

Chapter 29: Customs union

North Macedonia has a **good level of preparation** in this area. **Good progress** was made in the reporting period, in particular through the consolidation and upgrade of IT systems. The New Computerised Transit System (NCTS) Phase 5 development was completed and launched in January 2025. The Customs Administration implements a fully paperless environment for processing customs declarations and excise documents. The Protocol on Elimination of Illicit Trade in Tobacco Products was ratified in December 2024. The Commission's recommendations from last year were implemented to a large extent. In the coming year, North Macedonia should focus on:

→ continuing to consolidate and apply its national customs IT systems in line with the Commission's Union Customs Code (UCC) work programme and multiannual strategic plan (MASP) modules and ensure their upgrade;

→ ensure continued alignment of the customs legislation with the EU *acquis* and upgrade its national component of the New Computerised Transit System (NCTS) to Phase 6;

→ strengthen combating customs fraud, in particular smuggling of tobacco products, also by cooperating with the European Anti-Fraud Office (OLAF).

Chapter 29: Customs union

All Member States are part of the EU customs union and follow the same customs rules and procedures. This requires legislative alignment as well as adequate implementing and enforcement capacity and access to and interoperability with the EU electronic customs environment.

The **customs legislation** is highly aligned with the EU *acquis*. In the field of customs legislation, the customs tariff for 2025 was adopted to align with the EU Combined Nomenclature. The Protocol on Elimination of Illicit Trade in Tobacco Products of the WHO Framework Convention on Tobacco Control was ratified in December 2024. This is an important commitment undertaken by the country in combating customs fraud, in particular the smuggling of tobacco products. Amendments to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin were ratified and took effect on 1 January 2025. The Law ratifying the amendments to the Convention on a Common Transit Procedure has been adopted and published in the Official Gazette in December 2024. This law is a prerequisite for the launch of the New Computerised Transit System – Phase 5, which was put into operation in January 2025.

On **administrative and operational capacity**, a new Customs Administration Development Strategy was adopted for the period 2025-2027. A comprehensive intelligence system in support of investigation and enforcement is in place. Controls are based upon intelligence-led risk analysis, pre-arrival information and selectivity techniques. Risk management was applied systematically with the percentage of physical controls-red channel at 5.5% (5.7% in 2023) and documentary controls-yellow channel accounting for 17.4% (16.9% in 2023) of all shipments in 2024. A new Strategy on Integrity and Anti-Corruption for the period 2024-2027 was adopted and is being implemented. The strategy includes 22 targeted measures designed to prevent corruption and boost the integrity of customs officers and of the customs institutions. Advanced training on ethics, integrity and the fight against corruption was conducted.

Total revenues collected by the Customs Administration in 2024 were 6.3% higher than in 2023, exceeding EUR 2 billion. The number of seizures of illicit goods also increased. One-stop control was introduced with Kosovo in April 2025 at the main Blace-Elez Han border-crossing point. The ICT development strategy for 2021-2025 was implemented, aiming to provide development and implementation of national systems aligned with those of the EU. Maintenance and further development of the Integrated Tariff Environment (ITE) system was secured, and development has commenced of the Economic Operator Registration and Identification (EORI) and Uniform User Management and Digital Signature (UUM&DS) systems. The

Customs Administration has established regular data exchange with a number of state institutions through the interoperability platform. To be able to address the current workload and the planned reform agenda for the expansion of customs services, staff recruitment is necessary, in particular in IT.

The Customs Administration participated in five international operations in 2024 and continued its cooperation and exchange of intelligence with customs agencies in the region and with international and regional organisations.

The country should strengthen combating customs fraud, in particular smuggling of tobacco products and by cooperating with the European Anti-Fraud Office (OLAF).

Chapter 33: Financial and budgetary provisions

Preparations under this chapter are at an **early stage**. **Limited progress** was made over the reporting period. National accounts and gross national income calculations need to be further aligned with the EU *acquis*. All customs declarations and excise documents are electronically processed, but the institutional set-up necessary for the efficient functioning of the own resources system is yet to be established.

The Commission's recommendations from last year were not fully implemented and therefore remain largely valid. In the coming year, North Macedonia should in particular:

- improve the legal basis and methodological tools for the own resources system;
- continue aligning data on national accounts with ESA 2010 and improving the comprehensiveness of data transmission to Eurostat;
- strengthen the administrative capacities of and coordination mechanisms for key stakeholders.

Chapter 33: Financial and budgetary provisions

This chapter covers the rules governing the funding of the EU budget ('own resources'). These resources mainly consist of: (i) contributions based on the gross national income of each Member State; (ii) customs duties; (iii) the non-recycled plastic resource and (iv) a resource based on value added tax. Member States must have the appropriate administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of own resources.

Progress remains limited in the development of the **specific institutional set-up** and the **legal and methodological framework** for own resources. However, some advancement was achieved in strengthening public internal financial control (PIFC), marked by the adoption of the PIFC law in December 2024 (*for further information, see developments under Chapter 16 – Taxation, Chapter 18 – Statistics, Chapter 29 – Customs union and Chapter 32 – Financial control*).

In the area of **traditional own resources**, customs legislation is highly aligned with the EU *acquis*. However, the guidelines for the application of EU traditional own resources still need to be developed. Additionally, the establishment of an IT system for managing A and B accounts, as well as enabling access to the OWNRES electronic system for reporting fraud and irregularities related to traditional own resources, remains pending.

The **2025 customs tariff** was adopted to reflect the most recent updates in the EU Combined Nomenclature. Nonetheless, the capacity of customs authorities requires further strengthening.

Good progress was noted in the consolidation and upgrading of IT systems, including the successful completion and launch of the New Computerised Transit System (NCTS) Phase 5 in January 2025. The Customs Administration now operates in a fully paperless environment for processing customs declarations and excise documents.

3. GOOD NEIGHBOURLY RELATIONS AND REGIONAL COOPERATION

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Cooperation with *Kosovo* continues to be comprehensive and constructive, with several meetings held at the highest level. In November 2024, both governments held a joint session in Pristina where they announced the establishment of joint checkpoints at the two main border crossings.

Relations with *Montenegro* remained good, with no pending bilateral issues. High-level meetings between representatives of the two countries were held during the reporting period. The North Macedonia and Montenegro customs offices signed a memorandum of cooperation to improve the efficiency of customs controls and prevent customs fraud, and to speed up legal trade between the two countries. The two countries also signed memoranda of understanding to cooperate on judicial reform and the digitalisation of public services.

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Chapter 7: Intellectual property law

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In 2024, the Customs Administration seized 147 525 goods suspected of infringing intellectual property rights across 73 cases, involving 60 different trademarks. All counterfeit goods originated from Türkiye and China.

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