

DIRECTIONS FOR IMPROVING THE FISCAL ACTIVITIES OF THE CUSTOMS SERVICE

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Annotation. This article describes the directions for improving the fiscal activity of the customs service, the content and analysis of customs payments collected from goods transported across the customs border, and its role in the formation of the state budget. Scientifically based proposals and recommendations were also made to improve the fiscal activity of the Customs Service.

Keywords. Customs payments, foreign trade, value-added tax and excise tax, exemptions from customs payments, state budget, goods, customs border, foreign economic activity.

Introduction

Each country conducts its own fiscal policy, which is implemented by the country's fiscal system. The country's fiscal system is the complete structure of state revenues and expenditures, and its agencies are the framework for collecting and disbursing these funds[1]. Fiscal policy is one of the main means of regulating the economy of the state, and it actively affects the provision of macroeconomic stability, comprehensive support of business activities, and the standard of living of the country's population.

The fiscal function of customs authorities includes the relationship between the calculation, collection and transfer to the state budget of customs duties that must be paid for goods transported from the customs border, replenishment of part of the state budget revenues.

Customs payments include import duties, value added taxes and excise taxes, customs duties and are collected when goods are moved across the customs border.

Customs payments play an important role in the regulation of foreign economic activity, regulation of foreign trade turnover at the necessary level, formation of the country's budget revenues, ensuring economic security and fulfilling fiscal tasks.

Optimizing the system of regulating foreign trade through customs payments, taking into account foreign experiences and international norms, as well as optimizing the mechanisms of its calculation and collection, as well as improving the use of information systems in this direction, using simple, transparent and modern methods of customs control in the collection of customs payments, implementing innovative projects Wider implementation is one of the current issues.

Literature Review

The theoretical and practical aspects of fiscal policy improvement are expressed in the scientific research of scientists such as T. Malikov, P. Jalilov, E. Gadoev, N. Kuzieva, N. Ashurova [2].

There are several definitions of fiscal policy [3] today, including:

Fiscal policy through the state budget taxation system manipulation of state budget funds in order to formulate and set goals to increase the volume of production, increase the level of employment, reduce the level of inflation;

Fiscal policy is a set of financial regulatory measures implemented by the state to regulate the government's income and expenses;

Fiscal policy is government measures aimed at ensuring full employment of the population, balance of payments and economic growth in non-inflationary production of gross domestic product by changing the state of public spending, taxation and the state budget.

Summarizing the definitions given above, it follows that fiscal policy is a policy aimed at solving social and economic problems in the country by taking measures on state spending and taxation [4].

Fiscal policy is a part of the state financial policy and regulates issues related to tax collection and effective use of state budget funds based on all the country's capabilities. Fiscal function of customs policy is the oldest among other functions. There are several scientific views of world scientists on the regulation of the economy, including foreign trade, with taxes, and their fiscal functions, including the opinion of the famous Chinese philosopher Sun Szi: "Excessive taxation will cause various robberies, serve to enrich the enemies, as a result, the state is in crisis" [5].

According to Russian scientist I.A. Maybrova, there is a positive relationship between taxes, the state, society and the national economy, and it shows that it is possible to achieve a positive relationship by reducing the state's tax burden to the minimum level [6].

According to J.M. Keynes, in addition to the fiscal function, taxes have the functions of regulating the economy, stimulating and managing income, these functions of the tax arise from the need to use it as a means of regulating the economy and ensuring sustainable economic growth [7].

According to Professor A.Vahobov, "The process of direct and indirect intervention in economic activity aims to ensure internal employment, achieve economic growth, ensure macroeconomic stability, improve the balance of payments, and regulate the exchange rate by influencing the volume and composition of exports and imports" [8].

As can be seen from the above, taxes have a regulatory and incentive function. By correct application of customs payments, the competitiveness of the national economy will increase, the funds will be fully allocated to the revenue part of the country's budget, that is, it will serve to fulfill the fiscal task.

Methodology

In this article, recommendations and proposals were developed that studied the fiscal activities of the customs authorities and determined the directions corresponding to the interests of the state budget. As a research methodology, comparative analysis of literature, grouping of statistical data of the Customs Committee, methods of comparative analysis were used.

