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**Managing the modernization of customs administration in the development of
Eurasian integration and digital transformation**

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INTRODUCTION

The following study examines the modernization of customs administration in the development of Eurasian integration and digital transformation and the development of well-founded approaches to improve their effectiveness, meeting the modern objectives of the Russian Customs Service.

The relevance of the chosen topic is due to the important and significantly increased role of customs administration in the implementation of economic and political interests of the Russian Federation, related to the deepening of integration within the Eurasian Economic Union (hereinafter – EAEU) as a result of its modernization and development of the EAEU as a whole.

In recent years, the quality of customs administration has become an increasingly important factor in achieving the goals of progressive economic development of the EAEU. Significant and not fully substantiated differences in customs administration practices in member countries in the absence of internal customs borders lead to economically unjustified flows of goods in EAEU foreign and mutual trade and encourage countries to build additional administrative barriers to their movement.

Digital technologies are developing ahead of the curve, enabling customs services to introduce modern methods of working with big data, as well as technologies based on artificial intelligence. The benefits of the coordinated and integrated application of these technologies are undeniable, but the corresponding unified system in the EAEU has not yet been built. This demonstrates the need to develop new approaches to managing the modernization of customs administration, based on the accumulated experience of member countries and the world's best practices. Given that customs regulation in the EAEU is supranational in nature, it is necessary to combine the efforts of experts and representatives of government agencies from all countries to make optimal and coordinated decisions in this area.

The author has conducted a comparative analysis of the activities of customs services of EAEU member states, which revealed significant differences in their

organizational structure, as well as in the daily practice of customs administration. A scientific substantiation of the importance of modernization of customs administration for the development of the EAEU as an economic union is given.

Shows the need and importance of improving customs administration within the unified regulatory legal framework of the EAEU, taking into account the basic provisions and recommendations of the WCO. It substantiates the need for comprehensive automation and digital transformation of customs affairs as an essential condition for its successful modernization.

The dissertation study substantiates and develops the idea of the need to introduce a unified standard of customs administration, formulates its main content.

Identified the lack of unity of systems to assess the activities of customs administrations of the EAEU member states, in this regard proposed a system of indicators to evaluate the effectiveness of customs administration in the EAEU, considering international experience, as well as the guidelines and recommendations of the WCO.

Proposed to use the standard and a comprehensive system of performance evaluation as the main tool for the modernization of customs administration in the development of Eurasian integration and digital transformation.

The articles of the author, published during 2021-2022, which are united by a single idea to substantiate effective approaches to improving customs administration in the EAEU based on the strategic directions of the World Customs Organization (hereinafter - WCO), the Strategy for the development of the EAEU until 2025 and assess the effectiveness of customs administration as a tool for the development of the EAEU are presented for the defense.

The object of the study – customs administration.

The subject of the study is the management of the process of modernization of customs administration in the development of the EAEU and the digital transformation of the relevant administrative procedures.

Study purposes:

to analyze the problems and conditions of modernization of customs administration in Russia and the EAEU countries;

to identify ways to improve the management of this process in connection with the challenges and opportunities related to the development of integration in the post-Soviet space and the development of modern digital technologies for the purpose of full-scale digital transformation of business processes in the field of customs.

To achieve the goals of the study, the following **tasks** were set and implemented:

to study the experience of international organizations (World Trade Organization and WCO) in assessing customs administration and trade facilitation and analyze their recommendations in relation to the needs of the development of customs administration in the EAEU;

to study the current stage of customs administration in the EAEU, including analysis of the activities of customs administrations of EAEU member countries, taking into account the world's best practices and WCO Recommendations;

to substantiate the need for modernization of customs administration in the conditions of formation and development of the EAEU based on the system of evaluation of the effectiveness of customs administrations;

On the example of reforming the system of customs authorities of the Russian Federation to propose effective approaches to the management of the modernization process of customs administration, taking into account the possibilities of digital transformation.

Literature review. The fundamental provisions related to the theoretical foundations of the modernization of customs administration are contained in the recommendations of the WCO. The development of some of them was initiated by the author during his chairmanship in the WCO in 2016-2017. He was directly involved in the development and adoption of E-commerce Framework of Standards in 2019, establishment of an international group continuing its activities

within the WCO to develop a self-measurement system of the customs administrations activities.

The article, which proposes a method for measuring the quality of trade facilitation conducted by countries in accordance with the World Trade Organization Agreement on Trade Facilitation (hereinafter – the WTO Agreement)¹, should be highlighted among the works devoted to the assessment of customs administration efficiency. Analyzing the main trade facilitation measures agreed under the WTO Agreement, the authors note that their implementation is somehow related to the activities of customs services and, consequently, to the quality of customs administration.

«One groundbreaking study on assessing the effectiveness of customs and tax administrations is the World Bank analysts' publication *Reform in Numbers*², which emphasizes the role of customs administrations in ensuring the fiscal function of the state as well as trade facilitation»³.

«In general, authors engaged in research on customs administrations' performance evaluation, on the one hand, rely in their approaches on established evaluation models, such as those based on key performance indicators⁴, and, on the other hand, on the tools used in the World Bank "Doing Business" and "Logistics Performance Index" studies, the WCO "Time Release Study" tool to assess foreign trade conditions and customs administrations' performance»⁵.

At the same time, it should be noted that there are currently no comprehensive internationally recognized tools for assessing the performance of

¹ Grainger, A. and Shaw, D. R. (2018) 'A method for measuring trade facilitation', *WCO NEWS*, 85, February, pp. 21 – 23. URL: <https://mag.wcoomd.org/magazine/wco-news-85/method-measuring-trade-facilitation/>

² Cantens T., Ireland R., Raballand G. (eds) (2013) 'Reform by numbers. Measurement Applied to Customs and Tax. Administrations in Developing Countries' *World Bank, Washington*. URL: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/research/papers/reform-by-numbers.pdf>.

³ Davydov R.V. Assessment of the effectiveness of customs administration as a tool for the development of the EAEU // *Issues of State and Municipal Administration*. 2021. № 4. Pp. 7-35. DOI: 10.17323/1999-5431-2021-0-4-7-35.

⁴ Kaplan R.S., Norton D.P. (1992) 'The balanced scorecard-measures that drive performance' *Harvard Business Review*, Vol. 70, no. 1, p. 71–79. URL: <https://hbr.org/1992/01/the-balanced-scorecard-measures-that-drive-performance-2>.

⁵ Davydov R.V. Assessment of the effectiveness of customs administration as a tool for the development of the EAEU // *Issues of State and Municipal Administration*. 2021. № 4. Pp. 7-35. DOI: 10.17323/1999-5431-2021-0-4-7-35.

customs administrations. The World Bank's most widely used "Doing Business" rankings, including those for "Doing International Trade" have found serious distortions and inaccuracies and their publication was suspended in September 16, 2021 by decision of the Bank's Board of Directors. The tool of the World Customs Organization "Time Release Study" is focused only on the measurement of time of customs operations and cannot be used independently for the comprehensive characteristic of customs activity. In this regard, it seems appropriate to develop a comprehensive system of customs administration quality assessment, based on the internationally recognized strategic goals of customs administrations.

In recent years, the global customs community has paid increasing attention to the digital transformation of customs, the basis of which is the introduction of modern information and communication technologies to speed up and automate procedures, a profound change in business processes based on the principles of "one window" as well as the use of "artificial intelligence" technologies. The World Bank studies are devoted to these issues⁶, guiding document of the European Union, Japan⁷ and other leaders in the field of customs administration. The core direction for improving customs business processes in these countries is the implementation and/or modernization of existing systems for online processing of customs and other control procedures and their integration with IT systems of participants in trade and logistics operations based on modern digital technologies. Thus, the automation and digital transformation of business processes in the field

⁶ The use of information technology to automate customs processes must be supported by regulatory reform. Such reform eliminates duplication in customs procedures and ensures that customs administrations do not require paperwork in addition to electronic filing of customs documentation. The use of information technology to automate customs processes must be supported by regulatory reform. Such reform eliminates duplication in customs procedures and ensures that customs administrations do not require paperwork in addition to electronic filing of customs documentation (World Bank, 2016).

⁷ Official Journal of the European Union, Decisions Adopted Jointly by the European Parliament and the Council, «Decision No. 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a Paperless Environment for Customs and Trade», January 26, 2008;

EC, «Taxation and Customs Union: Legislation», updated January 6, 2017;

NACCS website, «About NACCS», n.d. (accessed October 24, 2016). Initial development of NACCS began in 1977 with improvements and updates made to the system through 2010.

of customs is becoming one of the most important factors in the development of customs services and a prerequisite for their compliance with modern objectives.

