflected the results of the controls with violations divided into duties, penalties and the total of findings, according to the nature of the violation. There is an increase in cases of misclassification, smuggling and undeclared goods.

SOURCE INFORMATION	incorrect	liability	penalties	Total
CONTRABAND	1	45.692	137.076	182.768
ADDITIONAL OBLIGATION	3	1.078.745	202.537	1.281.282
IRREGULAR CLASSIFICATION	13	2.246.576	2.101.051	4.347.627
IRREGULARITY	52	798.482	2.916.439	3.714.921
UNDECLARED GOODS	10	549.938	200.340	1.651.377
PROHIBITED GOODS	1	66.780	5.316.829	267.120
TOTAL	80	4.786.213	6.658.882	11.445.095

Table 18: Violations Results (2023).

In case we analyze the indicators of work performance with data from one year ago, there is an increase in both the number of controls and total penalties and the missing duties as follows:

Table 19: Controls 2022.2023

	Correct	Violations	Total controls	Missing Duties	Penalties	Total
CONTROLS 2022	216	82	298	4,373,816	3,132,789	7,506,605
CONTROLS 2023	454	80	534	4,786,213	6,658,882	11,445,095
DIFFERENCE 2023/2022	110%	-2%	79%	9%	113%	52%

# <u>24-hour monitoring of premises and field work in customs houses through the Camera Monitoring System (CMS) at border crossing points.</u>

The Table reflects cases of controls (based on risk) on small vehicles and suspected vans at the entry points into Albanian territory for those customs houses that own CMS. These checks are carried out in cooperation with Customs Houses and Anti-Smuggling Groups. In 2023 6,483 controls were carried out at the entry points, out of which customs procedures were carried out for 71 cases.



Customs	No. Controls	No.	Customs obligation	Transit	Blokages	Return to origin
Durres						
Bllade						
Hani Hotit	101	3	133.824	2	3	
Kakavije	1022	16	415.996		1	
Kapshtice	631	15	793.201	1	1	1
Morine	3066	28	401.904	26		24
Qafe Bote	222	2	16.443			
Qafe Thane	407	6	71.218	4		
Tre Urat	1034	2	8.712			
Total	6438	72	1.841.298	33	5	25

Table 20: Controls Followed by MS through CMS during 2023

#### Review of risk profiles

Currently, 386 active risk profiles<sup>1</sup> in import and export are operating into our Customs system and 78 in transit. Based on the risk areas, the profile structure results to be mainly profiles with the aim of checking regarding the security, misclassification, value and excise of goods, respectively 38%, 27% and 6% and 5%.

During January – December 2023, the work of risk analysts has consisted in developing detailed analyses in order to identify the areas of risk, fiscal and non-fiscal, as well as analyze/evaluate phenomena (tariff misclassifications, security, economic excise with risk or high-risk operators, etc.), which prevent ACA from carrying out its tasks/missions.

Customs Units, when reviewing the Customs value of goods in import that have the prices published in the international markets by Thomson Reuters, Platts and Metal Bulletin agencies, are referred to these data, by correctly implementing Order No 8686/1 Prot., dt. 30.04.2018 "On payment of certain services provided by international agencies in function of the valuation of goods for Customs purposes".

#### **VI.7. POST-CLEARANCE CUSTOMS CONTROLS**

During 2023, the Post-Clearance Control Directorate in the Operational and Investigative Department has drafted 25 programs of post-clearance control and has continued with the procedures of 2 control programs drafted during 2022, a total of 27 control programs.

For 2023, 5 Control Programs are drafted on the verification of customs value, tariff classification and origin of products of companies operating in the green channel.

**Post-clearance controls for Customs value.** Three control programs for Customs valuation were drafted from which it resulted in an amount of evaded Customs duties equal to 16,131,680 ALL and penalties 3,641,238 ALL, in total 19,772,918 ALL.

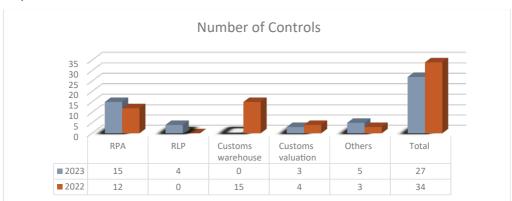
<sup>&</sup>lt;sup>1</sup> The data refers to the data into the system on 31.12.2023.



Controls in the area of Inward Processing Procedure. 15 Control Programs were drafted, out of which 8 resulted in violations and consequently the avoided Customs duties and penalties for administrative contravention were identified. The avoided customs duties are ALL 26,894,753, penalties 83,425,202 ALL, a total of 110,319, 955 ALL, detailed according to the control programs.

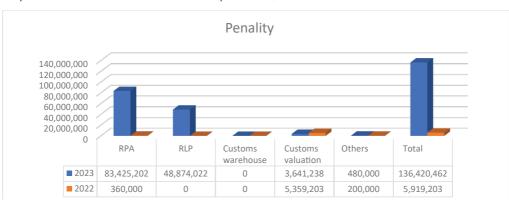
**Controls in the area of Temporary Admission Procedure.** 4 Control Programs were drafted, out of which 1 resulted in violation and consequently the avoided Customs duty was ALL 24,437,011, penalty was 48,425,202 ALL, a total of 73,311,033 ALL, detailed according to the control programs.

<u>Number of Controls: For 2023,</u> 27 controls have been exercised, compared to 34 exercised during 2020. The lower number of controls is as a result of the restructuring of the Post-Clearance Control Directorate.



