Standard Summary Project Fiche for the Transition Facility

1. Basic Information
   1.1 CRIS Number: 2004/016-689.03.05
   Twinning: Fight against Commercial Fraud
   Twinning Light: Reinforcement of the Chemical Institute of the HCFG
   1.2 Title: Strengthening the administrative capacity of the HCFG as regards inspections and laboratory examinations
   1.3 Sector: Customs
   Location: Hungary

2. Objectives

   2.1 Overall Objective(s):

   The overall objective of the project is to improve the operational capacity of the Hungarian Customs and Finance Guard (HCFG) according to EU requirements, maintenance and further development of the Chemical Institute of the HCFG by the system of fully harmonized controls and classification.

   2.2 Project purpose:

   **Component 1 – Fight against Commercial Fraud**

   - Preparing the HCFG to carry out the new EAGGF related ex-post control tasks.
   - Employing professional expertise of a Member State to enhance the effectiveness of the present post control tasks of the HCFG, and introducing special inspection methods.

   **Component 2 – Reinforcement of the Chemical Institute of the HCFG**

   - Preparing the Chemical Institute of HCFG for the proper classification of goods

   2.3 Justification

   As it is stated in Chapter 25 of the Comprehensive Monitoring Report, the Hungarian Customs and Finance Guard has to prepare for the application of measures and provisions that will be introduced at the time of the Accession. Nevertheless, strengthening inter-agency co-operation on combating customs fraud and irregularities remain a priority.

   Also, it is stated in Chapter 28 of the Report, the competent authorities of Hungary must effectively exchange information among themselves and with OLAF regarding irregularities and investigations.
3. **Description**

3.1 **Background and justification:**

**Component 1 – Fight against Commercial Fraud**

This project is based on the Community Customs Code and the national customs legislation but there are some other important regulations such as the *Council Regulation (EEC) No 4045/89* of 21 December 1989 on scrutiny by Member States of transactions forming part of the system of financing by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and repealing Directive 77/435/EEC as regards the control of agricultural payments, the *Council Regulation (EEC) No 595/91* of 4 March 1991 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organization of an information system in this field and repealing Regulation (EEC) No 283/72, and all relevant CRs in connection with export refunds, internal market instruments, and aids in the field of rural development. Post controls defined in 4045/89 CR must be implemented by performing supervision according to the regulations listed in annex.

The HCFG has plenty of information on CAP rules, but practical experience is missing. In order to get acquainted with the experience of other Member States, as a new MS Hungary wants to take this opportunity to get information on the practice of a MS Customs authority to comply with EU requirements and at the same time to get a proper overview on the national regulations.

In Hungary *Act C of 1995 on Customs Law*, Customs Proceedings and Customs Administration and *Government Decision No. 2041/2003 (III. 14.)*, establishing the Paying Agency for executing and controlling the payments of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund contain the governing principles concerning the future tasks of the two organisations. The Agricultural and Rural Development Office (ARDO) is pointed – according the Comm. Reg No. 1663/1995 – as EAGGF Paying Agency structurally separated from the Ministry of Agriculture and Rural Development. It carries out the payments from the EAGGF Guarantee Unit as well as supports from the Orientation Unit and the Financial Instrument for Fisheries Guidance as delegated tasks. The Paying Agency delegates various tasks to the HCFG, the execution of which needs relevant experience. These tasks are the following:

- Certification of the entry/exit of goods from/to the Customs territory of the European Union,
- Collection of normative export taxes in special cases,
- in case of prefinancing, handling of the bank guarantee provided for placing the goods into customs warehouse with the intent of exportation,
- in case of provisions regarding excise control measures in connection with the private storage, distillation, stum-refining and foreign trade provisions concerning grape-wine field.
Regarding the serious concerns of the Monitoring Report in the agriculture Chapter, the HCFG and the above-mentioned Paying Agency are concluding a Co-operation Agreement for the efficient execution of the tasks.

The importance of information streaming between the OLAF and the Customs Authorities regarding the special inspections in the field of payments from the Guarantee Section of the European Agricultural Guidance and Guarantee Fund are accentuated not only by the HCFG, but by OLAF, too. Cooperation with OLAF is regulated by the CIS convention and the 515/97 CR. Based on these, the HCFG has to supply information, cooperate and produce various reports. Within this, these obligations of information supply, cooperation and reporting are also relevant for controls of agricultural payments.

In November 2003 a Co-operation Agreement was signed between the Hungarian Customs and Finance Guard and the Tax and Financial Control Administration for elaborating a common interface for efficient data-exchange between the two organs. Due to the Agreement the HCFG and the tax administration will carry out joint inspections of the companies, thus the HCFG possess the required information and expertise for the inspections pertaining to VAT, but the collection of VAT is the task of the tax administration.

Component 2 – Reinforcement of the Chemical Institute of the HCFG

Since the 1996 establishment of the Chemical Institute of the HCFG equipment developments have been made in accordance with EU expectations, but with the available apparatus the Institute is not able to carry out all analyses defined in operative regulations. After Hungary’s accession in 2004 most of the country’s borders are going to be external borders of the EU, and if any determinant concerning the classification of goods or valorisation of customs duty couldn’t be defined because of the MS’s missing equipments, the information will spread among economic operators which might incur a growth in the number of infringements. According to the above-mentioned facts the Institute’s development is continuous.

There are no other institutes or laboratories carrying out such activities in Hungary. National laboratories analysing different products exist, but these analyses are mainly in connection with customer protection, product liability, release measures. No other laboratory is prepared to carry out examinations of goods relating to their Combined Nomenclature classification in Hungary.

On the one hand technical development of the Institute is an essential element of the feasibility of the Customs Laboratory’s tasks, but on the other hand the other vital part is experience gathering. Customs laboratories of the MSs have to face the same problems concerning classification or analytical examination of goods, so the adaptation of practical experience of a customs laboratory with a long history operating in accordance with EU norms would be advantageous.
In the case of sampling based on its official competence connected to the export-import trade and inland control, the Customs Laboratory carries out product classification according to the Commercial Customs Tariff, on the basis of 46. § (9) of Act no. C. of 1995, as well as 67/A. § and 68. § of Government Decree 45/1996. (III. 25.). Act No. CIII. of 1997 on Excise Duties regulates the official activities of the HCFG (e.g. sampling excise goods) in order to ensure the legal manufacturing, distribution, circulation and usage of excise goods.

Current powers

The HCFG’s Institute accomplishes the following activities:

1. Issuing Binding Tariff Information (BTI’s), conducting any analyses required.
2. Issuing Binding Origin Information (BOI’s).
3. Performing necessary analyses of goods for the control of foreign trade and for the assessment of excise duties in accordance with the assigned powers. These activities are performed both at the premises of the Institute and in mobile laboratory vans.
4. Drawing up decisions on product classification in connection with tax regulations.
5. Conducting chemical analyses on behalf of other clients and issuing reports on those analyses.

From 1 January 2001 the Laboratory of the Hungarian Customs and Finance Guard acting in its official competence issues the BTI and the BOI decisions based on Act C of 1995 on Customs Law, Customs Proceedings and Customs Administration. BTI/BOI decisions as other administrative decisions have a binding effect for six and for three years from the date of issue both on the customs authority and the holder on the territory of the Hungarian Republic. These decisions are issued by the laboratory of the HCFG after EU accession as well.

The client bears the expenses of the necessary examinations concerning the BTI. The procedure itself is free of charge (the issuance of the BTI decision), the costs of concrete examinations carried out in order to get all relevant information concerning the issue of BTI decision have to be paid. Costs may vary between 100 and hundred-thousand Forints.

Besides the task stressed above the examination of samples originating from importation or exportation of goods, excise control or post control is carried out by the Customs Laboratory.

Controls can be executed on the premises of the clearance on the basis of the documentation available, or by taking samples. According to 46.§ (9) of Act C of 1995 on Customs Law the Customs Office is authorised to take samples. 67/A§ (2) a) of the Implementation Regulation of the Customs Law (45/1996 (III. 25.) Gov. Decree) defines that sample must be taken from goods classified under 27 10 00 71 to 27 10 78 tariff numbers. The National Commissioner of the HCFG can order to take samples from other goods (e. g. like export refund goods).
By the examination of conclusive BTI and BOI decisions and advices it was found that large number of goods falling under the effect of the Act on Excise, on Wine and the Act on Consumables are affected. The legal background of issuing the decisions and advices is given by the regulations of the Commercial Customs Tariff based on the European Harmonized System. According to the law applicable in the EU tariff classification is based on compulsory analysis. Some analysis can exclusively be carried out with the help of the SNIF-NMR apparatus.

Only on the basis of the above examinations can the customs tariff number be defined with absolute certainty. Incorrect classification may cause significant differences regarding authorization, controlling, subsidization and payments. In order to assure the budgetary avails these types of products enjoy priority, because the Commercial Customs Tariff gives the basis for classification regarding not only the regulation of the importation but also classification regarding the Act on Excise and to the tax rate of VAT. This tendency is increasing.

As for the products being controlled, bearing in mind the features and type of agricultural production of a country like Hungary, it is estimated that the sectors most sharply affected by the CAP could be summarized as follows:

- Beef and pork sector
- Dairy products
- Wines
- Processed vegetables
- Processed agricultural products (PAP)

The Customs Laboratory will be responsible for the examinations concerning the post-control of products falling under the CAP regulations. The rate of this examinations is defined in 5% of all exported CAP products. Concrete number can not be defined because now the tendencies after the Accession are unknown.

The key “clients” are the various HCFG organs. Above that, partner authorities (e.g. Tax- and Financial Control Administration, Central Statistics Office) and also ministries turn to the Laboratory with requests for analysis. Another important segment of the clients are companies with residence in the territory of Hungary, legal and private persons, who turn to the Central Customs Laboratory for getting a Binding Origin Information / Binding Tariff Information decision or any expertise.

