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**PROSPECTS FOR INCREASING THE EFFECTIVENESS OF THE
 APPLICATION OF PRIVILEGES AND PREFERENCES FROM
 CUSTOMS DUTIES**

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ABSTRACT

This article is devoted to the essence and nature of the privileges granted from customs duties and their role in the development of our country. Preferences from customs duties granted by customs authorities were analyzed and proposals and recommendations were made to improve their effectiveness. The improvement of customs regulation implies an increase in the effectiveness of the application of measures to improve customs operations and the development of customs technologies, tariff regulation of foreign trade activities. Customs regulation is one of the factors of the country's economic development. The basic concepts and the role of customs payments, the theoretical foundations of the legal regulation of customs payments, the mechanism of legal regulation of the payment and collection of customs payments, the legal status of the main participants in customs relations are described. Based on the customs legislation, the issues of conducting customs operations when paying customs duties, conducting customs control, determining the customs value are considered.

KEYWORDS: *Customs Duties, Foreign Economic Activity, Import Customs Duty, Value Added Tax And Excise Tax, Privileges, Modernization Of Production, Privilege From Customs Duties, Free Trade Zone, Tariff Privilege, Customs Privileges*

INTRODUCTION

Privileges for payment of customs duties are one of the most important types of privileges that are provided in accordance with the current customs and tax legislation. These benefits are given to different subjects, different periods of time, and their provision pursues different goals, for example: to attract social, incentives and investments, to create new jobs, etc. Decree of President of the Republic of Uzbekistan № PF-5755 of June 27, 2019 “On measures for further regulation of the issuance of tax and Customs privilege” was adopted. This decree is aimed at the formation of an effective system of taxation and tariff regulation aimed at promoting competitive production in our country, supporting entrepreneurship and a healthy competitive environment, expanding and stimulating the country's export potential, as well as providing the domestic market with quality consumer goods. In decree, tasks were defined to further improve the investment climate of our country, to ensure the introduction of the principles of fair competition, to regulate the practice of granting privileges on taxes and duty payments.

At present, the analysis of economic privileges and preferences in the payment of customs duties to the participants of foreign economic activity in our country and the determination of ways to increase their efficiency are one of the main and pressing issues

Therefore, first of all, it is necessary to clarify the main essence of the concepts of privilege and preference, what are the reasons and necessity of their presentation. In this respect, we should pay attention to the definitions given in the literature. For example:

Privileges are additional rights, conveniences in the form of additional payments or in the form of full or partial exemption from taxes and other mandatory payments[2]

Privileges are additional rights and conveniences that are provided to certain categories of citizens or individual organizations, enterprises, territories. Such conveniences are manifested in the form of complete or partial exemption from the payment of more taxes and other mandatory payments, as well as from the fulfillment of obligations common to all. Targeted (by the same name) benefits are provided to specific individuals or organizations by the decision of state bodies [3].

Privilege is an established procedure, the provision of discounts and amenities for the complete or partial exemption from the fulfillment of Obligations, or the facilitation of the conditions of their fulfillment [4].

Preference (from Latin "praeferentia" — “[acceptable, preferably]”) — superiority, convenience. Privilege is the provision of relaxation to some state, enterprises and organizations to support certain forms of activity.

Preferences are made in the form shorten or reduction of taxes, discounts on customs duties, exemption from payments, granting privileged loans. Preferences are provided by the state and a bookmark is obtained. In relations between states, privileges can be granted either on the basis of the beginning of mutual cooperation or on the basis of unilateral regulation. [5].

Privileges and preferences are certain advantages, additional rights granted, which are understood to facilitate the complete or partial release of a person from the fulfillment of established rules, obligations or conditions for their implementation.

Customs privilege, the customs understands the free use or exemption of part (exception) from the current rules in the field of law.

Depending on which sector the customs privileges are eased, providing freedom, customs privileges are divided into the following two categories:

