

Improvement of the Administration System of Customs Payments in the Modern Conditions

Natalya V. Mishina¹, Vitaly A. Kuzminov², Olga A. Kuzminova²,
Elena E. Konovalova³ and Natalia V. Gubanova⁴

sciencedept@mail.ru

¹State University of Management, Moscow, Russia

²Russian Customs Academy, Lyubertsy, Russia

³Russian State University of Tourism and Service, Cherkizovo, Russia

⁴Moscow Polytechnic University, Moscow, Russia

Summary

The article is devoted to the formation of approaches to improving the system of administration of customs payments in modern conditions. It is established that important components of the administration of customs payments are customs expertise, customs value assessment, and control over the declaration of goods to ensure the completeness and timeliness of customs duties payments to the budget. It is found that the practice of customs administration shifts the emphasis of foreign trade regulation to the use of the principles of work implying the use of the latest technologies for the preliminary electronic exchange of information, remote customs clearance of goods without the physical presence of an official, and consistent application of risk management. It is established that an important place in the structure of the state authorities regulating the foreign economic activity is given to the customs service. Furthermore, the existing problems in the implementation of international trade operations necessitate the improvement of approaches to the customs regulation of export-import activities of enterprises.

Keywords:

administration, customs payment, foreign economic activity, regulation, trade operation, budget, management.

1. Introduction

The state development strategy and the gradual reduction of financial pressure on foreign economic activity allow bringing the system of administration of customs payments aimed at ensuring a stable replenishment of the state budget to a new level of management in the field of state customs affairs.

In this regard, the main tasks of the Federal Customs Service of the Russian Federation are ensuring the completeness and timeliness of the payment of customs duties, detecting false declarations in the transfer of goods across the customs border, correctly determining the country of origin of goods, and using selective customs control based on audit and risk management methods. Recently, the application of various customs instruments used to ensure the protection of the national interests of the state has also become more relevant. The main among them

are customs payments – one of the important levers of regulation of foreign economic activity and the main source of filling the revenue part of the state budget of the Russian Federation.

The study of issues related to customs relations is reflected in the works of I.V. Gomon [1], V.G. Olkova [2], M.N. Prokopenko [3], L.N. Roshchina [4], A.O. Sukhanova [5], M.I. Filippov [6], and others. Despite the considerable volume of scientific research on the indicated problem, the issues of improving the system of administration of customs payments in modern conditions require an in-depth study.

2. Materials and Methods

The theoretical and methodological basis of the study is formed by the abstract-logical method and the methods of induction, deduction, analysis, synthesis, and systematization used to substantiate the impact of the system of administration of customs duties on the development of economic relations.

The information base for this article consists of statistical data from state authorities, legislative and regulatory documents governing the operation of the customs system, and the results of scientific research conducted in the framework of modern economic processes [7-9].

In the process of research, it is intended to systematize the main aspects of the regulation of customs relations, to develop measures for the coordination of activities between the main participants of the customs process, and to determine the specific features of the system of administration of customs payments in modern conditions.

3. Results and Discussion

Practice demonstrates that the collection of customs payments depends on the efficiency of their administration. The general principles of administration of customs payments laid down in the current legislation of the Russian Federation mainly correspond to those in effect in many

other countries. In addition, the controlling bodies have accumulated considerable experience in the administration of taxes in their practice.

In the meantime, important components of the administration of customs payments include customs expertise, customs value assessment, and control over the declaration of goods to ensure the completeness and timeliness of customs duties payments to the budget. However, the practice of customs administration shifts the emphasis of foreign trade regulation to the use of the principles of work implying the use of the latest technologies for the preliminary electronic exchange of information, remote customs clearance of goods without the physical presence of an official, and consistent application of risk management.

The aforementioned allows for the optimal use of the resource potential of administrators and the management of the process of customs payments collection in the areas with the greatest risk of non-compliance with the law, contributing for this purpose to the acceleration of the transition of the bulk of goods across the customs border of the state. In these circumstances, the administration of taxes, fees, and other payments is a procedural activity of not only the regulatory authorities but also taxpayers in terms of their basic tax liability.