According to the general practice the Customs Laboratory does not give examinations to external institutes. It has reasons partly deriving from data protection and financial considerations. In case when these external examinations cannot be avoided the alternative solution is to have every-day contacts with other institutes. In this framework samples are examined by each parties paralelly, or examined mutually. The number of such examinations is not a considerable.

A comprehensive and aggregate needs analysis in respect of laboratory devices and instruments to be procured in the framework of the Transition Facility Programme is attached as Annex V.
3.2 Linked activities:

Since 1991 Phare has supported the modernisation of the technical equipment of HCFG (including IT equipment), the Chemical Institute of HCFG, truck and passenger terminals at border-crossing points and the implementation of a new effective structure in fighting illegal trade of nuclear and radioactive substances, as well as the strengthening of administrative capacity by the Twinning program.

The HU9803-03 project provided 2.7 MEUR support for the modernisation of Customs Laboratory, in order to facilitate the operation of the Binding Tariff Information and Binding Origin Information systems.

In the framework of the HU9905-02 project further 0.5 MEUR was provided for the improvement of the Customs Laboratory (Chemical Institute of HCFG). The following equipment was purchased using the available budget of the mentioned project:

- Bekk type smoothness tester, burst strength tester, thickness tester, tearing tester.
- ICP Instrument, ultrasonic vaporization system, microwave digestion system and its recommended accessories
- Kjeldahl – system (automatic equipment for the determination of total protein content), UV-VISIBLE spectromter and from its options the GRAMS 32/UV software for Windows, a PC Data system and a HP Deskjet printer.
- Analytical balance, Automatic moisture analyser, laboratory muffle furnace, vacuum drying oven with vacuum unit, rotary evaporator, thermostat, laboratory centrifuge, water bath.
- Automatic density meter, Equipment for determination of octane number and multifunctional analyser, Automatic Pensky-Martens closed cup flash-point tester, Automatic Cleveland Flash-point tester.
- Fourier-transform infrared spectroscopy with FT-IR microscope
- High pressure asher

In the Twinning project No HU0005-01 “Customs modernisation 2000” the allocation of 0.79 MEUR was provided realising 3 modules (Customs matters, CAP and Training). The subjects of the modules covered the theoretical basis of EU legislation concerning the CAP. The suggested project covers the practical questions of the necessary examinations laid down in the chapter 3.1 Background.

3.3 Results:

Component 1 – Fight against Commercial Fraud

- A control manual elaborated based on the recommendations of the EAGGF ex-post control packages. The manual would serve as a guideline for the controllers to implement post controls under 4045/89/ECC Council Regulation.
Component 2 – Reinforcement of the Chemical Institute of the HCFG

- Capacity of the Chemical Institute is strengthened in order to examine exported/imported goods.

3.4 Activities:

Component 1 – Fight against Commercial Fraud (Twinning)

Scope of the twinning

According to the Government Decision 2041/2003 (III.14.) the HCFG has the duty to perform post controls defined in the 4045/89 CR. In order to fulfil these tasks the main obligation towards the Member States is the setup of a Special Department. The abovementioned GD defines that this Special Department has to be operated within the HCFG. 4045/89 contains the tasks of the Special Department as follows:

- keeps contacts with OLAF
- organizes and coordinating the control duties set in 4045/89
- performs risk analysis based on a control plan
- processes a risk management methodology
- prepares annual reports
- performs cross checks
- implements OLAF programs
- organizes trainings and in-service trainings for controllers
- elaborates control strategies
- keeps in contact with the Paying Agency and other relevant bodies/authorities
- evaluates and handles control results.

Above these, according to the 595/91 CR, the nominated service of the HCFG must prepare reports on the irregularities and the recovery of incorrectly paid amounts from CAP funds, and operate the relevant information system for this purpose.

Within the field of inspections there are various methods and opportunities regarding the customs area. Because of the difference in the diversity of the subject the twinning project is divided into modules in pursuance of the variety of the inspections. Taking into consideration the fact that there are different types of controls carried out by the customs, discretion of modules is necessary.

In accordance with the above, the following modules shall be distinguished within the frames of Component 1:
- Module 1. - controls executed in connection with combating commercial fraud;
- Module 2. - post clearance controls of economic operators dealing with foreign trade (carried out by the Control Directorate of the HCFG);
- Module 3. - certain specific controls of companies, based upon different regulations such as the Community Customs Code, and regulations relating to CAP and VAT (see below).

The whole duration of the project is 12 months. During the project a long-term Advisor supported by short-term experts and the competent officers of the HCFG will carry out the comparative analysis. Areas not directly covered by the long-term Adviser will be taken over by short-term experts within the limits of the budget available. The concrete assignments and further topics will be subject to the preparation of the technical covenant and the recommendations of the twinning partner.

Due to the wide coverage of the project - the target persons will reflect the whole structure of the HCFG. This means, that participants will be appointed from the National HQs, the Central Control HQs, The Regional HQs and from the customs offices as well.

At the beginning of the project one protocol visit would be arranged. During the project four Steering Committees will be held, two at the Member State, with eight participants from the part of the HCFG, and another two in Hungary, with four Hungarian experts.

**Module 1 – Relations with the European Anti-Fraud Office (OLAF)**

During the implementation of the module an opportunity would be granted to the special service of the Hungarian Customs and Finance Guard to survey the national connectivity with OLAF. Within the framework of this module information gained from the study of administrative structure and the procedural methods of OLAF could be introduced to the Hungarian system, with special regards to the procedures of the official information exchange and data transmission between the MS customs authorities and the OLAF. The exact definition of the reporting obligations towards the OLAF and the formal and substantial requirements of reporting would be also examined. Furthermore, survey of special control methods with the assistance of OLAF would be the subject of the module.

**Methods**

At the beginning of the project a preparatory visit will be held in Budapest, at the HCFG’s site with three experts. During the project the opportunity should be provided for thirteen experts of the HCFG to participate in best practice in the Member State. Furthermore, before the closure of the Module a workshop will be held in Budapest, requiring the participation of two experts.

**Module 2 – Post controls**

Units of the HCFG carrying out post company controls fulfil their tasks on the basis of the Hungarian national Customs Law. The elaborated control order, risk analysis, technology, and the necessary organizational structure serve the proper execution of export-import related company controls.
The general conditions of scrutiny concerning the post control of companies is laid down in Council Reg. No 4045/89, regulating the post control of transactions forming part of the system financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

The task of the post controls is to examine all facts and circumstances (relating to the company’s foreign trade activity, e.g. trade documents, export and import procedures, etc.), on the basis of which it can be determined whether the inspected organization fulfilled all relevant regulations, which are essential from the aspect of customs procedures and obligations affecting other public dues. Since post controls are mainly based upon risk analysis, the aim of the module is to analyse different risk analysis methods of the MSs by comparing the practical adaptation characteristics of the MS. Methods for elaborating special annual post controls plans and their practical execution would be also subject of the study.

Methods

At the beginning of the project a preparatory visit will be held in Budapest, at the HCFG’s site with two MS experts. During the project the opportunity should be provided for five experts of the HCFG to participate in best practice in the Member State for one month studying the post-control methods of the Member State. Furthermore, before the closure of the Module a workshop will be held in Budapest, requiring the participation of two MS experts.

Module 3 – Special inspections of companies

Within the framework of the Module all special methods and forms of certain fields of companies’ inspections would be presented to the HCFG staff. Knowledge of methods and experiences on co-operation, data connection, origin and customs value controls in the case of goods originating from a third country is regarded as priority.

1. Inspections based upon the Community Customs Code

- Inspection methods connected to the certification of the customs charges
- Controlling the authorization of the simplified customs procedures
- Supervisory methods of controlling stock records kept by the holder of the authorization of the customs warehouse or free zones
- In case of inward processing the control of the production and its documentation system
- The reconciliation of the every-day operation of the mobile inspection units and the customs offices

2. Inspections within the field of CAP

On the basis of Council Regulation (EEC) No 4045/89 about the controls in the field of the payments of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund and the Government Decision No 2041/2003 (III. 14.) the Hungarian Customs and Finance Guard has to accomplish such inspections in the field of the
CAP. This special control tasks are differs from the general post-control tasks of the companies, they are concentrating only on the payments of the Guarantee Section of the EAGGF. Furthermore the Paying Agency delegates to the HCFG other tasks, such as collection of export taxes, administration of bank guarantees, excise controls. In the scope of adaptation of the Council Regulation (EEC) No 4045/89 exposed attention should be attended to the risk analysis methods connected to such payments and to the demonstration of relevant aspects for elaborating inspection plans, and their practical adaptation. Of course, besides Module 1, specialized to this field all relevant interconnectivity between the Member States and OLAF should be presented as well.

3. Inspections pertaining to VAT

At the moment in Hungary the VAT arisen from importation of goods must be collected at the discharge of the customs duties. In the Members States the collection of VAT adjusts to the location of application of the imported goods. After Accession it will be very important for the HCFG to have experience in the inspections regarding VAT.

- Division of tasks between the national customs and tax authorities in the field of VAT
- The inspections, which are denoting the control bookings, stock records and trade vehicles of the subjects of VAT executed by the customs authority

Methods

At the beginning of the project a preparatory visit will be held in Budapest at the HCFG’s site with six experts, two experts for each sub-module. During the project the opportunity should be provided for sixteen experts of the HCFG to participate in best practice in the Member State. Six experts of the HCFG – two for each subject – will abide for one month studying the practise of these special control methods. Moreover, for each subject of the Module seminars will be held by the experts in Budapest. Before the closure of the Module a workshop will be held in Budapest requiring the participation of two experts.

