

# Digitalization as a way to improve the interaction of customs and tax authorities during customs control after the release of goods

Zhereben E.V.

Russian Customs Academy

Lyubertsy, Russia

ev.zhereben@customs-academy.ru

Lipatova N.G.

Russian Customs Academy

Lyubertsy, Russia

nadya\_lipatova@mail.ru

**Abstract** — The aim of the study is to analyze the current state of digitalization in the activities of the federal executive bodies (FEB) by the example of cooperation between customs and tax authorities during customs control after the release of goods (CCRG). It is shown that in the current conditions of globalization of world trade, the introduction of digital technologies is one of the determining factors in the economic development of states. Digitalization processes have not spared government structures. The foreign experience of using the latest information technologies in the organization of control activities of state bodies was investigated. The main trends in the state policy of Russia on the creation of a digital economy are considered, the fundamental regulatory legal acts in the field of research are presented. The main goals that must be achieved in the framework of the digitalization of the activities of the federal executive body include: transparency of decisions, coordination of actions, optimization of solving state problems. To indicate the role of information in the joint activities of state bodies, the conceptual provisions of the interaction of customs and tax authorities within the CCRG are presented, the basic principles of such interaction are determined. To achieve the joint goals of identifying and suppressing schemes of evading customs payments and taxes, ensuring the completeness of collection and timely receipt of tax payments to the budget, the following are identified as promising areas for the development of interagency cooperation: integration of information systems and information resources of the Federal Customs Service (FCS of Russia) and the Federal Tax Service (FTS of Russia); the creation of a single mechanism for traceability of the movement of commodity and financial flows in foreign trade operations. The main factors that affect the implementation of the digitalization process of the interaction of customs and tax authorities during customs control after the release of goods are formulated and systematized.

**Keywords** — digital technologies, federal executive bodies, interagency cooperation, customs authorities, tax authorities.

## I. INTRODUCTION

The last decade has especially vividly demonstrated global changes in the global economic community. There are more and more processes that fundamentally affect the development of states. One of these processes, without a doubt, is the use of digital technology in all areas of public relations. The concept of "digital technology" is associated with a special method of encoding and transmitting information [1]. However, the use of this term often means the most advanced and innovative features. There are wider opportunities for changes in the

economic and social spheres with the help of the latest technologies.

The rapid spread and penetration of digital technologies in all areas of public life led to the emergence of such a concept as "digital economy", endowed with a number of characteristic features: the importance of intellectual resources, the advantage of the Internet over other means of communication and search tools, the value of information as a full-fledged economic resource.

TABLE I. THE DEFINITIONS OF THE DIGITAL ECONOMY

Digital Economy	1. A global network of economic and social activities supported by platforms such as the Internet, as well as mobile and sensor networks [Australian Government, 2009]. 2. A new way of an economy based on knowledge and digital technologies within which new digital skills and opportunities in society, business and the state are formed [World Bank, 2016]. 3. Digital Economy dependent on digital technologies [European Commission, 2014].
-----------------	--

It should be noted that a uniform approach to the definition of the digital economy has not developed either in the practice of foreign countries or in Russian practice (Table 1). In most cases, when it comes to the digital economy, either certain information technologies or the directions of their influence on the economy and social life are mentioned [2].

One of the driving forces of the global economic system that ensures the economic development of states is international trade. The high level of competition in international trade activity necessitates changes in the state customs policy such as the transition from operational control in the process of customs operations to customs control after the release of goods. Improving customs control after the release of goods (CCRG) has become one of the main strategic directions for the development of the customs service of Russia until 2020 [3]. In the era of the active introduction of digital technologies in all spheres of public life, an effective solution to this problem can be based on the use of the latest digital technologies in customs.

Successful solving the tasks entrusted to the customs authorities in the field of protecting the economic interests of the state is impossible without interagency cooperation, which can become much more effective when using digital technologies. Combining the efforts of the customs service and other regulatory bodies allows a deeper control in all areas of ensuring the economic security of the Russian Federation.

Currently, a significant amount of research has been carried out in the field of introducing digital technologies in all spheres of public life, and in particular in the state sector. It is shown that the formation of a digital society has undeniable advantages and, at the same time, is fraught with previously unknown challenges and threats to the economic security of countries [4]. Also, a review of the literature on this subject made it possible to analyze various approaches to digital transformation in the public sector that are relevant in international practice [5]. Digitalization in the public sector is often considered in terms of introducing the latest technologies precisely in the process of providing public services [6]. At the same time, the options of digital technologies for the creation of interdepartmental services and their joint use by federal government bodies, the formation of common data for joint mutual use in the public sector are not fully taken into account. This study is intended to fill this gap.