Currently, there are practically no works devoted to a comprehensive assessment of the process of improvement (modernization) of customs administration, in particular within the EAEU, which determines the originality of this research work.

The theoretical significance of the dissertation research is as follows.

1. The expediency of forming a single standard in order to manage the process of modernization of customs administration in the EAEU has been established. Its conceptual apparatus, a set of indicators for assessing the degree of achievement of the Standard, has been developed, its significance for achieving the goals of the implementation of the Strategy 2025 has been substantiated.

2. The possibility of developing universal criteria for assessing the impact of unification and standardization of customs administration on the economic development of the EAEU on the basis of the proposed approaches to assessing the activities of customs services is substantiated.

3. As a result of the analysis, significant reserves have been identified in the functioning of the unique institution of the EAEU – the Joint Board of Customs Services. The necessity and directions of its further development are substantiated, including by expanding cooperation with the Eurasian Economic Commission.

4. The possibility of digital transformation of business processes of customs administration is analyzed and justified, including through the introduction of a virtual model of a digital double of a participant in foreign economic activity.

The practical significance of this dissertation research lies in its contribution to the:

1. Implementation of the Comprehensive Development Program of the FCS of Russia for the period up to 2020 as the basis for the further development of the customs authorities of the Russian Federation, including in the implementation of Strategy 2030.

2. Preparation and implementation of the provisions of the Strategic

directions of development of Eurasian economic integration until 2025 in the direction of customs administration.

3. Developing approaches to improving the current institutions of the Eurasian Economic Union (the Eurasian Economic Commission, the Joint Board of Customs Services of the Customs Union member states) in order to improve the efficiency of customs administration as a tool to promote the economic development of the Eurasian Economic Union.

4. The formation of a system to assess the effectiveness of customs authorities continues to be studied on the platform of the WCO working group created at the initiative of the author. The results of the dissertation research are planned to be used within the framework of the pilot project on the formation of a system (mechanism) to assess the effectiveness of customs authorities, which is being implemented under the auspices of this international organization.

The scientific novelty of the work is as follows:

- identified features of customs administration in the development of Eurasian integration, associated with significant differences in the organizational and legal forms of operation of customs services, the level of their technical and technological armament, as well as the lack of customs control at the internal borders of the EAEU;

- developed a system of indicators to evaluate the activities of customs administrations of EAEU member countries in accordance with the strategic objectives defined by the WCO;

- on the example of reforming the Federal Customs Service of the Russian Federation (the FCS of Russia) developed practical recommendations for structural, legal, staff, organizational and technical changes in the customs authorities;

- developed the content of the standard of customs administration (hereinafter - the Standard) as a key element in the implementation of the Strategic directions of development of Eurasian economic integration until 2025 (hereinafter - the Strategy 2025) in the direction of customs administration;

- the need to increase the role of the Joint Board of Customs Services of the EAEU to achieve the unity of customs administration in the EAEU based on the implementation of the Standard has been substantiated.

Thus, the author has proposed a scientific rationale and practical recommendations for managing the modernization of customs administration, developed a system of indicators to assess the effectiveness of customs administrations.

The results of the study were reflected in the implementation of the Comprehensive Development Program of the FCS of Russia in 2018-2020 (hereinafter - the Comprehensive Program 2020), in the Strategy 2025, the Development Strategy of Customs Service of the Russian Federation until 2030 (hereinafter - Strategy 2030), are taken into account in the formation of indicators of the FCS of Russia.

In particular, the Comprehensive Program 2020, as well as the current activities of customs authorities of the Russian Federation uses the principle proposed by the author of the division of customs control into documentary (in electronic customs and electronic declaration centers) and actual (in customs offices and posts of actual control), applies the original matrix of customs control, systematizing customs operations and customs control in the above-mentioned customs authorities.

With the direct participation of the author, a paragraph on the need to develop a standard of customs administration was included in Strategy 2025, and basic approaches to its content were formulated.

Strategy 2030 includes the author's substantiated provisions on the need to develop a Digital Twin model (a digital model of a trader, allowing the use of mathematical methods of big data assessment to assess and simulate (predict) the behavior of this object or the development of related processes to determine the need for control measures in respect of it), as well as the task of putting into practice the concept of Intelligent Checkpoint.

The results of the study were presented at the following conferences (forums):

XV International Forum on the Development of Transport Corridors TRANSTEC2020, 14.09.2020, Moscow, Analytical Center under the Government of the Russian Federation. Topic of the report: "Digital platform of the sea checkpoint";

XII International Scientific and Practical Conference "Prospects for the development of customs administrations in the context of deepening Eurasian integration", 10/22/2020, Moscow. Topic of the report: "The main directions of integration of customs services of states";

Forum of the Eurasian Economic Commission "Integration of the Eurasian Economic Union and the Chinese initiative "One Belt, One Road", 26-27.10.2020, Moscow. Topic of the report: "Digital transformation of the Customs service as an element of the development of the transit potential of Russia";

The EAEU Business Forum "Integration. The strategy of advanced development", 28.10.2020. Topic of the report: "The Unified Standard of Customs Administration as a tool for the development of the Eurasian Economic Union";

Forum of the Ministry of Industry and Trade of Russia on illegal trade within the framework of the "Retail Week", 01.06.2021, Moscow. Topic of the report: "The role of customs authorities in creating favorable conditions for conducting responsible business";

International Customs Forum-2021, 21-22.10.2021, Moscow. Topics of the reports: "Digital development of the Federal Customs Service of Russia", "Prospects for the development of the institution of an authorized economic operator: mutual recognition and improvement of the simplification system", "Functioning of a unified network of electronic customs and electronic declaration centers", "International trade and Customs administration in the global world".

The Second Eurasian Congress, 02.12.2021, Moscow. Topic: "The role of customs authorities in the development of the transit potential of the Russian Federation";

Gaidar Forum "Russia and the World. Priorities. 2022", 13-14.01.2022
Moscow. Topic of the report: "The role of customs authorities in the development of Eurasian integration".

The implemented set of research tasks allows us to draw the following **conclusions**:

- customs administration is one of the key elements in the development of integration within the EAEU;

- the introduction of a single standard of customs administration, the structure and content of which have been developed and justified by the author, can become an important factor in ensuring the unity of customs administration in the EAEU;

- the Joint Board of Customs Services of the Customs Union member states is a unique and very promising institution for the development of Eurasian integration, the potential of which should be more actively used in cooperation with the Eurasian Economic Commission to unify and standardize the law enforcement practices of customs authorities of EAEU member states;

- developed and substantiated recommendations for the introduction of a unified system to evaluate the effectiveness of customs administration, based on the best international practices, tools and recommendations of the WCO, which should be used as an effective mechanism to address the standardization and unification of customs administration in the EAEU;

- recommendations on the digital transformation of customs including by shifting the emphasis in customs administration to the stage after the release of goods, the virtualization of the main subject of customs control on the basis of a digital twin have been developed.

MAIN RESULTS AND PROVISIONS, SUBMITTED FOR PROTECTION

1. Approaches to improving customs administration based on the WCO strategic guidelines are substantiated

The analysis made by the author shows that in recent years among the priority objectives of the WCO, which are fixed in the strategic plans of this organization, the simplification and harmonization of customs procedures to facilitate international trade dominates⁸ (fig. 1).