Guaranteed results:

- Best practice and Member States experience gained.
- A control manual elaborated based on the recommendations of the EAGGF ex-post control packages. The manual would serve as a guideline for the controllers to implement post controls under 4045/89/ECC Council Regulation. It contains all the norms and technical instructions that ensure the effectiveness of undertaking controls.
Profile of the PAA

- The PAA should have at least 5 years of professional expertise in the field of control and post control.
- The PAA is also required to be fluent in English.

Operating environment

- The PAA is expected to be the co-ordinator of the whole project, therefore the PAA will stay for the whole duration of the project.
- For the Advisor a separate office will be granted at the HCFG Integration Office.

Component 2 – Reinforcement of the Chemical Institute of the HCFG

Twinning Light Project

Scope of the twinning light

In case of the Twinning Light project, the experts of the Chemical Institute of the HCFG (chemists) will be targeted. Training of the experts in the following fields:

- analysis of wines, mash and wine-lees,
- determination of species-specific proteins,
- determination of milk fat,
- microbiological laboratory examinations,
- gas handling,
- GC, GC-MS, HPLC, FT-IR professional consultations,
- mineral-oil knowledge,
- examination of enzyme,
- examination of cement,
- sampling procedures, frequency of sampling, logistics related to sample handling, handling of wastes,
- laboratory logistics and management,
- quality assurance, accreditation.

The duration of the Twinning light project will be six months.

Methods

For each subject seminars will be held by two short-term experts per seminar in Budapest. It is expected, that all the experts have professional experience within the specific fields listed above. One of the experts will be the lead expert, who is expected to stay in Budapest at the Integration Office at the beginning and at the closure of the project.

Guaranteed results
The staff of the Chemical Institute has the opportunity to be introduced into the practice of the Customs Laboratories of Member State. The subjects of the seminars will be included into a laboratory manual, which will grant opportunity to the possible new colleagues to acquire the knowledge-base and experience.

- **Profile of the lead expert**
  - The lead expert should have at least 3 years of professional expertise in the laboratory field.
  - The lead expert is also required to be fluent in English.

- **Operating environment**
  - The lead expert is expected to be the co-ordinator of the whole project, but he is expected to stay only at the beginning and at the closure of the project.

- **Supply of Customs Laboratory Equipment**
  Performing the necessary examinations the HCFG intends to procure equipment for the following fields:
  - analysis of spirits, foodstuffs, mineral oil products and solvents,
  - analysis of fat-containing foodstuffs,
  - analysis of protein-containing foodstuffs,
  - identification of unknown materials,
  - analysis of inorganic and organic materials.

3.5 **Lessons learned:**

HCFG has experience in managing Twinning projects, the HU0005-01 Twinning project is a successfully executed project. The project was closed on the 29th April 2003, but co-operation with the Spanish Partner has not ended, because the Hungarian and the Spanish Customs administrations concluded a framework agreement. As a result of the lessons learned from the project with the assistance of the Spanish Twinning Partner the Training Manual called “Customs in the European Union” was elaborated.

4. **Institutional Framework**

The Hungarian Customs and Finance Guard (HCFG) as Employer will manage the programme. Owner will be the Hungarian State with the Hungarian Customs and Finance Guard acting as Trustee for the property.

The HCFG Post-Control Directorate, the IT Department, Chemical Institute and Customs Directorate will be responsible for the implementation of the programme on the professional side and the HCFG Integration Office will be responsible the co-ordination and management.
5. Detailed Budget

<table>
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<th>National Co-financing</th>
<th>IFI</th>
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All the amounts in the table are indicated net of VAT. The Hungarian co-financing will be provided from the Central Government Budget. The project will be jointly co-financed between Transition Facility and Government resources. The Transition Facility amount is binding as a maximum amount available for the project. The ratio between the Transition Facility and national amount is also binding and has to be applied to the final contract price.

6. Implementation Arrangements

6.1 Implementing Agency

Implementing Agency for the programme will be the Central Finance and Contracts Unit (CFCU).

PAO: Mr. Gábor Rónaszéki, Director of CFCU
Address: Deák Ferenc u. 5. Telephone: (361) 327 3652
H-1052 Budapest Fax: (361) 327 3572
e-mail: cfcu@ahh.gov.hu

SPO: Mr. Lajos Rajczy, Director General for EU and International Affairs
Address: Delej u. 20 Telephone: (361) 303 8977
H-1089 Budapest Fax: (361) 303 8987
e-mail: lajos.rajczy@mail.vpop.hu

6.2 Twinning

The contracting authority and financial management of the twinning components will be the responsibility of the CFCU. The Beneficiary institution will be the HCFG. The HCFG Integration Office (supervised by Mr. Lajos Rajczy, Director General for EU and International Affairs and SPO of the programme) will ensure coordination among the professional departments of HCFG.
6.3 Non-standard aspects

National Public Procurement Rules and the Twinning Manual will be strictly followed.

6.4 Contracts

The supply contract will be of a value of 600,000 euro. The Twinning Covenant will be of a value of 500,000 euro, and the Twinning Light contract will be 150,000 euro. The total amount of the contracts will be 1,250 MEUR. Each contract is excluding VAT.

7. Implementation Schedule

<table>
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<tr>
<th>Component 1</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Project Completion</th>
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</table>

**Component 2**

| Reinforcement of the Chemical Institute of the HCFG – Supply | 09/2004 | 01/2005 | 03/2005 |

8. Sustainability

Relevant policies of the Hungarian Customs and Finance Guard ensure that the achievements will facilitate the efficient work complying with the European Union norms and standards after accession as well.

9. Assumptions

A laboratory strategy will be prepared by the Ministry of Agriculture and Rural Development with the assistance of the HCFG and all the other organisations concerned, by the middle of 2004.

10. Conditionality and sequencing

The pre-conditions of the project are the following:

- Hungarian co-financing shall be available for the supply of the equipment.
Component 1:

- The Hungarian Customs and Finance Guard and the Paying Agency shall conclude a co-operation agreement for the efficient execution of the tasks in the first quarter of 2004.

Component 2:

- A co-operation agreement between the Hungarian Customs and Finance Guard and the Ministry of Agriculture and Rural Development shall be elaborated.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. List of relevant Laws and Regulations
5. Indicative allocations table
6. Needs analysis in respect of laboratory devices and instruments
7. Additional information for the operation of the laboratory equipment
# Annex 1 - Log frame

## LOGFRAME PLANNING MATRIX FOR

### Project number: 2004/016-689.03.05

Strengthening the administrative capacity of the HCFG as regards post-inspections and laboratory examinations

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<td>Total budget : 1.250.000 Euro</td>
<td>TF budget : 1.100.000 Euro</td>
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## Overall objective

- The overall objective of the project is to improve the operational capacity of the Hungarian Customs and Finance Guard with the EU and a fully operational Chemical Institute by the system of fully harmonized controls and classification.

## Objectively verifiable indicators

- All structural requirements of the acquis achieved.
- HCFG customs operations are at least equal to comparable Member States.
- Government screening and reports
- Commission reports

## Sources of Verification

- Government screening and reports
- Commission reports

## Assumptions

- Tasks and responsibilities of the HCFG remain unchanged

## Project purpose

### Component 1 – Fight against Commercial Fraud

- Preparing the HCFG to carry out the new EAGGF related ex-post control tasks.
- Employing professional expertise of a Member State to enhance the effectiveness of the present post control tasks of the HCFG, and introducing special inspection methods.

### Component 2 – Reinforcement of the Chemical Institute of the HCFG

- Preparing the Chemical Institute of HCFG for the proper classification of goods

## Objectively verifiable indicators

- More effective and more frequent cooperation maintained between the customs laboratories, and between HCFG and OLAF
- Examination and classification of different products is in line with the relevant EU directive
- Commission reports
- Implementation Status Report

## Sources of Verification

- Commission reports
- Implementation Status Report

## Assumptions

- Tasks and responsibilities of the HCFG remain unchanged

## Results

### Component 1 – Fight against Commercial Fraud

- A control manual elaborated based on the recommendations of the EAGGF ex-post control packages. The manual would serve as a guideline for the controllers to implement post controls under 4045/89/ECC Council Regulation.

### Component 2 – Reinforcement of the Chemical Institute of the HCFG

- Capacity of the Chemical Institute is strengthened in order to examine exported/imported goods

## Objectively verifiable indicators

- Use of harmonised EU rules is smoothly done.
- Classification of goods is done according to EU rules.
- Faster and more effective examination of goods.
- The efficiency of post controls and special inspections is developed.
- Manuals prepared by the end of the Twinning and Twinning Light projects.
- Progress reports by the participating Departments and the Twinning partners
- Issued Final Acceptance for supplies
- Implementation Status Report
- Summary Monitoring Report

## Sources of Verification

- Progress reports by the participating Departments and the Twinning partners
- Issued Final Acceptance for supplies
- Implementation Status Report
- Summary Monitoring Report

## Assumptions

- High-quality co-ordination and co-operation between HCFG Departments ensured
- Funds for operation and maintenance of the equipment

## Activities

### Component 1 – Fight against Commercial Fraud

- Preparatory visits for each modules and sub-modules.
- Study visits and workshops for the relevant experts.
- Best practice in the MS.

### Component 2 – Reinforcement of the Chemical Institute of the HCFG

- Capacity of the Chemical Institute is strengthened in order to examine exported/imported goods

## Means

1 Twinning covenant

## Assumptions

- Staff in sufficient number and of the right qualification available for training
- Trained staff can be retained.
### Component 2 – Reinforcement of the Chemical Institute of the HCFG

**Twinning Light:**
- Preparatory visit for the kick-off the project.
- Best practice in the MS.
- Seminars for the staff of the Customs Laboratory and other experts.

**Supply:**
- Successful procurement of the tendered equipment.
- Successful execution of the training for the operation of the equipment.

<table>
<thead>
<tr>
<th>1 Twinning Light contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Supply contract</td>
</tr>
</tbody>
</table>

**Preconditions:**
- Hungarian co-financing is available for the supply of the equipment.

**Component 1:**
- The Hungarian Customs and Finance Guard and the Paying Agency shall conclude a co-operation agreement for the efficient execution of the tasks in the first quarter of 2004.

