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У журналі здійснюється публікація наукових і оглядових праць з основних проблем зовнішньоекономічної діяльності, партнерства митних адміністрацій та бізнес-структур, професійної освіти в галузі митної справи, впровадження та реалізації стандартів Всесвітньої митної організації, оглядові статті про досвід реалізації стратегій інституційного розвитку митних адміністрацій країн-членів Всесвітньої митної організації, публікації молодих науковців у галузі митної справи та зовнішньоекономічної діяльності, реферативні матеріали та анонси.

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FACILITATING CROSS-BORDER TRADE: EXPLORING THE CUSTOMS MEASURES WITHIN THE RCEP

The Regional economic partnership agreement, which entered into force on January 1, 2022, has attracted wide interest because it is considered the largest trade bloc in the world. According to Article 1.3 (B), the Agreement aims to promote trade between the participating states (ASEAN member countries, Japan, the Republic of Korea, Australia, New Zealand, and China) by eliminating tariff and non-tariff barriers to trade. Taking into account the insufficient scientific study of Chapter 4 Customs Procedures and Trade Facilitation (CPTF) and in some cases the relevance of how certain rules are applied in practice, it was decided to investigate the following issues: innovations to the RCEP in the obligations of states in the customs sphere in comparison with the standard FTA; how the supplier processes the goods and how customs clears the goods; what simplifications are provided in the preparation of documentation for the movement of goods across the border; the author simulated the situation of interstate trade with Japan for a better step-by-step understanding of what actions the supplier should learn.

Finally, the benefits for countries that are not members of the REP, but bear the fruits of customs reforms and digitalization of customs, were examined. The author uses theoretical and empirical methods in his work. In parts of the study, the author gives examples of the practical application of the provisions and uses situation modeling. The central objective of the CPTF chapter is to establish an equitable platform for all 14 member countries, accommodating their circumstances. The primary focus of RCEP member states is to amplify trade transparency, bolster involvement in global and regional supply chains, and ensure uniform customs procedures. Notable aspects encompass the introduction of advanced rulings, initiatives for paperless trade, authorized operator schemes, and defined timelines for customs procedures. The execution of the CPTF chapter is overseen by customs administrations in each member state, though disparities in preparedness lead to flexibility in implementing commitments. Non-member nations, exemplified by Ukraine, can indirectly gain from RCEP by imbibing member states' reforms, optimizing customs protocols, and fighting against corruption.

Key words: customs affairs, customs activity, foreign economic activity.

JEL Classification: K 30.

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Introduction. The Regional Comprehensive Economic Partnership (RCEP) constitutes the preeminent regional multilateral free trade accord worldwide. Its fundamental objective is the establishment of an integrated regional marketplace primarily centered upon the ten sovereign states comprising the Association of Southeast Asian Nations (ASEAN), together with the economies of New Zealand, Australia, China, Japan, and the Republic of Korea. The RCEP will work alongside and support an open, inclusive, and rule-based multilateral trading system. The negotiation of the agreement took almost a decade and was completed in 2020. The aggregate assembly of fifteen constituent nations within RCEP collectively embodies a cumulative gross domestic product (GDP) of approximately 38,813 billion USD, equating to roughly 30% of the global GDP (*Study on Tariffs: Analysis of the RCEP Tariff Liberalization Schedules, 2022b*). Noteworthy to mention, five of the RCEP constituent nations, namely Australia, China, Indonesia, Japan, and South Korea, concurrently hold membership within the Group of 20, the internationally recognized forum facilitating global economic collaboration among the world's foremost twenty economies (*The Regional Comprehensive Economic Partnership, 2022*). Under the Agreement, average tariff liberalization (i.e., tariff lines subject to elimination or reduction) across participating countries will improve

to 97.4 percent compared with existing ASEAN+1 FTAs where average liberalization ranges from 89.8 percent (under ASEAN-Japan Comprehensive Economic Partnership) to 94.6 percent (under Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area) (*RCEP Highlights, 2022*).