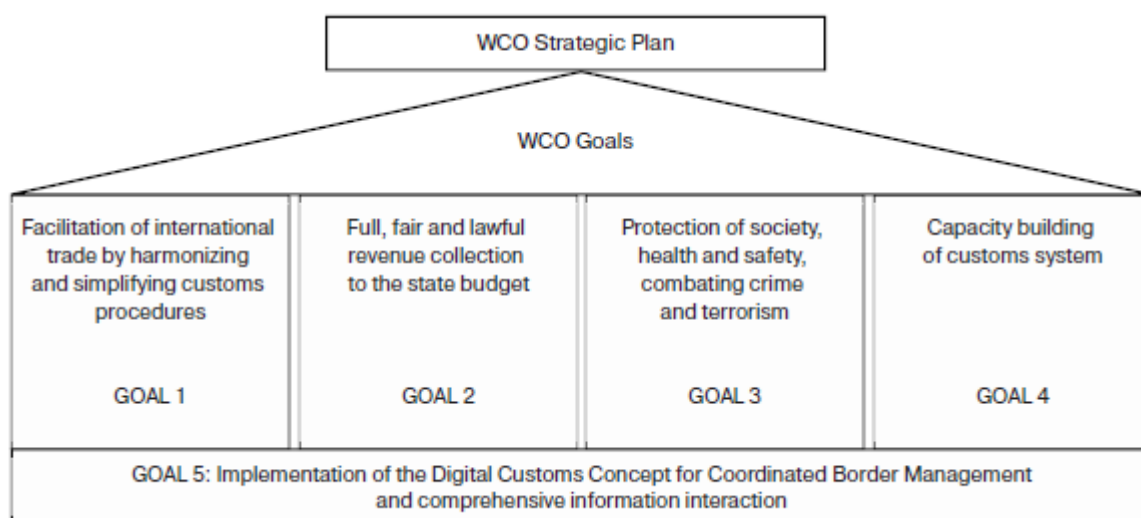


Figure. 1. WCO's Strategic Goals in Accordance With the 2019 – 22 WCO Strategic Plan

To achieve this strategic goal, the main WCO instruments that enshrine the principles and obligations of countries in the field of customs administration are⁹:

- revised Convention on the Simplification and Harmonization of Customs Procedures, 2006 (hereinafter, the Kyoto Convention)¹⁰;
- SAFE Framework of Standards¹¹;

⁸ Strategic plan WCO 2019-2022. <http://www.wcoomd.org/-/media/wco/public/global/pdf/about-us/administrative-documents/wco-strategic-plan-2019-2022.pdf?db=web>.

⁹ Bozhidaeva E.I. (2021) 'Mekhanizm ochenki effektivnosti deyatelnosti tamozhennykh organov s ispol'zovaniem instrumentov, razrabotannykh VTamO i drugimi mezhdunarodnymi organizatsiyami' Ekonomicheskie sistemy. № 2. pp. 146 – 152. (in Russian)

¹⁰ http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv.aspx.

¹¹ Safe framework of standards. <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/safe-framework-of-standards.pdf?la=en>.

- E-Commerce Framework of Standards¹²;
- Risk Management Compendium¹³;
- WCO Data Model¹⁴.

Within this list, the revised Kyoto Convention deserves special attention as it includes a full range of trade facilitation measures. It contains a comprehensive set of commitments developed by the WCO member states to ensure trade facilitation and outlines detailed standards for customs administration¹⁵.

Developing international trade has been and remains one of the main drivers of global economic growth since the second half of the 20th century. The global economic community took several active steps aimed at stimulating international trade in different ways and by using number of institutes. Within the World Trade Organization (WTO) the Trade Facilitation Agreement (the Agreement, TFA) was concluded and entered into force on 22 February 2017.

In principle, this is the first multilateral trade agreement concluded since the establishment of the WTO 26 years ago. Economists at the United Nations (UN) European Commission estimate that full implementation of the Agreement could reduce trade costs by an average of 14.3% and increase global trade by up to \$1 trillion per year with the greatest benefits accruing to the lowest-income countries¹⁶.

According to the information provided by the WCO Secretariat, the practical implementation of the Agreement is largely related to issues of customs administration — up to 98% of the Agreement's provisions are directly or

¹² Framework of Standards on Cross-Border E-Commerce. <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/frameworks-of-standards/ecommerce.aspx>

¹³ Customs Risk Management Compendium. <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/risk-management-compedium.aspx>.

¹⁴ WCO Data Model. <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/data-model.aspx>.

¹⁵ Bobrova O.G., Kojankov A.YU. (2019) 'aktualnie voprosy yuridicheskoy tekhniki pri podgotovke novoj redakcii mezhdunarodnoj konvencii ob uproshchenii i garmonizacii tamozhennyh procedur' Tamozhennye chteniya – 2019. Nauka i obrazovanie v usloviyah stanovleniya innovacionnoj ekonomiki: Sbornik materialov Mezhdunarodnoj nauchno-prakticheskoy konferencii. v 3-h tomah. Pod obshchej redakciej S.N. Gamidullaeva. pp. 19 – 29. (in Russian).

¹⁶ https://unece.org/fileadmin/DAM/cefact/cf_plenary/2018_plenary/ECE_TRADE_C_CEFAC_T_2018_3R.pdf.

indirectly related to them. At the same time, in 40% of the provisions of the Agreement customs authorities are the main implementers¹⁷.

Improvements in customs administration, especially in the simplification and harmonization of customs procedures are becoming a significant factor in the development of international trade and, consequently, in maintaining global economic growth. However, simply mechanically joining the RKC or WTO Agreement is clearly not enough to really launch the processes of customs administration modernization aimed at promoting the country's participation in international trade.

As analysis of the activities of customs administrations shows the specific content of the improvement of customs administration in a country or an economic bloc is determined by the following factors.

1. The level of development of customs affairs, including the use of modern digital technologies by customs and traders.
2. Availability of financial, material-technical, technological and human resources to carry out reforms.
3. Decision-making by the political leadership of countries or economic unions.

Countries at the basic level of development of customs administration usually have to solve the problems of basic informing traders about the regulatory framework, the introduction of a risk-based approach, preliminary decision-making, the introduction of single-window technologies, and training. A key feature of the WTO Agreement is that developing and least developed WTO member states are free to determine the time frame for accession to certain provisions of the WTO Agreement, which are included in separate Annexes (B and C). At the same time, the adoption of obligations under Annex C is linked to the need for technical assistance and capacity building in the field of customs administration and border management.

¹⁷ V.A. Goshin, S.V. Moser. On the issue of the functioning of the WCO Working Group on Trade Facilitation// Academic Bulletin of the Rostov branch of the Russian Customs Academy. 2016. No. 1 (22). pp. 18-24.

For countries at an advanced stage of customs development, the main content of its improvement consists in the adjustment of basic systems and business processes on the basis of new technological capabilities associated with digitalization. Particular attention is paid to improving the accuracy of selection of objects of control, shifting the focus of control activities to the stage after the release of goods, which leads to a reduction in the time of release of goods, simplifying procedures and reducing the burden on trusted traders. At the same time developed countries, even having considerable financial and other resources, actively use opportunities and resources of private business while carrying out reforms. For example, large-scale development of the largest European port of Rotterdam during 2004-2013, which is a high-tech transport and logistics object, where basic business processes are fully automated, information systems of customs and other controlling bodies and participants of trade and logistics operations are integrated, was realized in the form of public-private partnership.

2. The role of customs administration in the progressive development of the EAEU is determined

In Article 2 of the Annex the author analyzes the role, importance and prospects for modernization of customs services as one of the most important factors in the consistent progress of the Russian Federation and a number of post-Soviet countries on the path of Eurasian integration.

In 2010, the Customs Union of the Russian Federation, the Republic of Belarus and the Republic of Kazakhstan was established (the Treaty on the Customs Union) and its participants transferred a significant part of their powers in the regulation of international trade to the supranational level. The Customs Code of the Customs Union was adopted.

In 2015, the Treaty on the Establishment of the Eurasian Economic Union, signed in Astana on May 29, 2014, entered into force. The EAEU united the economies of five countries: Armenia joined the EAEU on January 1, 2015, and the Kyrgyz Republic on August 12, 2015.

On January 1, 2018, the current Customs Code of the Eurasian Economic Union came into force. At the same time, the competence of national governments remains the regulation of internal taxation, including the movement of goods in domestic trade.

Further development of the EAEU as one of the world's largest economic unions is a key factor in the successful development of the economies not only of EAEU member countries, but also of the entire post-Soviet space. The cumulative effect of the development of integration ties over the period 2011-2030 was estimated at \$632 billion (in 2010 prices). The total effect of the development of integration ties between 2011 and 2030 was estimated at \$632 billion (in 2010 prices) for Russia, \$106.6 billion for Kazakhstan and \$170 billion for Belarus¹⁸. Over the past 10 years, the dynamics of trade interaction in the post-Soviet space was largely determined by the formation of a common customs territory¹⁹.

Customs administrations continue to play a very important role in the development of the Eurasian Economic Union, which began as a customs union. Their activities are key to ensuring freedom of trade, one of the four freedoms enshrined in the Treaty establishing the EAEU that are essential to the successful functioning of the Union.

The hypothesis of a high degree of influence of the state of EAEU foreign and mutual trade on the sustainability of its economic development is confirmed by the comparison of the volumes of foreign and mutual trade of EAEU member states with the rate of economic growth in the EAEU (Fig. 2).

¹⁸ Ivanter, V.V. and Geyets, V.M. (2012) 'Estimation of Economic Consequences of the Common Economic Space and Ukraine's Accession to it. Problems of Forecasting, 122 (3), pp. 3-29.