The methods underlying this study are methods of collecting information, analyzing cause-effect relationships, and comparing data. The study also uses the concepts of modern management science and economics, the theoretical positions of Russian and foreign experts in the field of economics and information technology. The study is based on statistics provided on the official website of the Federal Customs Service.

The purpose of this study is to identify factors that influence the digitalization process in the activities of state bodies with authority in the field of control and supervision, and develop proposals for the introduction of digital technologies in their area of interaction using the example of cooperation between customs and tax authorities during the CCRG.

## II. ANALYSIS OF THE USE OF DIGITAL TECHNOLOGIES IN THE ACTIVITIES OF GOVERNMENT BODIES ON THE EXAMPLE OF THE INTERACTION OF CUSTOMS AND TAX AUTHORITIES DURING THE CCRG

Currently, almost all developed countries are developing and implementing national projects for the growth of digital technologies, since the lag in the digitalization processes makes the country's economy less competitive, dependent on other states that are more developed in this direction, which in turn negatively affects the national economic security [7].

In modern practice, the activities of government bodies, digital technologies are acting as a determining factor in increasing the effectiveness of their activities. Among the states that hold the lead in the development and application of the latest information technologies, are traditionally the USA,

China, Great Britain and Japan [8]. An example of the use of digital technology in the public policy development phase is the UK-launched Predictiv online platform. This platform allows you to conduct behavioral experiments in real time, in particular, to test new measures of state regulation in an online mode. The system allows government agencies to significantly reduce their time and financial costs [9].

Particular attention is paid to the development of digital technologies in our country. This is evidenced by the adoption of a number of documents regulating issues in this area, namely: Strategies for the development of information technology, innovative development of Russia, the National Program "Digital Economy of the Russian Federation" [10]. The structure of the national program "Digital Economy of the Russian Federation" includes 6 federal projects, one of which is "Digital Public Administration" related to the implementation of digital technologies and platform solutions in the areas of public administration and the provision of public services.

Over the past decade, Russia has made significant progress in implementing the concept for the development of digital technologies in the provision of state and municipal services in electronic form. Multifunctional centers, the Unified portal of public services, Personal accounts of individuals and legal entities on the official websites of industry departments have been created and now they successfully operate.

Despite the fact that the latest technologies are already used in many government agencies, there is not always an understanding of how their use will improve the quality and increase the efficiency of government bodies. To date, the specific goals and objectives of the development of digital technologies in the activities of the federal executive bodies of the Russian Federation have not received proper analysis. When copying the experience of foreign countries without taking into account national characteristics, the current state of digitalization in the public sphere, it is difficult to achieve high results in the economic development of Russia.

For the Russian economy in the context of the rapid development of digitalization, issues of interagency interaction as a process of the organized exchange of data and information between federal executive bodies for the implementation of their powers, including the provision of public services and the performance of state oversight functions, are of particular relevance. This applies, first of all, to the sphere of state regulation of foreign economic activity (FEA) of Russia. Ensuring the effective functioning of the federal executive bodies system in implementing state regulation of foreign economic activity based on modern information technologies is a priority state task.

The solution to this problem will allow achieving within the framework of digitalization of the public sector:

- coordination of actions between federal executive bodies;

- creating an up-to-date regulatory legal framework governing interagency information interaction;
- optimization of joint performance of state functions;
- increasing the transparency of decisions.

At present, information exchange between the federal executive bodies of Russia has been organized. It is carried out on the basis of bilateral agreements and technical conditions, providing individual methods and regulations for the exchange of information. It is worth noting that so far, information comes from some federal executive bodies on magnetic media or in hard copy 1-2 times a month. This does not allow the efficiency of solving problems in the implementation of state regulation of foreign economic activity [11].

Among government agencies with the powers of control and supervision in the field of state regulation of foreign economic activity, the customs authorities play a key role. The customs authorities are successfully implementing a program to create electronic regional customs. A unified personal account has been created for participants of foreign economic activity, as well as the possibility of making a pledge in electronic form. 10 centers of electronic declaration are functioning (16 centers are planned to be created by the end of 2020). The key moment of the Development Strategy of the Customs Service of the Russian Federation until 2030 is the digitalization of the customs authorities [12].