**Component 2:**
- A Cooperation Agreement will be conducted between the HCFG and Ministry of Agriculture and Rural Development.

- The staff trained for study visit.
- Equipment is installed by professional experts.
**Annex 2**

**Project Fiche No. XXXXXX**

**DETAILED IMPLEMENTATION TIME CHART**

<table>
<thead>
<tr>
<th>Components</th>
<th>2004</th>
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<tr>
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<td>Twinning light</td>
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<table>
<thead>
<tr>
<th>D</th>
<th>Design</th>
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<td>T</td>
<td>Tendering and Contracting</td>
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<tr>
<td>I</td>
<td>Implementation</td>
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</table>
CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

<table>
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<td>450.000</td>
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<td><strong>Twinning light</strong></td>
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Annex 4 - List of relevant Laws and Regulations

Component 1 – Fight against commercial fraud (twinning)

- Regulation No 136/66/EEC of the Council of 22 September 1966 on the establishment of a common organisation of the market in oils and fats
- Regulation (EEC) No 234/68 of the Council of 27 February 1968 on the establishment of a common organisation of the market in live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage
- Regulation (EEC) No 2358/71 of the Council of 26 October 1971 on the common organisation of the market in seeds
- Regulation (EEC) No 2759/75 of the Council of 29 October 1975 on the common organization of the market in pig meat
- Regulation (EEC) No 2771/75 of the Council of 29 October 1975 on the common organization of the market in eggs
- Regulation (EEC) No 2777/75 of the Council of 29 October 1975 on the common organization of the market in poultry meat
- Regulation (EEC) No 2783/75 of the Council of 29 October 1975 on the common system of trade for ovalbumin and lactalbumin
- Council Regulation (EC) No 3448/93 of 6 December 1993 laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products
- Council Regulation (EC) No 603/95 of 21 February 1995 on the common organization of the market in dried fodder
- COUNCIL REGULATION (EC) No 3072/95 of 22 December 1995 on the common organization of the market in rice
- Council Regulation (EC) No 2200/96 of 28 October 1996 on the common organization of the market in fruit and vegetables
- Council Regulation (EC) No 2201/96 of 28 October 1996 on the common organization of the markets in processed fruit and vegetable products
- Council Regulation (EC) No 1254/1999 of 17 May 1999 on the common organisation of the market in beef and veal
- Council Regulation (EC) No 1255/1999 of 17 May 1999 on the common organisation of the market in milk and milk products
- Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine
- Commission Regulation (EC) No 1520/2000 of 13 July 2000 laying down common detailed rules for the application of the system of granting export refunds on certain agricultural products exported in the form of goods not covered by Annex I to the Treaty, and the criteria for fixing the amount of such refunds
- Council Regulation (EC) No 2529/2001 of 19 December 2001 on the common organisation of the market in sheep meat and goat meat
- Council Regulation (EC) No 670/2003 of 8 April 2003 laying down specific measures concerning the market in ethyl alcohol of agricultural origin

**Component 2 – Reinforcement of the Chemical Institute of the HCFG**

The relevant laws and regulations are included in Annex 6.
Annex 5 – Indicative allocations table

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<th>(Million euro)</th>
<th>2004</th>
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<th>2006</th>
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Annex 6 - Needs analysis in respect of laboratory devices and instruments to be procured in the framework of the Transition Facility Programme

Introduction:

The Chemical Testing Institute of the Customs and Finance Guard is the property of the Hungarian state and is administered by the Ministry of Finance – HQs of the Customs and Finance Guard. No changes are foreseen in the owner structure according to the plans. On the basis of authorisation provided for by 1. § (2) of the Ministry of Finance Decree Nr. 10/1996. (III.25) on the detailed rules of the implementation of the customs act the Customs and Finance Guard Chemical Testing Institute was established by the National Commissioner by Regulation nr. 219/1998. (XII. 21.) HCFG as an independent mid-level organ.

The Institute is providing its service according to the rules prescribed by the customs act, the excise act and the taxation act. Observing all respective rules the Institute has compiled its mid-term development and instrument procurement plan up to year 2007. The commercial trade and sampling based on risk assessment determine majority of analysis. It can be concluded on the basis of the significant amount of samples deriving from an active commercial trade that there is a continuous need for the service of the Institute.

Primal “clientele” are various customs organs as well as associated supervisory bodies (e.g. Taxation Office, the Central Statistics Office). At the same time, a number of classification request arrive to the Institute from different ministries. Another major part of these requests is constituted by commissions of Hungarian-seat economic operators with or without legal entity as well as natural persons. Within this framework the Institute issues expert opinion as well as Binding Tariff and Binding Origin Information and relating to excise matters, Binding tariff Classification decision.

There is no laboratory in Hungary providing for the same or comparable task as the Institute. There are specific domestic labs specialised in analysing different products, but these activities are rather related to the fields of consumer protection, product compliance and circulation licensing. There are no other domestic labs prepared for looking after the classification tasks observing the Combined Nomenclature and all associated laboratory tests.

Since 1999 - the time the Institute was conceived – development of the instruments has been taking place in accordance with EU requirements. However, according to the legislation in force, all analysis activities can not be completed by the Institute with lab devices in use at the moment. Hungary is going to accede to the European Union in year 2004 and following that majority of Hungary’s borders will constitute the external borders of the Union. Goods cleared in Member States – in Hungary, inter alia, upon accession – can be circulated freely throughout the Union. Should there be any circumstances effecting goods classification or computing customs debt that can not be concluded due to the lack of appropriate lab instruments of the country executing the customs clearance - which is, in this case, Hungary -, it is most likely to become a well-known fact resulting in the presence of a high number of infringement-prone operators with customs clearance purposes.

When compiling the instruments list the Institute took into consideration the opinion of experts of the Twinning programme passed off successfully with the Spanish customs directorate. Also the report “Needs and powers regarding the operation of the Hungarian
customs laboratory” prepared by Mr. Miguel Párraga and the Manual on Customs Laboratories Twinning made available at the end of the programme was considered.

Besides the above, as from October 2003 we are members - as observers – of the Laboratory co-ordination working group of DG TAXUD/B/3 chaired by Mr. J. J. Belliardo. One of the most important goals of the group is the coordination of working methods of the labs of Member States (establishing a single net of laboratories), making analysis techniques uniform and supervising them. In the interest of achieving the targets above the database ILIADe (Intra Laboratory Inventory for Analytical Determinations) was established to which access is granted to the Institute. This database contains analysis methods applied to the determination of commodity groups and certain tariff numbers and sub-headings of the Combined Nomenclature, also methods advised as well as references to community legislation as the basis for these analysis’.

At the time of updating the list of instruments the Institute used this list.

Policy of the coordination working group can be realised only if laboratories of Member States - including Acceding States seeing full membership as of May 2004 – are prepared in technical terms for the running of a ‘net operation’ and the application of uniform analysis techniques.

Summing up my professional standpoint the further development of capacity and instruments of the Institute is indispensable so as to comply with the requirements of the Union.
Annex 6. Hungarian Customs and Finance Guard

I. List of instruments

1. Protein digestion system and electric grinder

Classification aspects of the Combined Nomenclature:

Indent E) of point 2 Complimentary notes before Commodity Group (Chapter) 2 the description of protein content;
Description of protein content in products under heading 04.04,
Description of protein content in products under heading 21.06;
Description of protein content according to complimentary notes before Chapter 23 points (2) and (5);
CN explanation 2303 10 11 CN sub-heading explanation the description of protein content;
CK explanation 2306 70 00 CN sub-heading explanation of description of protein content;
Description of protein content according to point (1) of complimentary notes before Chapter 35;
Description of protein content of products under heading 35.02;
Description of protein content according to explanation to CN sub-heading 3504 00 in the CN explanation.

Community legal reference:

Description of protein: CN 23. Chapter 2nd explanatory notes and complimentary notes, later amended by 93/98/ECC.
Determination of milk protein content in dairy products, reg. 4154 1987; note 4b) to chapt. 04 dir 1993 28 Annex;
Determination of protein content of cereals and cereal products, reg. 1766/92; reg. 1249/96; reg. 824/2000;
Determination of milk protein content in food products, reg. 1454 1987 4, dir 1993 28 Annex;

2. Gel-electroforesys system

Goods Classification aspects of the Combined Nomenclature:

Identification of meat in Chapter 2;
Identification of protein content of products in heading 0404;
Identification of meat products in Chapter 16;
Identification of protein content according to point (1) complimentary notes Chapter 35;
Identification of protein content of products under heading 35.02;
CN explanation to sub-heading 3504 00 00 identification of protein content.

**Community legislation reference:**

Commission Regulation 2429/86/EEC 31 July 1986 on the procedure on the determination of meat content of meat products and preserved meat products under heading 16.02. B III B) 1 included in Regulation 2184/86 (HL L 210/1986, 01. 08. 1986.).
Determination of meat content (except cut-offs and fat) in products and canned products containing beef: export subsidy nomenclature 5th division note (6).
Commission Regulation 26/89/EEC 26 January 1989 on procedure to determine meat content in products under heading 1602.49.11, 1602.49.13, 1602.49.15, 1602.49.19, 1602.49.30, 1602.49.50 (HL L 29/1989, 31. 01. 1989.)
Durum wheat semolinas and alimentary pasta: detection of common wheat by electro focusing, CN Subheadings of headings 1101, 1103 and 1902.
Commission Regulation 765/2002 (EC) 3 May 2002 on the collection of samples and the adoption of certain detailed rules in connection with physical checks on boneless beef cuts qualifying for export refunds.

