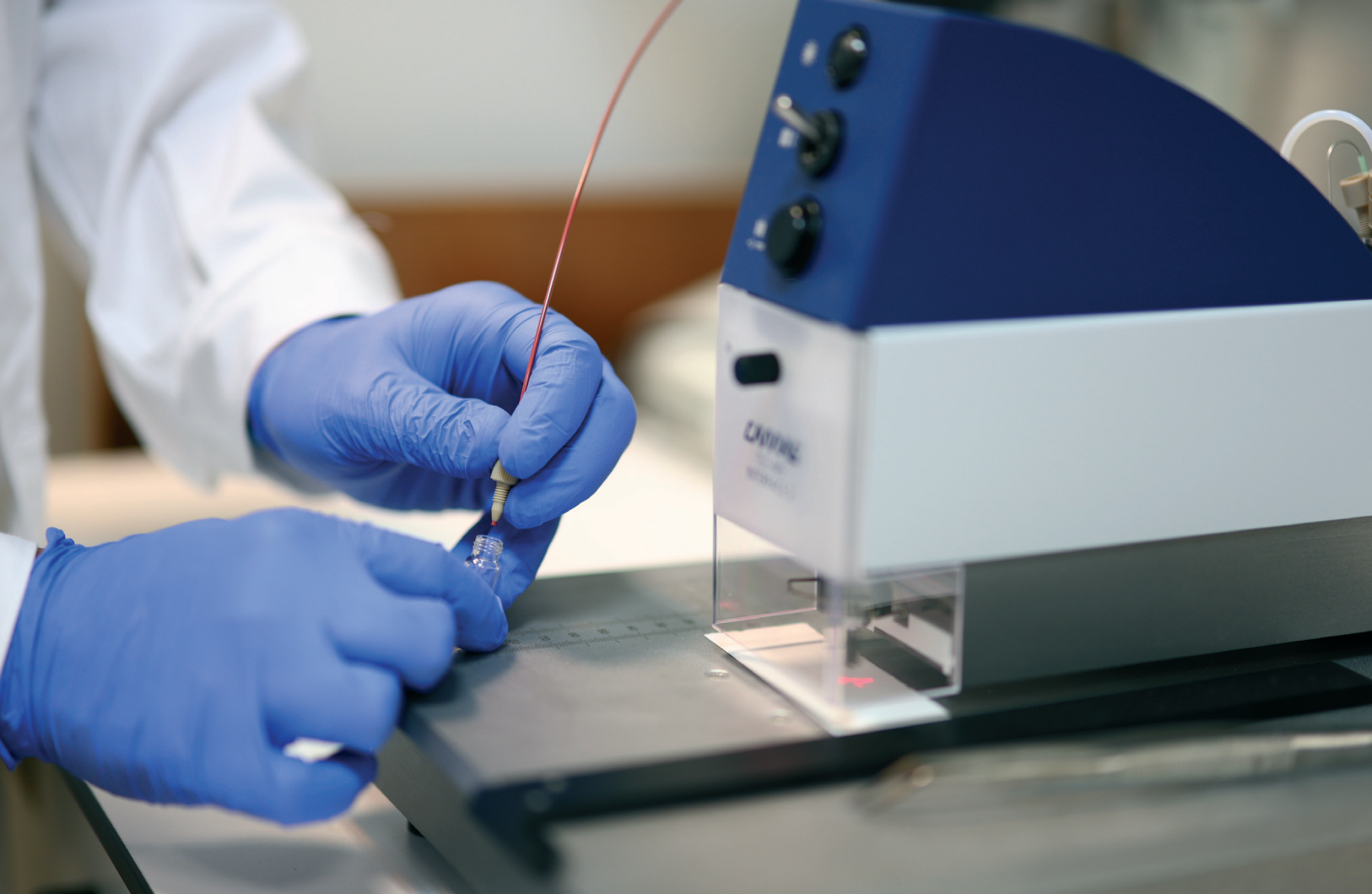




National Tax and
Customs Administration

25TH ANNIVERSARY OF THE FORENSIC INSTITUTE



THE HISTORY OF THE FORENSIC INSTITUTE

The legal predecessor of the Forensic Institute of the **National Tax and Customs Administration (NTCA)**, the Chemical Testing Institute of the Customs and Finance Guard started to operate as an independent institutional unit 25 years ago. However, from the early 1900s the Customs Laboratory had already been operating in Hungary. The first written sources mentioning the Chemical Testing Laboratory date back to 1911. The laboratory operated with one employee and was located in the building of the main customs office in Budapest, in the former Customs Palace.

