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Article



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WAYS OF OPTIMIZATION OF PRIVILEGES FROM CUSTOMS PAYMENTS

Abstract: This article reveals the essence of the concessions given from customs payments for the purpose of sustainable development of the Republic of Uzbekistan and regulation of foreign trade and their role in the development of the national economy. Also, the features of the application of benefits from customs fees were studied, and suggestions and recommendations were made to optimize their application.

Key words: Foreign economic activity, customs fees, import customs duty, value added tax, excise tax, benefits, concessions from customs fees, tariff concessions and preferences, free trade zone, optimization, tariff quota, investment.

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Introduction

In order to develop production in our republic, to expand the volume of goods production, to financially support enterprises producing exportable goods that can replace imports, and to provide the domestic market with certain types of goods that are in high demand for a certain period of time, a number of incentives are given to business entities.

It is noted that in 2021, 51 trillion soums of privileges were given in Uzbekistan. As a result, 170,000 new business entities were opened and more than 500,000 jobs were created. In the last six years, about 1,400 privileges were provided in the tax sector alone [2]. In the framework of these benefits, benefits

from customs payments also occupy an important place.

The president of Uzbekistan adapted the resolution in 27th of June in 2019 by №-5755 which is about "Further regulation of tax and customs privileges" [1].

In this decree, the tasks of further improving the investment environment of our country, ensuring the introduction of the principles of fair competition, and regulating the practice of giving privileges on taxes and customs payments were defined.

Also, on November 1 of this year, a meeting on the analysis of benefits efficiency was held under the chairmanship of our head of state. "In recent years, we

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had to introduce privileges that were unprecedented in our history to stimulate economic sectors. Today, it is necessary to find an answer to the question, what was the result, lesson, experience from them. It is necessary to put the calculation of every soum allocated from the budget in place, to increase the efficiency of benefits", said Shavkat Mirziyoev [2].

The head of state emphasized the need to review tax and customs privileges, cancel the ineffective ones, and harmonize privileges for foreign and domestic investors [2].

As can be seen from the above, today, in the integration of the country's economy into the world economy, one of the most urgent issues is to optimize the use of customs fees and benefits based on the requirements of the market situation, taking into account the experiences of foreign countries in this direction.

Literature review

Privileges from customs payments significantly reduce the financial costs of foreign economic activity participants in international trade, create a basis for increasing the investment attractiveness of the country and increase its foreign trade, as well as affect the volume of transfer of customs payments to the state budget.

In this direction, a number of world scientists conducted scientific research and expressed their opinions.

For example, according to the famous Chinese philosopher Sun Tzu: "Excessive taxing causes various robberies, serves to enrich the enemies, and as a result, the state falls into crisis" [7].

I.A. According to Maybrova, there is a positive relationship between taxes, the state, society and the national economy. At this point, the scientist emphasizes that a positive relationship can be achieved only when the tax burden of the state is reduced to the minimum level [4].

Economist J.M. Keynes believes that taxes, in addition to their fiscal function, have the functions of economic regulation, stimulation, and income management. These functions of the tax arise from the need to use it as a means of regulating the economy and ensuring sustainable economic growth [5].

Nepomnyashchy E.G. referring to tariff preferences, these are preferences given in the form of refund of previously paid duty, exemption from it, reduction of rates in the course of implementation of the trade policy of the Russian Federation in the course of implementing the trade policy of the Russian Federation in relation to goods transported through the customs border, as well as tariff quotas for export and import of goods preferential transport is understood by designation [6].

L.K. Nurusheva and O.V. Fadeeva In their studies defined that "customs privileges are defined by customs legislation, which means exempting goods from customs fees" [7].

Preferences is the provision of relief to certain states, enterprises and organizations to support certain forms of activity.[8]

Based on the above, exemptions from customs payments - for certain categories of individuals and legal entities or for the movement of certain goods across the customs border and for operations carried out by customs authorities, regardless of the category of foreign economic activity advantages, we can define it as exemption from customs duties. [9,10,11,12,13,14,15,16,17,18,19]

Privileges from customs payments are given in the form of refund of customs duty, reduction of customs duty rate, and exemption from payment of customs duty, value added tax, excise tax, and customs fees based on regulatory legal documents.

