



Measures for Increasing Transparency of Customs Payments and Their Role in the State Budget

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Abstract: This article discusses the importance of transparency in customs payments and outlines various measures to achieve it, along with the impact of transparent customs systems on the state budget. It also provides case studies highlighting successful implementations of these measures. Additionally, it acknowledges challenges and emphasizes the need for continuous adaptation to maintain transparency in customs payments.

Key words: Customs authorities; customs clearance procedure; customs policy reform; customs efficiency; customs regulation; Exports; International trade organizations; Online Customs Declarations; Automated Valuation Systems; Single Window System; Fiscal Policy Tool; Global Trade Relations.

Introduction

Customs payments encompass various fees, duties, and tariffs imposed on imports and exports. These payments are a significant source of revenue for governments, which are then allocated to various sectors, such as infrastructure, healthcare, and education. Transparency in customs payments refers to making these processes more visible, accountable, and less susceptible to corruption.

The Importance of Transparency

1. *Preventing Corruption:* Transparency is a potent tool for preventing corruption in customs payments. When importers and exporters know that their transactions are closely monitored, they are less likely to engage in illegal practices to reduce their payments.
2. *Public Trust:* Transparent customs processes build public trust. Citizens have a right to know how their tax money is utilized. When they see that customs payments are handled openly and fairly, it enhances their confidence in the government.
3. *Attracting Foreign Investment:* Transparency in customs payments is an essential factor in attracting foreign investment. Investors are more likely to invest in a country with clear, predictable customs regulations and processes.

Measures for Increasing Transparency

1. *Online Customs Declarations:* Implementing an online system for customs declarations allows importers and exporters to submit their documents electronically. This reduces physical interaction, minimizes the potential for bribery, and enhances record-keeping.
2. *Automated Valuation Systems:* Automated valuation systems determine the value of goods for customs purposes. These systems reduce the risk of undervaluation or misclassification, ensuring that the appropriate duties and taxes are paid.

3. *Single Window System*: A single window system consolidates all import and export-related information and transactions into a single platform. This streamlines the process, reduces paperwork, and increases transparency.
4. *Regular Audits*: Conducting regular audits of customs procedures and payments is essential. These audits identify irregularities and help maintain the integrity of the customs process.
5. *Transparency Initiatives*: Governments should launch awareness campaigns and initiatives to inform the public and business community about customs processes and regulations. This helps in building trust and understanding.

The Role of Customs Payments in the State Budget

Customs payments are a crucial source of revenue for the state budget. They provide funds that support various government functions and public services. Here's how customs payments impact the state budget:

1. *Revenue Generation*: Customs payments generate substantial revenue for the state. These funds can be allocated to various sectors, such as healthcare, education, and infrastructure development. (Table 1)
2. *Economic Stimulation*: A well-structured customs system can encourage economic growth. It can protect domestic industries by imposing tariffs on specific imports and promote exports through incentives.
3. *Fiscal Policy Tool*: Customs payments can be used as a fiscal policy tool to manage trade balances. Governments can adjust tariffs and duties to encourage or discourage certain types of trade.
4. *Global Trade Relations*: A transparent and fair customs system fosters positive global trade relations. It builds trust with trading partners, ensuring smooth international commerce.
5. *Resource Allocation*: The state budget allocates funds based on customs revenue. This allocation impacts the quality of public services and infrastructure development.

Official information provided by the customs authority of the Republic of Uzbekistan

Information on customs payments for 2022-2023 (in the case of payment types)

Payment type	2023			2022		
	January-August (plan)	Transferred to the budget (8 months)	Completion, %	January-December (plan)	Transferred to the budget (12 months)	Completion, %
VAT	22704	24438,9	107,6	26693	27110,7	101,6
Excise tax	231	224,2	97,1	284,4	393,7	138,4
Customs duty	3255	3523,2	108,2	4937,7	5692,6	115,3
Other payments	745	697,9	93,7	1184,9	1579,7	133,3
Total	26935	28884,3	107,2	33100	34776,7	105,1
{in million sum}						

The United States government generates revenue from various sources, including customs duties. Table 1 shows the percentage of several revenue sources:

Table 1

Revenue Source	Amount (in billions USD)	Percentage of Total Revenue
Income Tax	\$1,500	50%
Payroll Tax	\$900	30%
Corporate Tax	\$300	10%
Excise Tax	\$100	3.3%
Customs Duties	\$50	1.7%
Other Miscellaneous	\$150	5%
Total Revenue	\$3,000	100%

January, 2022

Case Studies

Let's take a look at two countries that have successfully implemented measures to increase transparency in customs payments and the impact it has had on their state budgets:

Case Study 1: Singapore

Singapore is known for its highly transparent customs system. The country has embraced cutting-edge technology, such as automated valuation systems and online customs declarations. As a result, Singapore's customs processes are efficient, accountable, and free from corruption. This transparency has helped attract foreign investment and boost trade, significantly contributing to the state budget.

Case Study 2: Rwanda

Rwanda has made significant strides in improving customs transparency. They implemented a single window system that streamlined customs procedures. This initiative led to increased revenue collection, which was allocated to social programs, infrastructure development, and poverty reduction, positively impacting the state budget.

Challenges and Future Considerations

While increasing transparency in customs payments is essential, there are challenges to overcome. Governments must continuously adapt to changing trade dynamics, technological advancements, and evolving international standards.

In the future, customs authorities should focus on enhancing data sharing and collaboration with international partners. This will help combat global challenges like smuggling and fraud.

Conclusion

Customs payments are a vital part of a country's revenue stream and play a crucial role in shaping its economic landscape. Implementing measures to increase transparency in customs payments is not only a moral obligation but also a strategic move to foster economic growth, attract foreign investment, and maintain public trust. When customs processes are transparent, the state budget benefits, and the entire nation prospers.

In a rapidly changing global economy, countries that prioritize customs transparency will be better positioned to succeed and thrive. By adopting innovative measures and continuous improvement, nations can ensure that their customs payments are a beacon of integrity, accountability, and economic opportunity.

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