Digitalization in the activities of customs authorities is associated primarily with improving the efficiency and quality of customs control. The modern ideology of improving the effectiveness of customs control is generally based on a full and comprehensive verification of the foreign economic transaction after the release of goods, all aspects of which cannot be controlled at the stage of customs clearance.

The main form of CCRG is customs inspection. The foundation for improving the efficiency of customs inspections is a high-quality selection of CCRG facilities.

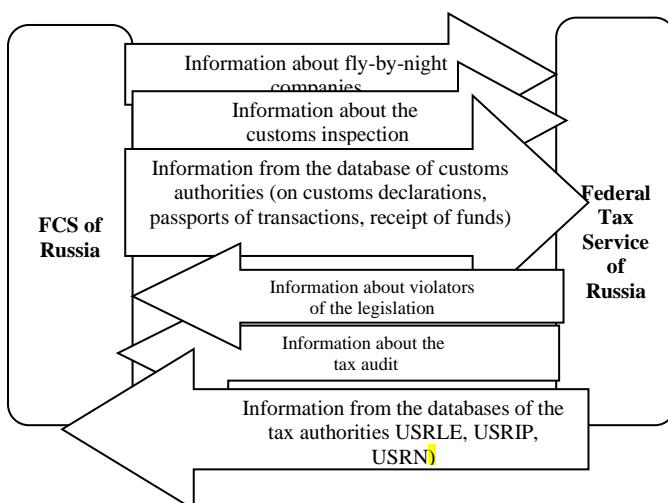


Fig. 1. Information exchange between the FCS of Russia and the FTS of Russia

Customs control after the release of goods performs two critical functions: on the one hand, it gives integrity to the control actions of customs authorities to ensure compliance with customs legislation by participants of foreign economic activity, which are aimed at identifying and suppressing cases of illegal import of goods and additional payments due to the state budget; on the other hand, it can significantly reduce the administrative burden on the business at the stage of declaring goods by shifting individual forms of control to the post-release stage. In this case, it is necessary to adhere to the basic rule - customs control should be carried out in a minimum, but sufficient volume to ensure compliance with customs legislation.

When choosing the objects of control, a significant role is played by the information available to tax authorities on legal entities and individual businessmen who directly or indirectly participate in foreign trade transactions (Fig. 1). Therefore, one of the most important factors affecting the efficiency of CCRG is a well-established information interaction between customs and tax authorities [13].

### III. ANALYSIS OF FACTORS AFFECTING THE DIGITALIZATION PROCESSES OF THE INTERACTION OF CUSTOMS AND TAX AUTHORITIES DURING THE CCRG

The FCS and the FTS of Russia can be attributed to departments for which digital technology has become an integral part of the effective provision of public services and the performance of public functions.

The forms of interaction between customs and tax authorities are determined by the Agreement on Cooperation between the Federal Customs Service and the Federal Tax Service of January 21, 2010 [14], the Regulation of June 4, 2018 on the organization of coordinated control measures (SCM) and customs and tax control information parties (TCIP) [15].

Currently, there are three main forms of interaction:

- 1) operational exchange of data and information on verification activities;
- 2) a coordinated control measure, that is, the implementation of customs and tax control forms agreed upon by persons and terms;
- 3) customs and tax control carried out according to the information of parties.

One of the main forms of interaction between customs and tax authorities is the organization and conduct of customs and tax control measures according to the information of the parties, which refers to a tax audit (desk or exit) or forms of customs control conducted on the basis of information on possible ways to evade tax payments and (or) customs payments received by the tax (customs) authority from the customs (tax) authority. At the same time, coordinated control measures take priority among forms of interaction between customs and tax authorities.

The conceptual provisions of the interaction of customs and tax authorities of the Russian Federation are shown in Fig. 2. They include the principles, goals and objectives of interaction, as well as modern directions for the implementation of the interaction of customs and tax authorities during the CCRG. Among the basic principles of such interaction, we highlight: initiative, coherence, multisubjectivity, consolidation and legitimacy [16]. The concept (Fig. 2) indicates the unity, interconnection and interdependence of the forms, goals and objectives of the interaction of customs and tax authorities.