¹⁹ Grinberg, R.S. and Pylin, A.G. (2020) 'The Eurasian Economic Union: Major Development Trends against the Backdrop of Global Uncertainty,' Regional Economy, 16(2), pp. 340-351.

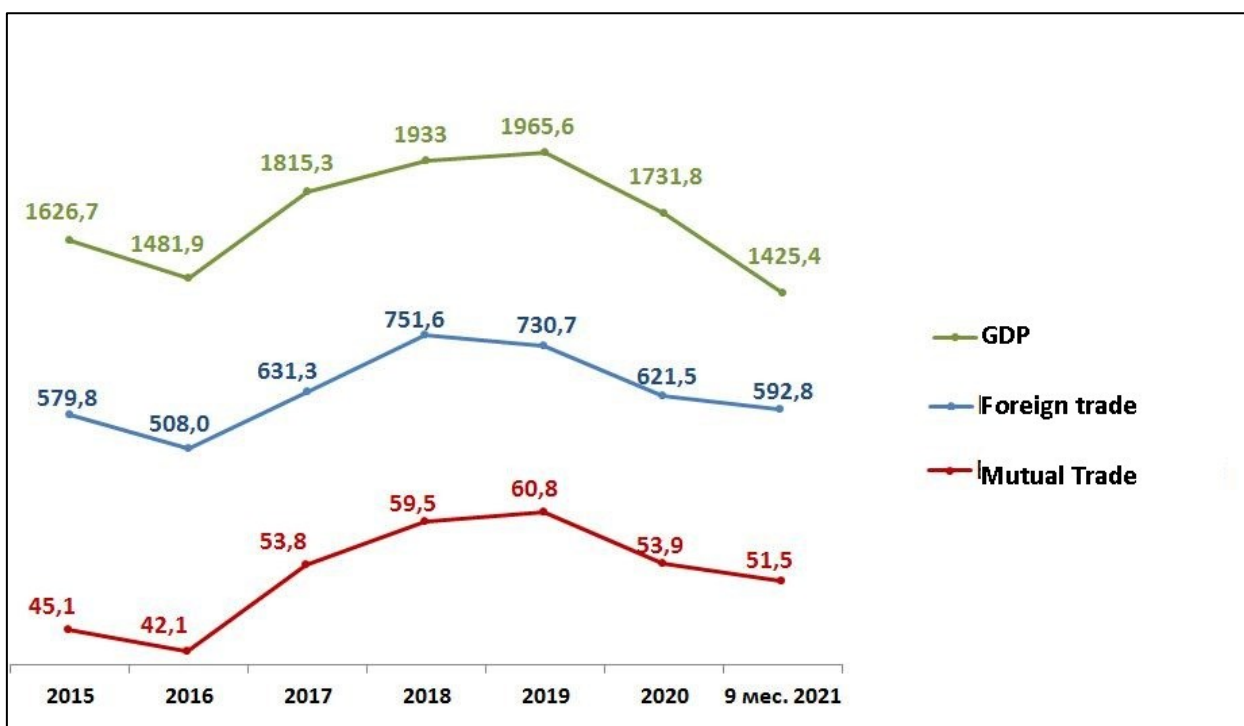


Fig. 2. Dynamics of GDP, foreign and mutual trade
Eurasian Economic Union, bln. US DOLLARS

Source: Compiled by the author according to the Federal Customs Service URL: <https://customs.gov.ru/statistic> (accessed 15.01.22)

The conclusion about the deepening and improvement of economic interaction between EAEU member countries in the sphere of trade in goods is also contained in the international report of the Higher School of Economics "Assessment of EAEU integration processes in trade: 2021" (Akhverian et al., 2021). At the same time, it is noted that so far only stabilization of the situation and suspension of unfavorable trends are observed, but not its fundamental transformation. Attention is drawn to the improvement in the values of indicators characterizing the scale and intensity of mutual trade cooperation, but not the characteristics of such of its qualitative aspects as deepening of specialization and cooperation. The report recommends that further steps should be taken to create conditions for qualitative improvements, noting the risks of renewal of unfavorable trends in the absence of concrete actions²⁰.

²⁰ Davydov R.V. Improvement of customs administration in accordance with the Development Strategy of EAEU until 2025 // Vestnik (Herald) of Saint Petersburg University. Economics. 2022., 38(2), pp. 186-207. <https://doi.org/10.21638/spbu05.2022.202>.

Separate attention should be paid to the problem of barriers in the mutual trade of the EAEU. This issue is regularly considered in the Eurasian Economic Commission and in all EAEU formats. Stemming from the analysis of such discussions based on data from authorized bodies of EEU member states, we can conclude that in most cases such barriers arise there and when sufficient and effective measures for customs and other types of state control are not ensured when foreign goods are imported into the common customs territory of EEU. This provokes economically unjustified flows of such goods in mutual trade and prompts controlling bodies to build a system of measures that essentially make up for the shortcomings of control at the external border. Indeed, it is impossible to eliminate internal barriers and achieve market unity (in this case, goods) without ensuring effective and unified customs regulation on the external contour of the customs union - and this is not a technical issue, but one of the most important conditions for market integration²¹.

The most vivid confirmation of the existence of this problem in recent years is the speech of the President of Kazakhstan Kassym-Jomart Tokayev in the Majilis on January 11, 2022: "A significant potential for increasing budget revenues lies in putting order at customs, especially on the border with China ... the mess going on there is well known. Cars are not inspected, taxes and duties are not paid. The difference in mirror statistics with China is billions of dollars.»²².

Such distortions in customs administration then lead to significant distortions and disproportions in EAEU mutual trade, essentially slowing down and devaluing integration processes and reducing the cooperative potential for the sectoral development of many promising industries of EAEU countries²³.

²¹ Davydov R.V. Improvement of customs administration in accordance with the Development Strategy of EAEU until 2025 // Vestnik (Herald) of Saint Petersburg University. Economics. 2022., 38(2), pp. 186-207. <https://doi.org/10.21638/spbu05.2022.202>.

²² President of Kazakhstan. (2021) Tokayev intends to regain investors' trust. 11 January. URL: <https://www.kommersant.ru/doc/5157257>. (access date: 11.01.2021).

²³ Davydov R.V. Improvement of customs administration in accordance with the Development Strategy of EAEU until 2025 // Vestnik (Herald) of Saint Petersburg University. Economics. 2022., 38(2), pp. 186-207. <https://doi.org/10.21638/spbu05.2022.202>.

This is indirectly evidenced by the results of the activities of mobile groups of the Federal Customs Service of Russia. In 2021 they detected more than 5.4 thousand vehicles on the Russian territory that imported more than 77.2 thousand tons of goods from the EAEU countries with violations of the laws of the Russian Federation. 2,189 cases of administrative offenses and 158 criminal cases were initiated against transporters in cooperation with other controlling bodies.

As a result of a set of measures taken by the FCS of Russia to curb illegal importation of goods in 2021, the amount of payments to the federal budget in respect of flower products has increased by more than 7.9 billion rubles and reached 9.1 billion rubles, from illegal turnover was withdrawn more than 25.5 million packs of cigarettes, identified more than 26.6 million units of goods without mandatory labeling (footwear, tobacco products, fur products, perfumes and light industrial goods).

3. Proposals have been developed to improve the activities of customs administrations and the Joint Board of Customs Services of the EAEU

Researchers have been talking about the uncoordinated formation of customs and tariff policy by EAEU member states since its creation. It was noted that only in the presence of "positive integration," in which the interests of the EAEU member states would be taken into account, including through the mechanism of establishing coordinated and unified customs rules, could integration processes move forward²⁴. It should be noted that customs barriers have traditionally been perceived as the most obvious difficulties in organizing an effective trade policy in the EAEU member states²⁵.

It is the level of development (unity) of customs administration that fundamentally affects the pace and quality of development of the EAEU as a promising commodity market on a global scale.

²⁴ Grinberg, R.S. (2014) 'Formation of the Eurasian Union: chances and risks'. Belarusian Economic Journal, 1, pp. 4-9.

²⁵ Yelikbayev, K.N. and Andronova, I.V. (2021) 'Technical Barriers to Trade: Practice of the EAEU', Russian Foreign Economic Bulletin, 1, pp. 29-43.

In turn, to achieve a real effect of the work carried out, the process of development (improvement, modernization) of customs administration must follow clearly defined principles.

The deepening of Eurasian integration has served as the basis for the active development of cooperation between customs and tax services of EAEU countries, which currently takes various organizational and legal forms, up to their unification in a single body (State Revenue Committees in the Republic of Armenia and the Republic of Kazakhstan).