However, attributing taxpayers to the category of administrative bodies, and their activities to implement tax obligations to the category of administrative activities is not consistent with the conceptual traditions of administrative and legal science. In our opinion, it is more appropriate to understand tax administration as the exercise of executive power, the activity of state-authorized subjects in the field of tax collection to ensure the fulfillment of tax obligations. Therefore, the essence of the administration of customs payments is an organizational and administrative activity in the sphere of management carried out by specially authorized bodies of state power fiscal bodies with the use of administrative and financial methods and information technology in the payment of customs duties to replenish the revenue part of the state budget of the Russian Federation.

In these circumstances, the concept of tax administration focuses on the presence in the structure of tax legal relations of a state subject, and, in particular, a specially authorized body of executive power in the field of taxation. We believe that the imperfection of customs administration can lead to additional expenses for participants in foreign economic activity causing the reduction of tax revenues to the budget of the country (Fig. 1).

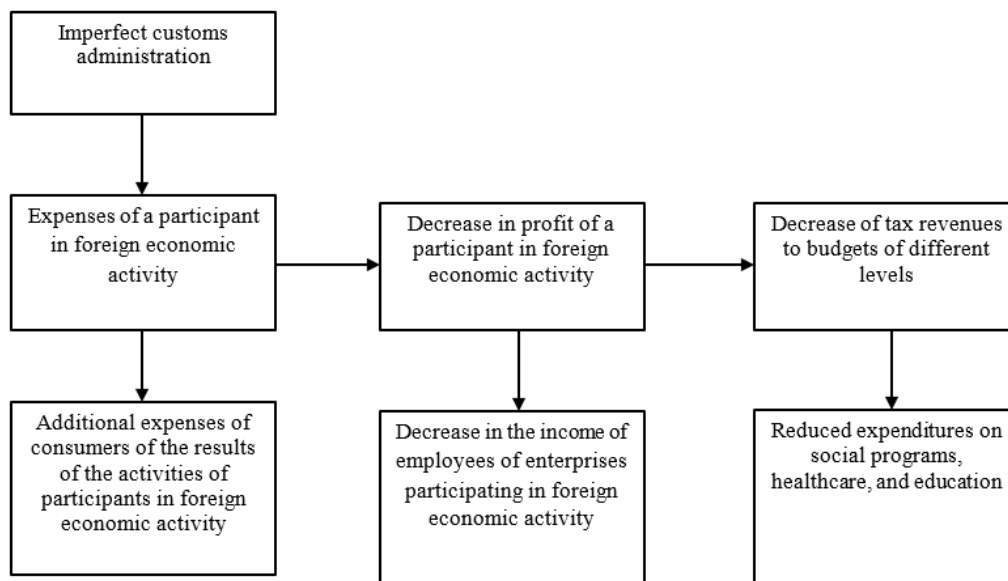


Fig. 1. The impact of imperfect customs administration on the economy

Accordingly, the subjects engaged in the administration of taxes and fees include supervisory bodies. Thus, supervising bodies are revenue and levies bodies – the central body of executive power, as well as its regional bodies, that ensures the formation and implementation of state tax and customs policy and the regional bodies.

At the same time, the ways to improve the efficiency of administration of customs payments can include: the establishment of tax rates to minimize the share of raw materials in the structure of exports; the development of partnerships with citizens and businesses; providing tax incentives and benefits; a balanced policy of state protectionism; simplification of customs procedures and

regulation activities; the development of an effective mechanism for the implementation of legislation in the administration of taxes and customs; the introduction of effective general and sectoral anti-corruption methods; the use of a simplified procedure for customs clearance of goods belonging to bona fide resident enterprises.

Furthermore, the system of administration of customs payments is a holistic structure characterized by a certain number of elements, namely: the administrators collecting customs payments according to the functional areas; the controlled entities; the objects and subjects combining the objectives, principles, functions, and methods of managing the collation of customs payments; relations between entities concerning taxation.

Therefore, to simplify the process of administering customs payments and avoid the freezing of the working capital of economic entities, we propose to introduce a single account for the administration of customs payments, as well as to improve the methodology of forecasting the receipt of customs payments to improve the quality of indicative indicators.