Graph 6: Number of controls carried out:

<u>Administrative sanctions:</u> For 2023, administrative measures (penalties) were proposed in the amount of ALL 136,420,462, while in 2022 administrative measures (penalties) were in the amount of ALL 5,919,203, detailed as follows:



Graph No.7. Administrative measures (penalties):



# **VII. Technical Department**

#### VII.1. Customs Procedures Facilitations

The goals to be accomplished for the 12 months of 2023 of the Customs Procedures Directorate were:

- 1. To improve the completion of normative acts.
- 2. To review requests and to grant various authorizations.
- 3. New developments.

The accomplishment of each goal is reflected as follows:

## I. To improve the completion of normative acts.

Order No 38, dated 29.05.2023 was drafted and approved, the guidelines "On Special Procedures".

On 13-14th of June, in the framework of the bilateral meeting in Brussels, presentations on "Special procedures", "Entry of Goods" and "Customs Status of Goods and Transit" were carried out.

In cooperation with the Legal Directorate, draft-amendments to the Customs Code and Implementing Provisions were prepared, which were forwarded to the Ministry of Finance and Economy for approval.

## II. Reviewing of requests and granting of various authorizations.

For the period January-December 2023, 1838 Applications were carried out for special procedures through e-Albania platform;

Currently, there are 9 - online services, through e-Albania platform, to which shall be added 9 - other services, in total 18 - online services.

9930 authorizations for special procedures have been updated in the system.

1758 responses have been sent via email from the Procedures Unit.

- Competencies were given according to the requirements of Customs Houses.
- 90 applications of exemption from the rule of territorial competence were authorized.
- Three companies were authorized for "Simplified Declaration".
- Two companies have been authorized for 'AEO'

## **Authorized Economic Operators**

Informing and warning of companies has been the focus of the unit in order to raise awareness about the benefits of the AEO status and the increase of the number of applications and the issued certificates.

- Informative meetings with businesses that potentially meet the required criteria;
- Notifications of Chambers of Commerce (central and local) as well as business associations:



- Individual invitations to businesses:
- ♦ Trainings with business representatives

#### **Statistics**



## Mutual Recognition of Authorized Economic Operators

- CEFTA In the framework of mutual recognition with CEFTA countries, the official request has been sent to the CEFTA Secretariat and we are cooperating with GIZ through the Project "Support for Regional Economic Integration" ORF/FT-GIZ, for the completion of documentation in English language.
- It was negotiated and signed "the Agreement between the Government of the Republic of North Macedonia and the Council of Ministers of the Republic of Albania on mutual recognition of Authorized Economic Operators (AEOS)";
- ♦ It was negotiated and signed "the Agreement between the Government of the Republic of Serbia and the Council of Ministers of the Republic of Albania on mutual recognition of Authorized Economic Operators (AEOS).

#### Development of the New Computerized Transit System – NCTS platform,

The Directorate of Procedures, through the Coordinator of the Project, has cooperated during 2023 with the contracted company Latona Development AD, by coordinating its experts with the experts of Albanian Customs. In this phase of the project several Directorates were included: Procedures, Legislation, Risk Analysis, IT etc. Currently, the analysis of the situation is carried out and the best international practices are reviewed in the implementation of a new NCTS, including lessons learned from the experience of North Macedonia and Serbia, as well as the Twinning Project under IPA 2012.

The implementation of the NCTS aims at standardizing customs transit processes in countries that are party to the Common Transit Convention (CTC). The project's consultants have so far accomplished the following:

- Analysis of Albanian Customs legislation and procedures regarding NCTS.
- Analysis of the Administration Information System for its full interaction and interconnection with EU-NCTS.
- Drafting of TOR-s for the development and implementation of the NCTS system, based on best practices of the members of the Common Transit Convention



• Re-tendering procedures are opened by the Ministry of Finance and Economy following the phase of postponement of the process

## Single Window (Single Window)

The Directorate of Procedures has participated in all online activities in the framework of the first phase of the Project for Technical Assistance in preparing the Blueprints for the Implementation of the National System of Single Window.

KGH Customs was contracted by the Ministry of Finance and Economy, PIU and the World Bank, with the aim of identifying and selecting options, following international standards, recommendations and best practices, for key strategic decisions to be taken for the components of each Unit of National Single Window.

Throughout this phase of the project, KGH aimed at assisting and facilitating, as needed, discussions between the agencies involved in the project with the purpose of helping to reach the right decisions regarding the technical, functional, business, financial, operational, legal and service delivery models for the National Single Window. It has also assisted in the development according to the needed functional, technical and operational requirements for NSW.

#### The Joint Border Crossing Point of Qafe Thane

On 25 November 2021, the Albanian Assembly approved the draft-Agreement between the Council of Ministers of the Republic of Albania and the Government of the Republic of North Macedonia.

The two customs administrations have met and drafted the first draft of the implementing protocol under the terms provided for in the agreement.

On 31.08.2023, the Joint Border Crossing Point of Qafe-Thane was finalized and functioning.

# VII.2. Technological Innovation

ACA in cooperation with the National Agency of the Information Society and UNCTAD will accomplish the implementation of the AEO module into the Asycuda World system.

Also, the Directorate of Procedures has given its contribution for the creation of an AEO database, which shall be integrated into the SEED+ system.