In the Kyrgyz Republic, the State Customs Service is subordinate to the Ministry of Finance since February 2021, while in the Republic of Belarus the State Customs Committee is part of the Government. The Federal Customs Service of the Russian Federation has been part of the "Big Ministry of Finance" since January 2016, along with the Treasury, the Federal Tax Service, the Federal Property Management Agency, the Federal Service for Alcohol Regulation, and the Assay Chamber.

At the same time, the problems of customs administration in the EAEU arise not only and not so much due to organizational and legal differences in the work of customs services, but primarily due to significant differences in law enforcement.

Even though the EAEU formally has a single customs regulation, based on the EAEU Customs Code and the decisions of the EAEU Councils and Boards, our analysis has shown that there are serious differences in practical customs administration, not only related to the specifics of national law enforcement, but also to the activities of customs services in carrying out their control functions. First and foremost, this applies to their implementation of their customs and other types of control functions within the framework of risk management systems. The corresponding priorities in the customs system are reflected in the systems of control indicators for assessing their activities. Analysis convinced that sometimes in practice the values of the most important economic indicators, including those demonstrating the effectiveness of customs administration differ significantly (sometimes by times). These include indices of the customs value of

identical goods. calculated, as a rule, in the customs value per kilogram of goods (usual dollar per kilogram), as well as indices of the customs payment per kilogram of imported goods.

Thus, in the list of information posted on the official website of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan²⁶, to be used by traders to determine the customs value under the transaction value method for similar goods, the level of "other knitted fabrics" (code 6006 90 000 0 of the EAEU CN of FEA) originating in China was set at 3.28 USD. USD 3,28 per 1 kg. With regard to "other knitted fabrics of machine or hand knitting width of over 30 cm, containing 5 wt.% or more of elastomeric or rubber threads" (code 6004 90 000 0 EAEU CN of FEA), of Turkish origin is set at \$ 0.41. US dollars per 1 kg. These values are 2-2.5 times lower than the indices of the customs value of similar goods declared in the Russian Federation for 2021.

Obviously, if it is possible to import foreign goods through one of the EAEU countries with an underestimation of customs value and, consequently, payments per kilogram of goods, business will seek to use the territory of that country to import and release goods for domestic consumption throughout the EAEU to minimize its costs. Similar theses can be applied to other main controlled parameters of supplies, such as reliability of weight statement, commodity code, possibility to apply various privileges and preferences. Thus, we can conclude that ensuring the unity and standardization of customs administration throughout the EAEU is a condition for preventing economically unjustified flows of goods and, consequently, for ensuring the free movement of goods within the EAEU.

Coordination of actions of the customs services of the EAEU member states is carried out through the Joint Board - a specialized institution acting based on the Agreement of June 22, 2011.

The Joint Board is a unique platform for discussing and developing coordinated and unified decisions of the customs services of the EAEU member

²⁶ Website: www.kgd.gov.kz. (accessed 15.03.2022).

states, the rapid resolution of problems in the field of customs affairs, as well as the formation of common principles of customs administration.

The main tasks of the Joint Board are²⁷:

- coordination of activities of customs authorities of member states;
- participation in the development of international treaties and acts in the field of customs regulation;
- ensuring uniform application of international treaties and acts in the field of customs regulation within its competence;
- ensuring a unified procedure for customs operations and customs control of goods and vehicles on the customs territory of the EAEU;
- facilitating the implementation of the customs policies of member states.

Over the past ten-year period much has been done within the framework of the Joint Board to ensure the unity of customs administration and the development of the EAEU's regulatory and legal framework. At the same time, it must be recognized that significant reserves remain unused in the work of this institution, which is unique to the EAEU. First and foremost, this concerns the potential for unification and standardization of work within the risk management system - the most important institution through which modern customs services implement the tasks of customs control.

In accordance with Article 9 of the Treaty on the establishment of the Joint Board, its decisions within seven days from the date of adoption shall be announced for implementation by orders of the heads of central customs authorities of the member-states, issued by them within the powers established by the legislation of each member-state respectively. At the same time, this Treaty does not specify mechanisms for the full implementation of decisions adopted by the

²⁷ Davydov R.V. Improvement of customs administration in accordance with the Development Strategy of EAEU until 2025 // Vestnik (Herald) of Saint Petersburg University. Economics. 2022., 38(2), pp. 186-207. <https://doi.org/10.21638/spbu05.2022.202>.

Joint Board, such as: monitoring and mutual control of execution, dispute resolution mechanism, unification of sanctions for non-compliance, etc²⁸.

Thus, the most urgent of the necessary changes in the activities of the Joint Board is to ensure the compulsory execution and mutual control over the execution of decisions made. The most obvious practical task could be to work on the implementation of decisions made in customs risk management. Decisions are prepared by the Working Group under the Joint Board for the development of the risk management system in the EAEU member-states (hereinafter - the Working Group), which has been officially operating since late 2011. The Working Group is constantly working to implement, develop and improve the risk management system in EAEU member states, as well as to unify approaches to its application. At the same time, in practice a number of critical parameters in certain cases are not adopted at the level of the Joint Board, which leads to the economic disproportions already noted above. For example, an analysis of published data on foreign trade statistics of the Federal Customs Service of Russia and the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of Kazakhstan in 2021 shows that shoes from China were cleared in the customs authorities of the Russian Federation on average USD 10.9 per kilogram and in the Republic of Kazakhstan USD 6.9 per kilogram. Obviously, this creates prerequisites for the overflow of customs clearance of these goods to Kazakhstan and losses for the budgets of both countries.

In this regard, it seems advisable to consider introducing such changes to the Joint Board Treaty that, on the one hand, would encourage member countries to take more active decisions to unify and standardize customs administration, and, on the other hand, would ensure the creation of effective mechanisms for monitoring and controlling joint decisions taken²⁹.

²⁸ Davydov R.V. Improvement of customs administration in accordance with the Development Strategy of EAEU until 2025 // Vestnik (Herald) of Saint Petersburg University. Economics. 2022., 38(2), pp. 186-207. <https://doi.org/10.21638/spbu05.2022.202>.

²⁹ Davydov R.V. Improvement of customs administration in accordance with the Development Strategy of EAEU until 2025 // Vestnik (Herald) of Saint Petersburg University. Economics. 2022., 38(2), pp. 186-207. <https://doi.org/10.21638/spbu05.2022.202>.

If we use the SWOT terminology, the intensification of activities in the interests of the EAEU, the Joint Board³⁰ should be recognized as a major opportunity for the effective practical implementation of Strategy 2025 on the improvement of customs administration.

4. The unification of the activities of the customs services of the EAEU countries should be carried out on the basis of the standard of customs administration and performance evaluation indicators

Based on the above analysis, we can conclude that the improvement of customs administration for the purposes of progressive economic development of the EAEU should be carried out in the direction of standardization and unification of customs services, as well as digital transformation of basic business processes.

It is proposed to manage the process of modernization of customs administration in the EAEU by introducing a unified standard for customs operations, customs control, information exchange, unification and implementation of risk management systems in the EAEU (hereinafter - the Standard) - paragraph 3.2 of Strategy 2025.

The author offers a semantic definition of the Standard: "in the course of customs control, customs authorities, regardless of nationality, must implement a unified set of measures and measures regulated in accordance with the risk management system (RMS) in such a way as to ensure an equal "control load" when inspecting consignments of the same risk level. For trusted traders ensuring reliable declaration of goods in transit this should lead to minimization of time and financial costs, predictability of time of movement of goods and actions of regulatory authorities³¹.

With the direct participation of the author, at the initiative of the Russian Federation, the provisions on the formation of a single standard of customs administration were reflected in Strategy 2025, approved by the presidents of the

³⁰ Agreement on the Joint Board of Customs Services of the Member States of the Customs Union dated June 22, 2011 (as amended. Protocol of 09.08.2019).

³¹ Davydov R.V. Uniform standard of customs administration as a tool for the development of the Eurasian Economic Union // Bulletin of the Russian Customs Academy. 2020. № 4. Pp. 9 - 18.

EAEU member states in December 2020. This obliges the customs services of the EAEU member states to develop and coordinate at the EAEU level the detailed content of the Standard and the specific indicators that characterize its achievement and execution within a short time frame.

The introduction of the Common Standard will allow the EAEU, as a regional economic association, to participate more effectively in the global division of labor and in the value-added chain of goods. Addressing the issue of standardization of customs administration in the EAEU will ensure the creation of conditions for a fair and rational distribution of economic resources, improve the investment climate, develop foreign and mutual trade and enhance the role of the EAEU as an integrative economic association in trade with third countries.

