

Improvement of Customs and Tax Authorities Interaction in the Process of Carrying out Customs Control After the Release of Goods

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Abstract—The analysis of legal acts and literary sources has led to the conclusion about the need to develop customs control after the release of goods in Russia. Control is a widespread objective phenomenon in all areas of public life. Control can be described as an independent management function, which includes a system of practical measures to influence the ongoing business processes. In the modern aspect of the Russian economy development, the customs control after the release of goods becomes most relevant, since the optimization of the customs payments collection, as one of the sources of the federal budget replenishment, represents one of the main indicators of the state's economic security. The concept of "customs control after the release of goods" has been explored in the article using the complex of methods; directions for improving the interaction of customs and tax authorities in conducting coordinated inspections are proposed. The main provisions and conclusions of the article may be used in scientific and practical activities when considering issues of the nature and development trends of the customs system in general and customs control in particular.

Keywords—foreign trade, import, customs control, customs control after the release of goods, customs authorities.

I. INTRODUCTION

In a market economy environment, control is an important factor of the effective management of production and commercial structures, which is carried out to maximize income and fulfill obligations towards the state in regard of taxes. Therefore, the regulatory authorities are vested with broad rights in accordance with legislative and regulatory

materials and guidelines. This gives them the opportunity to achieve completeness and quality control. Regulatory authorities are empowered not only to examine documents and financial statements, but also to carry out control in relation to the work performed and stock-taking, analyze technical and economic indicators, draw conclusions and make recommendations regarding negative identifications and their prevention. Being the state executive authorities, the customs authorities are vested both with the right to exercise customs and other types of state control at the time of movement of goods across the customs border, and with the possibility of customs control after the release of goods in accordance with the declared customs procedures.

The customs authorities of the Russian Federation are currently undergoing an evolutionary large-scale reform from "customs control" to "service customs". At the same time, the current stage of development of customs control after the release of goods is singled out as a key area of the Strategy for the Development of the Customs Authorities of the Russian Federation until 2030 for the long run.

The Strategy for the Development of the Customs Authorities of the Russian Federation has formed a number of prerequisites for the development of customs control after the release of goods, the main of which is the creation of favorable conditions for participants of foreign economic activity by increasing the effectiveness of customs control in order to ensure the economic security of the state.

The study is based on the works of such scholars as A.A. Lebedeva and M.V. Dudova [3], where the essence and tasks of customs control after the release of goods were revealed, and on the works of such scholars as O.Yu. Bakayeva [6] and A.N. Kleimenova [8], where the legal aspects of customs control after the release of goods were examined.

The completeness, correctness and reliability of customs control are reviewed in research works of A.V. Agapova [4], Yu.V. Malysenko [15], and A.V. Cheremukhina [5].

The works of M.V. Selyukov and N.P. Shalygina [13, 14], N.P. Bondarenko, and A.V. Tikhonova [10] are dedicated to the role of customs authorities in ensuring economic security.

II. METHODOLOGY

As for the customs authorities of the Russian Federation, one of the priorities for improving customs administration and one of the most promising measures aimed at compliance with Russian customs legislation is customs control after the release of goods. As a result of this, favorable conditions are formed for participants of foreign economic activity when moving goods across the customs border, including accelerating the implementation of customs formalities, reducing the cost of storing goods under customs control, etc.

One of the main international legal acts in the field of customs affairs, in particular regulating the principles of customs control after the release of goods, is the Kyoto Convention. Thus, the accession of the Russian Federation to the Kyoto Convention in 2010 laid the vector for development of Russian customs authorities in facilitating customs procedures and minimizing customs control aimed at compliance with customs legislation [9].

The above norms of the Kyoto Convention formed the basis both of the Customs Code of the Eurasian Economic Union (EAEU Customs Code) and the Federal Law "On Customs Regulation in the Russian Federation and on Amending Certain Legislative Acts of the Russian Federation" No. 289-FZ of 08/03/2018.

An analysis of the provisions of the Federal Law "On Customs Regulation in the Russian Federation and on Amending Certain Legislative Acts of the Russian Federation" and the EAEU Customs Code allows us to conclude that the main form of customs control after the release of goods is customs inspection.

