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## KEEPING RECORDS OF IMPORTED GOODS WHILE IMPROVING CUSTOMS ADMINISTRATION IN UZBEKISTAN

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### Abstract

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**Keywords:** *Customs administration, foreign economic activity, fiscal function, financial guarantees, accounting of foreign economic operations, risk management system.*

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*The Republic of Uzbekistan continues reforms aimed at improving the efficiency of the activities of the State Customs Service using modern technologies. The World Trade Organization, the World Customs Organization and other international organizations propose to include standards and recommendations in the legal documents of our country that will improve customs administration and simplify customs procedures.*

*At the same time, the task of eliminating cases of smuggling of goods, counterfeit goods, corruption and illegal foreign exchange transactions, as well as non-payment of customs duties, requires strengthening the fight against these cases using modern and proven approaches and methods of customs administration.*

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### INTRODUCTION

Customs administration as a type of activity, the results of a theoretical study of the accumulated experience of its formation and implementation in economically developed countries, the developed proposals of a recommendatory nature, which were presented by the World Customs Organization, indicate that these proposals are based on the risk management procedure and this was the result of significant growth and intensification international trade transactions in recent years. The application of the developed approaches to managing compliance with standards (risk-based compliance management approach) [1, p.67] has become the main component in the procedures used in the customs authorities, as well as other regulatory authorities for risk management. This approach can also differentiate the measures applied to economic entities depending on the level of risks and other characteristics. At the same time, it becomes possible to effectively distribute the limited resources of the customs and tax services. We propose to apply the



following model, which allows the customs administration to improve the efficiency of the control over export-import operations and the collection of amounts for customs payments, as well as to simplify, speed up and reduce the cost of the procedures.

## **MATERIALS AND METHODS**

According to paragraph 5 of the Decree of the President of the Republic of Uzbekistan “On reforming customs administration and improving the activities of the state customs service of the Republic of Uzbekistan” dated June 5, 2020 No. UP-6005, it is provided: “Give the customs authorities the right to:

carry out a customs audit of goods and vehicles with a visit to the places of their storage and sale;

conduct audits of accounting of imported and (or) exported goods and vehicles, including accounting and reporting documents, as well as primary documents” [2].

Let us consider the procedure for applying this provision in the practice of customs authorities and business entities - participants in foreign economic activity. In this direction, first of all, it is necessary to create such conditions when business entities that do not violate the laws and voluntarily provide customs and tax authorities with remote access to their accounting systems for financial and economic activities will be confident in minimizing the potential risks of violations, as well as in reducing the intensity of control procedures during the movement of imported or exported products through customs posts. A distinctive feature of the most modern systems that control the international movement of products, at present, is the orientation towards ensuring their continuous tracking along with the moment of crossing the borders of states, and with further movement within the importing country through all stages of passing through the jurisdiction of counterparties, including retail sales. All information that is required for a thorough study, fixing and analysis of the conditions for importing products into the importing country should be provided in advance. And more detailed information characterizing the content of the trade operation, and necessary for making calculations and making payment of the customs payment, is provided after the release of products.

The World Customs Organization regards this procedure as one of the measures that provide the customs authorities with the opportunity to create favorable conditions for law-abiding participants in foreign trade activities, while maintaining a sufficient amount of the required level of control. The customs authorities of the Republic of South Korea [3], Canada [4], as well as other economically developed countries, apply customs procedures that provide for the release of



products for free circulation on the basis of previously verified, but incomplete information on imported products. Information about products is submitted as they are registered in the “free circulation” regime with release into the country and will be checked by customs authorities. During the audit, these data are also compared with the indicators obtained through the accounting of importing enterprises. It is also envisaged, when comparing, to use the transferred amounts for customs payments following the release of products. The release of products for free circulation should be allowed after the receipt by the customs authority of a comprehensive financial guarantee for an amount, as a rule, less than the amount of customs duties that must be paid in the future. It should be noted that such trust is awarded by the customs authorities to importing enterprises by a thorough study of the history of their relationship with the customs and tax authorities, provided that the organization of work on accounting of the facts of financial and economic activities of economic entities corresponds to a level that satisfies the customs authorities [5, p.41].

