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НАУЧНО-ПРАКТИЧЕСКИЙ ЖУРНАЛ
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ФУНДАМЕНТАЛ ТАДҚИҚОТЛАР ЖУРНАЛИ

ЖУРНАЛ ФУНДАМЕНТАЛЬНЫХ ИССЛЕДОВАНИЙ | JOURNAL OF FUNDAMENTAL STUDIES

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ROLE OF THE INTERNATIONAL AND REGIONAL STANDARDS IN DEVELOPMENT CUSTOMS PROCEDURES

ANNOTATSIIYA

Ushbu maqolada xom ashyo va tovarlarni bojxona hududida qayta ishlash bojxona rejimidan foydalangan holda qayta ishlash tartibi va amalda yuzaga kelayotgan asosiy muammolar yoritilgan. Maqolada iqtisodiy va ijtimoiy sohani rivojlantirishda bojxona tartibotlarini muvaffaqiyatli qo'llaydigan xalqaro konvensiyalar, Yevropa Ittifoqi, Yaqin va Uzoq Sharq mamlakatlarning tajribalariga asoslangan protseduraning asosiy tushunchalari va jihatlari, ko'rib chiqilgan. Olingan ma'lumotlar asosida tovarlarni qayta ishlash jarayoniga to'sqinlik qiladigan va kechiktiradigan asosiy to'siqlar va ularni bartaraf etish yo'llari taklif qilingan.

Kalit so'zlar: bojxona rejimi, Kioto Konvensiyasi, bojxona hududida qayta ishlash, bojxona to'lovlaridan shartli ozod qilish, chet el tovarlarini identifikatsiyalash, qayta ishlashga ruxsatnoma, moliyaviy ta'minot.

АННОТАЦИЯ

Статья посвящена процедуре переработки сырья и товаров с использованием таможенного режима переработки на таможенной территории, а также основным проблемам, выявленным в ходе изучения его практического применения. Данная статья основывается на международных конвенциях и законодательствах зарубежных стран, которые успешно применяют данную процедуру для развития экономических и социальных сферах. Была изучена цепочка необходимых операций для этой процедуры в странах ЕС, Ближнего и Дальнего Востока. На основе полученных данных были определены основные препятствия, которые затрудняют и задерживают процесс обработки товаров, и предлагаемые способы их устранения.

Ключевые слова: таможенная процедура, Киотская конвенция, переработки на таможенной территории, условное освобождение от таможенных платежей, идентификация иностранных товаров, разрешение на переработку, финансовая безопасность.

ANNOTATION

The article is devoted to the procedure for processing raw materials and goods using the customs regime of inward processing and the main problems identified in practice. The article deals with the main concepts and aspects of the procedure, international and national legal regulation based on international conventions and domestic legislation of countries that successfully apply this procedure for the development of the economic and social sphere. The chain of necessary operations for this procedure in the EU, middle and far East countries has been studied. Based on the data obtained, the main obstacles that hinder and delay the process of processing goods and the proposed ways to eliminate them were identified.

Keywords: customs procedure, Kyoto Convention, inward processing, conditional relief from customs payments, identification of foreign goods, permit for processing, financial security.

The uneven distribution of resources and production means on the planet has always led to the formation of different prices for the same product in different regions. In some areas, there is an abundance of raw materials, but there is not enough equipment and necessary specialists, and in others - production is not operating at full capacity due to late and insufficient supply of raw materials. As a result, prices for surplus goods in the region will fall, while in others, where demand for these goods is high, processing costs will be high due to transport costs and customs duties. Obviously, in this case, both countries are at an economic disadvantage. In this case, the best solution for both regions is to export raw materials from the cheap zone and process them on preferential terms in a region where the manufacturer is not able to work at full capacity.

To create such opportunities, customs processing regimes are applied in almost all countries of the world. Today, legislation of issues related to customs procedures is carried out at two levels: international and national.