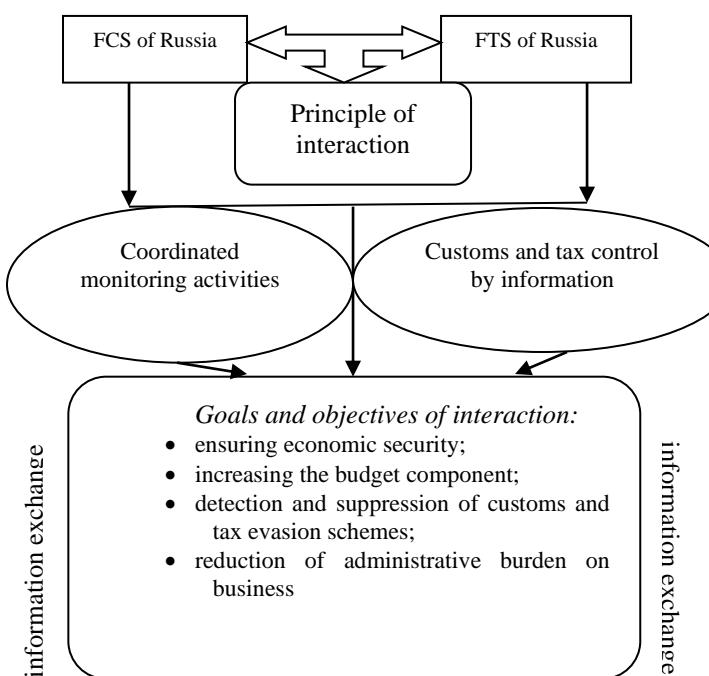


Fig. 2. Conceptual provisions of the interaction of customs and tax authorities

The basis for successful fulfillment of the tasks of interaction by the customs and tax authorities (ensuring economic security, identifying and suppressing schemes for evading customs and tax payments, reducing the administrative burden on business, etc.) is of great importance information (information exchange) available to customs and tax authorities. Depending on its presence or absence, forms of customs and tax control are applied in one volume or another. The priority vector for improving the interaction between customs and tax authorities is such an organization of information exchange in which the necessary information (about participants in foreign economic activity and taxpayers, foreign trade operations, etc.) can be at the disposal of one of the departments in real time in the most current version.

Currently, active work is underway to expand the information interaction of customs and tax authorities. The integration of information systems of departments was announced, the emphasis was on the creation of digital platforms, the introduction of new technologies. The result of

such information integration should be the implementation of mechanisms of end-to-end control of the movement of goods in foreign trade and mutual trade within the Eurasian Economic Union (EAEU) and the creation of a system of traceability of the movement of goods from the stage of customs clearance to sales to the final consumer. In the future, it is planned to create a single analytical information storage, within which the most demanded information resources of the customs and tax authorities will be concentrated, including those generated on the basis of information from the goods traceability system.

The successful implementation of these mechanisms and systems will ensure complete transparency of the goods supply chain, the impossibility of data substitution, as well as providing the participants in the goods supply chain with a complete history of the movement of goods: from the legality of import, country of origin, availability of certificates and licenses required for import, to delivery of goods to the trade network.

An analysis of measures to implement the mechanism of traceability of goods published on the official website of the Federal Tax Service of Russia shows that the integration of information systems of customs and tax authorities and the creation of traceability mechanisms based on digital technologies is a laborious, lengthy and large-scale event, depending on various kinds of factors, among which are scientific, methodological, legal and technological ones (Table 2).

Let us consider possible directions for improving the process of digitalization of interaction between customs and tax authorities during the CCRG.

As noted earlier, in modern Russia, a program is underway to create a digital economy, for the successful implementation of which it is necessary to reduce the backlog of world leaders in terms of illustrating technological development and innovation. Of course, in the technological plan of digitalization, Russia lags behind the USA, countries of Western Europe and Asia [17]. Without a breakthrough in the technological sphere, it will be difficult for Russia to count on competitive advantages over other states, as well as achieve good results in economic development. Taking into account a certain gap between the leading countries and Russia in the field of creating digital technologies, it seems that it is possible to close the gap only if there is an effective state policy in the field of digital technologies and coordinated interaction between government bodies, the scientific community and manufacturers of technological products. Such interaction includes: the draft of priority areas for the development of science, their financing, the creation of a support system for research in the field of the digital economy, the expansion of high-tech industries, the stimulation of the search for new technological solutions, etc.