The purpose of this study is to (1) analyse the intricacies and implications of the Customs Procedures and Trade Facilitation Chapter (CPTF) within the Regional Comprehensive Economic Partnership (RCEP) agreement; (2) conduct an in-depth legal and regulatory examination of the Customs Chapter, delving into its clauses, obligations, and potential impact on the customs procedures and trade facilitation among the member nations; (3) investigate the degree of harmonization achieved in customs practices and regulations across the diverse member states, considering factors such as tariff classifications, valuation methodologies, rules of origin, and trade documentation requirements. The additional aim of the research is to anticipate potential future implications of the Customs Chapter on regional trade dynamics, customs administration practices, and its potential impact on Ukraine's international trade in goods.

Understanding the CPTF Chapter RCEP. As of August 2023, there are 14 active members of the RCEP: 9 ASEAN states, China, Japan, the Republic of Korea, Australia, and New Zealand. It is important to note that the RCEP agreement can only be used among its active members. In February 2023, the Philippine Senate ratified the agreement, marking the country as the last signatory, apart from Myanmar, to finalize its commitment to the treaty (*Rocamora, 2023*). Thus, at the moment the RCEP cannot be used to trade with Myanmar. Hopefully, during the next half year, all countries will become active members of RCEP. RCEP is based on ASEAN+1 agreements, especially the ASEAN-China agreement. The crucial part is that some elements are innovative. In particular customs rules in RCEP are different from the ASEAN+1 agreement rules. Special attention should be given to exceptions, *e.g.* Laos has received exceptions due to the least developed country status. Thus, the exception rules should be read closely to make sure it applies in a particular case. RCEP is a comprehensive agreement that covers a range of topics like goods, services, investment, and intellectual property rights.

Altogether there are 20 Chapters in RCEP final agreement. The RCEP comprises 20 Chapters and includes many areas that were not previously covered in the ASEAN+1 FTAs. The RCEP has specific provisions covering trade in goods including rules of origin, customs procedure and trade facilitation, sanitary and phytosanitary measures, standards, technical regulations, and trade remedies. However, the focus of this research is customs law. The trade under RCEP is shifting from the traditional scheme to a *sui generis* “*in Asia for Asia*” model (*Zhang, 2022*). The important benefits offered by RCEP are as follows:

- 1) lower tariff rates or even zero tariffs for qualifying products;
- 2) identical rules of origin for all RCEP markets;
- 3) one document, RCEP PCO (to show that goods qualify);
- 4) consistent rules at the border (to make clearance faster); Every port of entry is supposed to have the same customs rules across RCEP.

According to Mrs. Chansopeap Ouk, Chief of the Free Trade Office, who represented Cambodia at the RCEP customs sub-working group it took 4 years to negotiate RCEP CPTF. The sub-working group commenced in 2013 and finished in autumn 2018 after 21 rounds of negotiations. Coincidence or not, the 21st round of negotiations contributed to the planning of 21 articles on customs procedures. Chapter 4 covers general principles and specific commitments that ensure predictability, consistency, and transparency in the application of customs laws and regulations of RCEP countries (*Discussing What the RCEP Customs Procedures and Trade Facilitation Provisions Mean for Cambodian Business, 2022*).

Analysis of the CPTF Chapter. The chapter on customs and trade facilitation (CPTF) is a standard chapter for all FTAs. RCEP embeds commitments from the WTO trade facilitation agreement – including WTO Plus and, actually, is modeled on the ASEAN+1 FTA agreement. The objective of the CPTF Chapter was to agree to a broader and deeper engagement with significant improvements over the existing ASEAN+1 FTAs and the WTO Trade Facilitation Agreement while recognizing the individual and diverse circumstances of the participating countries. RCEP member states aspired to include clear provisions that facilitate trade and enhance transparency in trade relations between the participating countries, as well as provisions to facilitate RCEP countries' «engagement in global and regional supply chains». Most significant is a commitment to work forward concrete timelines for several customs procedures such as 90 days issuance period for Advance ruling on tariff classification, rules of origin, and customs valuation.