Within the framework of international agreements, the rules described in the Kyoto Convention apply. The phenomenon is a universal international legal act in the field of customs that regulates almost all customs issues. According to the “International Convention on the simplification and harmonization of customs procedures” (the Kyoto Convention), currently recognized as the world customs code; inward processing is a procedure in which goods conditionally relief from import duties and taxes are imported into the customs territory. The conditions for exemption from customs duties and taxes are processing of goods and their re-export in the form of finished products. [1]

The customs regime of inward processing goods includes many procedures that from a single activity, it covers many types of work, including procedures for creating new products or repairing outdated ones. It is also possible to partially destroy them in order to later use the remaining parts in production.

As we know at the international level, inward processing is regulated by the International Convention “On simplification and harmonization of customs procedures” from May 18, 1973, in particular Chapter 1 of special Annex F64 to the Convention. Countries that have ratified the Convention should bring their national legislation into line with its provisions. [2]

Due to the fact that in countries that have ratified the Convention, the legislation in the field of application of the inward processing is similar, to form an idea of the experience of individual States in this area, it is enough to consider several examples:

- 1) European Union (hereinafter-the EU) on the example of Ireland,
- 2) Turkey.
- 3) China.

To begin with, let's focus on one example of them.

The Republic of China can be considered as one of the countries that makes the most effective use of the inward processing regime. In 2013, China presented the “One way” project to the world political and economic community, which is aimed at easing interstate trade barriers, developing regional infrastructure, and mutually simplifying customs procedures, which has led to success in this industry.

In China, two types of goods can be used for inward processing:

- the foreign buyer delivers the goods himself and retains the ownership rights obtained during the processing of the goods. The manufacturer will be reimbursed for the cost of production of the product (excluding the cost of raw materials);

- goods for processing are purchased by the manufacturer, and when selling the finished product to the buyer, it determines the price of the finished product, including the cost of raw materials.

In accordance with the Convention, the processing period in the customs territory is set by the customs authorities of each country separately for each case of placing goods under the regime and can be extended for justified reasons. At the same time, at the national level, as a rule, are governed by the deadlines for the actions of the regime:

1. **EU.** The term of validity of the permit for the stay of goods under the customs processing procedure is up to 5 years from the date of acceptance of the application. For certain specific products (agricultural products — meat, eggs, grain, dairy products, etc.), the permit is issued for a period of up to 3 years. [3]

2. **Turkey.** The maximum period of validity of a processing permit in the customs territory of Turkey is 12 months, but for certain types of goods (shipbuilding, defense industry, etc.), for which a longer processing process is provided, it is practiced to issue permits with a longer validity period. [6]

3. **China.** Chinese legislation does not explicitly define the time limits for placing goods under the processing regime in the customs territory.

Providing financial security for the payment of taxes and duties

The need to provide financial security for the obligation to pay customs duties and taxes is provided for in the legislation of all the countries analyzed, but in some cases certain exemptions are provided for certain categories of organizations.

For example, in Turkey, it is possible to reduce the amount of guarantee coverage for companies that meet certain criteria. If the company meets certain criteria, the amount of financial security can be set at the level of 1%, 5% or 10% of the amount of customs taxes and duties. [4]

The list of works that fall under the definition of inward processing.

1. **EU (Ireland):**

- processing of goods, including installation, assembly or their installation on other goods;
- liquidation of goods;
- the repair of the goods, including full restoration. [5]

2. **Turkey:**

- processing of goods, including installation, assembly or their installation on other goods;
- repair of goods, including complete restoration; use of goods that cannot be identified in the final product, but that were fully or partially used in the processing process (auxiliary equipment). [6]

3. **China:**

- processing and Assembly (foreign suppliers supply all or part of raw materials and parts for the Assembly of final products that are subsequently exported from the country, while imported parts and finished products remain the property of foreign suppliers);
- processing using imported materials (raw materials, parts and components are purchased from foreign suppliers and become the property of a Chinese company, then the finished products are exported to foreign markets). [4]

The wording of the types of work described above is not accurate and may be widely interpreted in the process of obtaining a permit. In particular, in some EU countries, the processing process may include repackaging of goods, and in Turkey, it is possible to import packaging materials for inward processing regime. However, the repackaging itself is not explicitly included in the list of allowed operations. [6]

Control under processing.