One major condition of the accession of Hungary to the European Union was the existence of a modern, well-equipped Customs Laboratory which brought a significant change for the already existing laboratory. After several years of preparatory work, in 1999, based on order 219/1998 (XII.21) of the National Command of Customs and Finance Guard (VPOP) the Chemical Testing Institute was separated from the Customs and Finance Guard School, and from **1 January, 1999** the laboratory started to operate with 21 employees as an independent, middle level separate organization without any authority power, named as Chemical Analysis Institute of the Customs and Finance Guard (VPVI). In May 1999, the institute moved into the building complex where it still operates, situated in district 16, in the green belt of Budapest.

1917





In the beginning, the lab assessed primarily mineral oils, fuel and anti-corrosion oil using the instruments and methods available, namely with Fourier-transform infrared spectroscopy (FTIR), mineral oil distillation, manual flash-point gauge, instrument for aniline point determination, precision balances, pycnometer, water bath and electric hot plates. Besides these tests, the alcohol content was determined by distillation, sugar content was determined by using thin layer and liquid chromatography.



In the absence of gas chromatography, the fusel oil content was determined by using colorimetric, and Komarovsky probe. The detection of denaturants was not possible and microscopes were used to analyze textile samples. Other sample types were analyzed by using classical analytical techniques such as: color tests, calcination, organoleptic examination. Food samples were analyzed with the help of pH meters, circular polarizers, and refractometers.



Right before the EU accession of Hungary, higher expectations were formulated towards the Institute, as the basis of an efficient customs system is the correct classification of goods released for free circulation. To meet these expectations, it was necessary to develop the technical equipment and personnel of the institute.

2000



From the **2000s**, the instrumentation has constantly improved as a result of successful EU tenders and national fundings. Using the new instruments, it was possible to examine eg. wine, and the source of alcohol content. This way, not only did the processing time of samples decreased, but the range of test types increased as well. This change had a positive impact on the quality of performed tests, as simple testing methods were replaced by more reliable ones. With the help of the new acquisitions the introduction of modern testing methods became possible and all this contributed to the increase in the professional level of the institute.

In 2018, it was possible again to renew the outdated instruments, to purchase state-of the art equipment and to exchange the amortized apparatus and equipments using mainly national funding.

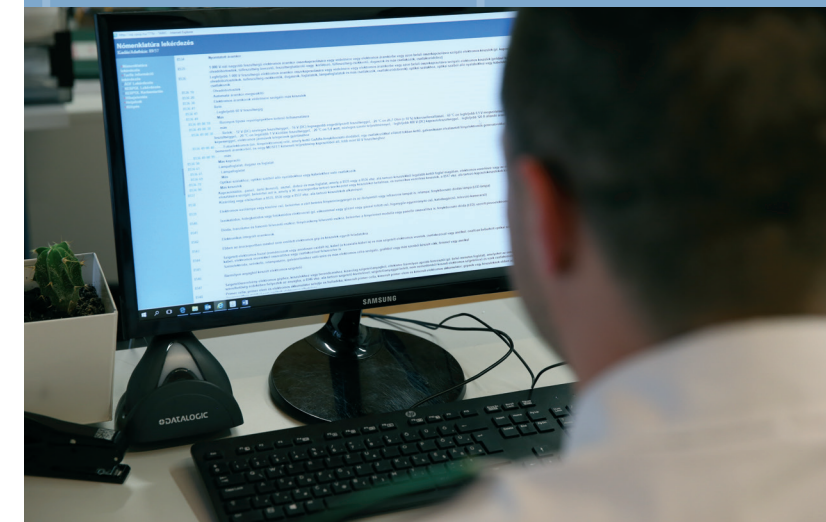


In 2000 the first three mobile laboratories involved in analyzing mineral oils were installed, which made on-site testing possible, this way the time required for the customs clearance of goods decreased considerably. This method was quite unique in Europe.

2001

In **2001** the tasks and the scope of authority of the Chemical Analysis Institute expanded. As a result, the institute became a middle level organization with national competence and authority in the field of issuing binding tariff information. Accordingly, the institute became entitled, as the sole national body, to issue decisions related to goods classification and binding origin which were mandatory for six years for the customs authority and for the customer who requested the decision as well.

The importance of goods classification for the customs authorities is indisputable, therefore this task requires highly trained staff and proficiency, thus it was clear that it was necessary to establish a separate, competent professional unit. For this reason, in 2001, with the participation of well-trained customs officers the department responsible for goods classification and for providing binding tariff information was established.