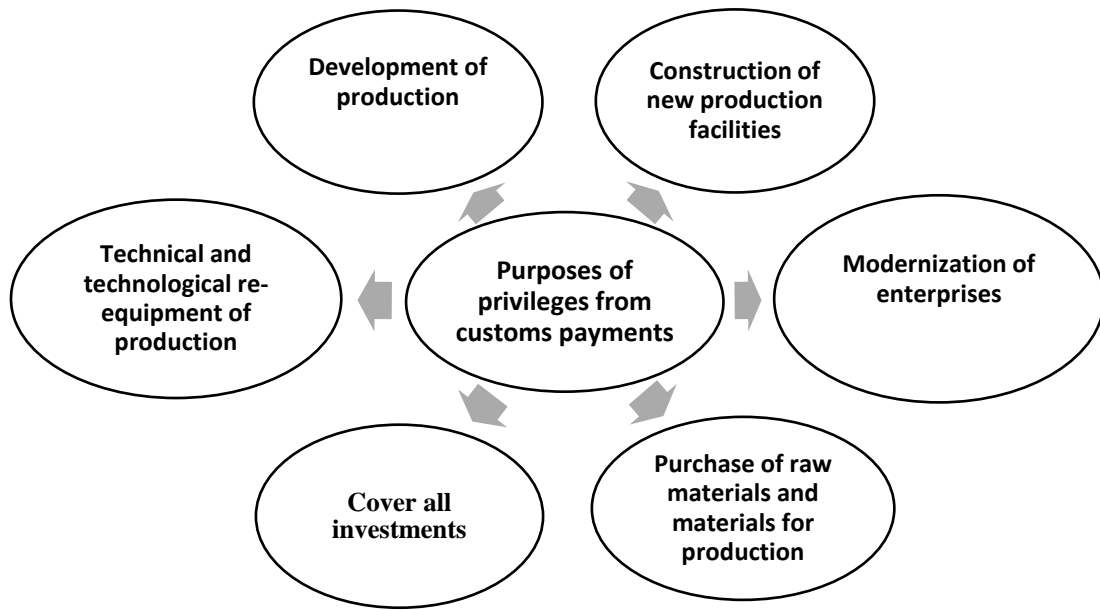
The goals of increasing the country's foreign trade turnover, ensuring an effective foreign trade policy, and fulfilling international obligations are solved by granting exemptions from customs payments.

Analysis and results

The benefits provided by the state from customs fees are to support foreign economic activity participants, develop production, establish new productions, modernize operating enterprises, re-equip them technically and technologically, purchase raw materials and materials necessary for production, cover investments. given for the purpose. (Picture 1)

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Picture 1. Scheme of purposes for exemption from customs payments.

When analyzing the customs payments calculated by the customs authorities for the years 2012-2021, we can see that the total calculated customs payments and the customs payments transferred to the state budget have an increasing trend, and the applied privileges have a wave trend.[19]

In particular, in 2021, compared to 2012, total customs payments on goods increased by 6 times, during this period, customs payment transferred to the state budget increased by almost 9 times, and applied benefits increased by 5 times (Fig. 1).