The EU defines several aspects that must necessarily be monitored by regional customs authorities in the process of processing:

- compliance with the conditions of the issued permit;
- ensuring compliance with the volumes of final products specified in the permit. First of all this point is provided by monitoring the financial accounts of companies;
- ensuring that only the tariff codes specified in the permit are used in the processing of products;
- ensuring that regular inspections of the company are carried out at least once every six months regardless of the frequency of planned inspections for risk profiles;
- ensuring regular audits of all companies that have a permit, in addition to scheduled audits (the audit is conducted at least once during the period of validity of the permit).[5]

The control process described above is not spelled out in the legislation of Turkey and China.

If we carefully analyze the above data, the processing procedure on the customs territory in countries where it is developed and works effectively, it becomes clear that their success is due to the flexibility of legislation and more simplified paperwork.

If we consider the national base in the processing procedure on the example of the Republic of Uzbekistan, then there are also its own features. In particular, Chapter 12 of the Customs Code of the Republic of Uzbekistan also establishes norms in accordance with the Kyoto Convention, namely, the customs regime for inward processing is such that goods are imported to the customs territory for processing and export as processed products with conditional exemption from customs duties and taxes.

Initially, although processing under the customs regime is included in the list of “import regimes” due to the import of goods into the customs territory, the fact that finished products with high added value are exported from the customs territory indicates that this regime should be included in the list of “export regimes”.

The practical significance of this work is that its results can form the basis for the transformation of customs into the engine of the economy of the Republic of Uzbekistan with the development of the use of the customs regime of inward processing regime:

first, the fact that Uzbekistan has the largest population in Central Asia (more than 36 million people) provides an adequate workforce;

secondly, in 2019, Uzbekistan imported technological equipment worth 4 billion 866 million US dollars. This is 25% more than in 2018 and twice as much as in 2017. It is obvious these numbers exceed year by year. If all imported technological equipment is used for production purposes, Uzbekistan may become one of the largest industrialized countries in the future. Given that the unemployment rate in the country in 2019 was 8.9%, it is natural that the effective use of the customs processing regime will also help reduce unemployment;

third, production capacity in the Republic of Uzbekistan is better developed than in other countries of the region.

fourth, Uzbekistan are working on developing relations with near and far neighbour countries

fifth, Republic of Uzbekistan gives a few privileges, such as not taking any types of customs taxes from enterprises which are providing operations of inward processing and supporting transportation of their good.

The customs code includes the concept of equivalent compensation of imported goods in accordance with the Kyoto Convention. According to him, Provision shall be made to permit compensating products to be exported through a Customs office other than that through which the goods placed under inward processing were imported.

National legislation should provide that the amount of import duties and taxes applicable in the case where the compensating products are not exported shall not exceed the amount of import duties and taxes applicable to the imported goods admitted for inward processing. The use of equivalent compensation allows entrepreneurs to continue production at one pace without waiting for the arrival of raw materials from foreign countries, since the exported goods receive the status of an equivalent commodity, and the equivalent goods-the status of an Uzbek commodity.

This, in turn, will effectively use production facilities to lay the groundwork for maintaining the trust of its customers in the foreign market. But in practice, customs operations related to this equivalent compensation and equivalent goods are not encountered. To solve this problem we need to simplify taking permission for compensating products and to clarify procedures which must held.

In conclusion, using international standarts in regulation of customs procedures gives additionally prosperity and grows on national economy. Full use of industrial and processing facilities under the customs regimes increases foreign currency income to the country, provides the export of finished products and services, expands local production, attracts foreign manufacturers and their investments, elevates the rating of Uzbekistan in international indicators. Furthermore, these processes raise incomes of the budget.

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