In accordance with Article 331 of the EAEU Customs Code, "customs inspection is a form of customs control carried out by the customs authority after the release of goods using other forms of customs control established by the EAEU Customs Code and measures to ensure that customs control is provided for by the EAEU Customs Code in order to verify compliance by individuals with international agreements and acts in the field of customs regulation and (or) the legislation of the member states concerning customs regulation.

A customs inspection consists in comparing the information stated in the customs declaration and (or) contained in the documents submitted to the customs authorities and (or) other information submitted to the customs authority or received by it in accordance with the EAEU Customs Code or the laws of the member states, with the documents and (or) accounting and reporting data, with invoices and other information obtained in the manner

established by the EAEU Customs Code or the legislation of the member states.

Customs control acquires particular importance, as a tool for regulating the development of the economy of the Russian Federation, after the release of goods in the process of additional charge and collection of customs payments and fines in accordance with the results of customs inspections. Since, it is during customs control after the release of goods and ensuring the adoption of measures aimed at additional collection of payments and payment of customs charges in cases of non-payment or incomplete payment of customs duties and taxes identified by customs inspections, as well as other measures provided for by the law of the Eurasian Economic Union and the legislation of the Russian Federation on customs regulation, that the federal budget is replenished.

III. RESULTS AND DISCUSSION

When examining the process of customs control after the release of goods, it should be noted that in some cases in the scientific and specialized literature there is the concept of "customs audit", which is used as a synonym for the concept of "customs control after release of goods". In this case, it is necessary to clearly distinguish between these two concepts, since in Russian customs practice the concept of "customs audit" is quite new and different from the concept of "customs control after the release of goods".

To clarify these concepts, it should be noted that in Russian practice, customs control after the release of goods is carried out directly by the customs authorities of the Russian Federation, i.e. state executive authorities, in order to comply with international treaties and acts in the field of customs regulation and the legislation of the EAEU member states concerning customs regulation (Article 331 of the EAEU Customs Code).

As for customs audit, it may be carried out by a non-governmental non-profit organization based on the voluntary membership of its legal entities and individuals, established upon the initiative of customs auditors and consultants in order to increase the effectiveness of customs control and categorize participants of foreign economic activity.

Customs control after the release of goods is carried out in the form of a customs inspection, which includes a table-top customs inspection and field customs inspection, which, in turn, is divided into scheduled, unscheduled and counter inspections.

A table-top customs inspection involves checking the documentation of the foreign trade operation performed by the participant of foreign economic activity and is carried out by the customs official at the location of the customs authority.

Field customs inspection is carried out with the departure of customs officials to the place of customs inspection.

In our opinion, the field customs inspection deserves a more detailed consideration, since it is within the framework of this inspection that the customs authorities carry out coordinated checks in cooperation with other state bodies. Here, special attention should be paid to the interaction of customs and tax authorities in the process of conducting a coordinated inspection.

It should be noted that the interaction of customs and tax authorities has been given attention for quite long time.

During this time approaches to joint control, as well as mechanisms and tools for the implementation of tasks that are put under the competence of each of the services have been developed.

The Federal Customs Service and the Federal Tax Service have different objects and issues of control: the customs authority controls the goods in their physical characteristics, and the tax authority controls the financial results of the taxpayer who participated in the turnover of foreign goods or who used foreign goods in their business activities. At the same time, the revealed facts of violation of the law in terms of competence of the control of a certain department can often be signs of violations detected by the competence of another department [12].

Under the Agreement on Cooperation between the Federal Customs Service (FCS of Russia) and the Federal Tax Service (FTS of Russia) (Moscow, January 21st, 2010) (No. 01-69/1, No. MM-27-2/1) (as amended on 05/09/2016) the customs authorities which declared the goods, shall provide upon the request of tax authorities at all levels the following information necessary for tax control measures:

- the results of checks of correctness of the declared customs value of goods related to specific participants of foreign economic activity;
- the fact of the goods declaration, attaching copies of the declarations for goods and other documents presented during the declaration of goods, as a documentary evidence of violations of the legislation on taxes and fees revealed during tax audits and inspections of compliance with currency laws;
- the presence of excessively paid customs charges, unspent advance payments as for the date of receipt of the request, information on the amounts of refunds by participants of foreign economic activity of previously paid customs charges, including VAT and excise duties;
- data on refunds to payers of monetary funds (in an agreed form) are sent to the tax authority at the place of tax registration of the person to whom the refund is made (in the case of refunds on behalf of the payer to another person, the data are sent both to the tax authority at the place of tax registration of the payer, and to the tax authority at the place of tax registration of another person);
- information on the results of inspections carried out by the customs authorities on the basis of the data received from tax authorities (in respect of agreed items);
- information on legal entities that bear the signs of inactive legal entities, obtained in the result of the inspections conducted by customs authorities.

Information on the results of inspections conducted by customs authorities on the basis of the data received from tax authorities (in respect of agreed items) contains: information on legal entities that bear the signs of inactive legal entities obtained as a result of the inspections conducted by customs authorities (Fig. 1).

Returning to the peculiarities of interaction (interaction in this case means participation in common work, activities,

cooperation, and joint operations) of the FCS of Russia and the FTS of Russia, it is necessary to point out the established mechanism for the automatic exchange of modules with certain information and relevant reporting, allowing to exchange information on the principle of reciprocity, which is expressed by the presentation of the necessary data from the databases and the operational information. The services take the necessary measures to protect against unlawful dissemination of information provided by the other party that affects the interests of the third parties and is classified as a commercial and tax secret.

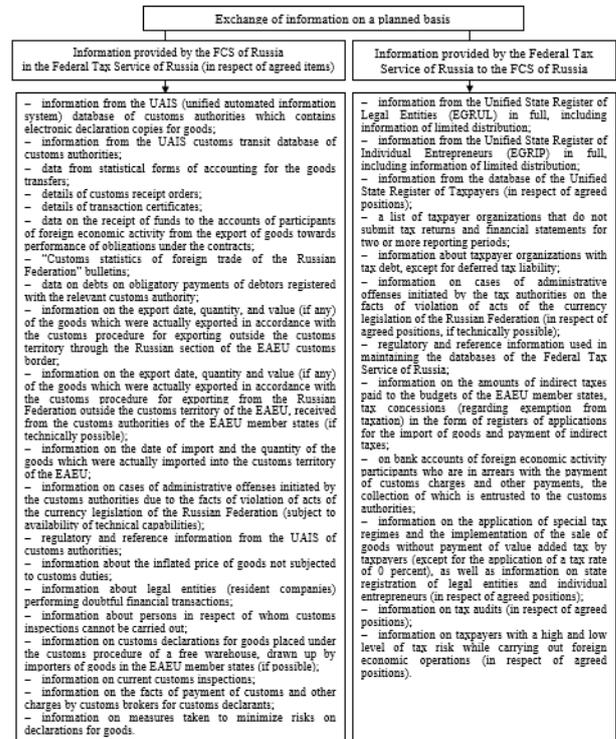


Fig. 1. Exchange of information between the Federal Tax Service of Russia and the Federal Customs Service of Russia on a planned basis

In addition, the tax and customs authorities provide the information necessary for the relevant state control measures, upon relevant requests at all levels.

These measures represent an integral part of the development strategies for the end-to-end control system in respect of the goods coming to the domestic market. Moreover, these may be the goods imported both from the countries outside the EAEU and from EAEU member states (especially relevant under the conditions of sanctions), as well as the goods exported from the Russian Federation. With regard to the export of goods, mutual control is supposed to shift towards a set of measures to verify accounting and reporting, mainly related to value added tax (VAT). In this case, special attention should be paid to the legal basis for controlling VAT during the export of goods, as well as ensuring full transparency of foreign trade transactions: Treaty on the EAEU (Appendix 18), Tax Code of the Russian Federation (paragraph 1 of article 7, paragraph 2 of article 151, paragraph 1 of article 164, paragraph 1 of article 165, paragraph 9 of article 167).

Exploring the interaction of the Federal Tax Service of Russia and the Federal Customs Service of Russia, it is necessary to consider a number of joint programs that can

ensure the effectiveness of the end-to-end control mechanism, namely:

- mandatory labeling of goods for their circulation in the domestic market;
- the system of traceability of goods, i.e. a comprehensive mechanism for ensuring the achievement of goals and objectives of traceability of goods, consisting of interconnected elements of information technology, organizational and regulatory nature.