CPTF comprises 21 articles that are designed to provide a “level playing field” for all members. Key CPTF provisions: 1) submission of trade and customs documentation before the goods arrive (*this form of*

advanced lodgements of documentation greatly reduces the amount of time the goods undergo customers clearances); 2) RCEP rules go slightly beyond above the WTO trade facilitation (it commits members to allow for customs rulings to be provided to traders upon request for the tariff classification of their goods whether a good is originating and for the appropriate method for calculating customers value); 3) transparency for business community (certainty as to how a customs administration or ministry will treat their product; this reduces discrepancies that may happen at the border); 4) release of goods (very strong commitments to members to maintain procedures to clear goods from customs within specific time frames) (Chapter 4 RCEP, 2021).

Release of goods (Article 4.11). There are clear release guidelines as sometimes customs may be slow. Worth noting that the rules here go beyond the WTO trade facilitation commitments. Customs are supposed to release express shipments within 6 hours. The same 6 hours rules apply to perishable goods, so the market can enjoy fresh fruits. This commitment provides traders of food and agricultural products with greater certainty that their products will be released quite rapidly after arrival and allows traders to plan appropriately and reduce potential costs associated with storage. All goods are supposed to be released within 48 hours. This makes the whole shipment process quick as it reduces costs for the traders and it reduces costs also for customs administrations that conduct the clearance of goods. Not all countries are ready to implement the rules at the moment. E.g. Laos asked for 5 extra years to implement most RCEP customs commitments. There is a reasonable flexibility also for Cambodia, and Myanmar on some of the rulings and guidelines. But for every other party of RCEP, the rules should be followed.

Paperless trade (Article 4.12). RCEP makes commitments that apply or work towards applying information technology to support customs processes, clearances, and risk management. This includes making available and accepting trade and customs documents in electronic format. This is moving towards a paperless trading system which will make it easier for business and reduce costs both for traders and customs agencies. At the moment a lot of customs administrations rely on hard copy documentation on the requirement for wet seals and wet signatures and moving towards a paperless trading system or regime is a way to facilitate trade.

Authorized operators scheme (Article 4.13). At the moment RCEP works on the authorized operators' scheme. Qualifying firms can apply to be classed under the RCEP authorized operators scheme. The scheme will facilitate movement across borders into RCEP markets. In the early days of implementation, RCEP members are not sure about the criteria, but it may include: 1) an appropriate level of compliance; 2) a system of managing records; 3) financial solvency; 4) supply chain security. RCEP-authorized operators system should achieve the following: 1) fewer information requests; 2) fewer physical inspections of goods; 3) rapid release times; 4) single customs declarations for a specific period; 6) clearance at premises. Once a trustworthy company is put into the authorized operator category, the government will have an opportunity to focus more on riskier firms, which are more likely to be shipping illegal goods. Thus, once a "good company" is placed into the category of an authorized operator the company will get faster clearance, fewer shipment inspections, and payment that can be made after.

Express consignments (Article 4.15). This is a new provision within FTAs. RCEP adopts the measure to expedite clearances of express goods within six hours of arrival of those goods at the border so this includes measures to reduce documentation requirements for express consignments and it's very important for the FTA agreement commitments. These commitments make sure traders that their products will arrive at the destined markets within a tangible time frame under similar conditions.

Implementation procedures (Article 4.12 and Annex 4A). Not all RCEP members are at the same stage of development in terms of their customs laws and procedures. RCEP allows some members to implement certain commitments within this chapter in an agreed time frame due to different levels of readiness of parties in implementing some of the provisions. This information is specified in Annex 4a of the RCEP agreement – The period to implement the commitments (RCEP Annex 4, 2022).