In order to fulfill the commitments within the various Projects, the Directorate of Procedures is part of the working groups for the implementation of the following projects:

- 1. Single Window (Single Window)
- 2. Development of the New Computerized Transit System NCTS platform,
- 3. Green Corridor with CEFTA countries,
- 4. The Commerce Facilitation Committee,
- 5. In the framework of mutual recognition with CEFTA countries, it is cooperating with GIZ through the Project "Support for Regional Economic Integration" ORF/FT-GIZ, for the AEO part.



#### VII.3. TARIFFS

In 2023, our Administration worked towards the drafting, adopting and implementing of the amendments to the Harmonized System of the World Customs Organization within the standardization of the Combined Goods Nomenclature 2024.

Integrated Tariff Management System (ITMS), in the Framework of the National Plan for Coordination of Trade Policy and Trade Facilitation.

- 1. Implementation of ITMS is in the phase of training the staff and testing modules in the System, which are being carried out by SIVECO Company in cooperation with GDC specialists and experts of the National Agency of the Information Society.
- 2. Achievement of interaction with ASYCUDA for the implementation of ITMS in cooperation with UNCTAD experts, shall be the next phase of this project.

#### Digitalization of Customs Procedures

For the period January-December 2022, 402 Applications have been carried out through the e-Albania platform;

# 402 Applications

Application for machinery and equipment in order to exe-cute investment contracts with a value equal to or greater than 500 million (five hundred million) ALL, which are not for sale	52
Application for machinery and equipment in order to exe-cute investment contracts in the agribusiness sector, re-gardless of the value of the investment	77
Application for Preferential Tariff Treatment: Industrial Goods	6
Authorization for Binding Tariff Information	8
2 in the process of examination.	259
Authorization for exemption from customs duties	259

Table 23: Applications in E-Albania

About 110 cases of reconstruction companies are managed into the Electronic Customs System of AW.

- Participation in the process of re-engineering and deregulation of online services.

#### VII.4. ORIGIN

Economic and business operators may choose to apply the new transitional rules of origin in trade with EU, EFTA and CEFTA countries that adhere to the Pan-Euro-Mediterranean Regional Convention of preferential origin rules and have agreed to the implementation of these rules. The bilateral transitional implementation ("transitional period") shall terminate on 31st of December 2024, after the revised PEM Convention shall enter into force on 1st of January 2025.



## Digitization of Customs Procedures

Online applications through the e-Albania platform:

During 2023, 4 (four) requests of Economic Operators have been approved for use of simplified procedure on issuing Proofs of Origin, equipping them with the "Approved Exporter" Status Authorization.

#### VII.5 Customs Valuation

In the Directorate of Valuation at the Centre, the customs declarations are processed as quickly as possible to serve the economic operators in real time. Based on reports from the heads of shifts, as well as verifications in the Asycuda World System, cases for which customs declarations are not discharged (take no. P) on the same day they have taken no. R, are mainly related to:

- ♦ In cases of complaints for issuing the decision.
- Fulfillment of documentation from ESCA, NFA etc.
- ♦ Lack of financial resources.
- Delays caused by carrying out physical control or scanning at Customs Houses.
- Delays caused by waiting for the confirmation of the evaluation form.

The greatest delays are observed in cases when the company has complained for the reevaluation form to the Customs House, until the decision is issued according to the Order No. 5 of the Director General.

Also, the most frequent cases encountered with delays in discharging the customs declaration in the system, are related to the fulfillment of the customs declaration with relevant documentation required according to the displayed risk profiles.

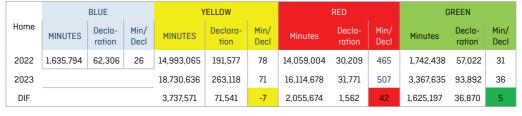


Tabela 29: Koha e procedimit të deklaratave imp4, për deklaratat Janar-Dhjetor 2023-2022 ka qenë:

As it is noticed, there is only an increase in the processing time of declarations in the red channel and a decrease in those in the yellow channel.

As noted in the above table for the declarations in the yellow channel, (only in the documentary control) the clearance time has decreased by 7 minutes compared to a year ago, while for those in the red channel (which in addition to the documentary control also go through the physical one), has increased by 42 minutes.

**The Level** of The Valuation Sector at the Centre regularly conducts controls and for cases with violations are drafted the relevant findings. During the period January - December 2023, 399 acts were drafted:



- 354 for breaching the time-limits of the Temporary Admission Procedure.
- ♦ 36 findings of misclassification.
- 8 findings of errors in the declaration.
- 1 finding of violation of territorial competence.

The update of the group-articles of hydrocarbons was carried out by using the approved source by the international agencies "Platts" and "Thomson Reuters", as well as of some base metals (copper and aluminum) for which the approved Source "London Metal Exchange" was used.

In the framework of the updates by this Directorate, the update was carried out with a 15-day frequency for the food items (Rice, Sugar, Edible Oil), Wheat and Corn, Soybean, Chemical Waste, Plastic Raw Material, Bitumen, unroasted coffee beans, etc., data obtained from the source "Reuters", as well as of Iron products, which are obtained from "Fastmarkets" (Metal Bulletin) magazine.

Also, during 2023, according to information published by the Bank of Albania, the update of the exchange rate has been carried out.

#### VII.6. CUSTOMS LABORATORY

During 2023, it was carried out in real-time and professionally, the analysis of 4000 samples, or 35,728 analytical indicators, of which 3,351 excise goods (about 86%).

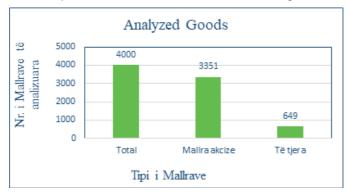


Chart 8: No of Analyzed Goods

The Customs Laboratory has participated in 7 Proficiency Tests: 5 organized by GCSL (General Chemical State Laboratory) in Greece and 2 by the Italian Customs Agency.

