

ROLE OF CUSTOMS AUDIT IN THE SIMPLIFICATION OF CUSTOMS REGULATIONS

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ABSTRACT

In international practice, many scientific and practical studies are carried out to improve the mechanisms for organizing and conducting customs audits, develop international standards, further develop the customs audit process. The article analyzes the fact that the introduction of the mechanism of customs audit in order to further improve efficiency in the country's customs system is an urgent issue today, international practices and norms in the field of by, as well as the reforms of Customs Administration carried out in Uzbekistan and the priorities in national regulatory documents.

Keywords: customs declaration, economic security, customs duties, customs fees, efficiency, customs clearance, customs audit, customs control, audit activities.

INTRODUCTION

Currently, the development of a national system of Customs auditing, scientific research on their coordination with international standards, remains an urgent issue. Simplification of Customs Administration on the organization and conduct of customs audit is carried out in our country, and the economic reforms carried out in the customs system have a positive effect. In particular, the Republic of Uzbekistan joined a number of international conventions in order to harmonize customs clearance processes in our country during the years of independence. One of them is the International Convention on harmonization and simplification of customs procedures (Kyoto Convention) of May 18, 1973 (new edit 1999), which states that Standard 6.6 of this convention "covers control based on audit methods including Customs Control" [1]. Including the Convention on December 21, 2020, each member state must conform to the norms of its national legislation to the standards of the Kyoto Convention. This marked the initial step towards the establishment of the Institute of customs audit in Uzbekistan. Based on the norms of the Kyoto Convention, customs audit has been interpreted as one of the methods of Customs Administration, which is obliged to facilitate the acceleration and simplification of customs control while maintaining efficiency. Also, the WCO considers customs auditing in the risk management system to be one of the modern and influential elements of Customs Administration.

In the general annex of the Kyoto Convention, the customs audit is divided into two forms:

1. Audit (post-clearance audit), which takes place after customs clearance.
2. Systematic audit of foreign trade entities.

International Customs practice and the advanced experience used in it indicate that the concept of customs audit is theoretically and practically present in the customs system of all developed countries. Customs audit, which is carried out after customs clearance, is carried out to check and analyze the activities of FEA (foreign economic activity) subjects participating in foreign trade after the completion of the customs clearance of goods, that is, the customs control process. Also, the introduction and implementation of customs audit creates conditions for the mutual comparison of Customs and tax reporting data on the basis of accounting [2].

ANALYSIS AND RESULTS

A.V. Agapova believes that "the main task of the customs audit is to speed up customs processes for participants in conscientious foreign economic activities obeying the law, reduce excessive costs in the customs clearance process, and transfer the customs audit not at the time of customs clearance, but after the release of goods into free circulation" [3].

It should be noted that the purpose of the customs audit is not only to check the validity of the financial and economic activities of the FEA participant, but also to develop recommendations for improving the accounting policy in it, to simplify the rules of customs clearance. In other words, the customs audit will help to conveniently apply the accounting and reporting system based on the requirements of the customs authority of the FEA participant. Customs authorities, in turn, are required to simplify customs control for FEA participants who are following all these requirements and recommendations. In our opinion, it is advisable for customs authorities to give them customs privileges, categorizing all FEA entities taking into account the scope of their activities (such as the scope of the industry, goods and the amount of payment charged from it, the need, work experience, years of activity in the country, etc.). It is worth noting that customs control, which currently uses audit methods, is the main form of customs control in the United States and the EU countries. It is also widely used in Japan, South Korea and China [4].

On June 5, 2020, the decree of the president of the Republic of Uzbekistan "on reform of Customs Administration and improvement of the activities of the state customs service bodies of the Republic of Uzbekistan" PF-6005 was published [5]. According to this decree, customs authorities were also tasked with carrying out a customs audit, which provides for the assessment of the activities of the FEA participant after the release of goods as a form of customs control, as well as checking their accounting after the release of goods and vehicles. An old-fashioned 100%, selective transfer using the introduced risk management system, avoiding inspections based on gross customs control, developed a procedure for applying the customs audit after the release of goods. It was introduced into full practice from May 1, 2021 in accordance with Resolution No. 101 of the Cabinet of ministers "On the procedure for conducting Customs audits" of February 25, 2021. In order to introduce information technologies in the implementation of customs audit, an automated information system "customs audit" has been developed, was put into practice.

In order to assess the activities of FEA participants through the automated information system “**customs audit**”, opportunities were created for their automated selection without human factor and electronic registration of all documents related to customs audit, electronic sending of these documents to the personal cabinet of FEA participants.