This is important for least-developed countries like Laos, Myanmar, and Cambodia so that the governments ensure appropriate policy and legal reforms are undertaken. For example, Laos has been given an appropriate amount of time to develop its policy reform necessary to implement release procedures. 3 years were given to Laos to implement IT measures; 3 years to comply with the requirements of the agreement in the context of customs clearance of goods, except for perishable goods – Laos will need 5 years to carry out the necessary reforms in this part. It is worth noting that Myanmar and Cambodia were also given time to implement domestic legislation in numerical categories under the rules of the

UNEP. For Annex 4A, the number of years, such as «five years» means that the full implementation of the respective provisions of the Articles shall commence within the stated number of years from the entry into force of the RCEP agreement. In most categories, this time expires in 2027. It is extremely interesting to observe the implementation of reforms in these countries and requires detailed research after obtaining positive results (*Deineko, 2022*).

The author set himself the task of statistically calculating and verifying the full implementation of the relevant provisions of Section 4. However, in the process of research, it was established that the question is correctly structured. The global reason is the lack of implementation of the provisions of the RCEP. Such a reason has its legal justification because the member countries of the Agreement in Annex 4A have determined the time frame for the implementation of measures to simplify customs clearance and technical cooperation. For example, Vietnam needs in most cases until December 31, 2023, to implement measures; Myanmar takes 5 years in most cases; Malaysia needed time until 28 February 2022 to improve the field of express shipments; Laos needs 3 to 5 years to fully implement various articles in the Customs Section; Indonesia brought its risk management measures into compliance by 28 February 2022. Interestingly, China needed 5 years to fully implement Article 4.4 Consistency regarding the application of customs laws throughout its customs zone. This reservation reflects the political component of the implementation of the agreement not so much on the mainland of China as concerning the autonomous territories of China.

Consistency and Certification (*Article 4.4*). Crucially not every product qualifies e.g. just because some product is coming from Myanmar does not mean it automatically qualifies for lower tariff rates. RCEP benefits are given only if the interested party asks for RCEP benefits. It is very important to follow the rules because only originating products get the benefits of RCEP. RCEP sometimes allows 40% regional value content (RVC). That means that a business may add or accumulate from ASEAN members and China Japan, Korea, Australia, and New Zealand. To make it more clear 12 countries can contribute to the content in the product in case RVC rules are satisfied. Why is it important? A big quantity of Chinese components, raw materials, or products that are coming from Korea can be added to the RVC calculation. For many businesses, it is easy now to meet RVC level because they can now count on the value of the content that comes from RCEP markets. To take advantage of RCEP benefits a party should fill an RCEP preferential certificate of origin. The document does not ask you to provide complicated information that you do not know. Simply, the correctly filled certificate of origin attached to a shipment gives you a smooth way through customs that allow you to get zero or lower tariffs in RCEP. At the moment the RCEP preferential certificate of origin should be filled out only in hard copy, the online version is under consideration. RCEP MS discusses the self-certification project. That means there is no need for a business to get a piece of paper from the Chamber of Commerce and more importantly pay for it. Basically, self-certification means that a business declares that it met the rules.

Once the company filled out the RCEP preferential certificate of origin and meets the rules it can use the same form for shipment to all RCEP members. Since there are plenty of agreements like RCEP, ASEAN, and ASEAN+1 in each case the party should use the correct form. Once a good qualifies for RCEP, it qualifies into all 12 RCEP markets. This condition may be very lucrative for traders. If a shirt meets RCEP ROOs it can be sent without change to Japan, Korea, China, Australia, New Zealand, and ASEAN markets.

Advance rulings (*Article 4.10*). The customs and trade facilitation chapter pledges members to make customs clearance easier, faster, and more transparent. One utmost useful things in the Customs chapter of RCEP is advance rulings. Customs can provide feedback on how to classify goods under tariff heading, and whether the product meets the origin criteria. Once a determination is made there should be no further questions at customs borders as long as the product remains unchanged. Advance rulings are stable for 3 years. Why is it important? In many ASEAN customs ports when the officers examine the goods and the business views it under one particular category that has a 0%, the customs officer may use its discretion to put it into a category called “Other” that has e.g. 10% tariff rate. Advance ruling let the business put their good into a specific category and eliminates the necessity to prove the good qualifies under that category every next shipment. Having a stable 3-year ruling is safe and helpful. Before customs often asked businesses to open every container and make re-justify every container.