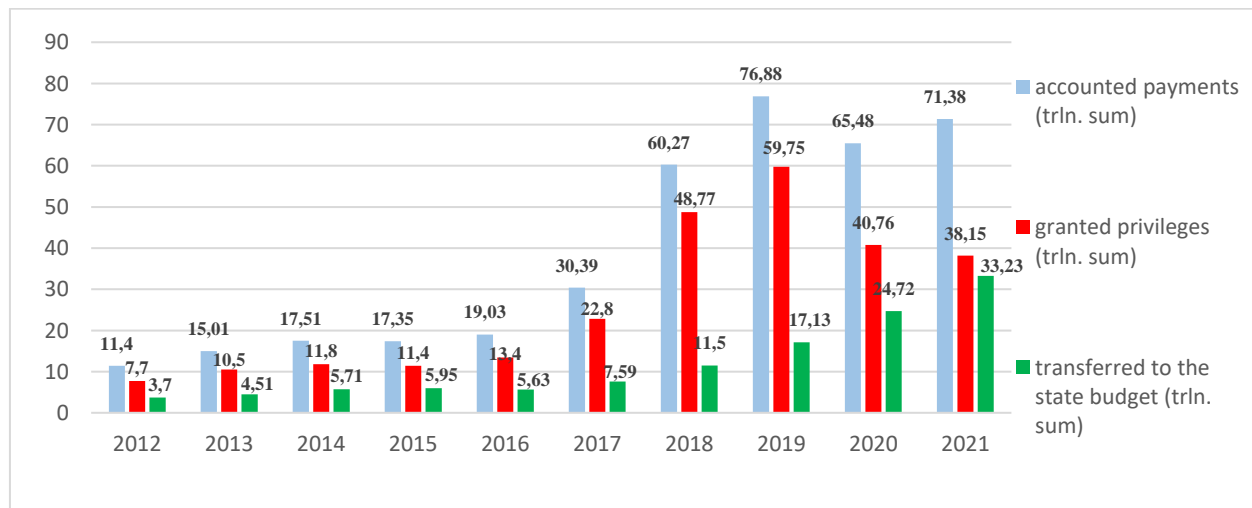


Figure 1. Customs payments calculated by the customs authorities of the Republic of Uzbekistan in 2011-2021, transferred to the state budget, and privileges granted from them

Source: prepared by the authors based on the information of the State Customs Committee.

Privileges from customs payments were influenced by factors such as modernization of production, localization programs, and preferences given to goods produced in countries that have established a free trade zone with our country.[18]

Also, if we analyze the share of concessions granted by the customs authorities in the Republic of Uzbekistan in 2019-2021 in the section of customs payments, in 2019, 62.40 percent was for value-added tax, 32.29 percent for import customs duty, 5.30

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percent for excise tax, and 0.01 percent for customs duties. In 2021, these indicators were 49.20, 50.72, 0.02, and 0.06 percent, respectively. In the above period, we can see that value-added tax decreased by 13.20%, excise tax decreased by 5.28%, and vice

versa, import customs duty increased by 18.43% and customs duties increased by 0.05%. The reason for this was the reduction of privileges from value-added tax and cancellation of excise tax rates for 72 types of goods subject to excise tax (Figure 2).

