



THROUGH THE ESTABLISHMENT OF THE INTERNATIONAL SINGLE WINDOW USING POST-CLEARANCE AUDIT IN THE COMMON INTEREST OF COUNTRIES, AGENCIES, AND BUSINESS

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ABSTRACT

Background: The WTO Trade Facilitation Agreement commits countries to the development and implementation of Single Windows. This Part contains an overview of the different approaches to building a cross-border regulatory Single Window environment, and the practical insights with which these approaches provide senior management. **Context:** This article analyzes the work done to ensure and facilitate the security of international trade, as well as existing problems. **Objective:** The use of post-clearance audits to ensure the common interests of states, agencies and businesses, the exchange of information by them through the establishment of the International Single Window, the optimization of documents and data required for international foreign trade. **Methods:** In the paper used logically, chronological and economic analysis methods. **Results:** The authors have developed proposals and recommendations for the creation of a single International Single Window for countries around the world, combining data from all countries, agencies and businesses involved in the export, import and transit of goods.

Keywords: customs, agencies, businesses, Single Administrative Document, single window, export, import.

1. INTRODUCTION

Usually, when we say customs control, we mean that imported or export goods are inspected by a specially dressed officer of the state administration at the border. It is known that although the control of goods by customs authorities at border checkpoints is important, the implementation of customs control based on audit methods is becoming the most important issue in Uzbekistan today, after simplifying it and allowing the release of goods inside the country. At the same time, it should not be forgotten that the customs service is tasked with a combination of the two main tasks. That is both to stimulate international trade and to ensure its full security. These two functions are inversely related to each other and the strengthening of one can, in many cases, lead to the weakening of the other. The golden rule in this regard is to find a normative middle ground - one of the most serious and complex issues in the foreign trade policy of countries. This is due to the fact that the highest priority of any state customs service is to ensure the entry of "clean" goods into the country, without completely hindering the development of international foreign trade. This is because the World Bank's Doing Business ranking, which is published annually, takes into account two main indicators in determining the position of countries in terms of foreign trade: the time of customs clearance of goods and the amount spent on customs clearance. At the same time, the optimal solution or measure for the above two indicators is the introduction of a mechanism of customs audit, which is carried out after the completion of customs clearance and free movement of goods into the country by accelerating customs clearance at the border. For this reason, in many countries around the world, customs services make extensive use of post-clearance audits.

2. MATERIALS AND METHODS

In July 1996, the Korea Customs Service (KCS) introduced the PCA to deal with the rapid increase in the volume of imports and exports, and to expedite customs clearance procedures. Within 90 days after acceptance of import declarations, KCS examines, on case-by-case basis, correctness of payment of duties and taxes on selected import cases, which are electronically selected by risk management methods. This is mainly paper-based audit. As a consequence, there was a sharp decline in the time taken for customs clearance, which has also contributed to cost savings for businesses as well as for the government. – July 2005 communication from Korea to WTO Negotiating Group on Trade Facilitation [1].

In accordance with The International Convention on the simplification and harmonization of Customs procedures (as amended), known as the Revised Kyoto Convention (2006), "audit-based control" means measures by which the Customs satisfy themselves as to the accuracy and authenticity of declarations through the examination of the relevant books, records, business systems and commercial data held by persons concerned [2].

Some local economists, as well as Burkhanov (2019) were investigated features Of Investment In Mutual Fund: In Case Of Russia [23]. Khodiev (2019), Mustafakulov (2019) and others proposed evaluation method-ology for

integrated assessment of production capacity management, which is based on qualitative and effective indicators of production capacity management [16, 17]. Methodology for assessment the efficiency of production capacities management at textile enterprises were investigated by Tursunov in many works [18, 19, 20, 21, 22], but they have not investigated problems of influence of the Covid-19 pandemic coronavirus of the world economy.