Work has been done to update the forms and procedures followed in the laboratory in order to meet the criteria required in the plan of the assessment visit by the Experts of the General Directorate of Accreditation.

Following the successful completion of the Expert Visit, the General Directorate of Accreditation and Laboratory is waiting to regain the status of "Accredited Laboratory" for 83 analytical indicators.



## VIII. EXCISE

#### VIII.1. Main Excise Products

In its mission to protect the economic interests and to prevent fiscal evasion, the Excise Department has carried out its functions through collecting information, detailed analyses, verifications in the systems and road controls, both in markets and in economic operators which operate with excise products. More specifically, we present you with an overview of the established progress:

- ◆ Cigarettes have a 98.1% level of performance in quantity and 102.5% in value compared to 2022. The higher accomplishment in value is as a result of the legal provision of increasing the tax rate annually for this product.
- ◆ **Tobacco** has had a level of performance of 102.5% in quantity and 106.5% in value, compared to 2022. The higher accomplishment in value comes as a result of the legal provision of increasing the tax rate annually for this product.
- ◆ Coffee has had a 105.1% level of performance in quantity, with an *increase of 373*tons in total
- ◆ Fuels have had a level of performance of 111% compared to 2022, with an *increase* of 64.414 tons in total.

#### A. ALCOHOLIC BEVERAGE UNIT

In the mission to protect the economic interests and prevent fiscal evasion, this unit has carried out its functions through collecting information, detailed analysis, verifications in systems and road controls both in markets and in economic operators that operate with excise products. More specifically, we present you an overview of the established progress:

- Beer has had a 123% performance level in value compared to 2022. In this case we need to emphasize that, despite the decrease in the amount, the accomplishment level of revenues is increasing due to the removal of the rate of excise differentiation for this product. The main effects on the decrease in quantities were given by the domestic products, which previously benefited from differentiated excise rates as small producers.
- Beer has had a 123% performance level in value compared to 2022. In this case we need to emphasize that, despite the decrease in the amount, the accomplishment level of revenues is increasing due to the removal of the rate of excise differentiation for this product. The main effects on the decrease in quantities were given by the domestic products, which previously benefited from differentiated excise rates as small producers.
- Alcoholic beverages have had a performance level of 103% in quantity and 105.6% in value compared to 2022, with an increase of 75 tons. As it is noted for this product,

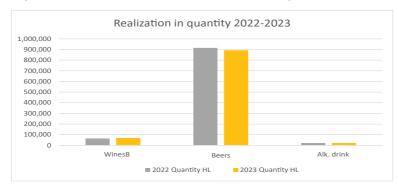


despite the fact that the amount has increased by 103%, the increase in revenue by 105.6% has come as a result of the removal of the rate of excise differentiation.

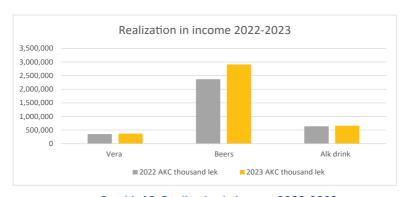
◆ The wine has had a performance level of 106% in quantity and 105% in value, or compared to 2022 an increase of 395 tons. In this case, it turns out that there is a slight increase in wine imports with differentiated rates. The excise product wine currently benefits differentiated excise rate for small producers.

Alcoholic beverages have had a performance level of 103% in quantity and 105.6% in value compared to 2022, with an increase of 75 tons. As it is noted for this product, despite the fact that the amount has increased by 103%, the increase in revenue by 105.6% has come as a result of the removal of the rate of excise differentiation.

◆ The wine has had a performance level of 106% in quantity and 105% in value, or compared to 2022 an increase of 395 tons. In this case, it turns out that there is a slight increase in wine imports with differentiated rates. The excise product wine currently benefits differentiated excise rate for small producers.



Graphic 9: Realization in Quantity 2022-2023



Graphic 10: Realization in income 2022-2023

Given priorities and risk, this unit is focused on the control of operators with the largest contribution to revenue, mainly importers and producers of excise products "beer", "alcoholic beverage" and "wine". Based on the risk analysis, economic operators with high risk were identified, as well as controls were exercised to these economic operators. It should be noted that the controls exercised were based on risk analysis and accompanied



by the relevant report, in which the risk indicators for each proposed control are stated, according to the provisions in Instruction No 2 Prot., dated 28.01.2023 "On the Manual on excise control methodology" as amended.

**86 controls** were carried out, of which 17 are importers of wine, beer and alcoholic beverages, while 69 are domestic producers of wine, raki, alcoholic beverages and beer.

In the controls exercised were identified **duties and penalties in 4 cases with missing duties in the amount of ALL 800,360 and penalties in the amount of ALL 1,826,470.** Of the 104 cases mentioned above, 1 of them is control of cigarette importers, 103 are the producer operators and importers of alcoholic beverages, wine, beer and raki.

For 2024, this unit shall continue to have a significant focus on preventing fiscal evasion, through raising awareness of economic operators and continuous monitoring through efficient controls that will be exercised continuously in accordance with Instruction No 2 Prot., dated 28.01.2023 "On the Manual on Excise Control Methodology", as amended.