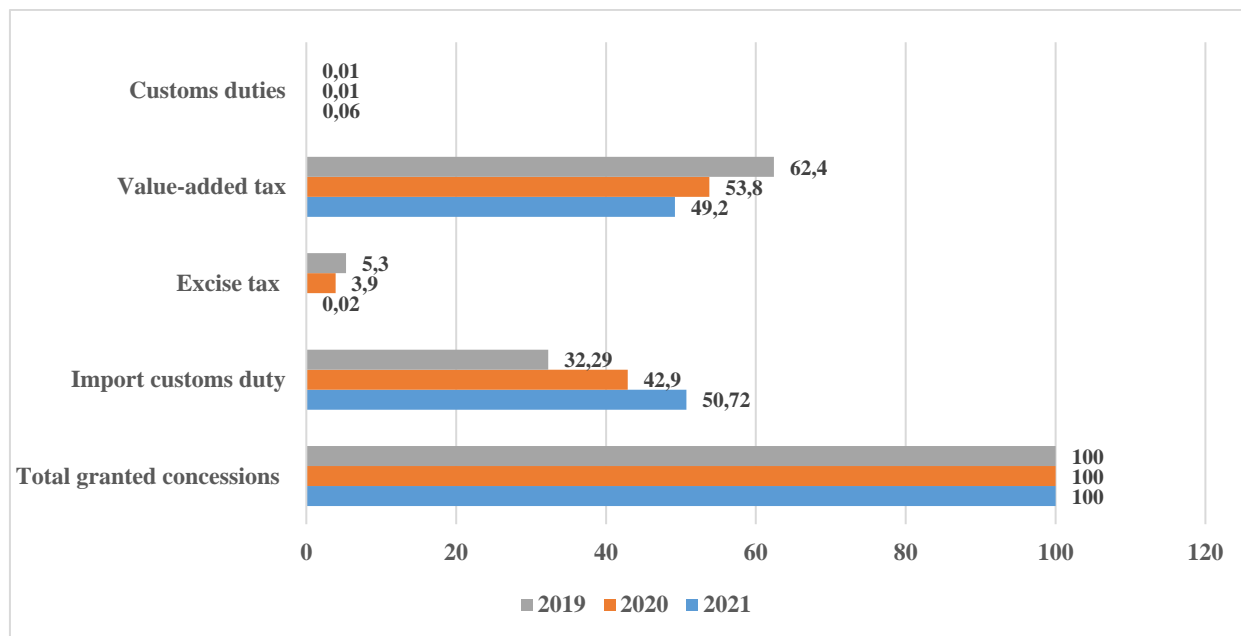


Figure 2. The share of concessions granted by customs authorities in 2019-2021 in the section of customs payments (in percent)

Source: prepared by the authors based on the information of the State Customs Committee.

The weight of concessions from customs payments varies by goods, enterprises, regulatory documents, and regions. According to the information recorded in diagram 1 below, the most privileges

during 2021, i.e. 40 percent, were provided on the basis of the Resolutions and Decrees of the President of the Republic of Uzbekistan (Figure 3).

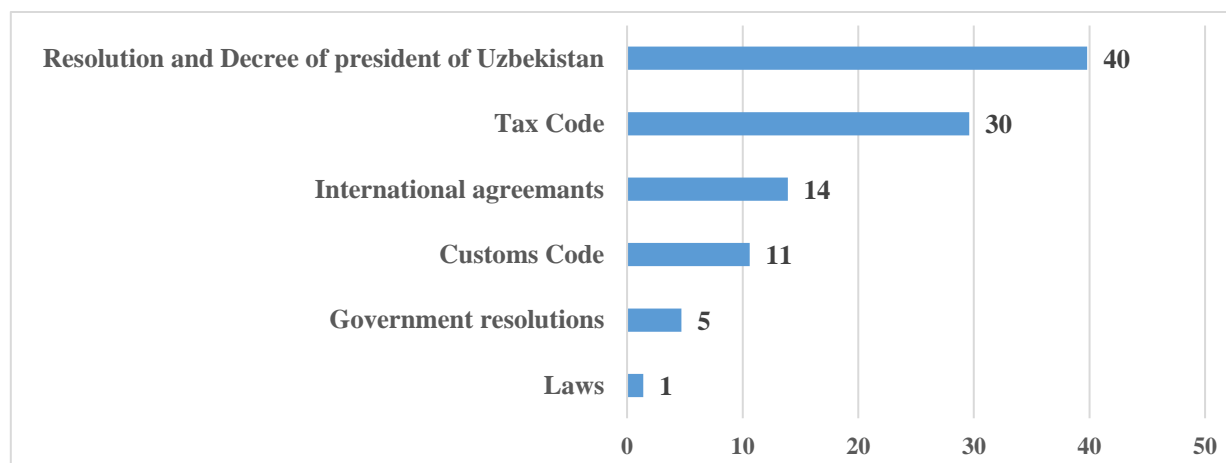


Fig. 3. Analysis of the documents that are the basis for granting concessions from customs payments by customs authorities during 2021 (in percent)

Source: prepared by the authors based on the information of the State Customs Committee.

Also, transport and its spare parts (38 percent) and technological equipment (15 percent) occupy the main place among the goods with a high weight in the

list of privileges from customs payments in 2021 (Figure 3).