In 2012, the World Customs Organization developed the Guidelines for post-clearance audit, which provides recommendations for its use in all countries on the basis of the same standards [3]. Scientific research on the impact on economic growth through the improvement of customs audit methodology has been conducted by the world's leading higher education institutions and research centers, including World bank, United Nations conference on trade and development (UNCTAD), The WilsonCenter (USA), Focus Economics, World Trade Organization (WTO), International Monetary Fund (IMF), European Court of Auditors (ECA), The center for economic and business research (CEBR), Deloitte & Touche, Pricewaterhouse Coopers, KPMG, Ernst&Young, Stanford University (AKШ), Syracuse University (USA), The Organisation for Economic Co-operation and Development (OECD), University of Calgary (Canada), Office of the auditors General (OAG) (Australia), United Nations Development Programme-UNDP, Institute for Fiscal Studies (Great Britain), University of Exeter (Great Britain), University of Maastricht (The Netherlands), Japan International Cooperation Agency (Japan), Saratov National Research State University named after N.G. Chernyshevsky (Russia), Financial and Banking Association of Euro-Asian Cooperation (Russia), Russian Customs Academy (Russia), The Customs Institute of the State Customs Committee of the Republic of Uzbekistan, Tashkent Financial Institute (Republic of Uzbekistan) [4] has conducted a lot of scientific and practical research to improve the organization and conduct of customs audits, develop international standards, further develop the customs audit process. The study revealed the impact of customs audit on export-import procedures, tax and customs payers' behavior, is based on the fact that it leads to an increase in the revenue side of the state budget and reduces the costs of customs authorities. Research is also underway to improve the methodology for assessing the effectiveness of customs audits. In accordance with international norms and standards [3], which have recently been adopted in the world, customs audit is widely used and highly effective. At present, the development of a national system of customs audit in Uzbekistan, conducting research on their harmonization with international standards remains a pressing issue.

3. RESULTS

As stated in the Revised Kyoto Convention, what is needed to effectively organize an audit is the data, after the goods are released. The information is obtained from relevant books, records, business systems of foreign countries, their agencies or business entities. However, today there are many problems in the process of data exchange between states, agencies and businesses. We try to express the proof of our opinion by:

1) There is no single system of electronic information to exchange between countries on exports, imports and transit of goods. It is true that in some countries Mirror analysis has been launched using mutual information exchange within the framework of bilateral agreements. Professor Christopher Grigoriou, in his 2019 article "Mirror analysis as a support for risk management and valuation: a practical study", tried to explain in detail the importance of information exchange and Mirror analysis between countries [5].

However, Mirror analysis has two serious shortcomings:

- The time chosen for the Mirror analysis between the two countries does not correspond to each other due to the time required for transportation and clearance of goods. For example, if Mirror analysis is performed in January 2020 and export-import operations performed in 2019 are selected for this, goods exported from one country in December 2019 may not be visible in the analysis process because they have not yet physically arrived or cleared to another country.
- Mirror analysis has limited ability to automate all work, and therefore there is a need to analyze the data with human intervention.

2) In agencies involved in foreign trade activities, the agency's own interests take precedence over the general interests of the state. As a result, each agency requires different documents and information on a single commodity from a business entity to perform the task assigned to it. For example, if a railway company requests an IRFA document, the customs authorities will request a cargo declaration, a banking institution will request an invoice, and another agency will request another document. However, most of the information in the documents duplicates each other. For example, both the invoice, the IRFA document, and the customs declaration are repeated as separate documents, although the sender, recipient, brand name, quantity and other similar information are repeated. As a result, artificial barriers to the development of international trade are created on their own. The urgency of information exchange and its security issues are also highlighted in the 2017 Transit Guidelines developed by the World Customs Organization [6].

3) Requirement of business entities to repeatedly submit information and documents on the same product to different countries and agencies - it requires extra time and money for legitimate, honest entrepreneurs, and forged or misrepresented documents by providing different information and documents to illegal workers. allows you to avoid customs duties by providing.

Many scientists and experts have struggled to find a solution to these problems and have developed various proposals. In 2005, Recommendation and Guidelines on establishing a Single Window (Recommendation No. 33) were developed by The United Nations Center for Trade Facilitation and Electronic Business (UN / CEFAC) in 2005 [7]. Katerina Tosevska-Trpcevska in her article "Effects of implementation of single window and simplified customs procedures in the Republic of Macedonia" [8], Do Duy Nhat's article "Development of national single window in Vietnam" [9], Zhong Chen, Qiping Chen's article "An Analysis of the Current Situation of Single Window in International Trade in Mainland China" [10] analyzes the results of the introduction of the "Single Window" in some countries.

The Customs Convention on the International Transport of Goods under the Cover of TIR Carnets (TIR Convention) has been successfully used in international transportation since 1975 [11].

The Contracting Parties to the TIR Convention launched in 2003 the "eTIR Project", aimed at providing an exchange platform for all actors (Customs authorities, holders and guarantee chains) involved in the TIR system, known as the "eTIR international system". The eTIR international system aims to ensure the secure exchange of data between national Customs systems related to the international transit of goods, vehicles or containers according to the provisions of the TIR Convention and to allow Customs to manage the data on guarantees, issued by guarantee chains to holders authorized to use the TIR system [12].

Since 1998, The Single Administrative Document (SAD), developed by the European Community Council to unify customs documents, has been used as the main customs document by EU countries.

The Automated System for Customs Data (ASYCUDA) was developed in 2004 by the United Nations Conference on Trade and Development (UNCTAD) and is now used by customs services in more than 80 countries.