Control over implementation. The implementation of RCEP provisions is monitored by the Headquarters of the customs administration in each member state. For example, in Cambodia General Department of Customs and Excise (GDCE) is a receiving authority that verifies the Certificate of Origin

for providing preferential tariff treatment under FTAs to the exporters. GDCE is a member of the Rules of Origin working group led by the Ministry of Economy and Finance. It is also necessary to note the international organizations that provide technical and material support for regional integration, for example, UNCTAD, World Customs Organization, and Global Alliance for trade facilitation. The actual implementation of obligations does not depend on what date is on the calendar. For example, the technical task varies between 1) simple – placing hyperlinks to export/import rules and placing samples of filling out documents (Art 1.4); 2) average – developing pre-arrival processing system for sea consignment, express consignment, land border consignment (Art 7.1); develop IT function to authorized economic operator, establish AEO strategy; 3) complicated – everything related to the use of the national budget of countries for the purchase of equipment and the creation of convenient electronic applications and the fight against corruption (Art 7.7; Art 10.4).

Since the implementation of the rules depends on their understanding, i.e. the specifics in the agreement itself and the provision of favourable financial conditions and political climate for their implementation, the RCEP is much more detailed than the ASEAN Agreement on Trade in Goods, in particular in the part of the release of goods (Article 4.11); advance rulings (Article 4.10); application of IT (Article 4.12); measures for authorized economic operators (Article 4.13) and Customs cooperation (Article 4.19). Hopefully, over the next 5 to 10 years tangible results could be seen. As for now, there is no sufficient feedback from businesses engaged in cross-border trade to understand their experiences with customs procedures and the impact of customs cooperation measures.

An example of the practical application of the customs provisions of the RCEP. Let's simulate the following situation: Thai manufacturer of electronic goods, consisting of components from country X and Thailand, wants to export goods to the Japanese market. The product manufacturer is aware of the RCEP agreement, but the details of the procedure are not known. Let's consider a specific plan of 3 main steps for obtaining a preferential tariff when exporting to the Japanese market. **Step 1** – you need to check whether the selected goods are covered by the preferential tariff. Such verification is possible by using the customs classifier according to the HS system. On the Japanese customs website, you need to open the Japan Tariff Schedule (Statistical Code for Import) attachment and select the latest version. In our case, this is the version from April 1, 2023 (*Japan's Tariff Schedule as of April 1 2023, 2023*). An important noticed detail is the long loading of the page, so you should wait for the table to load. At first, it appears that the table is empty, but this is a matter of loading data. Scrolling the table to the right, you will see tariff categories under the RCEP Agreement, but in different categories: ASEAN/Australia/New Zealand (RCEP), China (RCEP), and Korea (RCEP). Since Thailand is a member of ASEAN checking the tariff under the name “Motors of an output not exceeding 37.5 W. AC motors, single phase”. This is a product of customs code 8501.10 for which the import tariff is free. The absence of a tariff is good news for the Thai manufacturer, so he moves on to **step 2** – confirming that Thailand is the country of origin of the goods under the terms of the RCEP agreement. The product with the theoretical name Paradise Motor of an output not exceeding 37.5 W is neither a product completely produced in Thailand (Article 3.2 (a)) nor a product produced exclusively from originating materials (Article 3.2 (b)). After checking the Product-Specific Rules (Annex 3A) from the RCEP agreement, it was established that the following rules have been established for the product selected as part of the study under the conditions when a product produced with non-originating materials is treated as an originating good: change in tariff classification or regional value content 40 (*Product Specific Rules, 2023*). Since the product from components obtained from State X, namely plastic in the Kingdom of Thailand, has undergone a significant transformation and the Section of the customs code has been changed within the framework of the Agreement, the country of origin of the product is Thailand. **Step 3** – Compile and submit the necessary documentation for securing preferential tariff benefits to Japan Customs. This stage is at the same time the simplest since all the legal basis is already defined, but at the same time, inexperienced traders may have a delay in completing the documents. The trader should prepare the standard package of import declaration documentation (import declaration form, invoice, packing list, bill of lading) and declaration of origin prepared in the self-certification system. The question of which documents to prove the origin of the goods for the declaration is common. The documents that enable confirmation that goods have been wholly obtained or produced by a party to RCEP are contracts, manufacturing certificates, or fishery catch certificates. To satisfy the product-specific rule through a change in tariff classification following documents may be requested by customs: material lists, production orders, and manufacturing process reports.