To prevent the illegal import of goods without full tax payment, it is proposed to create a system of control over the introduction of goods into circulation, including the expanded use of registrars of settlement transactions and increasing the efficiency of post-customs control. It is also necessary to determine the mechanisms for exchanging information between the Russian Federation and neighboring countries on the quantity and value of goods moved across the customs border of the Russian Federation, as well as to improve risk management processes in controlling the customs value of goods.

In this case, the introduction of automated customs procedures should provide for the audit of processes, equipment, and software, the integration of information systems into the international transit system, and the risk analysis and management system. Under these conditions,

a modernized digital architecture will ensure the integration of customs and tax databases. This should include: ensuring the access of business entities to complete and up-to-date information; uniform standards for determining customs value and classifying goods; established information exchange with foreign customs administrations.

Furthermore, customs payments due on customs clearance must be transferred to the customs account before the customs declaration is submitted. Thus, an enterprise must transfer to the account of the relevant customs office the necessary funds, which may not be used in full. At the same time, major radical changes are currently taking place in the system of customs payments administration, setting several specific tasks for the fiscal bodies with regard to the administration of customs payments.

In light of the above, we consider it necessary to devote a separate chapter of the Customs Code of the Russian Federation to the administration of customs duties, which should contain the following provisions: the concept, content, and system of administration of customs duties, the parameters and list of entities engaged in the administration of customs duties, their powers, objectives, and functions. Of importance is also the improvement of the customs clearance of goods, customs clearance including the performance of customs formalities required for the passage of goods and vehicles. The improvement of customs clearance can include: speeding up the exchange of information by improving and filtering electronic messages sent by the subjects of foreign economic activity to the customs authorities; using software that will automate the declarant's calculation of payment to the customs authorities; reducing the dependence of the subjects of foreign economic activity on the established territories of parking areas, communication terminals, and customs complexes. In addition, control of customs payments involves control of the commodity nomenclature, invoice value, and payment terms (Fig. 2).

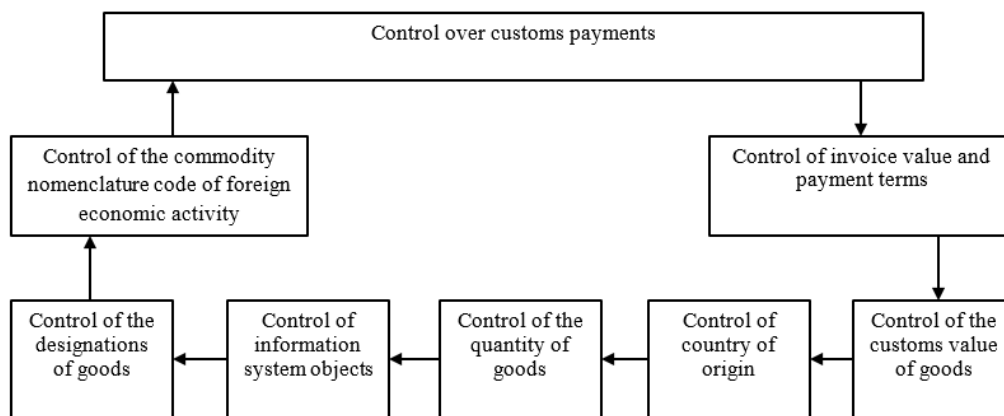


Fig. 2. Specific features of control over customs payments in the Russian Federation

In addition, a critical role in the improvement of customs clearance is played by the introduction of a new, improved form of the customs declaration. It is also proposed to reduce the rates of import duties, increase the transparency of customs procedures, which, in turn, will improve the quality of imported products and the level of competitiveness of Russian enterprises, as well as encourage entrepreneurs to increase the range of products, which will positively affect the level of customer satisfaction.

In this context, we can consider the hindrances faced by the subjects of foreign economic activity in the customs clearance of goods. The first obstacle can be identified as the requirement of customs authorities to submit and form a significant amount of documentation, which is not consolidated with the global experience. The next obstacle is also related to documentation, specifically, it is the fact that the form of documents filled out by the subjects of foreign economic activity in customs clearance does not comply with the basic international standards and the documents often need to be duplicated when submitted to various government agencies.