Analysis and results

The fiscal activity of the customs service plays an important role in ensuring the stable economic development of our country. One of the factors determining the development path of Uzbekistan is the improvement of the fiscal activity of the customs service. Customs bodies are one of the main bodies that form the revenue part of the state budget. Based on this, it is necessary to pay special attention to the calculation, collection and transfer of customs payments to the state budget, increasing transparency, reducing the time and money spent on customs clearance by entrepreneurs, and the correct collection of customs payments that must be levied on the state budget on time.

We have identified the following as directions for improving the fiscal activity of the Customs Service:

- Improving the use of modern information and communication technologies;
- Implementation of international norms and standards into national legislation;
- Improvement of customs control after the release of goods, i.e. customs audit;
- Automation of customs value determination and control;
- Improvement of the application of customs benefits and their control mechanisms;
- Wide introduction of paid services performed by customs services;
- Setting up training courses for entrepreneurs and participants of foreign economic activities.

Consistent reforms aimed at increasing the efficiency of the customs system are being implemented in our country in the customs sector using modern information and communication technologies. Decree of President of the Republic of Uzbekistan dated June 5, 2020 number: 6005 "On Reforming the Customs Administration and Improving the Activities of the State Customs Service of the Republic of Uzbekistan" was adopted. "The concept of reforming the customs administration in 2020-2023 and increasing the efficiency of the state customs service of the Republic of Uzbekistan" was adopted, and one of the main tasks is to ensure the transparency and efficiency of the activities of the customs authorities by introducing modern and advanced information and communication technologies to the customs sector within the framework of the digital economy was defined as [9].

Decree of the President of the Republic of Uzbekistan dated April 27, 2022 number: 122 "On additional measures to further improve the customs administration" in order to drastically reduce the human factor through the widespread introduction of information systems in the customs administration, to transform the customs sector into a corruption-free

system based on the principles of openness, transparency and reliability. The decree was adopted [10].

With this decree, in 2022-2023, in the direction of digitization of customs clearance processes, the practice of developing information systems for digitization of customs payments calculation and collection, establishment of inter-ministerial and inter-departmental information exchange is being introduced. These information systems include:

- "Customs value monitoring" information system for full digitization of the control processes of the correct determination of the customs value;
- digitalization of the processes of issuing a preliminary decision by the customs authority in determining the customs payments to be paid;
- digitalization of service processes for determining conditional customs value;
- creation of a common transparent electronic system of debt accounting by digitizing the process of additional calculation of customs payments;
- digitalization of the processes of allowing the payment of customs fees in installments and in arrears;
- digitalization of procedures for issuing a comparative document on customs payments;
- digitization of procedures for withdrawing funds from the deposit account of the customs authorities of the foreign economic activity participant;
- to create an opportunity to send all payment documents in electronic form by the customs authorities;
- digitalization of the processes of submission of bank guarantees and insurance policies to the customs authority by guarantor organizations in the provision of customs payments.

The main purpose of establishing inter-ministerial and inter-departmental information exchange in improving the fiscal activities of the Customs Service is as follows:

- using information with a single content through the integration of information systems;
- saving time and increasing work productivity by digitizing existing procedures;
- achieving timely and complete provision of state budget revenues;
- to ensure correctness, reliability and truthfulness of data;
- to create wide opportunities for honest entrepreneurs as a result of inter-ministerial and inter-departmental cooperation.

The implementation of information and communication technologies used in the digitalization of the process of calculation and collection of customs payments, increases transparency in this direction, reduces the time and money spent on customs clearance by entrepreneurs, and is bearing its fruit. This requires further development of work in this direction.

In recent years, the legal framework for calculating, collecting and transferring customs payments to the state budget has been improving.

In particularly, as a result of amendments to the legislation, the value added tax in the Republic of Uzbekistan was 20% until 2019, 15% in 2020-2022 (5% less than in 2019) and from January 1, 2023 - 12% (8% less compared to 2019) (Figure 1.)