Benefits from RCEP implementation to non-member states. According to Article 1.3. of the RCEP agreement, the objective of the initiative is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership framework to facilitate the expansion of regional trade and investment. Nevertheless, there can be certain ways in which non-member countries i.a. Ukraine also indirectly benefits from these arrangements.

1) Non-member countries benefit tremendously from reforming the customs authorities of member states that adopt new national legislation, fight corruption, and install modern equipment at customs posts. Of course, direct benefits in the form of tariff reductions should not be expected, but the general process of customs clearance, document verification, and release of goods will be optimized for all countries of the world since at the technical level clearance will be carried out by the same customs administrations on the same new equipment obtained for the implementation of the reforms according to Chapter 4 of the RCEP.

2) Non-member countries can use the preferences granted by RCEP member countries to become more competitive in those markets. By meeting the rules of origin criteria, non-member countries can take advantage of lower tariffs within the FTA and potentially increase their exports to FTA member countries.

3) Non-member countries including Ukraine can engage in dialogue and cooperation with RCEP member countries through various channels, such as regional forums and economic partnerships. This can create opportunities for knowledge exchange, capacity-building, and potential future collaboration. Finally, Ukraine can learn from the provisions and experiences of RCEP to develop its trade policies and agreements.

Conclusions and prospects for further research. As of August 2023, there are 14 active members in RCEP, encompassing nine ASEAN states alongside China, Japan, South Korea, Australia, and New Zealand. The RCEP agreement serves as a platform for enhancing trade and economic cooperation among these participating nations. Notably, the Philippines recently ratified the agreement, signifying the culmination of commitments for all but Myanmar, which is still in the process. With harmonized customs procedures, traders from RCEP member states can expect consistent and predictable processes when crossing borders. This reduces administrative burdens and the need to adapt to different customs requirements, streamlining trade flows. As a result, the time and cost of importing and exporting goods between RCEP countries would decrease, making it easier for businesses to engage in cross-border trade. The analysis of the Customs and Trade Facilitation chapter within the Regional Comprehensive Economic Partnership agreement reveals a comprehensive framework designed to enhance trade and facilitate economic cooperation among the 14 member countries. This chapter, which is standard in Free Trade Agreements, amalgamates commitments from the World Trade Organization's Trade Facilitation Agreement and is influenced by the ASEAN+1 FTA agreement. RCEP is a qualitative improvement of already existing FTAs like ASEAN+1 or CPTPP. Additionally, RCEP for the first time introduces an FTA between China and Japan, Japan and New Zealand.

The primary objective of the CPTF chapter is to establish a level playing field for all member states while acknowledging their diverse circumstances. RCEP member countries aimed to improve trade transparency, engage in global and regional supply chains, and ensure consistent customs procedures.

Key provisions of the CPTF chapter include: Advance Rulings (*Members can request customs rulings on tariff classification, origin criteria, and customs valuation, providing clarity and predictability for traders*); Transparency; Release of Goods: (*Commitments to release goods within specific time frames, such as express shipments within 6 hours and all goods within 48 hours, optimize trade efficiency*); Paperless Trade (*Emphasis on adopting electronic formats for trade and customs documents aims to create a more efficient and cost-effective trading environment*); Authorized Operators Scheme; Express Consignments; Flexibility (*Some member countries have flexibility in implementing commitments due to varying levels of readiness (particularly least-developed countries like Laos, Myanmar, and Cambodia)*). A significant aspect is the concept of Regional Value Content and Certification. RCEP allows businesses to aggregate content from multiple member countries to meet RVC requirements.