Studies conducted in foreign countries [6, p.14] on the application of the procedure for exchanging the necessary information of customs authorities and tax revenue control authorities have proved the need for this procedure for the effective implementation of their functions by fiscal authorities. The State Tax Inspectorate may use data from customs authorities on cross-border transactions of taxpayers in order to determine export-import transactions not reflected in tax declarations or calculations. This procedure is carried out by comparing the indicators of economic entities and the state customs service. In turn, the customs authorities use the data of the state tax inspection for analytical purposes, through which illegal trade is detected, based on the aggregate quarterly or monthly amounts of sales and purchases of each importing enterprise or exporting enterprise.

As another example of interaction protocols, one can cite the procedure for the exchange of information reflected in declarations on import and export and declarations for the accrual and payment of value added tax amounts carried out by the state customs service and state tax authorities of a number of countries. The main distinguishing feature is that import and export declarations are generated on the basis of transactions, while the completion of a value added tax declaration is based on quarterly total deliveries to other taxpayers. Note that matching each import and export declaration with the value added tax declaration does not automatically detect every case of fraud in the calculation and payment of value added tax, but will help to identify cases of a transaction that can be labeled as anomalous.



It is possible to propose a procedure for the regular exchange of data on trade and intermediary transactions, monthly or quarterly volume of purchases and sales of intermediary organizations between the customs service and the state tax authorities. At the same time, although the implemented automated systems for the exchange of information of customs and tax authorities create conditions for the use of data on trade and intermediary transactions registered electronically in a systematic analysis, and the exchange of data on the taxable base may serve to narrow the purpose of the ongoing investigation, while At the same time, it does not allow to guarantee the detection of cases of evasion in the payment of customs duties and tax payments.

### **RESULTS AND DISCUSSIONS**

The issue of using data obtained through accounting in the customs administration system, which, as a link, should create conditions for ensuring the identity of the indicators used by the customs service and the state tax inspectorate, will require the inclusion of a procedure for checking the accounting systems used for imported and exported products, as well as other operations with it into the current system of measures of customs control bodies. It should be noted that it is necessary to establish a minimum package of requirements for the accounting system used in order to achieve the possibility of using the data obtained in customs administration, as well as guaranteeing the traceability of product information from the time of import to its sale or own consumption. At the same time, the comparability of the indicators that are indicated during the customs clearance process with the data used to control tax revenues is ensured by maintaining a quantitative record of products. It is necessary to use an accounting format that allows, in necessary cases, the restoration of the entire history, including the import and declaration of products during a certain period and its subsequent use (including use and after processing) within the country.

### **CONCLUSION**

There may be a need to amend the legislative acts that would empower the fiscal authorities to allow them to demand the payment of customs duties at maximum rates for a given group of products if there is a contradiction between accounting data and other data on products and transactions with them. After the implementation of the above procedures, the reflection by the importing enterprise of the received products on the accounting accounts, confirmation of the validity of the calculations and the transfer of the accrued amounts of customs payments to the accounts of the tax inspectorate where the enterprise is registered, the customs clearance of imported products is completed. This means that the measures taken by the customs administration ensure the traceability of products from import to reflection on accounting accounts while



maintaining the ability of state customs authorities to control products directly at checkpoints. This possibility of exercising control becomes relevant in case of identifying certain types of risk. Therefore, it can be stated that inspections, inspections and (or) inspections become effective measures to minimize such risks. The issued financial guarantee (one-time or complex), which serves as a condition for the release of products for free circulation, must ensure the fulfillment of obligations by business entities importing products or goods to accept these inventory items for accounting on accounting accounts, to confirm the correctness of the calculation of the customs payment and its timely transfer to tax and customs authorities.

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