Furthermore, we can note the insufficient convenience of the location of the institutions able to conduct customs clearance, as well as the imperfection of software, hardware, and material support of customs clearance of goods. To simplify customs clearance, we propose to automate this procedure as much as possible by introducing an electronic customs clearance system.

Under these conditions, enterprises engaged in foreign trade activities can be offered the following algorithm for customs clearance of international cargo:

1. Information support for the registration of the person carrying out operations with goods;
2. Identification of those responsible for operations with goods;
3. Forming the package of documents;
4. Submitting an electronic application and a set of documents to customs to register as a person who carries out transactions with goods;
5. Obtaining the registration number of the person carrying out transactions with goods;
6. Preparing the enterprise to perform the declaration of international cargo;
7. Establishing the communication of persons involved in customs clearance.

However, due to the use of customs brokerage services, the level of communication between the enterprise and the customs authorities may be quite low. It is necessary to improve the degree of observation of the normative-legal acts concerning the customs sphere. In these circumstances, an enterprise that is a subject of foreign economic activity

should apply to the cargo department of the domestic customs office at the place of registration to arrange a preliminary notification for the transfer of goods across the customs border.

The reliability of the approaches presented is confirmed by the fact that the process of customs clearance of goods involves the cooperation of the declarant with the customs authorities. While a company is unable to accelerate customs clearance, it can optimize its actions in collecting and forming the package of documents and forming the previous declaration, which will optimize time for customs clearance and ensure a timely response to comments, if any [10-12].

Another effective measure of customs nature is the revision and objective reduction of import duty rates for equipment, as well as raw materials and the materials necessary for the production of innovative products. To put this tool into practice, it is necessary to thoroughly research and analyze the dynamics of changes in import customs rates on the products that are the most demanded in the production process in innovative enterprises.

A significant number of importers and exporters note the lengthy customs clearance of products, which is one of the key disincentives to influence the decisions of entities to carry out foreign economic activity. After all, significant time costs associated with customs formalities cause additional unproductive financial losses. In this context, an effective tool on the part of customs authorities may be to provide enterprises with the right to priority customs clearance of products that are imported into the territory of the state to be used in production.

It should be noted that an important task of customs authorities is to ensure that business entities are systematically informed about all the additional incentives, preferences, and benefits that they are to receive in the process of customs clearance. Another problem that hinders foreign economic transactions is that the representatives of customs authorities provide no transparency in their calculation of the customs value of products to overestimate it biasedly. To resolve this problem, it is necessary to strengthen control over the actions of customs officials who are engaged in checking the customs value.

In the context of stimulating foreign economic activity, it is also advisable to establish cooperation between customs authorities and specialized customs organizations (for example, chambers of commerce and industry, associations of independent customs experts, and customs brokers), which provide customs services to promote foreign economic operations.

A crucial task of customs authorities in the framework of stimulating foreign economic activity of product manufacturers is also the provision of comprehensive and clear advice and clarification of the regulatory and legal framework of customs clearance of products. In addition, it

is possible to offer enterprises the right of priority customs clearance of their products intended for export. For the most part, such enterprises have not yet been carrying out export activities or carrying them out in small quantities, therefore, the reduction of time spent on customs clearance of products is a real incentive for the development of enterprises.

4. Conclusion

The results of the conducted research indicate that the important components of the administration of customs payments are customs expertise, customs value assessment, and control over the declaration of goods to ensure the completeness and timeliness of customs duties payments to the budget.

However, the practice of customs administration shifts the emphasis of foreign trade regulation to the use of the principles of work implying the use of the latest technologies for the preliminary electronic exchange of information, remote customs clearance of goods without the physical presence of an official, and consistent application of risk management.

It is established that an important place in the structure of the state authorities regulating the foreign economic activity is given to the customs service. Furthermore, the existing problems in the implementation of international trade operations have necessitated the improvement of approaches to the customs regulation of export-import activities of enterprises for harmonization with the world customs standards. The proposed approaches identify and systematize the most preferential tools of customs regulation of export-import activity as part of providing an encouraging, stimulating, and activating effect.