#### B. TOBACCO AND THE OTHER PRODUCTS UNIT

The Other Products Unit is in charge of managing excise duty on products defined by Annex No 1 to Law No 61/2012 "On Excises", as amended, coffee, tires, cigarettes and tobacco, as well as the exercise of physical and documentary controls with operators that carry out the process of stocking, processing or trading of these products. The revenues situation for products that this unit supervises is as follows:

- Cigarettes have had a 102.5% performance level compared to 2022. The highest performance in value comes as a result of the legal provision of increasing the tax rate annually for this product.
- ♦ Tobacco has a performance level of 102.5% in quantity and 106.5% in value compared to 2022. The highest performance in value comes as a result of the legal provision of increasing the tax rate annually for this product.
- Coffee has a performance level of 105.1% in quantity.

For the period January - December 2023, a total of 80 control programs have been drafted. All control programs are designed based on the risk indicators provided in Instruction No 2 Prot., dated 28.01.2023 "On the Manual on Excise Control Methodology", as amended.

From the exercised controls, 2 economic operators have resulted with violations. For cases that resulted with violations, the procedures provided for in the legislation in force have been followed.

As it is seen from the results of the controls, since the number of controls and Customs presence have increased, operators are aware about the implementation of legal requirements and there are only 2 cases of not implementing the legislation correctly.

During 2024, in addition to exercising control over operators that stock, process the products, coffee and cigarettes, we shall also focus on the control over the operators importing the product tobacco and its by-products, in relation to the equipment with fiscal stamps.



## C. ENERGY PRODUCTS UNIT

During 2023, the Energy Products Unit, in the Excise Control Directorate, has been fully engaged in fulfilling the functional tasks and achieving the objectives envisioned in the Working Plan for 2023. The activities of this unit were based on the relevant legislation.

During this year, priority was given to coordination and daily activity, with the GFI Concessionaire. This cooperation consisted in tracking, verifying and controlling the labeling of various energy products entered into circulation.

The activity is extended throughout the territory and to all operators/retailers and wholesalers, as well as to end buyers. Each month, an average of 400 operators are verified. During this period, 20 violations with partially-labeled energy products were found and appropriate measures and penalties were taken.

#### VIII.2. EXCISE TECHNICAL DIRECTORATE

In application of functional tasks and job objectives, the Technical Excise Directorate has been engaged in:

- ◆ 110 authorizations for the benefit of differentiated excise level are issued.
- ♦ 41 excise duty exemption authorizations have been issued for the Corps Diplomatic on the basis of quotas approved by the Foreign Ministry Excise Exemptions on the Corps Diplomatic.
- ♦ Creating additional code for 880 exemptions from excise duty of the fuel of fishing vessels.

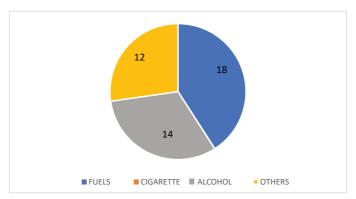
Based on point 3 letter "d" of Article 10 of Law 61/2012 "On Excise"; Article 20 of the DCM No 612/2012 "On the Implementing Provisions of the Excise Law", as amended; Instruction No 18, dated 15.06.15 "On the procedures and criteria for supplying fishing vessels with fuel (gasoil), with the exemption from the turnover tax, carbon tax and excise duty",

- There are 820 guarantees recorded in the Customs Information System sent by the customs houses for the approved depositors, as well as guarantees on fiscal stamps.
- ♦ Applications in SICPATRACE **Stamp Production and Distribution System**
- ♦ Orders of fiscal stamps- 2,202 approved orders
- ♦ SKU- 387 applications
- ♦ Addition to the supplier 400 applications
- Creation of profiles- 369 applications

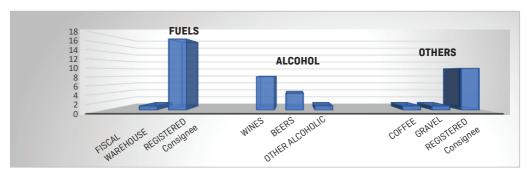
#### Main Excise Products

In total during 2023, 35 Authorizations for Fiscal Warehouses and Registered Consignees have been granted by the General Directorate of Customs.





Graphic 11: Number of authorizations by product type



Graphic 12: Number of authirizations according to the product type



# IX. Administrative Department

## IX.1. Information on investments completed in 2023

I. In the framework of the COMOBILION Project, for the rehabilitation of the Border Crossing Point Qafe Bote, the renovation of the building and premises of this BCP has been carried out.

Also, the procedures have been carried out for the purchase and supply with "Office Furniture", "Control Booths", "IT Equipment", "Vehicles", " Equipment for Control", "Scanners", with a total value equal to 364,993 ALL.







II. In the framework of the rehabilitation of the entry and exit gates in the Republic of Albania, maintenance repairs were carried out to the premises of the Customs Houses, as follows:





Qafe Thane Customs House





Murriqan Border Crossing Point



Hani i Hotit Border Crossing Point









III. In the framework of facilitating movement and creating suitable conditions for the passengers, it has been established the Terminal for the creation of optimal conditions for passengers at the Kakavija Border Crossing Point.

This structure provides adequate conditions for the control of passengers by protecting them from atmospheric conditions during the exercise of functional duties of customs and state police personnel. Also, this structure has premises adapted for people with different abilities. This investment cost 28,531,680 ALL.







# X. International Relations

In view of bilateral and multilateral relations or international relations, visits are organized of foreign customs delegations to the Republic of Albania and delegations of Albanian Customs abroad.