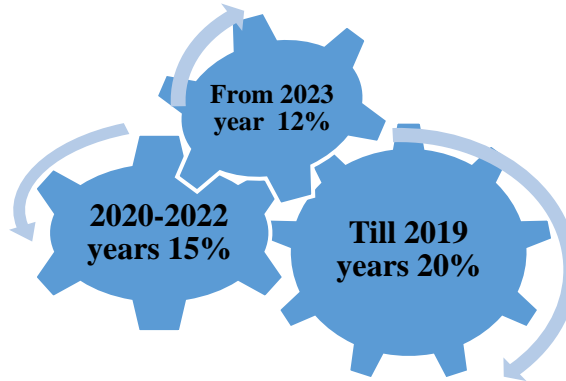


Figure 1. Scheme of change of value added tax in the Republic of Uzbekistan.

Customs payments on imported goods make up 98 percent of the total customs payments collected in the Republic of Uzbekistan, and taxes make up 85 percent. According to the statistics of the Customs Committee for 2022, value added tax made up 83.9% of total customs payments, import customs duty made up 12.6%, excise tax made up 0.7%, and other payments made up 2.8%. In 2018, these indicators were 74.5, 16.1, 4.6 and 4.5 percent, respectively. In these years, the share of import duty decreased by 3.5%, excise tax by 3.9%, customs fees, etc. by 1.7%, and on the contrary, value added tax increased by 9.4% (Table 1).

Table 1

The table of customs payments transferred to the State budget by customs authorities in 2018-2022 (%)

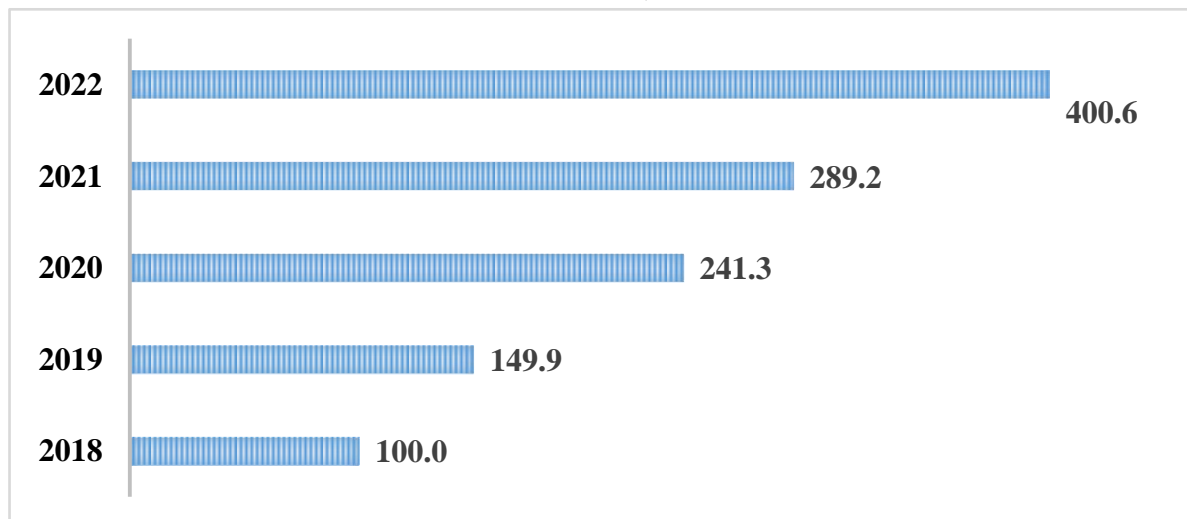
№	Types of customs fees	2018	2019	2020	2021	2022
1.	Value added tax	74,5	78,5	79,8	83,6	83,9
2.	Import customs duty	16,1	13,5	14,3	16,1	12,6
3.	Excise tax	4,6	4,6	3,7	0,1	0,7
4.	Customs fees and other fees	4,5	3,4	2,2	0,2	2,8
overall		100,0	100,0	100,0	100,0	100,0

Source is Prepared based on the information of the Customs Committee.

As a result of these works, the amount of customs payments transferred to the state budget is also increasing year by year. The analysis shows that in 2018-2022, the amount of this indicator increased by 4 times (Figure 2).