To assess the achievement of the Standard, the following set of indicators of customs activities is proposed, based on the system of WCO strategic objectives:

1. Time frames for customs operations at checkpoints, as well as the share of customs operations in the total time of all control measures at the checkpoint.

2. Time frames for performing customs operations when placing goods under the customs procedure of release for domestic consumption and export with fixing the share of customs operations performed fully automatically.

3. Percentage of commodity consignments, in respect of which the actual state control was carried out, in the total volume of commodity consignments with a breakdown by type of state control and applied forms of such control.

4. The amount of financial costs of traders for customs procedures, determined in cooperation with business associations and individual representatives of the business community.

5. Share of cases of requesting documents and information by customs authorities within the framework of customs declaration verification in the total volume of customs declarations with a breakdown by customs procedures.

6. Share of customs declarations issued within 4 hours in the total volume of customs declarations.

7. Share of customs inspection reports drawn up with errors in the total number of drawn up reports of customs inspection.

In forming the set of proposed indicators of the Standard, the need to ensure simplicity and accessibility of their measurement, the ability to provide a consensus of the five countries, their national priorities and attitudes were considered.

The proposed indicators are designed to control the solution of two main interrelated tasks - the simplification and acceleration of organizational and control procedures for shipments for which no significant risks of violations of customs laws are identified, as well as the effective and efficient detection and suppression of offenses.

In further consideration of the definition, the specific content and indicators that characterize the achievement of the Standard, it seems appropriate to proceed from the need to link them with the system of indicators of the EAEU customs administrations, characterizing the state and quality of customs administration. This issue was considered by the author in Article 3 of the Annex when studying the impact of the efficiency of customs administration on the development of the EAEU.

To form unified science-based approaches to the methodology of integrated assessment of the activities of customs administrations of the EAEU member countries, it seems appropriate to refer once again (Fig. 1) to the strategic goals recognized by the international customs community, as fixed by the WCO in its Strategic Plan for 2019 – 2022, that is:

Harmonization and simplification of customs procedures to facilitate international trade;

complete, timely and lawful collection of customs payments;

ensuring the safety of the state, citizens and the environment;

coordinated border management;

combating illicit financial flows;

Capacity building of customs.

Based on the aforementioned, the WCO strategic guidelines, the author has developed an original system of indicators to assess the efficiency and quality of customs administration in the following main areas³²:

1) simplification and harmonization of customs procedures to facilitate legitimate and fair international trade. This group includes indicators characterizing the speed of customs operations, the level of their automation, the level of control burden on business associated with the most severe forms of control (inspections), the effectiveness of controls, and the level of lawfulness of business, characterized, among other things, by voluntary compliance with customs rules;

2) ensuring the fiscal function of the state (complete, timely and lawful collection of customs payments to the state budget).

The group of these indicators is mainly focused on the administration of import, since it is at the release of goods for domestic consumption that the Common Customs Tariff of the EAEU operates, where the main customs payments are levied and where the main risks to the economic security of the EAEU and the budgets of its member countries are concentrated. This group of indicators should also make it possible to conduct a comparative analysis of the quality of work on the collection of customs duties and the achievement of the objectives of the unity of customs and tariff regulation from a fiscal perspective to promptly identify the formation of prerequisites for economically unjustified flows of goods from third countries between the EAEU countries. Application of indicators in this group will also make it possible to form an analytical basis for substantiating and calculating the coefficients of clearing and crediting import customs duties levied by the EAEU customs authorities to the budgets of member states (defined by the relevant Protocol, Annex No. 5 to the EEU Treaty);

3) protection of society and citizens, protection of the environment.

³² Davydov R.V. Assessment of the effectiveness of customs administration as a tool for the development of the EAEU // Issues of State and Municipal Administration. 2021. № 4. Pp. 7-35. DOI: 10.17323/1999-5431-2021-0-4-7-35.

This group of indicators characterizes the effectiveness and quality of customs administration in protecting society, citizens, and the environment. In customs practice, this is usually measured by assessing the performance of their functions to ensure prohibitions and restrictions on the importation of goods, export controls, and the protection of intellectual property rights. This direction of customs administration is paid special attention in the USA and the countries of the British Commonwealth (Australia, New Zealand);

4) Own (institutional) development of the customs system. The issues of customs authorities' self (capacity) development nowadays are reasonable to evaluate by the level of professional training of customs employees, their anti-corruption stability and security, material and technical support, as well as in terms of the level of automation and digitalization of customs administrations' activities. The effectiveness and transparency of customs administrations is increasingly being considered in the overall assessment of their performance (World Economic Forum, «Enabling Trade index»³³) and the importance of the development of customs and border infrastructure is taken into account in the World Bank Logistics Performance Index³⁴.

The system of indicators proposed by the author aims to solve two major interrelated problems of customs administration - a simplification and acceleration of organizational and control procedures for supplies for which no significant risk of violations of customs legislation is identified on the one hand, and increasing the collection and timely payment of customs duties, including through effective and efficient detection and suppression of offenses.

One of the most important issues to be addressed in the modernization of customs services is the optimal structuring of their activities. In the process of reforming the system of customs authorities of the Russian Federation as part of the Comprehensive Program 2020, it was necessary to resolve the problem of the

³³ URL: https://reports.weforum.org/global-enabling-trade-report-2016/?doing_wp_cron=1627213266.5402119159698486328125.

³⁴ URL: <https://lpi.worldbank.org/>.

optimal redistribution of powers, functions, tasks and staffing levels between customs authorities of different levels: regional customs directorates, electronic customs offices and customs offices of actual control, as well as Electronic Declaration Centers (EDC) and customs offices of actual control. The integrity and continuity of customs control had to be ensured.

The author conducted an analysis of customs operations performed by customs authorities of different levels to ensure the integrity and continuity of customs control, proposed a scale of processes of customs operations at each stage of the movement of goods³⁵ (presented in Figure 3).

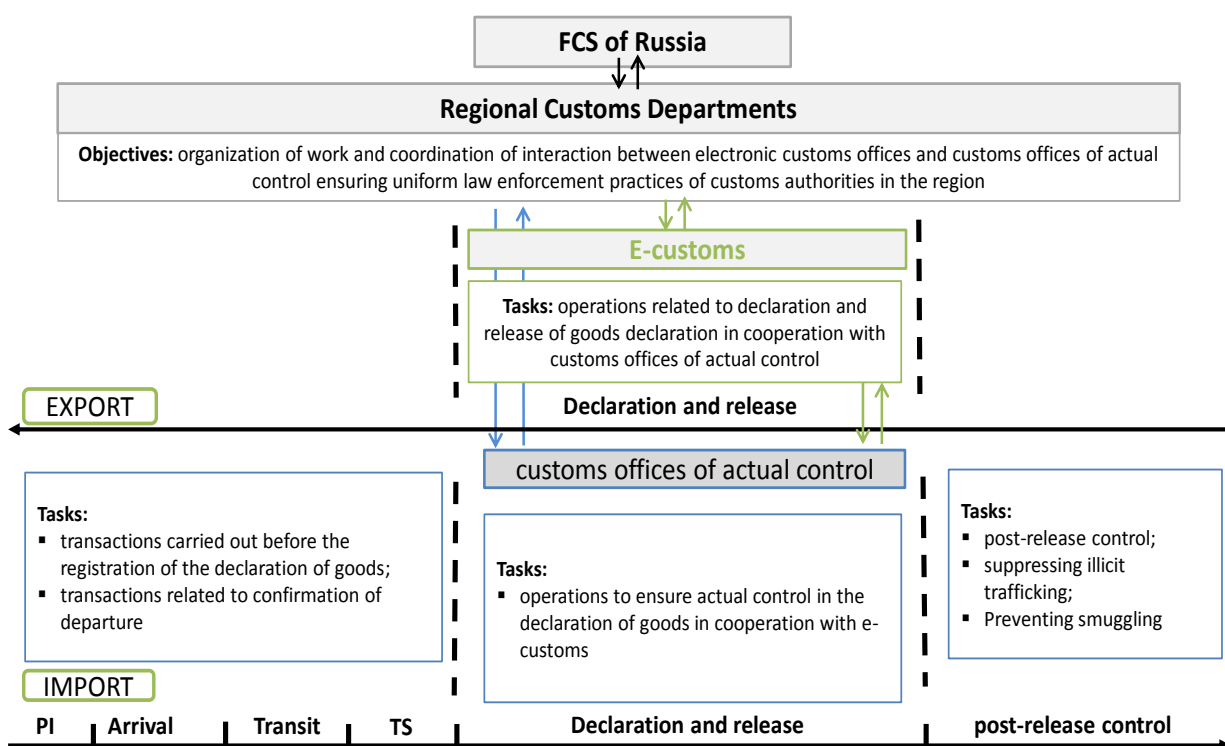


Fig. 3. Customs operations and tasks of customs authorities in the conditions of their reforms (scale of processes)

For the systematization of customs operations with regard to their different types, stages of control, as well as customs authorities, the author has developed original matrixes of customs control (Tables 1 and 2 - Annex) and proposed several levels of classification of customs control, depending on its content.