3. **Total fat and fatty acid composition determining equipment**

**Goods classification aspects of the Combined Nomenclature:**

Determining milk fat content according to points (2) and (3) in the notes before Chapter 4;
Determining fat content in headings 0401-0406;
Determining milk fat content in margarine under sub-headings 15.17;
Identifying animal and vegetable fats in Chapter 15;
Determining cocoa butter content in products in Chapter 18;
Determining milk fat content in products under sub-headings 1901;
Determining milk fat content in products under sub-heading 1905 31 30;
Determining milk fat content in products under sub-heading 1905 90 30;
Determining milk fat content in products under sub-heading 21.05;
Determining milk fat content in products under sub-heading 21.06;
Determining milk fat content in drinks under sub-heading 22.02;
Determining milk fat composition under heading 38.23.

**Community legislation reference:**

Determining analytic parameters contained by Table 1 of Annex 1 of CN (subsidiary codes determining agricultural content)
The determination of milk protein was modified by 98/203/EC: Commission Decision.
Determination of milk protein: products identified in the sub-headings of 0403.10 and 0403.90, flavoured, enriched with sugar or cacao.
Determination of the fat content of butter, regulation (EC) No 213/2001
Determination of fat content of milk, regulation (EC) No 213/2001
Determination of fat content of dried milk, dried whey, dried buttermilk and dried butter serum, regulation (EC) No 213/2001
Determination of fat content of evaporated milk and sweetened condensed milk, regulation (EC) no 213/2001
Determination of fat content of cream, regulation (EC) no 213/2001
Determination of fat content of skimmed milk, whey and buttermilk, regulation (EC) No 213/2001
Determination of fat content of milk, milk products and milk-based foods (special cases), regulation (EC) No 213/2001
Determination of fat content of cheese and processed cheese products (reference method), regulation (EC) No 213/2001
Determination of milk fat by butyric acid methyl ester content, reg. 4154 1987, reg.203 1998
Determination of fat content in maize products and in feedings stuffs, CN subheadings 1102 2010, 1103 1310; EC Nomenclature Export Refunds, sector 3, dir.98 64 part. b
Determination of the fat content in meat and meat based products, regulation (CE) 2429/86 (OJ l 210/86), ISO 1443 1973
Determination of fat content in chocolate, reg. 4154 1987, reg. 203 1998
Determination of the fat content of food preparations, add. Notes 1, 2 chapt. 19, din 10 342, May 1987
Determination of the fat content in food preparations, a.n. 1 and 2 to chapt.19, dir. 98 64 part.b
Determination of fat content in maize products and in feeding-stuffs, a.n. 2 and 5 of chapt 23, dir. 98 64 part. b

3. Fat extraction system (Soxhlet)

Goods Classification aspects of the Combined Nomenclature:

Determination of fat content in heading 04.01-04.06
Determination of fat content in products under heading 11.02-11.03
Determination of fat content according to the (2) complementary notes Chapter 12
Determination of fat content in products under heading 16.02
Determination of fat content according to the (3) complementary notes Chapter 19
Determination of fat content in products under sub-heading 19.05
Determination of fat content in products under sub-heading 21.06
Determination of fat content according to the (2), (5) complementary notes Chapter 23
Determination of fat content in products under heading 23.04-23.06

Community legislation reference:
Determination of fat content in maize products and in feedings stuffs, n.c. subheadings 1102 2010, 1103 1310; EC Nomenclature export refunds, sector 3, dir.98 64 part. b
Determination of the fat content in meat and meat based products, regulation (CE) 2429/86 (OJ 1210/86), ISO 1443 1973
Determination of fat content in chocolate, reg. 4154 1987, reg. 203 1998
Determination of the fat content of food preparations, add. Notes 1, 2 chapt. 19, dir 10 342, May 1987
Determination of the fat content in food preparations, a.n. 1 and 2 to chapt.19, dir. 98 64 part.b
Determination of the fat content of food preparations, add. Note 3 chapt. 21; headings 2105, 2106, din 10 342, May 1987
Determination of fat content in maize products and in feeding-stuffs, a.n. 2 and 5 of chapt 23, dir. 98 64 part.b

4. Preparative column chromatography system

Goods Classification aspects of the Combined Nomenclature:

Sample preparation before the identification of animal and vegetal fats in Chapter 15
Sample preparation before the identification of fat contents in products under the heading 16.02
Sample preparation before determination of cacao butter content in products in Chapter 18
Sample preparation before determination of sugar content under the heading 18.06
Sample preparation before determination cacao butter content according to the HN Customs Tariff Explanation second section in Chapter 19
Sample preparation before determination of fecula and sugar content in products under the heading 19.01
Sample preparation before determination of fecula and sugar content in products under the heading 19.05
Sample preparation before determination of fecula and sugar content in products under the heading 21.06
Sample preparation before determination of milk fat content in drinks under the heading 22.02
Determination of carbon-hydrogen content of mineral oil products in Chapter 27
Sample preparation before examination of medicals in Chapter 30
Determination of carbon-hydrogen content in lubricant materials under the heading 38.23
Determination of carbon-hydrogen content of mineral oil products under the heading 3824

Community legislation reference:

Determination of meat and fat content of several pig meat products and conserves: export promotion nomenclature (9) note 6. branch.
Determining analytic parameters contained by Table 1 of Annex 1 of CN (subsidiary codes determining agricultural content)
The method of determining milk fat was modified by the 98/203/EC: Commission Decision

Determination of fat content of cheese and processed cheese products (reference method), regulation (EC) no 213/2001, din 10 313, November 1981

Determination of the fat content in meat and meat based products, regulation (CE) 2429/86 (OJ L 210/86), ISO 1443 1973

Determination of fat content in chocolate, reg. 4154 1987, reg. 203 1998

Determination of the fat content of food preparations, add. Notes 1, 2 chapt. 19, dir 10 342, May 1987

Determination of the fat content in food preparations, a.n. 1 and 2 to chapt.19, dir. 98 64 part.b

Determination of the fat content of food preparations, add. Note 3 chapt. 21; headings 2105, 2106, din 10 342, May 1987

Determination of the fat content of butter, regulation (EC) No 213/2001

Determination of fat content of milk, regulation (EC) No 213/2001

Determination of fat content in maize products and in feeding-stuffs, a.n. 2 and 5 of chapt 23, dir. 98 64 part.b

Determination of sugars by HPLC, reg. 4154 1987 2

Determination of starch and its degradation products (HPLC method), reg. 4056/87 ; 4154/87

Determination of cocoa content in chocolate by theobromine and caffeine content, note 3 chapt. 19; expl. Notes (CN.) chapt. 19

Determination of sugars in chocolate, reg. 4154 1987 2

Determination of glycyrrhizic acid in aniseed flavoured spirit drinks by HPLC, reg. 2091 2002 Annex VI

Determination of Solvent yellow 124 in mineral oil by HPLC,

Determination of 4-hydroxy benzoic acid in cosmetics by HPLC, dir. 1995 32 Annex II

Determination of benzoic acid in cosmetics by HPLC, dir. 1995 32 Annex II

Determination of salicylic acid in cosmetics by HPLC, dir. 1995 32 Annex II

Determination of chlorhexidine and salts thereof by HPLC, dir. 1993 73 Annex

Determination by HPLC of 2-phenoxy ethanol, phenoxy propan-2-ol , methyl-, ethyl-, propyl-, butyl- and benzyl-4-hydroxy-benzoate, dir. 1996 45 Annex I

5. Stereo microscope with digital camera connectable to PC, with image analyser software

Goods Classification aspects of the Combined Nomenclature:

Determination of the meat/fat proportion of meats in Chapter 2

Determination of width/height proportion of rice in Chapter 10

Identification of different fecula grains from cereals in Chapter 11

Circumscribing of spice mixtures in Chapter 9 and 21

Circumscribing of plastic/rubber products in Chapter 39-40

Identification of textile threads in Chapter 50-55

Community legislation reference:

Flours and cereal milled products: species identification by microscopic examination, headings and subheadings of chapt.11,
Fibre furnish analysis, notes 5 and 6 and subheading notes 1,2 to chapter 48, ISO 9184/1-4
Furthermore fat ratio determination for meat products

6. GC-MC (with quadrupol detector, with direct MS measuring opportunity for the analyses of non gas chromatography samples)

Goods Classification aspects of the Combined Nomenclature:

Mass spectrometry of samples, which cannot be measure with GC, for example large molecules, thermosensitive materials, insecticides, essential oils (Chapter 29, 33, 38, 39)
Analysis of aromatic components in gasoline in Chapter 27, determination of aromatic content of reformed fuels
Determination of polycycle aromatic carbon-hydrogens in mineral oil products
Determination of PCBs (polyclored bifenil compounds) for example: in transformer oil consumables – analysis of 2-alkilyclobutanon in radiation treated food
determination of unsaturated fatty acids in animal fodder under Chapter 23.
Examination of Pharmaceutical preparations under the concerned Chapter

Applications, standards:

Analysis of aromatics in gasoline by ASTM Method D5769
Determination of polycyclic aromatic hydrocarbons (PAH) content. Gas chromatographic-mass spectrometric method MSZ 21470-84:2002
Determination of polichlorinated biphenyl marker components by gas chromatographic-mass spectrometric method MSZ 21470-98:2002
Foodstuffs - Detection of irradiated food containing fat - Gas chromatographic/mass spectrometric analysis of 2-alkylyclobutanone MSZ EN 1785:2000

Identification of Essential Oils
GC/MS Analysis for unsaturated fat content in animal feed
Reformulated fuel analysis by GC/MS: Total aromatic hydrocarbons
GC/MS Analysis for PCB-s in transformer oil
GC/MS Analysis for identification of a fungicide

7. High performance liquid chromatography (HPLC)

Aspects of classification of goods in Combined Nomenclature:

Determination of sugar content in the wording of subheading 04.01-04.06
Identification of products under Chapter 17.
Determination of sugar content defined in the wording of subheading 18.06
Determination of cocoa content defined 2nd subparagraph of General Provisions of Harmonized System Customs tariff Explanation on Chapter 19.
Determination of sugar content in the wording of customs subheading 19.01
Determination of sugar content in the wording of customs subheading 19.05.
Determination of sugar content in the wording of customs subheading 21.06
Determination of alcohol content of non-destillable alcohols in Chapter 22
Determination of sugar content in the wording of customs subheading 23.09
Determination of alcoholic, organic acid, denaturants and chemically consistent sugar content of products classified to other chapters
Point 1-4. of Additional Notes concerning Chapter 15.
Analysis of Pharmaceutical preparations in Chapter 30.