Establishing and maintaining a quality management system is indispensable for quality work. The accreditation status of the Chemical Testing Institute was granted by the National Accreditation Board in **2003**. The accreditation certificate was handed over to the National Commander of Customs and Finance during the Festivities of the International Customs Day. Since then, the Institute has been able to meet the requirements of the National Accreditation Board in each accreditation cycle and the number of accredited tests increased, from the initial 9 tests to 79 accredited tests.



In 2003 the demand for a single legal enforcement led to the introduction of the binding tariff information. The general procedure of issuing decisions was developed on the model of the binding tariff information together with the Chemical Testing Institute. The decision contains the customs tariff of the excise goods and their tax law qualification.



After **1 May 2004**, following the EU accession of Hungary, the Institute had the authority to issue decisions related to goods classification and binding origin valid within the EU. By acceding to the EBTI system the institute had access to the EBTI database and to all the decisions issued in the Member States, and the decisions issued by the Institute were transferred to the database. From this date onwards, it is also necessary to consider EU classification practices, regulations, Commission regulations and EU court judgments, which require even greater professionalism in the field.



After the accession to the EU, excise control in the country became more and more important to ensure the security of public revenues. The number of tests performed by the institute on excise products accessible on the domestic market increased significantly. The mobile laboratories were used by excise professionals as well, especially, during petrol station and mineral oil station inspections. The detection rate of these inspections was very high, around 60%.

The successes of the petroleum product testing laboratories led to the realization that a similar on-the-spot testing method was needed for the alcoholic products. This was caused by the appearance of counterfeit alcoholic drinks made from denatured alcohol, window cleaner or other household chemical products with a high alcohol content. At the beginning of 2007 the alcohol testing mobile laboratory was installed which facilitated the on-the-spot testing of alcohol products. Initially the main objective of the laboratory was to detect denatured alcohol. This task was successfully completed as the products obtained from denatured alcohol disappeared within a couple of years. The purchase of the first alcohol testing mobile laboratory was followed by further acquisitions in 2007 and then in 2010 to enable more on-site controls in the country.

The excise controls carried out together with the mobile laboratories are still very important in the collection of excise duties, thanks to the preventive effect they have on locating infringements.

2007



Government Decree No 282/2007 (26.X.), which entered into force in autumn 2007, authorized the Institute to issue expert's opinions based on chemical analysis in criminal cases, in counterfeiting cases based on physical-chemical analysis and authenticity testing, furthermore about the fiscal classification of excisable products and the classification of goods. Therefore, the next objective in the organization was to increase the professional expertise of the staff to become forensic experts.

The same government decree gave the authorization to the Institute to issue forensic expert opinions on the substance-based examination of drugs, as the exclusive body in the Customs and Excise investigations. In this context the Customs and Finance Guard supported the formation of a new department for the creation of a new unit in line with the objectives of the National Drugs Strategy. New instruments were purchased from the ensured national financial sources facilitating the building of a drug testing laboratory at the Institute. The drug laboratory started to operate in 2009, after two years of preparation. Although, the authority of the Institute to test drugs ceased on 1 January 2011, when the NTCA was established, the analytical methods once developed for drug testing, the instruments acquired and the gained experience are still used on a daily bases, mainly for the examination of products of unknown composition.

2009



2011

The Institute faced new challenges in **2011**: on 1 January, the National Customs and Tax Administration was formed by the merger of the Customs and Finance Guard and the Tax and Financial Control Office. At the same time, the Chemical Testing Institute was transformed into the Forensic Institute. This was not just a simple name change, the experienced personnel registered in the expert directory established the expertise of the Institute.

Currently, 11 registered, forensic experts in the field of customs, excise and chemistry are handling the cases involving the secondment of experts.



And the staff number? When the Institute became an autonomous body, 9 of the 21 staff members (7 finance officers and 2 civil servants) were responsible for the management and operation of the Institute, while 12 (3 finance officers and 6 civil servants in the laboratories, 3 finance officers in the information team) were responsible for the testing of samples and products classification. The number of staff doubled in a year, and in 2000 the number of staff increased to 40. The number of laboratory staff increased from 9 to 16, and the staff number working in the field of goods classification significantly increased as well. In the following years, the continuous increase in staff number was justified by new tasks and competences: introduction of the ECSC/ ECSCF and the EAML, the high number of samples (there were years when the number exceeded 20 000), the development of the mobile laboratory, the drugs testing laboratory and the establishment of an independent financial management area. In some years the Institute staff number was 93, but by 2024 this number decreased to 78.