Figure 2.

Growth dynamics of customs payments transferred to the State budget by the customs authorities of the Republic of Uzbekistan in 2018-2022 (percentage compared to 2018)

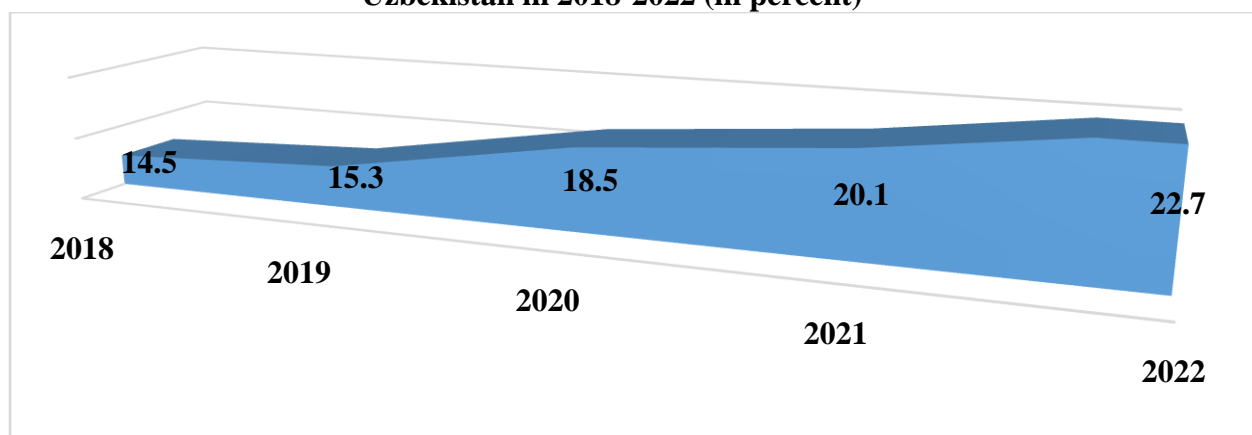


Source is Prepared based on the information of the Customs Committee.

Customs payments are the main source of state budget revenues, and their share is increasing year by year. This indicator was 14.5 percent in 2018 and 22.7 percent by 2022 in the Republic of Uzbekistan. This indicator increased by 8.2 percent during this period (Figure 3).

Figure 3.

The share of customs payments in the state budget revenue in the Republic of Uzbekistan in 2018-2022 (in percent)

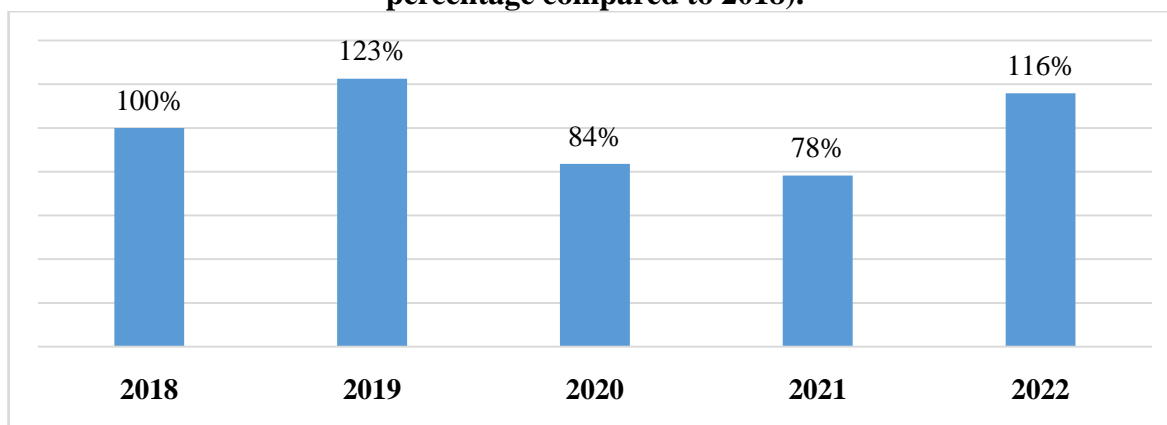


Source is Prepared based on the information of the Customs Committee.