References in Community Law:
Detection of rennet whey in skimmed-milk powder for public storage by determination of glycomacropeptides high-performance liquid chromatography (HPLC), regulation (EC) no 213/2001,
Determination of sugars by HPLC, reg. 4154 1987 2
Determination of sugars in dairy products with a sugar content > 5%, reg.4154 1987 2
Determination of starch and its degradation products (HPLC method), reg. 4056/87 ; 4154/87
Determination of cocoa content in chocolate by theobromine and caffeine content, note 3 chapt. 19; expl. Notes (CN.) chapt. 19
Determination of sugars in chocolate, reg. 4154 1987 2
Determination of glycyrrhizic acid in aniseed flavored spirit drinks by HPLC, reg. 2091 2002 Annex VI
Determination of chalcones in aniseed flavored drinks by HPLC, reg. 2091 2002 Annex VII
Determination of sucrose in wines and similar products (HPLC), reg.2676 1990 Annex 6 b
Determination of Solvent yellow 124 in mineral oil by HPLC,
Determination of 4-hydroxy benzoic acid in cosmetics by HPLC, dir. 1995 32 Annex II
Determination of benzoic acid in cosmetics by HPLC, dir. 1995 32 Annex II
Determination of salicylic acid in cosmetics by HPLC, dir. 1995 32 Annex II
Determination of chlorhexidine and salts thereof by HPLC, dir. 1993 73 Annex
Determination by HPLC of 2-phenoxy ethanol, phenoxy propan-2-ol, methyl-, ethyl-, propyl-, butyl- and benzyl-4-hydroxy-benzoate, dir. 1996 45 Annex I

8. NIR, Near Infrared spectrocope

Aspects of classification of goods in Combined Nomenclature:

Chapetr 15. containing
Determination of sugar content defined in wording of subheading 04.01-04.06
Determination of sugar content defined in wording of subheading 18.06
Determination of sugar and starch content defined in wording of subheading 19.01
Determination of sugar and starch content defined in wording of subheading 19.05
Determination of sugar and starch content defined in wording of subheading 21.06
Determination of fat content defined in wording of subheading 04.01-04.06
Determination of fat content defined in wording of subheading 11.02-11.03
Determination of fat content defined in the (2) subparagraph of the Notes of Chapter 12
Determination of fat content defined in wording of subheading 16.02
Determination of fat content defined in the (3) subparagraph of the Notes of Chapter 19.
Determination of fat content defined in wording of subheading 19.05
Determination of fat content defined in wording of subheading 21.06
Determination of fat content defined in the (2) and (5) subparagraphs of the Notes of Chapter 23.
Determination of fat content defined in wording of subheadings 23.04 –23.06
Determination of organic and non-organic substances in alcoholic circumstances.
References in Community Law:

Commission Regulation (EEC) No 1748/85 of 25 June 1985 on the procedure for determining the fat content of maize flour falling within subheading 11.01 E and maize groats and meal falling within subheading 11.02 A V of the Common Customs Tariff
Identification of food products, chapt. 04.
Determination of ash content in cereals, note 2. chapt.11.
Determination of sugar content in sugar products, add. notes 5., 6. chapt.17.
Determination of milk fat, starch, sugar content in food products chapt.19., 21., 23.
Determination of fat, starch, protein content in cereals, add. note 5. chapt. 23.
HS subheadings of headings 23.06

9. MID-IR sample preparators and improvement of screening techniques: diamond cells, ATR sampling accessory, through-flow cell, autosampler, microtome

Aspects of classification of goods in Combined Nomenclature:

Complex mixtures, determination product contents: liquids, powder, pastes, plastic and elastic products (27., 28., 29., 30., 33., 34., 38., 39., 40., 64. Chapters)

References in Community Law:


10. Differential thermoanalyser

Aspects of classification of goods in Combined Nomenclature:

Cements, mastics, metal- and nonmetal oxid, carbonates, products of silicate industry (25., 28., 32. 38.,70.,72.–82. Chapters)
Distinction of mineral products in heading 2508: bentonite, fireproof materials, andaluzite, kianite, silimanite, mullite, samotte, feldspar, kriolite.

Applications, standards:

Determination of moisture, volatile, and ash contents
Analysis of coal and lignite, coatings, pigments,
Analysis of fibers of plant origin (cellulose, cotton, flax, hemp) and regenerated cellulose
Analysis of pharmaceuticals, amino acids and proteins
Analysis of adhesives
Analysis of carbohydrates and hydrocarbons
Determination of characteristics of starch (cooking, brewing, textural and digestive properties)
Determination of cocoa butter and other vegetable fat in chocolate

11. Ultraclean water extracting equipment

Aspects of classification of goods in Combined Nomenclature:

ICP, AAS, G-AAS, HPLC equipments and the elektroforesis systems require ultraclean, non-native ions free water.

References in Community Law:

Determination of cadmium in wines, reg. 2676 1990 Annex 32
Determination of sodium in wines by atomic absorption, R2676/90/EC
Determination of potassium in wines by atomic absorption spectrometry, R2676/90/EC
Determination of magnesium in wines by atomic absorption spectrometry, R2676/90/EC
Determination of calcium in wines by atomic absorption spectrometry, R2676/90/EC
Determination of iron in wines by atomic absorption spectrometry, R2676/90/EC
Determination of copper in wines by atomic absorption spectrometry, 2676/90
Determination of silver in wines by atomic absorption spectrometry, R2676/90
Determination of zinc in wines by atomic absorption spectrometry, R2676/90
Determination for lead in gasoline by atomic adsorption spectroscopy, CN Heading 2710, ASTM D 3237 EN 237

12. Microscopic melting point equipment

Aspects of classification of goods in Combined Nomenclature:

Determination of melting point (15., 16., 28., 29., 35., 38. Chapters)
II. ACTUAL CAPACITY

Protein digestion system and electric grinder

Protein digestion is the sample preparation procedure of protein content determination. The actual protein digestion system of the Institute consists of a 6-place digestion unit, which can analyze 2 samples per day assuming 3 parallel examinations. The duration of a digestion is 4 hours, but the heating of the equipment also takes 1-1.5 hours, so only 1 digestion procedure can be executed during the a working hours. Because of large number of samples to be analyzed the examinations are time-consuming. On the other hand determination of protein content could be executed even on 10 samples per day. To improve the effectiveness it would be necessary to increase the number of digesting places.

The first phase of definition of protein and fat content of meats is the homogenization of samples. Raw meat is mostly transported in board boxes, which weights 20 kg. In case of an analysis whole board boxes are examined. To protect the representative nature of samples before starting the examinations the whole sample should be homogenized. To be able to homogenize 20 kg samples a high performance industrial grinder is needed. The Institute does not own a grinder of such capacity. Purchasing that equipment is essential condition of precise and effective analysis.

Gel-electrophorezis system

Proteins act great part of food chemistry both as biological value and functional characteristics. The analysis technology is based on electrochemical characteristics of different proteins and eligible to separate, identify and define of the amount of proteins in foodstuff, and also the analysis of simple or more difficult compositions, sometimes containing rare amino acids. The determination of the amount of proteins in foodstuff, food industrial half products, raw materials and auxiliary products is quite important. With the instrument the type of meats applied in the foodstuffs can be inspected, and the meat of the indicated animal was applied. During the classification under the provisions of the Customs Tariff it is an essential need to identify and determine the quantity of the proteins of certain products. The Institute does not possess this equipment at the moment, so the exact classification of the products can be determine conditionally on the basis of the client’s declaration. At present the Chemical Analysis Institute is not possessed of such equipment, therefore in most cases the tariff code could only be given conditionally according to the declaration of the client.

Fat extraction system (Soxhlet)

The extracting methods are the most frequent methods to determine the quantity of fats, where lipids are extracted besides other materials with the use of the distribution balance. The determination of the fat content happens with extraction of the fat content of the sample with dissolver. The present fat extracting system has got 6-places unit, and expecting 3-3 parallel analyses, at once the analysis of 2 samples can be possible per day. The fat extraction lasts 6 hours therefore one fat extraction can be executed in the daily working time. The processing of the samples is difficult because of the huge number of the samples being analysed. The determination of the fat content could be speeded up only with the purchase of such equipment.
Total fat and fatty acid composition determining equipment

The determination of the total fat and fatty acid composition in the consumables is vital question. The determination of the fat content usually happens with different gas-chromatography techniques. The base of the analysis is that besides the milk fat no other fats are composed of tetra-carbon fatty acid (butyric acid). The gas-chromatography detection of the fatty acid happens in the forms of methyl-esters, so the fats should be subject to a special sample-preparation procedure before the analysis. Because of the balance reactions happening in the course of the proceeding of the sample the reproduction of the manual preparation is not satisfactory, therefore the determination cannot be executed safely with the present technique. The total fat and fatty acid composition determining equipment was developed to eliminate such problems and to process the serial samples effectively, which executes the analysis automatically from one analysis. With the assistance of the auto sampler the effectiveness of the work and the number of the analysis carried out per day increase.