1. Privileges for customs clearance and customs control;
2. Preferences and privileges for payment of customs duties.

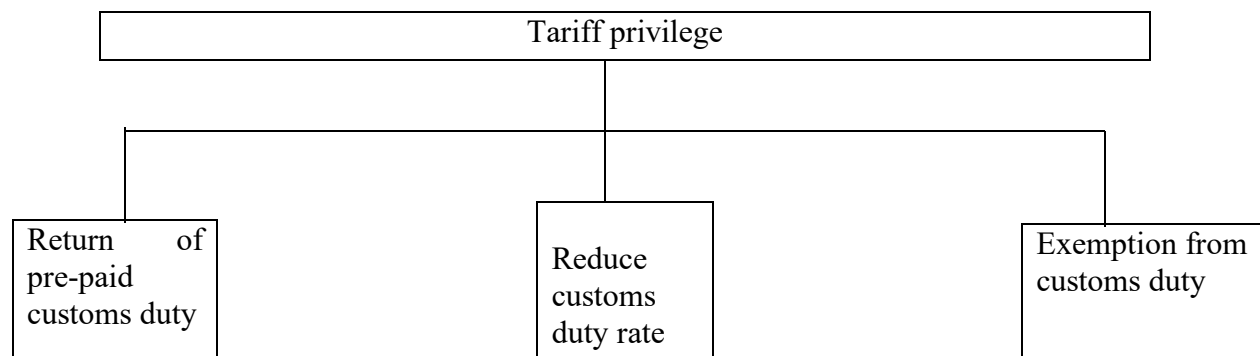
1-category includes the initial declaration of the customs in the customs clearance and customs control processes, periodic submission of the customs declaration, making a preliminary decision, conditional release of goods, allow temporary storage in your own warehouse, exemption from customs inspection and other forms of Customs Control, release from administrative and criminal liability, allow to pay customs duties delay and pay in installments, access to the Register of authorized economic operators and so on.

2-category when importing goods into Category 2 through the customs border, tariff preferences and preferences are used in the collection of import customs duties, as well as in the privilege of Excise and Value Added Tax.

The purpose of giving tariff preferences is mainly to give privileges to tavors and enterprises, having an individual character.

Tariff preferences in our republic are given on the basis of the following ways when levying import customs duties. (Picture 1).

1-picture. The procedure for giving tariff preferences



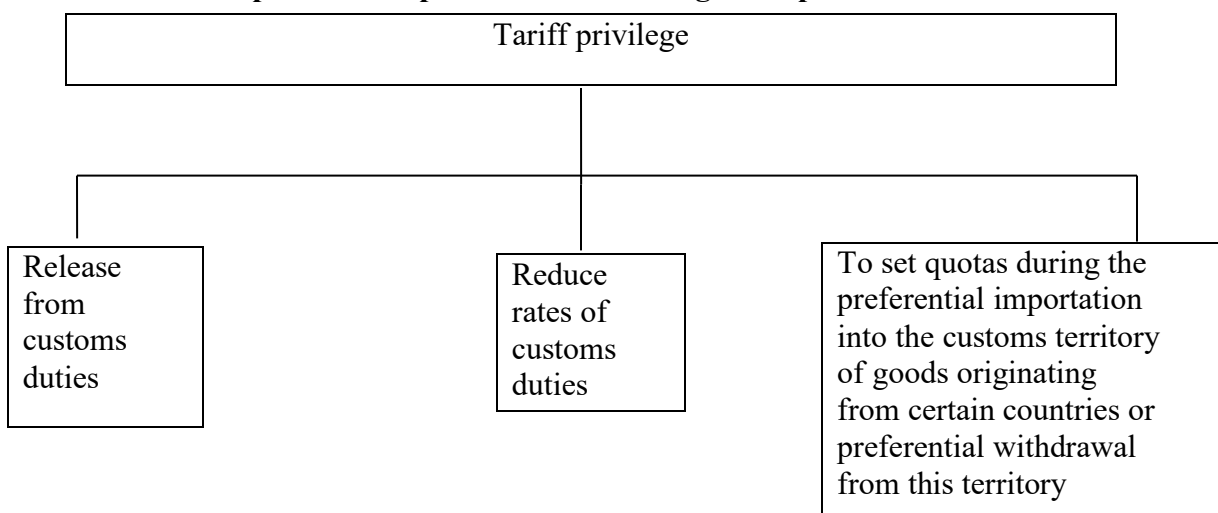
(Source: developed by the author on the basis of Article 297 of the Customs Code of the Republic of Uzbekistan)

Tariff preferences are given as follows:

1. Release from customs duties;
2. Reduce rates of customs duties;

3. To set quotas during the preferential importation into the customs territory of goods originating from certain countries or preferential withdrawal from this territory. (Picture 2)

2-picture. The procedure for issuing tariff preferences



(Source: developed by the author on the basis of Article 300 of the Customs Code of the Republic of Uzbekistan)

When issuing tariff preferences, the countries applying the most favorable and free trade regime with the Republic of Uzbekistan are taken into account, and in this case the main attention is paid to the countries where the goods are produced, and when entering the Republic of Uzbekistan, the preferential tariff is applied from the import customs duty. (Picture 3)

3-picture. The scheme of issuance of tariff preferences for import customs duty



(Source: developed by the author on the basis of Article 300 of the Customs Code of the Republic of Uzbekistan)

If we analyze the amount of benefits applied to the goods of countries with the agreement on the Free Trade Zone in the Republic of Uzbekistan in 2018-2019 years, then in 2018 there will be a total of 1.6 trillion more discounts were applied from the sum, of which 1,1 trillion to the volumes produced in Russia. benefits exceeding sums are 73.4 percent of the benefits applied to

the member countries of the agreement on the general Free Trade Zone. In 2019, these indicators are respectively 1.7 trillion. and it accounted for 71.5 percent. The lowest figures in this regard coincided with the contribution of the countries of Armenia, Moldova, Turkmenistan in these years. (Table 1).

