

**INTERGOVERNMENTAL CONFERENCE  
ON THE ACCESSION OF THE REPUBLIC OF BULGARIA TO THE EUROPEAN  
UNION**

**NEGOTIATING POSITION  
ON CHAPTER 25  
CUSTOMS UNION**

**OVERALL POSITION**

The Republic of Bulgaria accepts and will fully implement the *acquis* in the sector of Customs Union.

The Bulgarian Government considers as a working hypothesis that the Republic of Bulgaria will become a member of the EU by January 1<sup>st</sup>, 2007.

No derogation or transitional periods in the sector are requested.

**ACQUIS ADOPTION AND IMPLEMENTATION**

Bulgaria accepts the *acquis* in force as of 31 December 1999 and will fully implement it upon accession.

The legislative framework in the Customs Union sector – the Customs Act and the Implementing Regulation – are in force since 01.01.1999. They are based on the Community Customs Code (CCC) and its Implementing Regulation (IRCCC).

During the pre-accession period a further degree of harmonisation will be achieved through:

- Amendments of the Customs Act, to reflect the changes introduced to the European legislation;
- Adoption of implementing legislation, following the harmonisation with the *acquis* in other chapters.

Full harmonisation of the customs legislation will be achieved upon accession to the EU.

**ELIMINATION OF CUSTOMS DUTIES BETWEEN THE MEMBER STATES**

The elimination of customs duties between Bulgaria and the EU follows the schedules of trade liberalisation under the Europe Agreement and the expanding liberalisation of trade in agricultural and processed agricultural goods further to bilaterally agreed improvement of market access.

## **IMPLEMENTATION OF THE COMMON CUSTOMS TARIFF**

As regards the adoption of the Common customs tariff upon accession to the Union, no transitional period will be required.

The tariff policy legislation of the Republic of Bulgaria is to a high extent similar to the one applied in the Community.

The Republic of Bulgaria updates its customs tariff nomenclature annually in accordance with the Combined nomenclature and applies national duty rate *vis-à-vis* third countries. The Bulgarian integrated customs tariff, based on TARIC, is under preparation.

The system of operating tariff quotas for agricultural goods is based on the “first come – first served” principle. Bulgaria will fully apply the procedures, applicable in the EU by the date of accession.

## **CUSTOMS PROCEDURES**

The procedures regarding imports and control on possible dual-use goods are fully harmonised. The highest possible degree of harmonisation during the pre-accession period has been achieved in the following areas: placing goods under customs economic procedures, customs debt, rules of origin, inward and outward processing, customs warehousing, temporary importation, processing under customs control, export, transit, free zones and free warehouses, precursors, baggage control and simplified procedures.

The legislation on the Single Administrative Document (SAD) is harmonised with the IRCCC and the Convention on the simplification of formalities in trade in goods (SAD Convention). The SAD used in Bulgaria is fully harmonised with the one, used in the EC. Bulgaria has fulfilled the legislative requirements for accession to this convention.

## **CUSTOMS DEBT**

The amendments, introduced in August 2000 to the Customs Act, further aligned with the *acquis* the legislative framework regarding customs debt and legal proceedings on appeals against ordinances for compulsory collection of state receipts. The appeals against other administrative statements are processed in accordance with the special Act on administrative proceedings, applied in the Republic of Bulgaria.

## **TRANSIT PROCEDURES**

Following the provisions of art. 94 of the Europe Agreement regarding the connection of transit systems, Bulgaria is applying the transit procedures, provided for under the CCC and the Convention on a common transit procedure since 01.01.1999. As regards its preparation for accession to the Convention the Republic of Bulgaria is involved in the “Transit North-South” project of the EC.

All activities undertaken so far clearly demonstrate the commitment of the Republic of Bulgaria to accede to the Convention on a common transit procedure and the SAD Convention as soon as possible.

## **INTERNAL CONTROL**

The Bulgarian customs administration (BCA) started the elaboration of regulatory documents in the field of internal control, which will be harmonised with the respective EU practice. These documents will be introduced by the end of 2001.

In cooperation with the customs administrations of France and the United Kingdom, BCA started a "Fight against the corruption within BCA" project, supported by the EU catch-up facility. The accomplishment of the project will lead to strengthening the centralised control over the customs services' activities.

## **INTERNATIONAL CUSTOMS CO-OPERATION AND MUTUAL ASSISTANCE**

The Republic of Bulgaria participates fully and plays an active role in international customs co-operation and mutual assistance.

The Republic of Bulgaria strictly observes its obligations, stemming from the Europe Agreement. Mutual assistance between the administrative authorities of the EC and Bulgaria is actively being rendered in accordance with the provisions of Protocol No.6 for mutual administrative assistance in the customs activity and particularly in the area of combat against smuggling.

The Republic of Bulgaria maintains its request for observer status participation of Bulgarian experts in committees and working groups on the Community Customs Code with a view to follow their debates and to timely react as appropriate to the occurring changes.

The Republic of Bulgaria is a member of the World Trade Organisation (WTO) and of the World Customs Organisation. The Republic of Bulgaria supported the proposal of the European Commission for co-ordination between the EC and Bulgaria of their positions taken in negotiations, concerning customs issues.

Republic of Bulgaria is a contracting party to the Customs Convention on the international transport of goods under cover of TIR carnets (TIR Convention), the Customs Convention on Containers, the International Convention on the simplification and harmonisation of customs procedures (Kyoto). The International Convention on the harmonisation of frontier control of goods is already ratified and will be promulgated by the end of 2000. In the year 2001 the Republic of Bulgaria is expecting to join the International Convention on mutual administrative assistance for the prevention, investigation and repression of customs offences (Nairobi Convention).

In the field of mutual assistance between the customs authorities the Republic of Bulgaria has concluded bilateral agreements with some EU Member States (Austria, the United Kingdom, Greece). Negotiations with others are underway. Bulgaria will become contracting party to all international agreements, concluded by the EU with third countries for improving the co-operation in the customs area at accession.

## **CAPACITY FOR *ACQUIS* IMPLEMENTATION**

The National Customs Agency is administrative structure entrusted with the implementation of the customs *acquis* in the sector.

The Republic of Bulgaria has the required administrative capacity and structures. Creation of new institutions or administrative structures for continuation of the successful adoption of the *acquis* is not deemed necessary.

The Bulgarian customs administration has developed, adopted, and is implementing its own Business strategy. On the basis of the Business strategy an Action Plan has been elaborated and will be accomplished till the end of 2001. The Bulgarian Government endorsed the Pre-Accession strategy for further strengthening of the customs and tax administration in Bulgaria.

## **COMPUTERISATION**

The setting up of the Bulgarian Integrated Information System (BICIS) is a main priority for the Bulgarian customs administration.

The core of BICIS has been developed. The system will cover customs offices, handling 90 % of the document turnover till the end of 2000. All customs offices will be computerised by mid 2001. In parallel to the process of introduction of the system's core, additional sub-systems of BICIS will be developed and introduced. The final goal is to build an information system, corresponding to the EU requirements in this area.

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The Bulgarian government proposes to provisionally close negotiations on Customs Union chapter on the basis of the existing *acquis*.

Should new elements of the *acquis* make it necessary, Bulgaria recognizes the possibility of opening supplementary negotiations before the end of the Intergovernmental Conference.