**TABLE II. FACTORS AFFECTING THE DIGITALIZATION PROCESS OF THE INTERACTION OF CUSTOMS AND TAX AUTHORITIES**

Groups of factors	Content of factors
Scientific and methodological	factors associated with the insufficient level of development and research in the field of digitalization of state bodies, as well as factors caused by the imperfection of the methodological base of the technology for the interaction of customs and tax authorities with CCRG
Legal	factors associated with the imperfection of normative legal regulation of the information interaction of state bodies, the lack of national standards and regulations for the information interaction of federal executive bodies in the provision of public services and the performance of public functions;
Technological	factors relating to technical and technological issues of implementing systems of end-to-end control of the movement of goods in trade and traceability of the movement of goods through the integration of information systems of the FCS of Russia and the FTS of Russia.

For the successful implementation of digital technologies in the joint activities of state bodies, science and production, the primary tasks are to improve and harmonize the regulatory framework governing the issues of their information interaction. This is due to the fact that the basis of any activity, the very existence of state bodies, is defined in regulatory legal acts. And, therefore, any changes in the structure, competence, functions, forms of interaction that are inevitable with global digitalization should be quickly reflected in the regulatory framework. The improvement of regulatory legal documents in the field of interaction between customs and tax authorities implies the addition of rules, regulations and standards for the interaction of these bodies, taking into account already developing digitalization processes.

The restraining factor in the integration of information systems and information resources is the fact that such integration is based on the existing and for a long time successfully functioning independent information tools of the customs and tax authorities. The information systems used by the customs and tax authorities of the Russian Federation have significant differences in the structure of the information they contain. Customs authorities collect information and control legal entities engaged in foreign economic activity. Moreover, the composition of the information in the database of tax authorities is much wider. When integrating information resources, this can cause duplication of information. A possible solution to this kind of problem lies in the allocation of shared information, which will be the starting point in the integration of databases of interacting customs and tax authorities. In addition, it is important to remember that the FCS and the FTS of Russia, with some similarities in their functions, are complexly organized state systems with unique structures with their own specific competencies. It also creates very significant difficulties in the integration of information systems and the allocation of information for general use. In

such circumstances, it is especially important to formulate a well-thought-out personnel policy aimed at providing customs and tax authorities with specialists prepared for work in the context of large-scale digitalization, including those capable of ensuring information security.

#### IV. CONCLUSIONS

As a result of the analysis of digital technologies use in the activities of state bodies on the example of the interaction between customs and tax authorities during the CCRG, the following scientific and practical results were obtained.

Firstly, it is shown that the rapidly changing global economic community has led to the creation of the so-called “digital economy”: a new way of economic relations based on the maximum use of digital technologies in all areas of public relations.

Secondly, the very concept of digital economy is analyzed, its features and impact on the public sector in foreign countries, examples of the use of digital technologies in developing public policy and planning the activities of government bodies are given.

Thirdly, the influence of global trends on the state policy of the Russian Federation in the field of digital technologies is shown, the main tasks are identified, the solution of which will allow achieving coordination of their actions within the framework of digitalization of the state bodies activities, optimization of joint solution of state problems, transparency of decisions, etc.

Fourthly, the importance of using new information technologies in the interaction of customs and tax authorities is shown. Meanwhile: conceptual provisions for the interaction of customs and tax authorities at CCRG are developed; the basic principles of such interaction (consistency, legitimacy, consolidation, etc.) are determined; the perspective directions of introducing new information technologies into customs control after the release of goods — the system of “end-to-end control” of goods, the mechanism of traceability of the movement of goods from the stage of customs clearance to sale to the final consumer are justified.

Fifthly, factors that influence the digitalization process in the activities of state bodies with powers in the field of control and supervision activities are identified, proposals are made for the introduction of digital technologies in the area of interaction between customs and tax authorities during the CCRG.

Thus, the integration of information systems and information resources of the FCS and the FTS of Russia, based on the introduction of digital technologies, will improve the quality and efficiency of information exchange between customs and tax authorities, increase the efficiency of measures during customs control after the release of goods, as well as reduce time and labor costs during such events.