³⁵ Davydov R.V. Reforming the system of customs authorities of the Russian Federation // Bulletin of the Russian Customs Academy. 2020. No. 1. pp. 9-20.

It is proposed to divide customs control into documentary, which is carried out in the electronic declaration centers and actual control, which consists in physical examination of goods, documents and information in the customs authorities of the actual control (customs offices and posts of actual control).

According to the priority of the tasks to be solved for customs authorities of different types - electronic declaration centers, customs posts of actual control, the control of certain parameters can be classified as primary or auxiliary.

In accordance with the recommendations of the WCO control of goods after their release is a separate area of work, which aims on the one hand to ensure the continuity of control over the movement of goods throughout the supply chain, and on the other - a kind of audit of customs operations performed before the release of goods and, if necessary, to make adjustments in individual operations, and in the business process as a whole.

The core customs control is understood here as carrying out control actions in relation to the stages of the movement of goods through the logistics chain, starting from the formation of the consignment to its sale to the end consumer.

Functional customs control includes the application of forms of customs control, maintenance of registry activities, activities related to the implementation of customs procedures and other actions of customs authorities (for example, the collection of utilization fee).

The use of the matrix allows to connect and systematize by types of control and stages of customs operations those tasks that are solved by the customs authorities of a new type, which emerged as a result of reforms under the Integrated Program 2020 (documentary control authorities - electronic customs and electronic declaration center, the bodies of actual control - customs and office of actual control).

The results of this work are implemented in the Comprehensive Program 2020, as well as taken into account in the performance indicators of the Customs Service of the Russian Federation.

Analysis has shown that the use of matrices of basic and functional customs control is possible not only for comprehensive accounting of all aspects of customs control and customs operations, but also in the formation of a structured system for assessing the activities of customs authorities under the Standard.

Further improvement of customs administration is proposed to implement within the framework of the previously formulated principle: "maximum simplification and acceleration of customs operations in respect of trusted traders, complying with customs and other rules governing the movement of goods in foreign and mutual trade EAEU with a simultaneous concentration of control activities on participants "non-transparent" trade turnover.

5. Digital transformation is an essential condition for the successful modernization of customs administration

In recent years, the digital transformation of customs affairs has played an increasingly important role in the development of customs administration. The practice of applying the "Single Window" mechanism has shown high efficiency in speeding up customs clearance processes and building a comfortable environment for interaction between the state and business³⁶. The digitalization of management processes and customs administration has been among the key priorities of the Federal Customs Service of Russia in recent years. As a result of the implementation of the Comprehensive Program 2020, 16 electronic declaration centers and 8 electronic customs offices appeared in the structure of the customs authorities of the Russian Federation from 2018 to 2020.

99.9% of goods declarations are submitted to the Unified Automated System of Customs Authorities (UAS CA) of the Russian Federation in electronic form,

³⁶ Bondarenko, A.V. and Evgrafova, O.V. (2022) 'Single Window Mechanism in the EAEU: state, problems and prospects', Science and Education: Economy and Economics; Entrepreneurship; Law and Management, 1(140), pp. 7-12.

more than a third of them are issued fully automatically without the participation of officials.

Customs services of EAEU member states actively participate in the formation of modern digital mechanisms of control over the movement of goods of third countries in the EAEU in order to create conditions for the minimization of opportunities to evade customs and tax payments, as well as confirm the legality of the circulation of goods when they move from one member state to another member state and ensure control over transactions related to the circulation of goods.

Such mechanisms include marking systems³⁷, goods traceability³⁸, as well as a system of control over transit transportation using electronic navigation seals³⁹. It should be noted that key decisions on the application of the digital control tools described above have been made consistently over the past five years as part of the improvement of the regulatory framework of the EAEU and its member states.

The digitalization of all stages, types and forms of customs control, which in many cases makes it possible to automate an increasing number of operations, is intended to ensure a full-scale digital transformation of customs affairs and improve the quality of customs administration. This work is among the key priorities of the Federal Customs Service of Russia.

In the Russian Federation, these approaches are enshrined in both the successfully completed "Comprehensive Development Program of the FCS of Russia until 2020" and the currently implemented Strategy for the Development of Customs Service of the Russian Federation until 2030.

It is planned to create an IT infrastructure that meets modern requirements (the standard of reliability of infrastructure and equipment, which is assigned to Data Processing Centers (DPC) not lower than tier-3). In 2022-2023 the Federal

³⁷ Agreement on Marking of Goods by Means of Identification in the Eurasian Economic Union of February 2, 2018.

³⁸ Agreement on the mechanism of traceability of goods imported into the customs territory of the Eurasian Economic Union of May 29, 2019.

³⁹ Agreement on the use of navigation seals in the Eurasian Economic Union for the tracking of traffic of April 19, 2022.

Customs Service of Russia will put into operation its own data processing center meeting the above requirements.

Unified Automated Information System of Customs Authorities (UAIS CA). The FCS of Russia is one of the most active participants in the system of interagency electronic interaction as part of the "electronic government" of the Russian Federation: information is exchanged with 45 federal executive bodies and organizations, and the number of messages transmitted through the "electronic government" is almost 140,000 per day. The full-scale digitalization and automation of the activities of customs authorities is Target No. 1 of Strategy 2030 and includes:

- digital transformation of customs clearance and customs control technologies before and after the release of goods using artificial intelligence and big data processing methods;
- application of a self-learning intelligent risk management system;
- implementation of technologies that ensure the automatic execution of operations at border crossings;
- application of international electronic systems of verification and certification of goods origin;
- automation of the process of controlling the correctness of the classification of goods and detecting violations associated with the declaration of false information about the goods classification code;
- application of high-tech automatic systems and devices aimed at preventing and suppressing the illicit movement of goods.

At the same time, the analysis shows that to solve the problem of ensuring the unity of customs administration within the EAEU it is necessary to synchronize the pace and quality of the digital transformation of the activities of all customs services of the economic union. The creation of the Integrated Information System of the Eurasian Economic Union (IIS EAEU), designed to provide information unity of management of common processes of the union in the economy, should be completed at an accelerated pace. In the materials of the EEC Council, which was

held in Nur-Sultan on 10.06.2022, it was stated that the creation of the IIS EAEU has been unjustifiably delayed: out of 78 common processes of the EAEU contained in the updated list, only 22 (28%) have been implemented and the technological documents, regulating the information interaction have not yet been approved for 31 common processes. The full implementation of the IIS EAEU is postponed until 2027.

In this regard, in the field of digital transformation of customs administration it is recommended to implement the following tasks.

1. Consider the possibility of implementing common processes in customs administration under a temporary scheme before the creation of the IIS EAEU, taking into account the infrastructure (in IT) and technological (in customs control) capabilities and know-how created and developed by the Federal Customs Service of Russia. The task of such implementation could be formalized by a decision of the Eurasian Intergovernmental Council with the identification of responsible agencies, the formation of working groups and the identification of funding sources.

2. As part of solving the problem of shifting the focus and the main measures of customs control to the stage after the release of goods, implement the concept of a digital twin - the trader, as the main subject of customs control, as proposed by the author. Given the relatively small number of traders in the EAEU countries (no more than 110-120 thousand annually for all EAEU countries), it is possible to fully digitize their activities in foreign trade based on the data available in the information systems of customs authorities. Using a system analysis, this will make it possible to identify more accurately low-, medium- and high-risk companies among them and concentrate control measures on entities with a high risk of violating customs and related legislation. The proposed approach will significantly improve the quality and efficiency of customs control, optimize the use of resources, forces and resources of customs authorities, ensure greater transparency of logistics chains in the EAEU and reduce the control burden on trusted traders.

3. With the development of a unified information space of customs and tax services move to a fundamentally new model for the use of big data based on the introduction of principles of advanced management of business processes in the customs sphere. One of the areas of this work may be the transition to undeclared control over foreign trade transactions using the methods and capabilities of customs and tax monitoring implemented by the Federal Customs Service and the Federal Tax Service of Russia.