In 2006, the UN developed the Convention on International Customs Transit Procedures for the Carriage of Goods by Rail under Cover of IRFA Consignment Notes. This convention recommends the use of IRFA consignment notes as a customs declaration.

In most countries, mutual settlements between business entities are carried out through e-invoice.

Analyzing the above examples, a lot of work has been done to harmonize documents and exchange information electronically between states, agencies and business entities. However, the work done is limited to certain regions (for example, SAD - used only in the EU, Single Window - used only between offices within countries) or certain areas (for example, TIR only in road transport, IRFA - only in rail transport, ASYCUDA - only in customs used) can be observed. There is no common system of export-import operations between countries, which covers all countries and industries. As a result, valuable data that facilitates international trade and effectively organizes the PCA remains scattered throughout the country.

4. DISCUSSION

As a solution to this problem, we believe that it is necessary to create an International Single Window uniting all countries involved in the export, import and transit of goods (exporter, transit and importer), agencies (transport companies, customs, tax, banking and other regulatory agencies) and businesses.

The urgency of this issue was also highlighted by Abhinayan Basu Bal, Trisha Rajput, and Parviz Alizada in an article entitled "International Single Window Environment: Prospects and Challenges" [14]. This article analyzes the work being done to establish a common Single Window between ASEAN member states and emphasizes the need for the development of international legislation regulating this issue and the effective use of information technology. However, two different models of the International Single Window are shown: the centralized server model and the gateway model. Centralized Gateway Model whereby the Gateway is installed in a single Central Server for the common use of all participating countries. Distributed Gateway Model whereby the Gateway is installed separately in the national network perimeter of each participating country.

Luciano Pugliatti, in his article "Cloud single window: legal implications of a new model of cross-border single window", expressed his views on the organization of supranational single window using cloud technologies [15].

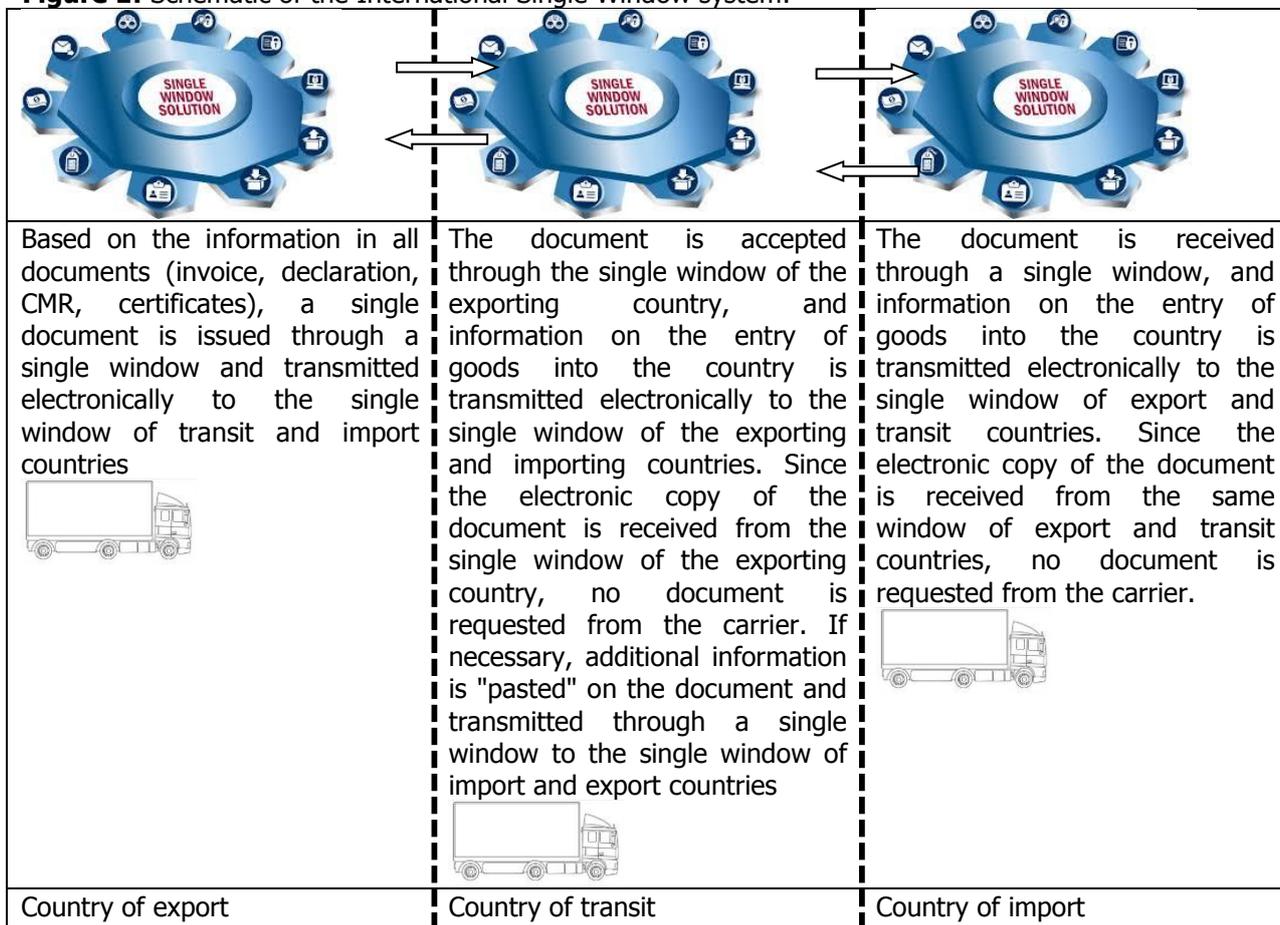
Recommendations in this regard by the United Nations Center for Trade Facilitation and Electronic Business (UN / CEFAC) n ° 33 on Single Window implementation, n ° 34 on data simplification and standardization, and n ° 35 on the enabling legal environment for Single Window implementation Single Window Interoperability Recommendation n ° 36 developed. Although the Centralized Gateway Model is simple, it has the disadvantages of ensuring information security because all commercial data is hosted on a single server around the world, as well as having a monopoly position in the country where the server is located. Therefore, in our opinion, using the Distributed Gateway Model when creating an International Single Window is the most optimal solution. In this model, all states are responsible for the introduction of Single Window in their territory and states are required to ensure that their Single Window can be linked to Single Window of other states.