Non-member countries, like Ukraine, can indirectly benefit from RCEP by learning from member countries' reforms, optimizing customs procedures, and engaging in dialogue and cooperation. Additionally, RCEP provisions offer insights for designing effective trade policies and agreements.

An illustrative example in this paper demonstrates the practical application of customs provisions in RCEP, guiding a Thai manufacturer through obtaining preferential tariffs for goods exported to Japan. This emphasizes the benefits of clarity, predictability, and streamlined processes. In conclusion, the

analysis underscores the significance of the CPTF chapter within the RCEP agreement, illustrating its potential to reshape trade dynamics, improve customs processes, and enhance economic collaboration among member countries.

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СПРИЯННЯ ТРАНСКОРДОННІЙ ТОРГІВЛІ: ДОСЛІДЖЕННЯ МИТНИХ ЗАХОДІВ В РАМКАХ ВРЕП

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Угода про всебічне регіональне економічне партнерство (ВРЕП), яка набула чинності від 1 січня 2022, безумовно викликала широкий інтерес оскільки вважається найбільшим торговельним блоком у світі. Відповідно до статті 1.3(Б) Угода спрямована сприяти торгівлі між державами учасницями (країни члени АСЕАН, Японія, Республіка Корея, Австралія, Нова Зеландія та Китай) шляхом усунення тарифних та нетарифних бар'єрів у торгівлі. Зважаючи на недостатнє наукове дослідження митних положень угоди та подекуди відсутність інформації як застосовується певне правило на практиці було вирішено дослідити наступні питання: новели ВРЕП у зобов'язаннях держав у митній сфері в порівнянні з стандартним ЗВТ; яким чином постачальник оформлює товар та як митниця здійснює розмитнення товару; які спрощення передбачено у підготовці документації для пересування товарів через кордон; автором змодельована ситуацію міждержавної торгівлі з Японією для кращого покрокового розуміння які дії має вчити постачальник. Наостанок було розглянуто переваги для країн які не є членами ВРЕП, але отримують переваги від проведення митних реформ та цифровізації митних послуг. У роботі автор використовує теоретичний та емпіричні методи. У частинах дослідження автор приводить приклади практичного застосування положень та використовує моделювання ситуації. Основна мета митного розділу Угоди полягає в тому, щоб створити спрощену систему торгівлі для всіх 14 країн-членів, враховуючи їхні індивідуальні обставини.

Головним завданням держав-членів ВРЕП є посилення прозорості торгівлі, посилення участі в глобальних і регіональних ланцюжках постачання і забезпечення єдиних митних процедур. Важливі аспекти охоплюють запровадження попередніх рішень, ініціативи щодо без паперової торгівлі, схеми авторизованих операторів та визначені часові рамки для митних процедур. Виконання митного розділу угоди контролюється митними адміністраціями в кожній державі окремо, але враховано відмінності в економічному розвитку країн – організовано гнучкість у виконанні зобов'язань. Країни, які не є членами, прикладом яких є Україна, можуть опосередковано отримати вигоду від ВРЕП, яка полягає у результатах проведення митних реформ, цифровізації, боротьби з упередженням на митниці у державах-членах Угоди.

Ключові слова: ВРЕП, АСЕАН, митне право, сприяння торгівлі, сертифікація, попередні рішення, митне оформлення товарів.

DYNAMICS AND STRUCTURE OF IMPORTS IN THE USSR DURING THE SECOND WORLD WAR

The paper aims to study the dynamics and changes in the structure of Soviet imports during the Second World War, to assess the role and importance of the partner countries of the USSR in the field of foreign economic activity.