Summarizing the above, we note that the first stage of work related to the formation of a system of interaction between the Federal Tax Service of Russia and the Federal Customs Service of Russia, based on the use of innovative technologies for the exchange of data on foreign trade transactions of taxpayers, their tax and financial statements, information on minimizing the risks of violation of customs, tax and currency legislation, as well as the results of law enforcement activities was completed in 2019.

It is noteworthy that the current practice of using automated processing of individual sections of coordinated verification does not fully meet modern information requirements aimed at reflecting information on the real situation of organizations being audited. Direct automation of the coordinated inspection itself will enable customs and tax authorities to carry out timely and systematic control over the financial and economic activities of the organization in the process of conducting a coordinated inspection [7].

When using information systems in a coordinated verification process, it is possible not only to combine the capabilities of computer technology with the methods and means of expert systems, but also to process the information obtained using economic and mathematical models [16]. That, in turn, will reduce the risk and improve the quality of field customs inspections, conduct diagnostics and assess the quality of the information provided for a coordinated inspection.

It should be noted that information for processing and analysis received by the customs and tax authorities during a coordinated inspection must meet the following requirements:

- timeliness, i.e. information should come when it makes sense to analyze it;
- reliability, i.e. customs and tax authorities should not spend additional time for checking information;
- significance, i.e. information should help make decisions;
- usefulness, when the effect of the use of information overlaps the cost of obtaining it;
- completeness and comprehensibility, i.e. information should have no omissions and not require additional efforts for “decoding”;
- regular submission.

As part of improving the interaction of customs and tax authorities during a coordinated inspection, we consider it appropriate to propose a scheme for registering the documents submitted by the inspected organization to the officials of

customs and tax authorities conducting a coordinated inspection (Fig. 2).

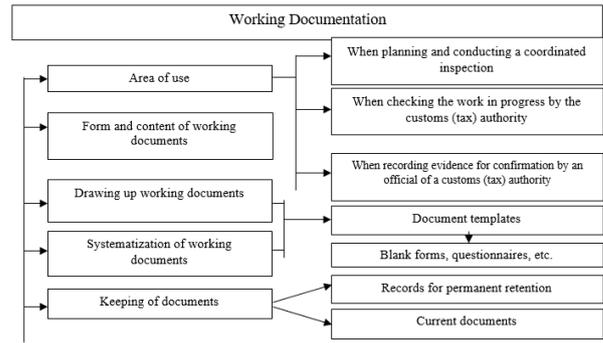


Fig. 2 Scheme of documentation for conducting a coordinated inspection

When considering the documentation of a coordinated inspection, it should be noted that it shall meet the following objectives:

- ensure the quality of the inspection;
- the reasonableness and evidentiality of the results obtained, as well as findings and conclusions made on their basis;
- compliance of the coordinated inspection with the laws and regulations of the customs and tax legislation of the Russian Federation.

During a coordinated inspection, working documents should reflect the following information:

- an idea of the activities of the inspected organization;
- assessment of imminent risk
- understanding of the internal control system, the effectiveness of its measures and procedures
- defining a strategy for coordinated inspection;
- results of the internal control system inspection;
- conclusions on exceptions and unusual points;
- evidence and facts supporting the conclusion about the correctness of the compilation and reflection of information in transport, commercial and financial documents.

IV. CONCLUSIONS

Thus, when implementing customs control after the release of goods and conducting a coordinated inspection by the customs and tax authorities of the Russian Federation, it is important to analyze and evaluate the resources involved from the point of view of appropriateness or rightness of choice, namely: quality, compliance of decisions made in the current situation, functional feasibility and competence.

At the same time, documentation is one of the main aspects in conducting a coordinated inspection, since the quality and results of the inspection depend on the thoroughness, timeliness and consistency of the records made by inspectors. Correctly prepared reports regarding the progress of the coordinated inspection will allow the heads of the customs and tax authorities not only to see the

shortcomings identified as a result of the financial and economic activities of the inspected organization, but also to consider the possibility of the correct additional charge of customs payments and taxes.

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