In this context, work on the development of high-level, bilateral and multilateral meetings with the customs administrations of the neighboring countries was coordinated.

# X.1. European Integration

The process of Albania's integration into the European Union (EU) is considered the most strategic national priority, which leads the country's governing agenda. In June 2006, Albania signed the Stabilization and Association Agreement, which fully entered into force in April 2009. Since June 2014, Albania has enjoyed the status of a candidate country for the EU. Obtaining the status of a candidate country marks a very important step in the process of Albania's integration into the EU, as it reflects the progress of the reforms undertaken and paves the way for the full process of the country's accession to the EU.

Currently, Albania is in the phase of opening negotiations for meeting the obligations of Membership in the European Union and the General Directorate of Customs as an institution is not only directly involved in making its contribution to Chapter 29 "Customs Union", but it is also contributing to Chapter 1 "Free Movement of Goods", Chapter 7 "Intellectual Property Rights", Chapter 16 "Taxes", Chapter 24 "Justice, Freedom and Security", Chapter 30 "Foreign Relations" and Chapter 33 " Financial and Budgetary Provisions".

In this context, the obligations of the GDC have been completed in relation to:

- The process of analyzing, updating and supplementing the Albanian and English information for Chapters 29, 33, 24, 7, 16, 30, as well as on the accomplishment of the obligations of the National Plan for European Integration (NPEI) 2023 2025.
- GDC's contribution to the Albania-EU ECOFIN 2023 meeting "On Economic, Financial and Statistical Issues" which took place on 12-13 September 2023.
- Completing/updating the recommendations of the EC 2022, for chapter 29 "Customs"
- GDC contribution regarding the weekly monitoring of NPEI 2023;
- Contribution to the Progress Report for Chapter 29 "Customs";
- Contribution to the Progress Report for Chapter 33 "Budgetary and Financial Provisions":
- Contribution to the Progress Report for Chapter 24 "Justice, Security and Freedom";
- EU-Albania Subcommittee "Trade, Industry, Customs and Taxes"
- EU-Albania Subcommittee "Justice, Freedom and Security";



- National Program for Accession to the European Union (NPAEU) 2024-2030 and the National Plan for European Integration (NPEI) 2024–2026.
- The Partnership Platform for European Integration for Chapter 29;
- Monitoring for the fulfillment of the recommendations of the European Commission for 2023 for Chapter 29 "Customs".
- Participation in online meetings regarding the preparation of the negotiating position for Chapter 29 "Customs";
- Participation in the Bilateral Meetings for Chapter 29 "Customs";
- Participation in the screening session for Chapter 33 "Budgetary and Financial Provisions";
- Online participation in the Bilateral Meeting for Chapter 24 "Justice, Security and Freedom":

## X.2. Cooperation with partners, Projects with the European Union and World Bank

The Albanian Customs Administration, as part of the international customs network and law-enforcement agencies, through 2023 was intensively involved in increasing its international role and presence through participation and representation of its structures in activities aimed at protecting economic and national security interests and increasing technical and administrative capacities consisting mainly of:

- participation and management of the activities and projects of administrative cooperation and technical assistance funded by the European Union and other international bodies; (EU Twinning, ITMS, Comobilion, Horizon 2020 + WB, NCTS, Qafe Thane Customs House, Hunter – Border Force, EXBS)
- Participation in international initiatives (including regional ones) and cooperation programs with similar European and international structures (WCO, DG. Taxud, SELEC, Olaf, CEFTA, Open Balkan);
- international representation of the institution (bi/multilateral meetings with Turkey, Greece, Kosovo, Balkan 6, CEFTA WEEK);

## More specifically:

With the vision towards a custom with the standards of the EU member states 'customs, the Business Strategy for the Albanian Customs Administration 2023-2027 was drafted, with the assistance of the EU's TAIEX project.

For the first time, Customs received technical assistance from the International Monetary Fund and recently had two special IMF customs' missions, technical assistance for excise products, 4-7 September 2023 and the construction of a new Risk Analysis Model, 18-29 September 2023.

The Customs administration is part of the World Bank's regional projects with focus on "Facilitating Trade and Transport in the Western Balkans (WBTTFP)" worth EUR 17.6 million (Single Window, NCTS, One Stop Shop). The winning company for WBTTF-ALB-111AB-112AB – System Design, Technical Specifications, Supervision and Quality Assurance of



the Single National Window was selected. The estimated deadlines for installation and full operation of the NSW system are foreseen 2 years from the signing of the Contract of the Winning Company that shall implement it, approximately December 2025.

The implementation of the NCTS aims at standardizing Customs Transit Processes in countries that are party to the Common Transit Convention (CTC). Re-tendering procedures have been opened by the Ministry of Finance and Economy after the phase of postponement of the process.

The Single Window with North Macedonia was implemented and is operational from 31.7.2023 by shortening the time of processing of customs declarations, increasing transparency and improving the service.

In the project "Mobility in the Ionian Coast - COMOBILON" within the framework of the Interreg IPA Cross-border Cooperation Program "Greece - Albania 2014-2020", the Albanian party has benefited under Project 2: Construction, Reconstruction, Rehabilitation of Qafe Bote BCP with an indicative budget ~2.3 Million Euros.

With the support of the GIZ Project "Support for facilitation of trade between CEFTA Countries" several activities (AEO) were organized. On 8-9 November 2023, the regional conference in Tirana "Beginning of Collaborative Partnerships in the Digital Age" was held.

The PEN-CP Project within the "Horizon 2020" Program started to be implemented in October 2018 and has a 5-year duration. ACA has continued to participate in activities and studies within this project during 2023.