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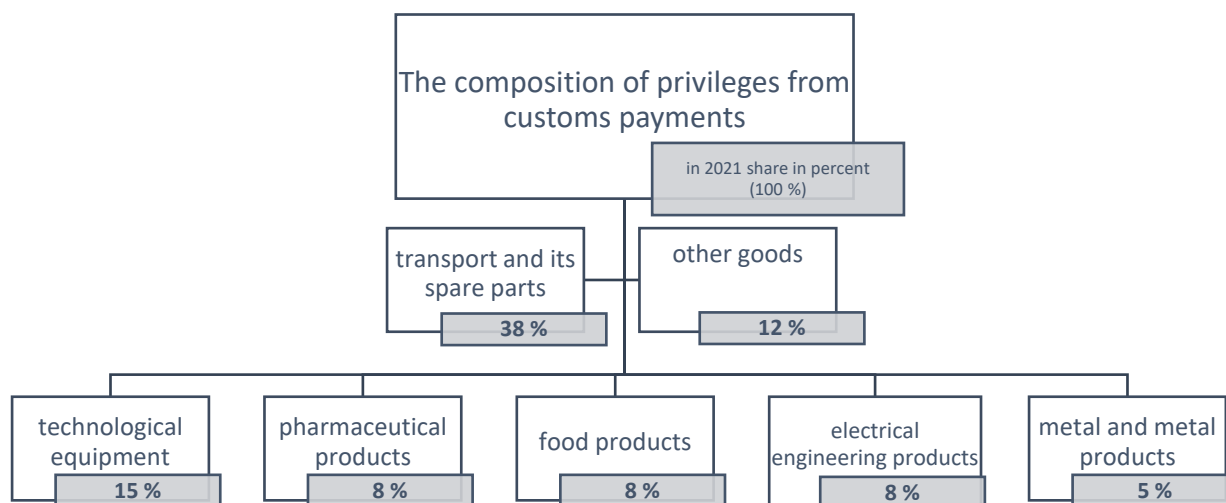


Figure 3. In 2021, the exemptions from customs payments include goods with a high level

Source: prepared by the authors based on the information of the State Customs Committee.

If we study the experience of foreign countries on customs duty privileges, the European Union widely uses tariff quotas (tariff preferences) for third countries. [15]

This benefit is provided on the basis of an agreement with non-Union countries specializing in the production of raw materials, semi-finished products, and staple foods that are not sufficiently produced in the country. That is, the lowest rate applies when importing within the set quota, that is, the amount. Customs duty is determined based on the country of origin and origin of imported goods exceeding the quota. A tariff quota is not provided for finished products.[17]

Conclusions

As a result of the above analysis and the learned scientific research works and the experiences of foreign countries, the following is proposed to increase the effectiveness of privileges from customs payments and optimize their use.

1. It is desirable to introduce an auction system for receiving privileges from customs payments through a healthy and transparent competitive environment among all foreign trade activity participants who have the ability to implement a project using the least amount of special privileges.

As a result of this, it is possible to obtain information about the possibilities of using privileges in the field of trade of goods or services in Uzbekistan

during the current period.

At this point, it is necessary to clearly define the period of targeted use of the privileges granted in parallel and to introduce a system of determining the procedure for recovery of the used privilege sums for the foreign trade activity subjects who failed to fulfill the set plan or project at the end of a certain period, and the system of setting the norm, which stipulates that such an opportunity will not be given in the next cases.

2. It is possible to evaluate the effectiveness of their use based on the development of the methodology for evaluating the budget efficiency of benefits and their analysis. The performance indicator lays the groundwork for canceling ineffective incentives.

3. In order to prevent different interpretations of some legal norms that provide an exemption from duties and taxes for imported goods by some foreign trade activity subjects, customs payments should not be referred with general name in the legislative norms that provide for preferential treatment, but they should be reflected in the specific name of the preferential duties and taxes, as well as customs dues.

In short, taking into account the above, the amendments and additions to the regulatory documents on benefits from customs payments serve to increase the effectiveness of benefits from customs payments and further increase the collectability of customs payments.

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