Preparative chromatography system

The preparatory chromatography is a standard laboratory separation method – taking into consideration of the complexity of the samples arriving to the Institute – which is essential condition of the further analysis. At present the institute is not in possess of such equipment, which could facilitate this labour- and time-intensive work or could enlarge the scale of the applications. The manual separation at least means 4-hour work for a technician in the present circumstances. The reproduction and applicability of the method is extremely limited, because its effectiveness cannot be controlled. The above clearly indicates the purchase of such equipment, which on the one hand could displace the manual work and the duration of the separation could be reduced and its effectiveness could be increased, on the other hand it could make it possible to change the essential parameters of the procedure, ensuring the analytical flexibility convenient to the “black box” nature of the samples. A convenient, modular preparative chromatography system could enable the partly automatized, rigid-phase extraction speeded-up with overpressure and followed by an UV-detector, and a separation agent developed to different application fields can be connected to it, meeting the requirements determined above.

Stereo-microscope connectible to PC with digital picture-recorder and picture analysing software

The microscopic granules and particles non-visible to naked eye can be made visible by microscope. In the course of the classification into the Commercial Customs Tariff the determination of the ratio of the components. (e.g.: meat-fat, plastic-textile, plastic-hides and skins, etc. ratio), the determination of starch granule in certain product and the determination of the length and width ratio of rice. With the present microscopic technique the percentage ratio of the components cannot be determined and it takes a lot of time to analyse the rice and the determination executed manually is not accurate. (the determination of the length and width of min. 100 pieces of rice) In the course of the seminar organised in the framework of the Twinning programme, the study visit to the Spanish Customs Laboratory also emphasized and proved the requisiteness of the stereomicroscope connectible to PC with digital picture-recorder. With this complex system the ratio of the components of the different samples can be determined and the determination of the length and width of rice can be done accurately. Digital camera and picture-analysing software cannot be connected to the microscope being at the
Annex 6. Hungarian Customs and Finance Guard

institute’s disposal purchased in the 80’s and it is suitable for analysis of fibre and textile only. It is essential for the classification into the Commercial Customs Tariff and for the establishment of the correct expertise to identify the components of certain products and to determine the amount of them. It results from the afore-mentioned things that the purchase of the equipment is essential.

**GC-MS (with quadropole detector, direct MS for samples cannot be analysed by gas-chromatograph)**

Mass spectrometry is an effective composition analysing and analytical method, based on the determination of the ionisation of the molecules and the relative mass of the generated ions and its high sensitivity [qualitative demonstrability limit: $10^{-12}$-$10^{-16}$ g, quantitative demonstrability limit: $10^{-10}$-$10^{-14}$ g], wide mass range [1-$10^6$ relative mass unit], the speciality and reproduction of the measured values, small sample need [$\mu$g, pg], and the combination of separation-techniques [gas chromatography-mass spectrometry /GC-MS/] prove its significance and need.

The mass spectrometry is suitable for analysis of material in any condition. The different ionisation methods [electron ionisation, chemical ionisation, fast collision, laser ionisation, electro vaporization ionisation] make the high sensitive analysis of the materials with different composition possible.

The combination of the gas chromatography (GC) separation and the mass spectrometry (MS) support an analytical method providing total qualitative and quantitative information. Due to this method the components separated by the gas chromatography and taken into the mass spectrometry can be determined definitely. The GC-MS relationship is considered lucky, because the mass spectrometry acts as a sensitive detector and in the most case small amount can be detected than the amounts detected in the case of the gas chromatography detectors. This detector is more universal and specific as well.

The Institute is not possessed of a GC-MS (with ion-trap analyser) system; its capacity is fully used. But it is important to lay down, that the ion-trap and the quadropole mass spectrometry detectors – although both of them has the same the abbreviation, MS - are basically different in their structure, function, sensitivity, applicability. These differences prove the necessity of these equipments in a laboratory.

The procurement of a quadrupole GC-MS with alternative direct sample input option is not only reasonable because of the full exploitage of the other equipment, but many other professional reasons. One of them is a significant reason, which is well-known by the literature, that the instruments with ion-trap in selective ion working method are far more sensitive ones, than the instruments with quadrupole detectors, so their performance is higher in case of certain, aimed components. In spite of this the appliance of quadrupole mass spectrometers can result larger sensitivity because of their structure, in case of we analyze the whole spectrum, thus they can be used more efficiently for the identification of unknown components of a mixture. On the other hand the procurement of an instrument having direct sample input option is reasonable because of the examination of such samples, which disintegrate during the gas chromatography separation due to their thermo-sensitivity or their chemical structure, but they can be analyzed with the direct mass spectrometry method. The instrument operating in the Institute does not have this function, but regarding to the
analytical needs of samples must be examined (large molecules, thermo-putrescent materials, for example insecticides, medicals, fungicides, components of essential oils, certain plastics) it is justified the procurement of such instrument. As it was emphasized by Mr. J. J. Belliardo at the 2. European Customs Chemical Conference, the market surveillance and product safety are handled as accentuated tasks by the European Council, and referring to the Council Regulation 1383/2003 an exposed role would be provided for the Customs Laboratories. Medicals, liquors, cosmetics are among those products, which are most exposed products for counterfeit, in the examinations of which the GC-MS instrument with direct sample input option is a very important instrument.

**High performance liquid chromatography (HPLC)**

High performance liquid chromatography is such examination method, which supports the dissociation of materials, quantitative and quality analysis, which cannot be analysed by gas chromatography method. These kind of materials are the vitamins, medicals, thermoputrescent materials, such as coffein, teobromin, teofillin, (the components of the coffee, cacao, and tea), sugars. The HPLC is the only instrumental analyses method providing opportunity for detecting and measuring the above-mentioned materials in complex mixtures. The Institute owns two HPLC instruments, which are maximal employed. One of the instruments is being used for determination of denaturants, vitamins and other components; the other one is for the determination of the sugar content. With respect for both instruments and full labour-time at the moment it is possible the examination of only 100 samples, but the examination needs (denaturant alcohols, liquors, sugars and cane-juices, products containing cacao and coffee, anti-freeze liquids) could be a multiple number. The increased number of samples and the development of new methods – which will be priorities at the time of the Accession – can be provided only with the reinforcement of the examination capacity, and supply new equipment. With the absence of these equipment it can be stated with certain presumption, that the Institute won’t be able to keep the required deadlines, and won’t be able to meet the requirements, which will be obligatory for a laboratory of a Member State. The above-mentioned EC Directive No. 1383/2003 coming into force in July 2004 a prior role will be provided for the customs laboratories. In the examination of products, which subjects of counterfeit, like medicals, alcoholic drinks, cosmetics, an accentuated role is provided for the HPLC method.

**NIR – Near-Infrared Spectroscope**

Various mixtures composing foods can display a unique absorptive spectrum in the near-infrared range. This fact granted an opportunity for determines each component with this technology. It is possible within one measurement applying the Near-Infrared Spectroscope the determination of various numbers of the components. The advantages of the measurement are, that it needs short time to answer, it has great sensitiveness, it is very fast (it is possible to get data at 300-700 essential wave-lengths per 1/10 second), it is suitable for processing enormous amount of data, it does not require expensive preparation of the samples, it has no additional chemical needs, and its environmental pollution is minimal. It is suitable for the determination of the protein, fat content, and the degree of humidity of cereals and oily grains. If a calibrating query is prepared with known samples, it will be possible to determine samples with unknown contents. The Institute has no such instrument, and it cannot be replaced by another. In the international practice it is a wide-spread applied, fast and exact method.
MID-IR sample preparators, increasing the recording methods: diamond cell, ATR sampling accessory, through-flow cell, autosampler, and microtome

The Institute has two FT-IR instruments at the moment, one of these were supplied in 1993, the other is only two years old. With the FT-IR instruments the contents of the examined samples can be determined. The samples regarding to their consistence, their appearance are various. The viscosity of the liquid samples – their liquid characteristics – can be significantly differ from each other, one of them can be easily pour into a cuvette, the other possibly not (flows like honey). In case of rigid samples it is a serious matter, what kind of sample do we examine: powder, paste, crystal or amorphous material, soft or hard, tough, plastic or elastic sample. These characteristics queued above all influence the results of the examination. These material characteristics must be noticed during the preparation of the samples, and the relevant sample-preparator methods must be applied. When the FT-IR instruments were supplied, regarding to the financial resources, only the most basic sample-preparators can be procured for the Institute. Such kind of sample-preparation is the so-called pastille method, when a small part of the rigid sample homogenized with a material, which is transparent in IR light and they are compressed into a pastille. But the most of the rigid materials cannot be assimilated in such way. The tough, high-tensile, or elastic, rubber-like materials typically cannot be pastillized, the more efficient sample-preparation method for this kind of materials is the diamond-cell method.

The so-called ATR-sampling accessory – reduced total reflexive recording technology – is a plastic – otherwise, it cannot be pastillized – typical and effective sample preparing and recording technology of samples.

At the placing of samples into the instrument the sample room must be necessarily opened. The sample room is scavenged with dry air decontaminated from steam and carbon-dioxide, while the vapour and carbon-dioxide content of the ordinary air disturb the examinations. At every occasion the sample room be opened the air of it is exchanging, therefore after placing the samples in it, we must wait for scavenge to be in examination state again. In the case of the autosampler and the liquid samples applying through-flow cells the sterile air of the sample room can be kept – there is no need to open the sample room at every change – so the work can be more efficient.

The microtome is a carving instrument, with which cross-sectional preparation of laminated multilayer foils, sheets can be prepared. The infrared microscope connected to the FT-IR instrument provides a very effective examination option to this kind of samples, but the precondition of the examination is the disposability of adequately thin – a few micrometers thick – slices.

Summarized the above mentioned facts, the queued sample preparators can complete the disposal FT-IR equipment technology, therefore the specifications of the instrument can be more exploitable, it would provide a more efficient work.