We have increased cooperation with partners: SEESAC, EU4F0CAL, EXBS, EMPACT, United States Department of State Bureau of Counterterrorism & Global Center on Cooperative Security, US D0E, Eu4focal, Guardia di Finanza, UN0DC, HMRC, UK Border Force.

In the framework of the Global Program of firearms and in cooperation with UNODC, in relation to the improvement of the control of light arms trafficking (AVL), their parts, ammunition and explosives, the standard operating procedures for the control of postal packages have been updated.

In cooperation with the UK Border Force, training on the use of the "VIDERIS" Platform for OSINT has been conducted and we have cooperated with EUROPOL through the SIENA platform. Also, the operation CLAUDIUS II was carried out, organized by HMRC in cooperation with the Western Balkans regional customs administrations.

Five joint operations were carried out in BCPs, with the initiative of the project EU4F0CAL, where participants are from Customs, Police, Guardia di Finanza, FRONTEX, Spanish Police. 3 (three) operations were carried out together with the customs and police administrations of Kosovo, Greece and Italy.



#### ◆ EXBS

Meanwhile, in the framework of the EXBS Program of the US Embassy, it was enabled the increase of capacities of the ACA staff by benefiting from the best control standards at Border Crossing Points and the fight against corruption. International Visitor Leadership Program (U.S. Trade Policy).

We have received an invitation to visit the U.S. in the framework of the International Visitor Leadership Program from the U.S. Embassy. Candidates for the program were appointed by the Public Relations Office together with the Office of Export Control and Border Security at the Embassy of the United States of America in Tirana for participation from February 13 - March 03, 2023, in the United States.

Also, in the framework of the invitation of the U.S. Embassy, the Albanian Customs again participated in the International Visitor Guidance Program for the Implementation of Sanctions and Export Controls from April 26 to May 06, 2023, in the United States.

In the framework of the invitation from the Export Control and Border Security Program (EXBS), many different activities are organized such as:

- Webinar on Port Security Management 1 February 2023, Tirana Virtually, Albania.
- ♦ Cross-border counter-proliferation 11-13 April 2023, Nicosia, Cyprus.
- Workshop on Implementation of Port Security and Sanctions 9-11 May 2023, Tirana, Albania.
- ♦ Chemical Weapons Diversion July 10-14, 2023, Budapest, Hungary.
- Training on port interdiction 4-8 September 2023, Opatija, Croatia.
- ♦ Industry risk assessment and the rules of game 18-21 September 2023, Tirana, Albania
- R/N Detection by Information Exchange and Risk Analysis November 7-9, 2023, Chisinau, Moldova.
- ◆ Public Corruption 13-17 November 2023, Budapest, Hungary.
- International Border Interdiction Training (IBIT), 4 8 December 2023, Budapest, Hungary.





The training organized by ILEA on "Public Corruption" Budapest, Hungary, 13-17
November. The participants were countries from the Western Balkans, Moldova,
Ukraine and Uzbekistan, where two representatives from Albanian Customs were also
participating.

In the framework of the EXBS Program of the US Embassy, it enabled the increase of the capacities of the ACA staff by benefiting from the best control standards at Border Crossing Points and the fight against corruption.

#### + HMRC

In May 2022, HMRC launched a project with the Albanian Customs administration and the Albanian State Police to address some of the barriers that female officers of law enforcement face in their daily tasks.

- ♦ In the summer of 2022, HMRC teamed up with the UK Ministry of Defense to include female military officers, and in March 2023 the first official Conference for the project was organized, attended by about 120 people.
- Following a series of activities were organized, on October 31st and November 1st, the "First Autumn Conference" was held, in which 250 delegates from numerous law enforcement and military institutions from Albania, Kosovo and Montenegro participated.
- ♦ The conference was followed by 9 guest speakers and 3 interactive panels, from 7 countries in Europe, on the importance of gender diversity in these institutions; such as the involvement of female officers may allocate the conflict; the challenges and successes of being a law-enforcement female; and from senior leaders such as His Majesty's Ambassador to Montenegro and Deputy Directors from the National Crime Agency (NCA).



In September 2023, the UK Ministry of Defense conducted self-defense training over a two-week period, in many cities across Albania, and trained 85 women in basic self-defense techniques.

It has also been granted a contract with the British Council for 15 licenses for English language training for women working at Border Crossing Points.

♦ IPA 2013 – Development of Integrated Tariff Management System (ITMS) Modules In the framework of this project with a total fund of €2,400,000, it is foreseen to establish an Integrated Tariff Management System fully compatible with the EU ITMS, by 2023. Currently, in cooperation with ACA and NAIS, the EU subcontractors have developed software for various ITMS modules, as well as provided servers to be used for the complete implementation of the System.

# X.3. Cooperation with the World Customs Organization

Albania has been a member of the WCO since August 1992, and since then actively participates in the meetings of the WCO Council, Committees and Sub-Committees, benefiting from the best experiences of developed countries and implementing them in our customs system. Our country also contributes with its information to the preparation of annual reports and to the 6 months valid and comprehensive analyses of the WCO, for the implementation of various Laws and agreements on violations in the customs area. In recent years, the Albanian Customs has been intensively participating in various training programs of the WCO which aim to invest in high potential middle-level managers and expand their opportunities, skills and knowledge, in order to actively participate in the reforming and modernization process of their administration.



The workshop organized by the WCO on "Promoting Integrity" in Ashgabat Turkmenistan, October 9-13, included participants from Central Asian countries, Germany, Western Balkans, where a representative from the Albanian Customs was also a participant.



