

5. The entity of digital customs is revealed through the use of ICT, big data, telematics, cloud technologies and the Internet for effective control of the supply chain of goods, and for interaction with other customs administrations<sup>1</sup>.

Despite the existing differences, it should be noted that the mentioned concepts fulfill general goals in the field of customs: they change the global economic situation for the better, increase the efficiency and speed of work not only of customs authorities, but also of subjects of foreign economic activity, respond to violations of customs and other laws support international trade and help to get other important goals.

Thus, the implementation of the concept of «Digital Customs» will allow customs authorities to keep up with the development of the modern world, which is constantly undergoing drastic changes due to the scientific, technical and digital progress, as well as this concept will provide customs authorities with confidence in further development. It should also be noted that it is impossible to maintain competitiveness without proper changes. Since the implementation of the digitalization concept brings with it a stream of important innovations, the activities of customs authorities will keep its high level, if this one's will be adopted and implemented in practice.

### **Kushner Ekaterina Dmitrievna**

Belarusian State University of Transport, The Republic of Belarus

The research advisor: Ermolenko Elena Vladimirovna, PhD in philology, Associate Professor

### **«Efficiency of customs and tariff regulation of foreign trade in the Republic of Belarus: analysis and ways to improve»**

*Research Field:*

*A secure business environment for economic development*

In accordance with the Law of the Republic of Belarus No. 347-Z dated November 25, 2004, customs tariff regulation is a method of state regulation of foreign trade in goods, carried out by establishing, introducing, changing and terminating customs duties on goods transported across the customs border [1]. The mechanism of influence of customs tariff regulation on foreign trade activity consists in its direct impact on the exchange of goods between countries through the application of customs duties.

The key instrument of the mechanism of customs and tariff regulation of foreign trade activity is the customs tariff. The customs tariff is an instrument of foreign trade policy and state regulation of the domestic market of the country in its interaction with the world market [2]. The classic functions of the customs tariff are protectionism (protection of domestic goods from

foreign competition), fiscal (replenishment of the state budget) and regulatory (influence on the formation of the structure of production, pricing mechanism, development of industries).

As a methodological approach to assessing the effectiveness of customs tariff regulation, the following can be distinguished: the degree of implementation of the fiscal, protective and regulatory functions of the customs tariff.

Since the Republic of Belarus is a full member of the Eurasian Economic Union (hereinafter – EEU), when assessing the effectiveness of customs and tariff regulation in the Republic of Belarus, it would be logical to analyze various aspects and criteria for the functioning of a key element of customs and tariff regulation, that is, the customs tariff, precisely within the framework of the EEU.

So, at present, the Common Customs Tariff (hereinafter – CCT) of the EEU includes 12,196 tariff lines.

When analyzing the CCT of the EEU, first of all, the differentiation of tariff rates is of interest. The largest share of rates calculated using the advalorem component falls within the range from 5 (inclusive) to 10% (included in the next range) and amounts to 43.88%, rates from 10 to 15% account for 23.87% of all CCT rates of the EEU, from 0 to 5% - 20.77%, from 15 to 20% - 7.86%, the share of rates of 20% and above is 3.62%.

A feature of the EEU CCT is that its rates are linked, i.e., they cannot exceed the agreed level. The CCT of the EEU establishes the rates of import customs duties, which are the main instrument of customs and tariff regulation. However, there are additional instruments directly related to the application of the EEU CCT duty rates, including tariff quotas, tariff incentives and tariff preferences. These tools make it possible to change the rates of import customs duties established by the EEU CCT in the direction of their reduction, subject to certain conditions. The presence of such instruments contributes to the performance of the regulatory function of the mechanism of customs and tariff regulation.

The effectiveness of customs tariff regulation largely depends on the degree of detail of the commodity nomenclature and the level of differentiation of customs duty rates of the tariff. These two indicators are closely related to each other.

Calculations have shown that in the CCT of the EEU, rates of 3, 5, 10 and 15% are most often used. They cover 65.63% of all tariff rates, and if we add the share of zero rates, then 81.56%. At the same time, the largest share of 39.52% has a rate of 5%. Rates other than those considered account for only 18.44% [3].

Thus, the CTT of the EEU, with a high degree of detailing of the commodity nomenclature, is characterized by a low level of differentiation of customs duty rates, which

indicates the impossibility of fully implementing the protective and regulatory functions of customs and tariff regulation, since such differentiation does not allow taking into account the specifics of the production and consumption of specific goods, selective and targeted application of the tariff. A large number of rates of the same size indicates the predominantly fiscal nature of the EEU CCT.

The construction of import customs tariffs should be based on the principles of tariff escalation and effective tariff. Compliance with these principles greatly enhances the protective and regulatory functions of customs and tariff regulation.

In the EEU CCT, the principle of tariff escalation is not fully observed. The main identified inconsistencies are weakly expressed tariff escalation, relatively high rates of customs duties on raw materials and semi-finished products. In many cases, the rates of customs duties on semi-finished products and components are almost equal in size to the rates on finished products or even exceed them. This creates a situation where the production of finished products is not sufficiently protected and stimulated, since in conditions of preferential protection for the production of intermediate goods, finished products are more exposed to foreign competition, and high protection of raw materials and materials contributes to their production. Therefore, according to this indicator, the insufficient effectiveness of customs and tariff regulation should be recognized.