THE AUTHOR'S MAIN PUBLICATIONS ON THE TOPIC OF THE DISSERTATION

The most significant research results are presented in 3 scientific articles published in journals indexed by Scopus (total volume of publications – 4.5 pp.l., personal contribution of the author – 4.5 pp.l.):

1. Davydov R.V. “The role of the World Customs Organization in the implementation of the Agreement of the World Trade Organization on trade facilitation” // Bulletin of international organizations: education, science, new economy. 2022. № 2. Pp. 224-249. DOI: 10.17323/1996-7845-2022-02-10.

2. Davydov R.V. Improvement of customs administration in accordance with the Development Strategy of EAEU until 2025 // Vestnik (Herald) of Saint Petersburg University. Economics. 2022., 38(2), pp. 186-207. <https://doi.org/10.21638/spbu05.2022.202>.

3. Davydov R.V. Assessment of the effectiveness of customs administration as a tool for the development of the EAEU // Issues of State and Municipal Administration. 2021. № 4. Pp. 7-35. DOI: 10.17323/1999-5431-2021-0-4-7-35.

Other publications containing the results of the dissertation research:

1. Davydov R.V. Federal Customs Service of Russia will create the future face of the state border. Intelligent checkpoint // Intelligent checkpoint in Russia and in the world: competence-based approach to creation: collection of reports of All-Russian practical conference. Saint-Petersburg: "LETI". 2022. Pp. 3 - 6.

2. Davydov R.V. Directions for Improving Customs Administration in the Sphere of Currency Control // Bulletin of the Russian Customs Academy. 2021. № 4. Pp. 13 - 23.

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"Prospects of development of customs administrations in conditions of deepening of Eurasian integration" - Moscow: Russian Customs Academy. 2020. 360 p. Pp. 11 - 16.

5. Davydov R.V. Reforming the system of customs authorities of the Russian Federation // Bulletin of the Russian Customs Academy. 2020. № 1. Pp. 9 - 20.

6. Davydov R.V. Model of customs operations from checkpoints to the location of the recipient of goods // Bulletin of the Russian Customs Academy. 2019. № 3. Pp. 32 - 38.

7. Davydov R.V. Domestic and international practice of evaluation of customs administrations // Bulletin of the Russian Customs Academy. 2019. № 1. Pp. 9 – 20.

Table 1

Basic customs control matrix

STAGE OF CONTROL		TO	TYPE OF CONTROL													
			Net weight of the product	Gross weight of the product	Quantity of goods	Seats	Cost*	Country of origin	Product code**	Product description**	Preferences	Benefits	Calculated payments	Prohibitions and restrictions	Currency control	Trademark
I	Preliminary information	RCD	MA	MA	MA	MA	MA	MA	MA	MA				MA		MA
		EC														
		EDC														
		CAC	B	B	B	B	B	B	B	B	B			MA		B
		CPAC	C	C	C	C	C	C	C	C	C	C			C	
II	Arrival	RCD	MA	MA	MA	MA	MA	MA	MA	MA				MA		MA
		EC														
		EDC														
		CAC	FC	FC	FC	FC	FC	FC	FC	FC	FC			FC		FC
		CPAC	C	B	B	B	B	B	B	B	B			B	B***	FC
III	Transit	RCD	MA	MA	MA	MA	MA	MA	MA	MA				MA		MA
		EC														
		EDC														
		CAC	FC	FC	FC	FC	FC	FC	FC	FC	FC			FC		FC
		CPAC	C	B	B	B	C	B	B	B	B			B		B
IV	Temporary storage	RCD	MA	MA	MA	MA	MA	MA	MA	MA						MA
		EC														
		EDC														
		CAC	FC	FC	FC	FC	FC	FC	FC	FC	FC					
		CPAC	B	B	B	B	B	B	B	B	B					
V	Registration of declaration and release of goods	RCD	MA	MA	MA	MA	MA	MA	MA	MA	MA	MA	MA	MA	MA	MA
		EC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	FC	KA	FC
		EDC	B	B	B	B	B	B	B	B	B	B	B	B	B	B
		CAC	FC	FC	FC	FC	B	FC	B	FC	FC			FC ***	MA	FC
		CPAC	E	E	E	E	B	O	B	E	O			O***	FC ***	E

VI	Control after release	RCD	SC/MA	SC/MA	SC/MA	SC/MA	SC/MA	SC/MA	SC/MA	SC/MA	SC/MA	SC/MA	SC/MA	MA	MA	SC/MA	
		EC														FC	
		EDC															
		CAC	SC/O*	/O	SC/O	SC/O	SC/O	SC/O	SC/O	SC/O	SC/O	SC/O	SC/O	SC/O	SC/O	SC/O	SC/O
		CPAC															

References:
* – at stages I-IV - control of invoice value, at stages V-VI - control of customs value;
** – in the amount of information provided for the stage;
*** – movement of cash by individuals, simplified declaration;
B – basic control;
A – auxiliary control;
C – information can be declared, but is not controlled at the stage;
E – control as required by E-customs;
FC – functional control;
MA – performing the monitoring and analytical function;
SC – secondary control;
* SC/O – when shifting the focus to low-risk foreign trade participants (no control prior to release);
RCD – regional customs department;
EC – E-customs;
EDC – electronic declaration center;
CAC – customs of actual control;
CPAC – customs post of actual control.

Source: compiled by the author.

Table 2

Matrix of functional customs control

№	Indicator	RCD	CAC	CPAC	EC	EDC
1	Application of forms of customs control					
1.1	Inspection/inspection	MA	FC	A	FC	–
1.2	Document and background checks	MA	FC	B	FC	B
1.3	Inspection of premises and areas	B	B	B	–	–
1.4	Getting explanations	A	A	B	B	B
1.5	Customs surveillance	MA	FC	B	–	–
1.6	Customs inspection	B	B	B	B	A
	Desk audit	B	B	A	–	–
	On-site inspection	B	B	A	–	–
1.7	Personal customs inspection		FC	B		
2	Maintenance of registry activities					
2.1	Inclusion in the register of owners of temporary storage warehouses	MA	B	A	–	–
2.2	Control over the activities of temporary storage warehouses	MA	B	B	–	–
2.3	Inclusion in the register of vehicle owners					
2.4	Control over the activities of vehicle owners					
2.5	Inclusion in the registry of owners of a duty-free stores					
2.6	Monitoring of owners of a duty-free stores					

№	Indicator	RCD	CAC	CPAC	EC	EDC
2.7	Control over AEO activities	B	B	B	A	A
2.8	Control of customs control zones	MA	FC	B	–	–
2.9	Control of terms of stay at the temporary storage warehouses, vehicles	MA	FC	B	–	A
2.10	Control over the activities of a customs representative	MA	B	B	FC	B
3	Transactions related to placement under the procedure					
3.1	Placement of goods under the procedure (electronic form)	MA	FC	FC	FC	O
3.2	Placement of goods under the procedure (paper form)	MA	FC	B	–	–
3.3	Placement under the transit procedure	MA	FC	B	–	–
	Establishing a route of travel	MA	FC	B	–	–
3.4	Completing the transit procedure	MA	FC	B	–	–
	Control of conditions under the procedure	MA	O	B	FC	A
3.5	Acceptance of paper documents at the request of the EDC	–	B	B	B	–
3.6	Control of licensed goods	FC	FC	B	B	B
3.7	Collecting the recycling fee	MA	FC	B	B	–
3.8	Issuance of paper documents	–	FC	B	–	–
3.9	Control of intellectual property objects	MA			FC	B
3.10	Issuance of a recycling permit	FC	B	–		
3.11	Correction of goods declaration before release	MA	–	–	FC	B
3.12	Correction of goods declaration after release	MA	B	–	B	–
3.13	Preliminary classification decisions	MA			B	–
4	Other functions					
4.1	Ensuring the operation of the checkpoint	B	B	B	–	–
4.2	Conducting other forms of state control	MA	FC	B	–	–
4.3	Confirmation of export		B	B	–	–
4.4	Radiation control	MA	MA	B	–	–
<p>Примечания: B – basic control; A – auxiliary control; C – information can be declared, but is not controlled at the stage; E – control as required by E-customs; FC – functional control; MA – performing the monitoring and analytical function; RCD – regional customs department; EC – E-customs; EDC – electronic declaration center; CAC – customs of actual control; CPAC – customs post of actual control</p>						

Source: compiled by the author.