Differential thermoanalyser
The thermoanalysers such instruments, with the assistance of which the changes of materials in weight, phase and condition can be traceable with heat effect. With this method the differential thermoanalyser is suitable for the examination of materials, at which the above data have informative contents: cements, minerals, carbons, plastics, catalyzers, amino-acids, proteins and fats. At the moment the examination of cements and other minerals are implemented by WD-XRF on the basis of the elementary content. This measurement is matrix- and geometry-sensitive, thus after adequate calibration can we get a dependable result, which is time- and labour-intensive. Moreover, the contents of the minerals can be found in nature at the different sites can differ; therefore the results of the XRF method can be misled. The authentic determination of minerals can be carried out on the basis of their different crystal structure. The literature keep count of the thermoanalysis as the only authentic method for examination and identification of different cement types, which is not possessed by the Institute. Regarding to the above-mentioned products additional analytical information can be provided in the case of many samples, which cannot be represented now. Moreover, the method would grant significant assistance in cases, where from previously examined materials must be sampled again. In the case of verifying and comparing examination of such materials the differential thermoanalysis cold mean a relatively cheap method.

**Ultraclean water producing instrument**

The adaptation field of the ICP and graphite furnace atomic adsorption instruments working in the Institute is the determination of elemental content, exclusively the detection and quantitative determination of microelements and contaminative elements. These examinations are essential ones in the field of such products, like steels and metal alloys, several foodstuffs (especially liquors), mineral oil products (for example determination of lead content in case of fuels), artificial fertilizers. After the Accession these tasks could be more various by the accentuated role of analyzing heavy metals endangering health in the case of straining out counterfeit products, controls of food-safety and the tasks devolving upon the Laboratories in protection of the environment. At the moment the ICP and graphite furnace atomic adsorption instruments can use only with bidistilled water. Between such circumstances the measurement is strongly disturbed by the ions remaining in the water even after distillation, so for the relevant operation of both equipment ultraclean water must be provided in pursuance of the regulations.

**Microscopic melting point instrument**

The measure of the melting point is a quick and cheap technology, which informs us whether the sample is chemically organic or it does contain mineral water. For the exact measure it is needed, that the progress of the melting can be traceable. The current instrument can be used for fast routine measurements, but it doesn’t contain microscopic unit, so it is not suitable for carrying out complex analytical tasks. The microscopic unit give opportunity for example to identify several materials on the basis of their crystal structure and melting point. Such instrument would be suitable for determining the melting point of fats, which is a fast and cheap characteristic in case of controlling and comparing examinations (for example in case of re-sampling products with same names.)
III. Measuring capacity (regarding to the needed instruments and devices)

- Protein digestion system and electric grinder – the Institute plans to carry out 1200 examinations per year
- Gel-electrophorezis system - the Institute plans to carry out 1500 examinations per year
- Fat extraction system - the Institute plans to carry out 2100 examinations per year
- Total fat and fatty acid composition determining system - the Institute plans to carry out 1800 examinations per year
- Preparative column chromatography system - the Institute plans to carry out 500 examinations per year
- Stereo-microscope with digital camera connectable to PC, and with image analyzer software - the Institute plans to carry out 1000 examinations per year
- GC-MC (with quadrupol detector, with direct MS measuring opportunity for the analyses of non gas chromatography samples) - the Institute plans to carry out 1000 examinations per year
- High performance liquid chromatography - the Institute plans to carry out 1000 examinations per year
- NIR Near-infrared spectroscope - the Institute plans to carry out 1000 examinations per year
- MID-IR sample preparators, increasing the recording methods: diamond cell, ATRsampling accessory, through-flow cell, autosampler, microtome - MID-IR sample preparators, increasing the recording methods: diamond cell, ATRsampling accessory, through-flow cell, autosampler, microtome- the Institute plans to carry out 1000 examinations per year
- Differential thermoanalyzer - the Institute plans to carry out 1000 examinations per year
- Ultraclean water producing instrument - the Institute plans to carry out 3000 examinations per year (for ICP, AAS and HPLC examinations)
- Microscopic melting point equipment - the Institute plans to carry out 1000 examinations per year
IV. Expected prices

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Price (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protein digestion system and electric grinder</td>
<td>5.300</td>
</tr>
<tr>
<td>Gel-electrophoresis system</td>
<td>10.500</td>
</tr>
<tr>
<td>Fat extraction system (Soxhlet)</td>
<td>42.000</td>
</tr>
<tr>
<td>Total fat and fatty acid composition determining system</td>
<td>49.000</td>
</tr>
<tr>
<td>Preparative column chromatography system</td>
<td>20.000</td>
</tr>
<tr>
<td>Stereo-microscope with digital camera connectable to PC, and with image analyzer software</td>
<td>21.000</td>
</tr>
<tr>
<td>GC-MC (with quadrupol detector, with direct MS measuring opportunity for the analyses of non gas chromatography samples)</td>
<td>273.000</td>
</tr>
<tr>
<td>High performance liquid chromatography (HPLC)</td>
<td>70.000</td>
</tr>
<tr>
<td>NIR, Near-infrared spectrocope</td>
<td>30.000</td>
</tr>
<tr>
<td>MID-IR sample preparators, increasing the recording methods: diamond cell, ATR sampling accessory, through-flow cell, autosampler, microtome</td>
<td>25.000</td>
</tr>
<tr>
<td>Differential thermoanalyzer</td>
<td>35.000</td>
</tr>
<tr>
<td>Ultraclean water producing instrument</td>
<td>5.200</td>
</tr>
<tr>
<td>Microscopic melting point equipment</td>
<td>14.000</td>
</tr>
</tbody>
</table>
Annex 7. - Additional information for the operation of the laboratory equipment

I. The number of examinations mentioned in Article III of Annex 6 referring to the required instruments and equipment and covered the - estimated by the Chemical Institute - number of samples to be examined. In case of some instruments (ex. fat content determination system (Soxhlet) or protein determination system) the current capacity is included as well for they should be replaced because of the amortization. Generally, 2-3 parallel examinations are performed on each instrument with the samples. Examinations for the supervision are performed daily or weekly depending on the type of the instrument. Calibrations take place when implementing new methods of examinations and are used monthly or quarterly for controlling the methods in practice. The number of examinations mentioned in Article III of Annex 6 come from the extra tasks of accession on one hand and from the statistics of the last three years on the other. In case of some instruments the increasing tendency of the number of samples can be demonstrated with the following stream of data:

<table>
<thead>
<tr>
<th>Examination</th>
<th>Number of samples / year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
</tr>
<tr>
<td>Protein determination</td>
<td>283</td>
</tr>
<tr>
<td>Gel-electrophoresis</td>
<td>211</td>
</tr>
<tr>
<td>Fat content determination</td>
<td>468</td>
</tr>
<tr>
<td>Total fat and fatty acid composition determination</td>
<td>436</td>
</tr>
</tbody>
</table>

Further numbers of samples calculated for year 2003 are the following ones (per examination techniques or instruments):
- Preparative column chromatography: 400
- Microscopic melting point measuring: 750
- GC-MS: 1500
- HPLC: 1100
- NIR: 850
- MID-IR sample preparatory: 800
- Differential thermo analyser: 700
- Ultra clean water producing instrument: 2500
- Stereomicroscope with image analyser: 700

II. As far as our knowledge goes, the general practice of the European Union is to accept the documentation provided by the client. This information was confirmed by the Spanish delegation visiting the Chemical Institute in the framework of a twinning project in 2002.

III. As a general practice, the Chemical Institute of the Hungarian Customs and Finance Guard does not contract any external laboratories to carry out any examinations. This practice has both data protection and financial reasons. In case if unavoidable external examinations are necessary, the Institution tries to keep the number of external contracts to the minimum. Alternative solution can be the cooperation with similar institutions. In the framework of this collaboration, the problematic samples are examined by both institutions or the examinations are carried out together. An example of this has been the years long
cooperation of the Chemical Institute with the Mineral Oil Quality Control Institute. The number of such examinations has been insignificant.

IV. Some of instruments required in the project are currently available at the Chemical Institute. In these cases the purpose of the project has been the increase of the capacity of this equipment:

• GC-MS (with quadrupole detector, with direct MS measuring opportunity for the analyses of non gas chromatography samples) (Note: the similar instrument being in use in the Institute significantly differs from the required one both in configuration and fields of application.)
• HPLC High performance liquid chromatography (because of the wide range of types of measurements, the current instrument needs resetting according to different methods of examinations).
• Fat extraction system (Soxhlet equipment)
• Protein digestion system
• Electric grinder (Note: the Institution has now an electric grinder but of a small capacity / this capacity is for processing max. 0.5 kilograms samples / while the requirement in the future may well be the homogenisation of samples of some kilos.)

The other category of required instruments are the ones missing in the Chemical Institution. In these cases no alternative techniques are available at all:

• Total fat and fatty acid composition determining system
• Preparative column chromatography system
• Stereo microscope with digital camera connectable to PC and with image analyser software
• Gel-electrophoresis system
• NIR Near infrared spectroscope
• MID-IR sample preparatory, increasing the recording methods: diamond cell, ATR sampling accessory, through flow cell, auto sampler, microtome
• Differential thermo analyser
• Ultra clean water producing instrument
• Microscopic melting point equipment

Nomination of examinations to be carried out is completely the responsibility of the Chemical Institute. This nomination is mainly based on classification / and sometimes specification or standardization / points. In this meaning, obtaining the analytical information is “obligatory” when it is necessary for decision making in the above subject (classification of goods, or whether the goods match a given standard) This information can be obtained from the examinations carried out in the Institute or from the content of the clients statement (safety certificate, technical specification, certificate about analysis, etc.) „Possible” examinations are the ones that can be carried out with the equipment available. If the examination would be necessary but the Institute has no proper equipment, according to the above mentioned, the statement of the client should be accepted. Thinking and planning in a long run and knowing the practice of laboratories of Member States, the widening of the range of examinations carried out by the Chemical Institute would be desirable establishing at the same time the possibility of controls.