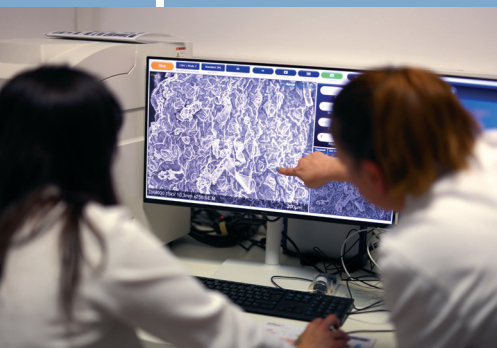
2013



The main task of the Institute has not changed since the formation of the NTCA, but it has been constantly expanding. In December 2013, the Institute implemented the quality management system required by MSZ EN ISO 9001:2009 (now MSZ EN ISO 9001:2015) to provide expertise of even higher quality for The National Tax and Customs Administration. Besides the accredited laboratories, the certified processes have been extended to other areas as well, including the classification of goods, management, and a couple of years later, mobile laboratory and sampling activities. Today, except the sample transportation, all tasks of the Institute are ISO certified.

To maintain their accredited and certified status, the Institute's laboratories continuously participate in proficiency tests and national and international interlaboratory tests thus ensuring their professional competence and the correctness of their measurement results.





Not just the number of tasks, equipment and staff of the Institute increased, but the professional recognition as well. At the beginning, prior to the EU accession, professional development was facilitated by the cooperation with Spanish and Austrian customs laboratories in the framework of the Twinning project, which facilitated the transposition and application of EU legislation. In 2009 the staff of the Forensic Institute trained and advised the development of the Romanian customs laboratory.

The Institute also concluded bilateral agreements with the Czech, Slovak, Austrian and Romanian customs laboratories. The aim of these bilateral agreements was the organization of proficiency tests to increase quality control, mutual performance of analytical tests requiring special expertise and experience, laboratory comparisons, professional meetings and the exchanges of experience.

The Institute participates in the work of the Customs Laboratories European Network (CLEN) and is a member of the Customs Laboratories Expert Team (CLET).

The most prestigious professional forum of the Customs Laboratories is the Customs Seminar organized every three years, in which the staff of the Institute have always participated. In 2019, Hungary had the honour to host the 7th European Customs Seminar in Budapest (Customs Seminars: 2000 Fiuggi; 2003 Prague; 2007 Athens; 2010 Helsinki; 2013 Paris; 2016 Amsterdam; 2019 Budapest; 2023 Berlin.)



The international recognition of the institute is also reflected by the successful CCEI tender in 2021. The tender allowed the purchase of 52 instruments, 2 mobile laboratories and the financing of 3 maintenance contracts. The primary objective of the tender was to introduce new techniques and to acquire new instruments.

The Institute is highly recognized nationally and is closely cooperating with partner authorities (NÉBIH, ÁMEI/Hexum Laboratories Zrt., NSZKK, National Defence) and it is also actively participating in the meetings of the Hungarian Standards Institution (MSZT).

The Forensic Institute (Customs laboratory) has come a long way during its one hundred years of its existence, and has developed a lot in the last 25 years, but one thing has not changed: the customs laboratory must be prepared to analyze any kind of sample. The institute tests and classifies different types of goods: foodstuffs, different chemical and textile products, metal products and beyond - covering the entire Combined Nomenclature.

The development of technology and the change in product types require new methods of analysis, and the continuous development and maintenance of the instruments is essential for an efficient work. Managing the instruments and assessing and interpreting the test results also require well-trained and highly skilled staff.

Accurate product knowledge enables a more precise tariff classification, but often this is not enough, or not sufficient enough for the tariff classification of a product. In addition to product knowledge, colleagues working in the nomenclature field must be aware of the general rules of product classification, as well as national and EU legislation, other tools that help tariff classification, and their application. The former head of the institute, Mrs. Márta Kecséné Dravec, put it this way: “they should be polymaths, as the establishment of the correct customs tariff codes requires a wide range of professional knowledge from them”.



A significant change took place in the dominant product areas: there was a period when most of the samples were made up of mineral oil products and chemical goods, the testing of which has become almost a routine, then there was a period when, in addition to excise products, food made up a significant part of the samples part, after that, in addition to the routine identification tests, more and more complicated and time-consuming tests had to be carried out, as well as expert opinions on samples where the product classification could not be easily carried out. Due to the development of technology and changes in the economic situation the place of foodstuffs has now been taken over by technical articles and parts. “However, these tasks are always becoming more and more difficult and complicated, because the development of technology constantly produces thousands of new products.” – Mrs. Tivadarné Gerő (former employee of the Customs Laboratory). It can be easily stated that there is no such complex laboratory or institute working for these kind of purposes in Hungary.