Every year the World Customs Organization (WCO) organizes the International Customs Day, an event that has been held each 26th of January since 1983, with a specific subject for each year.

- Albania has been a member of the WCO since August 1992, and since then actively participates in the meetings of the WCO Council, Committees and Subcommittees, benefiting from the best experiences of developed countries and implementing them in our customs system.
- Our country also contributes with its information to the preparation of annual reports and the 6 months valid and comprehensive analyses of the WCO, for the implementation of various Laws and agreements on violations in the customs area.
- In recent years, the Albanian Customs has been intensively participating in various training programs of the WCO which aim to invest in high potential middle-level managers and expand their opportunities, skills and knowledge, in order to actively participate in the reforming and modernization process of their administration.
- ◆ Throughout 2023, numerous ACA representatives have participated in several WCO activities (webinars, conferences, workshops, meetings, operations, etc.)
- We are currently working on the Draft-Agreement with Israel, "Mutual Administrative Assistance in the Customs area between the Council of Ministers of the Republic of Albania and the Government of Israel" and we are awaiting its finalization.
- Currently, it is in progress the draft-decision "On the Approval of the Agreement between the Government of the Republic of Belarus and the Council of Ministers of the Republic of Albania "On Mutual Cooperation and Assistance in Customs Matters".
- We are currently working on the Draft Agreement "On Mutual Cooperation and Assistance in Customs Matters" with Saudi Arabia.

In order to increase transparency with the public and with the aim of accurately and clearly reflecting the activity and work achievements of ACA for 2023, on the social networks and the official website (dogana.gov.al) of the institution have been regularly published: its various activities, seizures and discoveries in the framework of the fight against smuggling and illegal activities (trafficking of narcotic substances, monetary values, clandestine, excise goods, etc.); as well as notifications for the economic operators and individuals on innovations and facilitations in customs procedures; developments of Information Technology systems; employment in the customs administration, etc.



# XI. Priorities for 2024

In the vision of a European customs, the future is towards the use of data and artificial intelligence in drafting risk analysis strategies based on models offered by partners mainly IMF, WB, WCO, to focus energies and monitoring towards companies with higher risk profile and by facilitating legitimate trade and protecting fair competition.

Achieving a fairer balance between facilitating large-scale trade, maintaining control over international circulation of goods, persons and means of transport, by adopting risk management techniques to determine the existence of the largest areas of exposure to it, and to effectively allocate the available human and financial resources to manage these risks

Digitalization and Innovation in Customs. In 2024, 21 new online services will be added, totaling 55 online services carried out through the e-Albania platform. During 2024, ACA in cooperation with NAIS and UNCTAD will complete the development and implementation of the rapid post module.

Prevention, identification and fight on smuggling, fiscal evasion, as well as any illegal trafficking and the increased performance in professional terms, integrity during the exercise of duty, perfecting the controls carried out through the improvement of technology, to contribute to aligning of the standards of control with the EU best practices, as well as to ensure the correct implementation of Customs legislation.

Guaranteeing the protection of the financial interests of the Republic of Albania, of safety and security of health and consumer, all over the Customs Administration, including:

- identifying risk and profiling;
- reducing risk;
- dissemination of information on risk.
- online monitoring of declarations regarding the potential risk in Import and Export

The Fast Delivery Module will be developed with the potential of using Electronic Advanced Data (EAD). Electronic data exchange between postal operators and the Customs Authority is required and necessary starting from the collection of revenues, the best management of risk, as well as the delivery speed of shipments.

Drafting of the DCM "On the approval and Official Publication of Combined Nomenclature of Goods 2025", update in the system of CN of Goods 2024.



# XII. CONTACTS:

#### **GENERAL DIRECTORATE OF CUSTOMS**

#### Postal address:

General Directorate of Customs, Tirana-Durres Highway, km 1, Center "Pajtoni Bussines Center", Floor 5, Tirana.

#### **Contact numbers:**

Tel: +355 42 232 988 (time 08:00- 24:00/ 7 days) e-mail: helpdesk.dpd@dogana.gov.al Info Point Tel: +355 42 253 820 (time 8.00 - 4.00 pm Monday to Friday)

Directorate of Anticorruption and Professional Standards e-mail: antikorrupsion.dpd@dogana.gov.al

 $\label{lem:def:Deputy General of Administrative Department e-mail:} \\$ 

zvdrejtoradministrativ@dogana.gov.al

Directorate of Human Resources Management e-mail:

burimenjerezore.dpd@dogana.gov.al

Deputy General of Technical Department e-mail:

zvdrejtorteknik@dogana.gov.al

Deputy General Director of Excise e-mail:

zvdrejtorakcize@dogana.gov.al

Directorate of Origin and Tariff e-mail:

sorigjina.dpd@dogana.gov.al, starifa.dpd@dogana.gov.al

Directorate of Procedures and Guarantees e-mail:

sprocedurat.dpd@dogana.gov.al

Legal Directorate e-mail:

juridiku@dogana.gov.al

Deputy Director of Law-Enforcement Department e-mail:

zvdrejtordoh@dogana.gov.al

Directorate of Information e-mail:

drejtoriainformacionit.dpd@dogana.gov.al

Directorate of Risk Analysis e-mail:

risku@dogana.gov.al, monitorimi@dogana.gov.al

Intellectual Property Directorate e-mail:

ipr@dogana.gov.al

For complains: numbers without charge: 0800 22 22