The increase in customs payments was influenced by the main factors such as the increase in the volume of imported goods, the improvement of customs value determination, the effective use of the automated information system, the change in the rates of customs payments, the change in the exchange rate, and the improvement of the regulatory and legal framework.

It should be noted that over the past five years, the amount of concessions given to the state budget in relation to customs payments has been increasing year by year. If we compare the amount of benefits granted in 2018 with that of 2022, this indicator increased by 1.2 times during this period (Figure 4).

Figure 4.
Benefits from customs payments granted by customs authorities in 2018-2022 (in percentage compared to 2018).

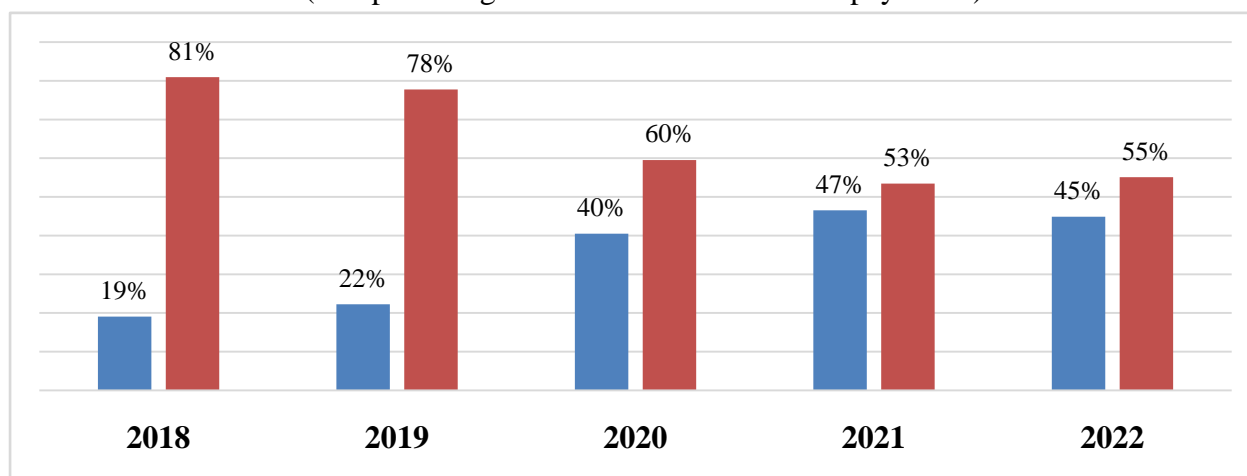


Source is Prepared based on the information of the Customs Committee.

Also, we can see that in 2022, the benefits given to TIF participants in the Republic of Uzbekistan from customs payments will be 116% compared to 2018, and compared to 2021, it will increase by 1.5 times.

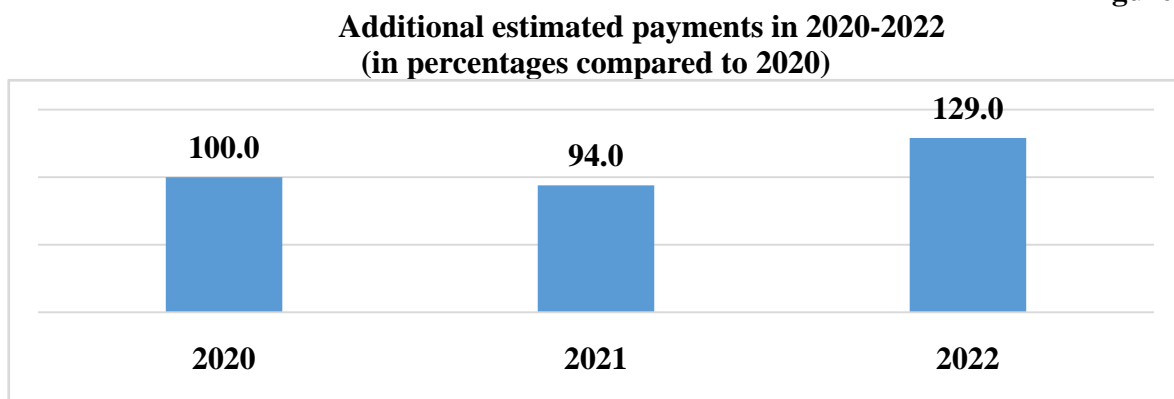
The reason for the increase in benefits from customs payments was the modernization of production, localization programs and the increase in preferences for goods produced in countries that have established a free trade zone with the Republic of Uzbekistan.