MANAGERS OF THE FORENSIC INSTITUTE

1

1 January 1999 – 31 July 2000

Mrs. Márta Kecséné Dravec^z, lieutenant colonel

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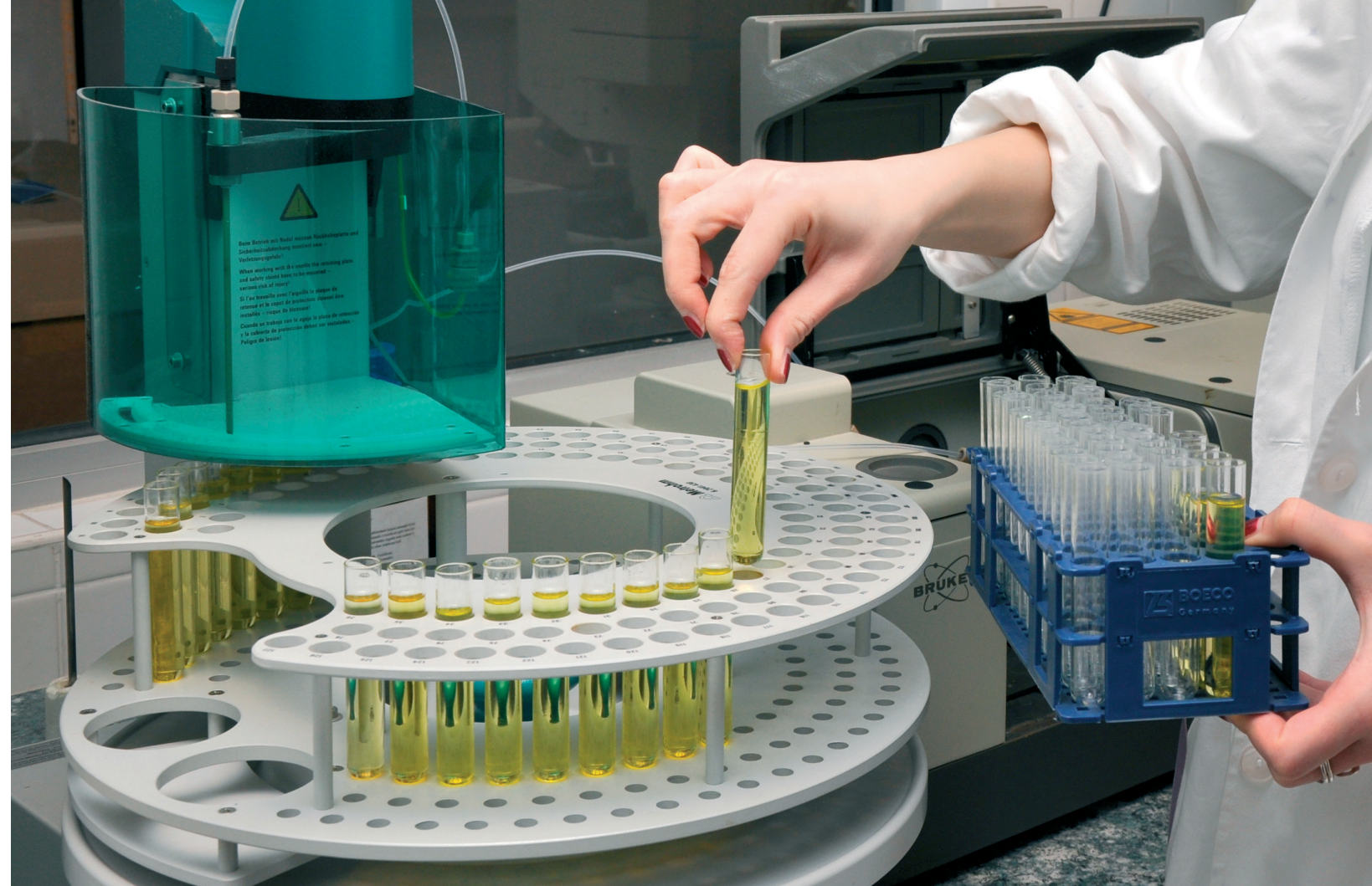
1 August 2000 – 15 December 2007

Mr. József Pála, colonel

3

16 December 2007 – ongoing

Mr. Antal Róbert Romhá^{nyi}, colonel





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