Another principle of building a customs tariff, the observance of which is aimed at implementing the regulatory function of customs and tariff regulation, is the principle of an effective tariff.

To assess compliance with the effective tariff principle, it is most expedient to consider the groups of goods presented in Section XVI of the EEU Common Commodity Nomenclature («Machinery, equipment and mechanisms; electrical equipment; their parts ...»). For this purpose, on the basis of the Decision of the EEC Council dated July 16, 2012 No. 54 «On approval of the unified Commodity Nomenclature for Foreign Economic Activity of the Eurasian Economic Union and the Unified Customs Tariff of the Eurasian Economic Union» [4], the arithmetic average rate and the share of zero rates were calculated for these groups in them (table 1).

**Table 1 - Compliance with the principle of efficient tariff**

Group	Arithmetic average simple rate	Share of zero rates
84	2,77	61,51
85	4,38	46,09

Source – Electronic resource [3]

According to the data obtained, groups 84 and 85 are characterized by a low level of tariff protection (group 84 has the lowest non-zero level of protection among all CTT groups of the EEU), while at the same time a high share of zero rates in them. Therefore, it should be recognized that the principle of an effective tariff is observed, ensuring the implementation of the regulatory function.

The next important indicator reflecting the trends in customs tariff policy is the level of tariff protection.

The calculations have shown that the real level of tariff protection for the Republic of Belarus is significantly lower than the one set by the CCT of the EEU, while according to the WTO this level is one of the lowest among all the member states of the EEU, which means that its domestic market is most susceptible to competition from foreign goods.

The analysis carried out allows to conclude that for the EEU, including the Republic of Belarus, the customs and tariff policy in recent years has taken a course towards trade liberalization. However, a further reduction in the level of tariff protection may have a negative impact on certain sectors of the economy of the Republic of Belarus due to increased competition from imports both in the domestic market and in the markets of the EEU member states, which are the main importers of Belarusian products.

The solution to the problems related to increasing the efficiency of the use of measures of customs and tariff regulation of foreign economic activity in order to ensure economic security is that it is necessary to partially revise the rates of customs duties and taxes in a certain period of time.

The fiscal orientation of the customs tariff prevails in the state. By such actions, the Republic of Belarus is trying to reduce the import of imported goods into the customs territory of the Customs Union, or at least increase the final cost of these goods in the domestic market, which will reduce competition with domestic producers of similar goods. The use of tariff quotas as a protective measure, that is, in order to ensure economic security, is of paramount importance, allowing to ensure the protection of Belarusian producers without a further increase in the level of prices on the domestic market.

The use of specific and combined rates for the purpose of increasing the efficiency of the customs and tariff regulation of the Republic of Belarus will, firstly, significantly minimize losses in the payment of customs duties in cases of declaring goods using deliberately distorted customs value data, and secondly, to a certain extent degree to prevent the importation of low-quality goods into the customs territory of the state.

List of sources used

1 On state regulation of foreign trade activities: Law of the Republic of Belarus dated November 25, 2004 No. 347-Z [Electronic resource]. – Access mode: <http://www.pravo.by/>

2 Svinukhov, VG Customs-tariff regulation of foreign economic activity and customs value / VG Svinukhov. - M. : Economist, 2009. - 272 p.

3 Improving the mechanism of customs and tariff regulation in the EAEU [Electronic resource]. – Access mode: <http://elib.bsut.by/bitstream/>

4 Decision of the EEC Council dated July 16, 2012 No. 54 «On Approval of the Unified Commodity Nomenclature for Foreign Economic Activity of the Eurasian Economic Union and the Unified Customs Tariff of the Eurasian Economic Union» [Electronic resource]. – Access mode: <http://www.consultant.ru/document/>

### **Limanovskiy Alexander Mikhailovich, Myadelets Alexander Vasilyevich**

Belarusian National Technical University, Republic of Belarus

Supervisor: Lyudmila Alexandrovna Bitus, Chief Inspector of the Minsk Regional Customs

#### **«The use of the blue channel as a new stage in the development of post-customs control»**

*Research area:*

*Simplification of the State Control Procedure.*

Customs control is aimed at ensuring the security of national and economic interests on the territory of the Republic of Belarus and the entire Eurasian Economic Space. Nevertheless, such activities should not be accompanied by significant expenses of material resources and time. Today, one of the ways to accelerate the control of cross-border movement is the customs checks after the release of goods. This form allows avoiding detaining goods at the border and using modern methods to assess the correctness of determining all aspects of the import of goods.

The definition of customs control after the release of goods or post-customs control is not given in the Customs Code of the EAEU. Based on this, the best definition is given in the provisions of the Kyoto Convention. Thus, customs control after the release of goods is a form of customs control carried out in order to verify accounting data and other data necessary to confirm the accuracy of the customs declaration information after the release of goods<sup>1</sup>.

It is worth noting that the terms «post–customs audit» and «customs inspection» are synonymous in foreign sources, which is impossible in the Belarusian legislation since such

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<sup>1</sup> The International Convention on Simplification and Harmonization of Customs Procedures of May 18, 1973 [Electronic resource] – Access mode: <https://docs.cntd.ru/document/1901082> - Access date: 20.04.2022.