Through the automated information system “customs audit”, a customs audit is carried out in a chamber and on an itinerant form in relation to the selected customs audits:

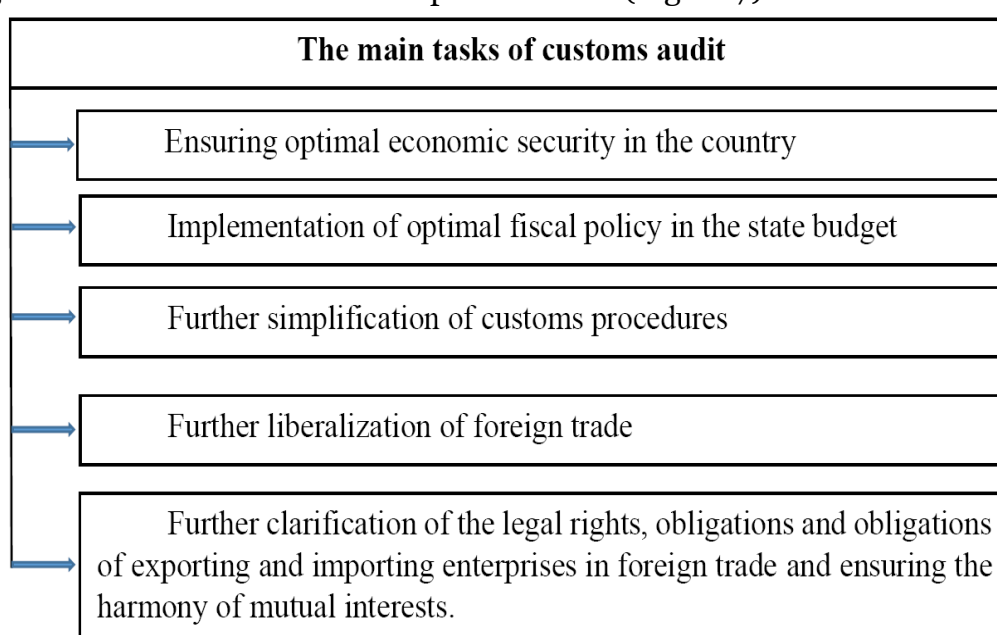
- **chamber customs audit** — the audit of Customs is carried out by the Authorized Person without going to the place of work and or to the territory where they carry out their activities;
- **outsite customs audit** — the place of work of the authorized person or his own customs audit to carry out its activities in the area where it is carried out or where the goods are located.

The customs audit is intended to support entrepreneurship following customs rules, to carry out control over the activities of FEA participants who do not comply with the established procedures.

Through the introduction of the Institute of customs audit, the following results are achieved:

- the terms of internal regulatory legal acts on the procedures related to customs control and clearance harmonize with the requirements in the rules and standards of the international treaty;
- it serves to increase the efficiency of the activities of customs authorities in the field of risk management;
- by effectively applying more simplified customs procedures in relation to honest foreign trade entities, the goods allow for a reduction in the time and costs of customs control;
- as a result of the acceleration of customs clearance of goods and the reduction in spending, foreign trade of the country will develop;
- it serves the effectiveness of the Prevention of violations, bringing to the independent determination of the mistakes made by the participants of the FEA themselves.

The introduction of advanced methods in the experience of foreign countries in the customs audit of goods serves to ensure these important tasks (Figure 7).



During 2022, a total of 670 000 CD(customs declaration) were formalized in the Republic, with 449 322 being imported and 220 678 being exported. This is much more than last year's amount we can see as a result of the fact that the number of entrepreneurs increases day by day, and wide opportunities are being provided for them in our country. For the development of each industry, benefits are provided by separate laws. This puts an even greater responsibility on the part of the customs auditors. Customs auditors control that goods formalized with each privilege are used for the right purposes.

For example, customs duties of 102.6 trillion soums were calculated by the customs authorities in 2022. Of which:

- 56.6 trillion soums was made up of benefits from customs duties. The benefits provided from customs duties are 48 percent or 18.4 trillion soums compared to 2021 surged (2021. - 38.2 trillion soums).

JBT experts have mentioned that by effectively using the risk management system and moving to the stage of control after the release of goods into free circulation, customs authorities can easily achieve a reduction in waiting times at the border up to 80-90% of the total volume of imports. It is noteworthy that the role of our state in the rating in international ratings after the introduction of the risk management system in the customs control of Uzbekistan is lagging behind in the indicator of the transfer of goods from customs control, although the position of our state in the rating has improved in a positive way [6].

For example, the World Bank ranking "Doing-business 2019" ranked 165th out of 190 countries in terms of "facilities created in international trade" and the ranking "Doing-business 2020 " further improved to 69th [7].

We can see that the average time spent to formalize the CD is 5 hours 31 minutes in IMPORT, and -1 hours 26 minutes in EXPORT. It is confirmed in the data of international organizations that by introducing a customs audit, the time of customs control of goods is saved and a decrease in the costs incurred for them is achieved. The indicator of the effectiveness of customs procedures is estimated by the short length of time it takes to customs ascertainment and the low cost of excessive spending. Therefore, the effective establishment of the customs audit is indicative for today and the future.

SUGGESTIONS AND CONCLUSIONS

In conclusion, the customs audit will help to control the benefits granted to FEA participants in Uzbekistan from customs payments, increase the number of FEA participants in the country and provide them with wide facilities, accelerate the processes of the country's membership in international integrative processes. Also, the existing customs control system in Uzbekistan creates the need for improvement based on the requirements of international organizations.

The implementation of work to improve the efficiency of customs control positively affects the foreign trade of our country, leading to an acceleration of integrative processes and an increase in state budget revenues. This means that this is one of the priorities of the state policy on its improvement before the current customs system of Uzbekistan. After all,

it is carried out by indirectly applying the mechanism of Customs auditing in the system in order to create facilities for entrepreneurs in the country (to achieve the saving of time and funds spent on customs control and formalization processes) and increase revenues to the state budget. In the future, the functioning of the customs audit in accordance with world standards will serve as the foundation for a high level of reform of the customs system.

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