The general purpose of all privilege is to reduce the obligation of the payer. Privileges granted by customs duties are one of the main types of privilege that significantly reduce the financial costs of participants in foreign economic activity, affect the volume of trade and the transfer of customs duties to the state budget, as well as help to realize the investment attractiveness of the country.

TABLE 1 IN THE REPUBLIC OF UZBEKISTAN IN 2018-2019, THE PREFERENCES APPLIED TO THE GOODS OF THE COUNTRIES HAVING THE AGREEMENT ON THE FREE TRADE ZONE AMOUNT (MLN)

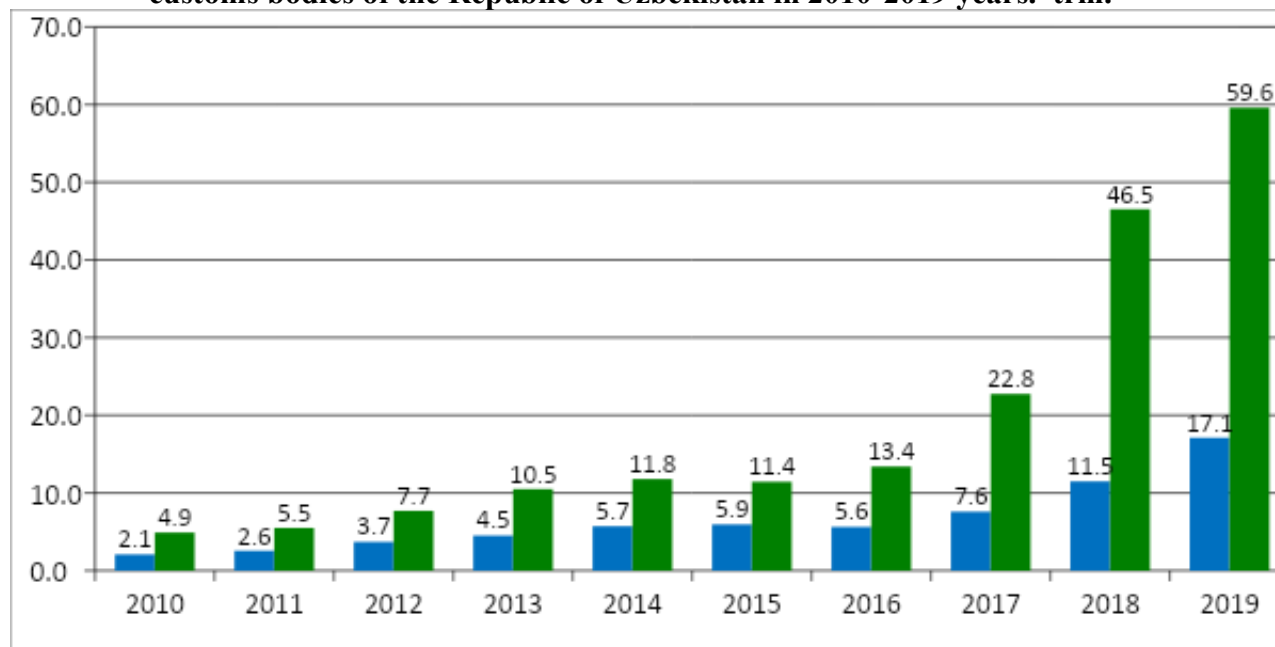
№	Countries	2018 year	2019 year
1	Azerbaijan	2 583,88	2 768,97
2	Armenia	125,75	569,88
3	Belarus	95 931,53	431 112,70
4	Georgia	5 012,20	12 334,42
5	Kazakhstan	152 087,80	105 173,99
6	Kyrgyzstan	83 553,62	48 008,50
7	Moldova	1 533,61	2 214,05
8	Russia	1 167 116,17	1 760 545,63
9	Tajikistan	45 676,06	29 791,45
10	Turkmenistan	25,59	3 776,21
11	Ukraine	72 582,46	73 189,60
Total		1 626 228,68	2 469 485,41

(Source: based on State Customs Committee data prepared by the author)

Analysis shows that the customs payments to the state budget in 2011-2019 increased by 6,8 times, and the privileges from them increased by 11,03 percent (1- diagram).