The International Single Window should unite the Single Windows of the countries into a single system and exchange

information between them. In International Single Window, a document for a single batch of goods is created electronically once. All other information will be "pasted" by the participants of the International Single Window into the same document, and this single document will not contain two duplicate information.

The International Single Window proposed by the authors in this article differs from those proposed by other scholars and experts in the execution of a single document in the conduct of international trade. This single document is formed on the basis of electronic invoices, and other necessary information is entered in addition to it. The convenience of this system is that there is no need to repeat the same information in different documents. We will try to explain the operation of the International Single Window system based on the following figure (Fig.1).

Figure 1: Schematic of the International Single Window system.



For the full operation of this system, it is necessary to ensure the reliability and completeness of the information. Unfortunately, today there are many cases when the export-import operations do not contain complete or incorrect information in the documents. In particular, in the IRFA, TIR-Carnet or CMR documents, the box with the "product name" should contain sufficient information about the product, but in some cases it is indicated under a common name, such as "different goods" or "goods invoiced". Nowadays, there is no strict international procedure for filling out invoices. As a result, additional time and costs are incurred for customs control of such goods.

Displaying information about goods in documents in this way poses problems for both government agencies and businesses. Therefore, it is necessary to define the issue of financial responsibility to ensure the completeness and accuracy of the data. In this case, if a state, its agency or business entity provides incorrect or incomplete information, another state, its agency or entity shall be subject to a fine based on the amount of damage caused or to be caused, if it causes objections.

One of the most important factors to ensure the full operation of the system is to bring the types and formats of data to be transmitted through this system in line with the same standards and to ensure information security. To do this, documents that are equally recognized by all states and agencies and their electronic copies must be certified by international law. Such a single document must have its own unique identification number and be recognized by exporters, importers and banks as invoices, as a transport document by the carrier, as a declaration by the customs services. The introduction of this system, along with the simplification of the process of international trade, will allow businesses to monitor the movement of goods in real time.

5. CONCLUSION

The need to create a Single Window at the international level is that in international trade, goods are transported

through several countries. While Single Window is fully established in one country, the simplification of these processes within a single country remains irrelevant when dozens of documents are required to move goods through the territory of a neighboring country. Therefore, countries are encouraged to coordinate national Single Window [15].

Once all the information related to the implementation of international trade is collected in one system, the implementation of the post-release audit will be simplified. Regulatory authorities will be able to obtain information on all documents and information on the export, transit and import of goods from the first source. This will not only prevent the falsification of documents, but also eliminate the congestion associated with the verification of documents at the border.

As a result, almost all post-release audits can be automated without going to the location of the business entity.

The above-mentioned analyzes show that the facilitation of international trade and ensuring its legitimacy is a difficult issue to solve within a single state, a single state organization or a single international organization. Therefore, all countries, international organizations and business representatives must work together to address this issue.

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