



USE OF CUSTOMS AUDIT AFTER THE RELEASE OF GOODS IN UZBEKISTAN

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Abstract

Customs audits conducted after the release of goods play a crucial role in ensuring compliance with trade regulations and protecting economic interests. This article explores the implementation and impact of customs audits in Uzbekistan, focusing on their effectiveness in detecting and preventing fraud, enhancing revenue collection, and facilitating international trade. By examining the current practices and challenges faced by the Uzbek customs authorities, this study provides insights into the potential improvements and future directions for customs audits in the country.

Keywords

Customs audit, third parties, Customs Control, Risk Management System, customs audit AIS, digital customs, world standards.

Introduction

Customs audits are a vital component of the customs control framework, aimed at verifying the accuracy of declarations and compliance with trade regulations after goods have been released. In Uzbekistan, the growing volume of international trade necessitates robust mechanisms to ensure compliance and safeguard economic interests. This article examines the use of customs audits in Uzbekistan, highlighting their importance, current practices, and potential areas for improvement.

Historical Context of Customs Audits in Uzbekistan

The evolution of customs audits in Uzbekistan can be traced back to the country's independence in 1991. Following the dissolution of the Soviet Union, Uzbekistan faced the challenge of establishing a comprehensive customs framework to manage its international trade. The initial focus was on setting up basic customs infrastructure and procedures. Over the years, as trade volumes increased and the complexity of international trade grew, the need for more sophisticated customs control mechanisms, including post-release audits, became apparent.

Importance of Customs Audits

Customs audits serve several critical functions:

Compliance Verification: Ensuring that importers and exporters comply with national and international trade regulations.

Revenue Protection: Detecting and preventing under-valuation, misclassification, and other fraudulent activities that can lead to revenue loss.

Trade Facilitation: Enhancing the efficiency of customs processes and promoting a secure and predictable trading environment.

Current Practices in Uzbekistan

In Uzbekistan, customs audits are conducted by Customs Committee as part of the post-clearance control process. The main aspects of the current audit practices include:

1. **Risk-Based Selection:** The SCC employs a risk management system to identify high-risk consignments and prioritize them for audits. This approach helps allocate resources efficiently and focus on potential areas of non-compliance.
2. **Documentary and Physical Audits:** Audits involve the examination of documentation and, in some cases, physical inspection of goods to verify the accuracy of declarations and compliance with regulations.
3. **Collaboration with Other Agencies:** The SCC collaborates with other government agencies, such as the Tax Committee and law enforcement bodies, to gather information and enhance the effectiveness of audits.

Regulatory Framework

The regulatory framework for customs audits in Uzbekistan is primarily governed by the Customs Code of the Republic of Uzbekistan, which provides the legal basis for customs operations, including audits. Key elements of the regulatory framework include:

1. **Customs Code:** The foundational legal document outlining the rights and obligations of customs authorities and traders. It includes provisions for post-clearance audits, risk management, and penalties for non-compliance.
2. **Risk Management Regulations:** Specific regulations that detail the risk assessment criteria and procedures for selecting consignments for audit.
3. **Collaboration Agreements:** Memoranda of understanding (MOUs) and agreements with other government agencies and international customs organizations to facilitate information sharing and cooperation.

Audit Procedures

The customs audit process in Uzbekistan involves several stages:

1. **Risk Assessment:** The first step involves identifying high-risk consignments using a risk management system. This system analyzes various factors such as the importer's compliance history, the nature of the goods, and the country of origin to assign a risk score to each consignment.
2. **Notification:** Importers selected for an audit are notified in advance. The notification includes the scope of the audit and the documents required.
3. **Documentation Review:** Auditors review the documentation related to the consignment, including invoices, shipping documents, and import declarations. This review aims to verify the accuracy of the declared values, classifications, and quantities.
4. **Physical Inspection:** In some cases, a physical inspection of the goods may be conducted to verify that the actual goods match the declared information.
5. **Report and Follow-Up:** After the audit, a report is prepared detailing the findings. If discrepancies are found, importers may be required to pay additional duties or penalties. Follow-up actions may include further audits or legal proceedings in cases of significant non-compliance.

Case Studies and Examples

Several case studies highlight the impact of customs audits in Uzbekistan:

Under-Valuation Detection: In a recent audit, the customs authorities identified a significant under-valuation of electronics imports. The audit revealed that the importer had declared the goods at a fraction of their actual value to reduce duty payments. The audit led to the recovery of substantial revenue through back duties and penalties.

Misclassification of Goods: Another audit uncovered the misclassification of textile imports, where high-duty items were declared under lower-duty tariff codes. The rectification of these misclassifications resulted in increased revenue collection and set a precedent for stricter scrutiny of similar consignments.

Impact and Effectiveness

Customs audits have significantly contributed to enhancing compliance and revenue collection in Uzbekistan. Notable achievements include:

Increased Detection of Irregularities: The implementation of risk-based audits has led to the identification of numerous cases of under-valuation, misclassification, and other irregularities.

Enhanced Revenue Collection: By detecting and addressing non-compliance, customs audits have played a crucial role in boosting revenue collection from import duties and taxes.

Improved Trade Facilitation: The use of audits has streamlined customs processes, reducing clearance times and fostering a more predictable trading environment.

Challenges and Limitations

Despite the progress made, several challenges hinder the effectiveness of customs audits in Uzbekistan:

Limited Resources: The CC faces constraints in terms of manpower and technological resources, impacting the frequency and thoroughness of audits.

Complex Regulatory Environment: The dynamic nature of international trade regulations and frequent changes in national laws pose challenges for both customs authorities and traders.

Capacity Building: Continuous training and capacity building for customs officers are essential to keep pace with evolving trade practices and fraud techniques.

Technological Advancements

1. The adoption of modern technologies is a critical factor in enhancing the efficiency and effectiveness of customs audits in Uzbekistan:

2. **Data Analytics:** Utilizing big data analytics helps in identifying patterns of non-compliance and predicting high-risk consignments. This allows for more targeted and efficient audits.

3. **Blockchain:** Implementing blockchain technology can enhance transparency and traceability in the supply chain, making it more difficult to falsify documentation or manipulate data.

4. **Artificial Intelligence:** AI-powered systems can automate parts of the audit process, such as document verification and anomaly detection, reducing the burden on human auditors and increasing accuracy.

Future Directions

To further strengthen the customs audit system in Uzbekistan, several strategic initiatives can be undertaken:

Enhanced Training Programs: Continuous professional development for customs officers, focusing on the latest fraud detection techniques and international best practices.

International Collaboration: Strengthening ties with international customs organizations and neighboring countries to share intelligence and harmonize audit procedures.

Public-Private Partnerships: Engaging with the private sector to foster a culture of compliance and leveraging private sector expertise and technology.

Regulatory Reforms: Simplifying and updating customs regulations to reflect current trade realities and reduce the administrative burden on traders.

Conclusion

Customs audits after the release of goods are indispensable for ensuring compliance with trade regulations and protecting the economic interests of Uzbekistan. While significant progress has been made, ongoing challenges such as resource constraints and regulatory complexity need to be addressed. By investing in technology, enhancing international cooperation, and focusing on capacity building, Uzbekistan can further improve the effectiveness of its customs audits, thereby fostering a secure and efficient trading environment.

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