## References

- [1] Viner N. Kibernetika // Nauka. – 1983. – S. 23-25.
- [2] Smotritskaya I.I., Chernykh S.I. Sovremennye tendentsii tsifrovoy transformatsii gosudarstvennogo upravleniya // Vestnik IE RAN. – 2018. - № 5. – S. 22-36.
- [3] Rasporyazhenie Pravitel'stva RF ot 28 dekabrya 2012 g. № 2575-r "O Strategii razvitiya tamozhennoy sluzhby Rossiyskoy Federatsii do 2020 goda" // Sobr. Zakonodatel'stva Ros. Federatsii. 2013. № 2, st. 109; 2014. № 18, ch. IV, st. 2220.
- [4] Popov E.V., Semyachkov K.A. Problemy ekonomicheskoy bezopasnosti tsifrovogo obshchestva v usloviyakh globalizatsii // Ekonomika regiona. – 2018. T. 14, vyp. 4. – S. 1088 – 1101.
- [5] Petrov M., Burov V., Shklyaruk M., Sharov A. Gosudarstvo kak platforma. (Kiber) gosudarstvo dlya tsifrovy ekonomiki. Tsifrovaya transformatsiya // M.: TsSR – 2018.
- [6] Korchagin S., Pol'shikov B. Tsifrovaya ekonomika i transformatsiya mekhanizmov gosudarstvennogo upravleniya. Riski i perspektivy dlya Rossii // Svobodnaya mysl'. – 2018. - № 1. – S. 23-36.
- [7] Popov E.V., Semyachkov K.A. Analiz trendov razvitiya tsifrovoy ekonomiki // Problemy teorii i praktiki upravleniya. – 2017. - № 10. – S. 82-91.
- [8] Dobrolyubova E.I. Gosudarstvennoe upravlenie po rezul'tatam v epokhu tsifrovoy transformatsii: obzor zarubezhnogo opyta i perspektivy dlya Rossii // Voprosy gosudarstvennogo i munitsipal'nogo upravleniya. – 2018. - № 4. – S. 70-93.
- [9] OECD. Embracing Innovation in Government. Global Trends 2018 OECD Publishing, Paris. 2018
- [10] «Pasport natsional'nogo proekta «Natsional'naya programma "Tsifrovaya ekonomika Rossiyskoy Federatsii" (utv. prezidiumom Soveta pri Prezidente RF po strategicheskomu razvitiyu i natsional'nym proektam, protokol ot 04.06.2019 № 7) // [Elektronnyy resurs]. Dostup iz SPS «Konsul'tantPlyus.
- [11] Bormotova E.G., Lipatova N.G. Mezhvedomstvennoe informatsionnoe vzaimodeystvie dlya obespecheniya vypolneniya kontrol'nykh funktsiy tamozhennymi organami: monografiya / E.G.Bormotova, N.G. Lipatova. M.: Izd-vo Rossiyskoy tamozhennoy akademii, 2014. 218 s.
- [12] Davydov R.V. Doklad pervogo zamestitelya rukovoditelya FTS Rossii Davydova v RSPP. 2019 // Dostup: [http://customs.ru/index.php?option=com\\_content&view=article&id=27141:2012-01-25-09-07-38&catid=40:2011-01-24-15-02-45](http://customs.ru/index.php?option=com_content&view=article&id=27141:2012-01-25-09-07-38&catid=40:2011-01-24-15-02-45)
- [13] Lipatova N.G., Zhereben E.V. Vzaimodeystvie tamozhennykh i nalogovykh organov pri tamozhennom kontrole posle vypuska tovarov: metodologiya issledovaniya // Vestnik Rossiyskoy tamozhennoy akademii. – 2019. - № 2. – S. 80-89.
- [14] Soglashenie o sotrudnichestve Federal'noy tamozhennoy sluzhby i Federal'noy nalogovoy sluzhby (Zaklyucheno v g. Moskve 21.01.2010 № 01-69/1, № MM-27-2/1) // [Elektronnyy resurs]. Dostup iz SPS «Konsul'tantPlyus.
- [15] Pis'mo FTS Rossii № 01-11/33109, FNS Rossii № MMV-20-2/58@ ot 04.06.2018 «O primeneniil Reglamenta organizatsii provedeniya skoordinirovannykh kontrol'nykh meropriyatiy i meropriyatiy tamozhennogo i nalogovogo kontrolya po informatsii storon» // [Elektronnyy resurs]. Dostup iz SPS «Konsul'tantPlyus.
- [16] Zhereben E.V. Mezhvedomstvennoe vzaimodeystvie: soderzhanie ponyatiya i osnovnye printsipy ego realizatsii (na primere sotrudnichestva tamozhennykh i nalogovykh organov) // Vestnik Rossiyskoy tamozhennoy akademii. – 2018. – № 4. – S. 146-150.
- [17] Indeks razvitiya informatsionno-kommunikatsionnykh tekhnologiy v stranakh mira (ICT Development Index). Rasschitan po metodike Mezhdunarodnogo soyusa elektrosyyazi. // Dostup: <https://gtmarket.ru/ratings/ict-development-index/ict-development-index-info>