References

- [1] Gomon, I. V., Podkolzin, D. A.: *Otsenka raspredeleniia i osnovnye problemy vzimaniia tamozhennykh platezhei v usloviakh funktsionirovaniia EAES* [Assessment of distribution and the main problems of collection of the customs fees in the conditions of EAEU functioning]. *Tendentsii razvitiia nauki i obrazovaniia* 69-3, 118–122 (2021).
- [2] Olkova, V. G., Belousova, T. I.: *Sovershenstvovanie vzaimodeistviia FTS Rossii i FNS Rossii pri sozdanii edinogo mekhanizma administrirovaniia nalogovykh i tamozhennykh platezhei* [Perfecting the interaction between the Federal Customs Service of Russia and the Federal Tax Service of Russia in creating a universal mechanism for the administration of tax and customs payments]. *Scientific Review. Pedagogical science* 2-2, 82–85 (2019).
- [3] Prokopeva, M. N.: *Vyivlenie pravonarusheniia, kasaiushchikhsia neuplaty tamozhennykh platezhei, putem zanizheniia tamozhennoi stoimosti tovarov* [Detection of offenses relating to non-payment of customs duties through understatement of the customs value of goods]. *Sciff. Questions of Student Science* 1(53), 64–69 (2021).
- [4] Roshchina, L. N., Solenaia, S. V., Andriushchenko, K. D.: *Aktualnye voprosy kontsentratsii tamozhennogo deklarirovaniia i rasshireniia praktiki primeneniia perspektivnykh tamozhennykh tekhnologii* [Topical issues of concentrating customs declaration and expanding the practice of promising customs technologies]. *Finansovye issledovaniia* 2 (67), 127–139 (2020).
- [5] Sukhanova, A. O.: *Rol tamozhennykh organov v obespechenii ekonomicheskoi bezopasnosti gosudarstva* [The role of customs authorities in ensuring the economic security of the state]. *Saint Petersburg Scientific Journal* 1(10), 8 (2021).
- [6] Filippov, M. I., Moseenkova, A. O., Petrushina, O. M.: *Aktualnye voprosy administrirovaniia tamozhennykh platezhei* [Topical issues of administration of customs payments]. *Modern Economy Success* 6, 72–76 (2019).
- [7] Avtsinova, G. I., Blokhina, O. A., Gubanova, N. V., Konovalova, E. E., Semenova, J. A.: *Socio-economic effects of small business development in the hospitality industry in the context of the digital economy*. *Revista Turismo Estudos & Práticas* S4, 57 (2020).
- [8] Lukiyanchuk, I. N., Panasenko, S. V., Kazantseva, S. Yu., Lebedev, K. A., Lebedeva, O. E.: *Development of online retailing logistics flows in a globalized digital economy*. *Revista Inclusiones* 7(S2-1), 407–416 (2020).
- [9] Ogloblina, E. V., Seredina, M. I., Altunina, J. O., Kodolov, V. A., Lebedev, K. A.: *Socio-economic consequences of digital development of the economy*. *Revista Inclusiones* 7(Especial – Julio/Septiembre), 421–430 (2020).
- [10] Agamirova, E. V., Agamirova, E. V., Lebedeva, O. Ye., Lebedev, K. A., Ilkevich, S. V.: *Methodology of estimation of quality of tourist product*. *Quality - Access to Success* 18(157), 82–84 (2017).
- [11] Kuzmina, E. E., Sharonin, P. N., Tayupova, O. I., Shabanov, O. A., Titova, A. D.: *Formation of intercultural competency in personnel training for international tourism*. *Revista Turismo Estudos & Práticas* S1, 2 (2021).
- [12] Zavalko, N. A., Kozhina, V. O., Zhakevich, A. G., Matyunina, O. E., Lebedeva, O. Ye.: *Methodical approaches to rating the quality of financial control at the enterprise*. *Quality - Access to Success* 18(161), 69–72 (2017).