Figure 4.
The percentage of exemptions from customs payments and payments transferred to the state budget by the customs authorities of the Republic of Uzbekistan in 2018-2022 (as a percentage of the calculated customs payments).



Source is Prepared based on the information of the Customs Committee

Currently, customs authorities use a risk management system based on international experience in the implementation of import-export operations. This, in turn, requires a more effective organization of customs control after the export of goods, i.e. customs audit. The analysis shows that the amount of additional customs payments has increased by 29% in the last 3 years (Figure 5).

Figure 5

Based on the analysis, we can see that the amount of additional customs payments in 2021 decreased by 6% compared to the previous year, and in 2022 it increased by 35% compared to 2021.

After the introduction of the customs audit system, favorable conditions were created for the participants of foreign economic activity by implementing customs control after the export of goods, simplifying and speeding up customs procedures.

At present, the customs service faces risks in the following directions in the implementation of fiscal activities:

- illegal transportation of goods across the customs border;
- bringing goods to the Republic of Uzbekistan by means of "false transit" or documentary smuggling;
- fake export and import of goods;
- import of goods under the guise of low-rate goods in order to avoid customs payments;
- understating the customs value of the goods, trying to hide the quantity and value of the goods using fake documents;
- false indication of foreign economic activity commodity nomenclature code numbers of goods in order to benefit from privileges for payment of customs payments.

When eliminating these risks, special attention should be paid to improving the use of information technology, compliance with international standards, and improving customs audit.

Conclusion and Recommendations

Based on the above, the following are proposed to improve the fiscal activity of the customs service:

- reforming the customs administration by implementing generally recognized international norms and standards in the field of customs work into the national legislation;
- integrating the determination of the customs value of goods into international norms and making changes and additions to regulatory documents;
- developing of regulatory legal documents on the use of advanced customs audit methods;
- increasing the number of partner countries for electronic information exchange on goods imported from foreign countries;
- creating wide opportunities for subjects of foreign economic activity by expanding the scope of cooperation with ministries and agencies.
- to create a single information system that controls the application of benefits from customs payments and to introduce the practice of clearly indicating the regulatory legal documents, the full name, quantity, value of the goods, the period of application of the benefits, the code number of the goods in the nomenclature of goods of foreign economic activity;
- improving the training of qualified personnel with knowledge and skills in modern digital information technologies for the customs system and continuously improving their qualifications;
- organizing of short training courses on areas where there are many errors in practice and new changes in the customs sector;
- organizing of professional training and professional development courses for the purpose of increasing the knowledge of customs audit employees in the field of customs;
- developing of customs audit standards and methodology, increase of accountability measures for providing incorrect information to audit staff.
- developing of regulations on the procedure for calculating and collecting customs fees;
- unification of rates of goods whose code numbers are close to each other in the Foreign Economic Activity Nomenclature of Goods, i.e. approximation;
- classification of value added tax on imported goods;
- wide introduction of paid services performed by customs services;
- introduction of export tax on goods with high demand in some international markets;
- it is proposed to launch training courses for entrepreneurs and TIF participants.

In conclusion, the improvement of digitization in the calculation and collection of customs fees, the introduction of amendments and additions to regulatory documents, the use of customs audit in the customs system will speed up foreign trade operations in the country, reduce the participation of the human factor in the customs clearance process, reduce the

occurrence of corruption cases, as well as the time spent by entrepreneurs on customs clearance and reduces its funds. This directly leads to the development of the foreign trade turnover of our Republic and an increase in revenues to the revenue part of the state budget, and as a result, it leads to further development of the fiscal activity of the customs service.

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