In 2019, we can see that the privileges from customs duties in the Republic are 3.5 times more than the volume of funds transferred to the state budget

1-diagram The amount of customs duties and privilege transferred to the state budget by customs bodies of the Republic of Uzbekistan in 2010-2019 years. trln.



--Granted privileges

--levied payments

(Source: based on SCC data prepared by the author.)

We can see that in the structure of customs payments, which is considered to be preferential from customs payments in 2011-2019 years, the share of customs payments transferred from 68,7 percent to 77,7 percent, or rather to the state budget fell from 31,3 percent to 22,3 percent.(Table 2)

TABLE 2 ANALYSIS OF PRIVILEGES AND LEVIED CUSTOMS DUTIES CALCULATED BY THE CUSTOMS AUTHORITIES OF THE REPUBLIC OF UZBEKISTAN IN 2011-2019 (IN PERCENT)

№	Calculated customs duties	Share of granted privileges	The share of customs duties transferred to the state budget
2011	100	68,7	31,3
2012	100	67,6	32,4
2013	100	69,9	30,1
2014	100	67,4	32,6
2015	100	65,7	34,3
2016	100	70,4	29,6
2017	100	75,0	25,0
2018	100	80,9	19,1
2019	100	77,7	22,3

Source: based on SCC data prepared by the author

As part of the total customs duties in 2019: Value-Added Tax 78.5 per cent, import duty 13.5 per cent, excise tax 4.6 per cent, other payments amounted to 3.4 per cent. In 2014, these indicators were 56.1 percent, 23.4 percent, 17.1 percent and 3.4 percent .

If we analyze the share of privileges granted by customs authorities from customs payments in 2018-2019 years, in 2018 it was 66.70 percent for Value Added Tax, 28.09 percent for import customs duty, 5.10 percent for excise tax, 0.01 percent for customs duties. In 2019, these indicators respectively 62, 40, 32, 29, 5, 30 and it is 0,01 percent. During this period, we can see that the tariff preferences from the import duty are increasing preferences, as well as the privileges granted from the value-added tax are decreasing. (Table 3)

TABLE 3 THE SHARE OF PRIVILEGES GRANTED BY CUSTOMS AUTHORITIES FROM CUSTOMS DUTIES IN 2018-2019 YEARS.(PERCENT)

Years	Total privilege from customs payments	Import customs duty	excise tax	Value Added Tax	Customs duties
2018	100,00	28,09	5,10	66,70	0,01
2019	100,00	32,29	5,30	62,40	0,01

(Source: Prepared by the author based on SCC data.)

The amounts of privileges provided for by customs duties vary according to the normative-legal acts of this direction, by Regions, enterprises, by nets of goods.

Three of the following shortcomings in the application of the privileges granted on customs duties:

- Cases of formalization of tokens by changing the nomenclature for the classification of products code numbers to the code numbers of the goods on which the privileges are granted;
- Privilege goods use of concession tokens without targeted use;
- Falsification of documents in the formalization of privileged goods;
- Artificially increasing the price of the privilege goods.

Proceeding from the above, in order to increase the effectiveness of the privilege from customs duties, the following are offered:

-Among the countries that have an agreement on the free trade zone of the Republic of Uzbekistan, in 2019 it has an active foreign trade balance with 2 countries, namely with the countries of Kyrgyzstan and Tajikistan. With the remaining partner countries, there was no effective balance last year. To increase the effectiveness of tariff preferences and achieve an active foreign trade balance with the above countries, it is proposed to set quotas from tariff preferences to countries.

- In order to achieve the targeted use of the privileges granted from customs duties and the complete collection of customs duties, which are considered additional as a result of some errors and omissions, as well as to increase the efficiency of customs control after the release of goods,
- It is desirable to change the second part of Article 201 of the Customs Code of the Republic of Uzbekistan, entitled “customs control after exportation of goods”, to “customs control after exportation of goods and additional calculation of customs duties can be carried out within three

years (practically 1 year) from the moment of completion of the additional calculation of customs control.

- In our republic, we can see that the privilege from customs duties are 3.5 times more than the volume of funds transferred to the state budget, which has a positive effect on the increase in the volume of imports, and this situation leads to a negative surplus in foreign trade. In order to optimize the import market in our country and improve the competitive environment, to increase the purchasing power of national markets abroad, it is recommended to reduce monopoly enterprises and to introduce exemptions from customs duties on the basis of the application of the customs tariff in relation to the general market.

- It is recommended to abolish the privileges from customs duties on imports of individual commodities, to set quota customs duties (lower rates on certain types of goods) on certain commodities necessary for the needs of our state and to set a higher rate on goods in excess of the need of our republic.

In conclusion, taking into account the above, the introduction of amendments and additions to the normative documents on the privileges granted from customs duties serves to increase the efficiency of the privileges and preferences granted from customs duties.

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