The results of the study were obtained by applying the dialectical method of cognition of phenomena of a legal and economic nature and relating to the study of import trade flows as an integral element of the State's foreign economic activity. In addition, the author used the following methods: statistical – for generalization, systematization and analysis of the material; tabular – for visual display of the analyzed data; abstract and logical – for substantiation of theoretical positions and formulation of conclusions.

The study found that at the beginning of World War II (01.09.1939–21.06.1941), Soviet imports were focused on high-tech means of production, and the main trading partner of the USSR was Germany, which supplied samples of weapons, equipment for the mining, chemical, and oil industries, machine tools, locomotives, and turbines. After its attack, Soviet imports were reoriented. After the German attack on the USSR, import flows were reoriented to the countries of the Anti-Hitler Coalition, and the United States, Great Britain, Canada, Mongolia, Iran, and China became the main foreign economic partners. The structure of imports changed, with arms and military equipment, food, industrial equipment, strategic raw materials and semi-finished products, and petroleum products becoming predominant. Diplomatic correspondence shows that as early as the end of June 1941, the USSR expressed a desire to purchase various types of aircraft and various industrial equipment for aircraft factories and aviation fuel production, anti-aircraft guns of several calibers, equipment for explosives factories, automobile tires, and various metal alloys on credit from the United States. Imports to the USSR covered up to 70% of the total demand for acutely scarce strategic materials, raw materials and semi-finished products. The study, based on the analysis of import statistics, concludes that the bulk of supplies, both in physical terms (16.252 million tons or 67.5%) and in value (49.96 billion rubles or 81.19%), were accounted for by lend-lease, a form of military and economic assistance from the United States to its allies, which consisted of the free supply of military equipment, vehicles, machinery and equipment, technologies, materials, fuel, and food necessary for the conduct of hostilities in World War II and the victory over the common enemy.

Key words: foreign economic activity, imports, lend-lease, supplies, World War II, USSR, USA.

JEL Classification: F51, F53, N44.

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Introduction. A successful state in the field of economic and social development cannot be imagined without strong foreign economic ties that balance the flows of capital, goods, labor, etc. International trade plays an important role in these processes, as it was historically the first form of economic relations between states. Imports, exports, and transit are the three pillars on which it rests, and the correlation between them can be used to draw conclusions about the country's position and potential at the macroeconomic level.

Under conditions of global force majeure, which include military operations, the importance of imports increases dramatically, as the warring country rapidly increases the use of weapons and reorients its economy to the military. A quick solution to these problems is impossible without foreign supplies of both weapons and materials for their creation. Naturally, the entire economic landscape in the country, the level of income of individuals and legal entities, and the structure of public consumption are changing – events that can be characterized by the proverbial “guns for butter” are taking place. Therefore, the **purpose** of this study is to examine the dynamics of Soviet imports during World War II, changes in its structure and reorientation to new foreign economic partners.

To achieve this goal, it is necessary to analyze large amounts of background information presented in statistical reference books on USSR foreign trade and the Lend-Lease (Mezhdunarodnyie otnosheniya, 1967) to use sources of diplomatic correspondence (Ministry of Foreign Affairs of the USSR, 1984) and memoirs of statesmen who headed foreign trade during the war (Mikoyan, 1999), as well as scientific works by other researchers (Sipols, 1997).

Summary of the main material. The structure of pre-war Soviet exports and imports fully confirms the idea of resource-based exports and, in modern terms, import orientation towards high-tech goods, primarily means of production – machinery and equipment (Table 1). As we can see, the leader of Soviet exports was food – 27.7% of its total value, followed by textile raw materials and semi-finished products – 18.1%, and fuel was third in the export ranking – 13.2%. All three groups are classified as resource-based and together accounted for 59% of Soviet exports. It is striking that exports of fur and fur raw materials (7.7%) were almost similar to exports of manufactured consumer goods (7.8%).

Table 1

Structure of Soviet export-import operations in 1940, % (Mezhdunarodnyie otnosheniya, 1967)

Product groups	Exports	Import
Machinery and equipment	2,0	32,4
Fuel	13,2	6,5
Ores and concentrates, metals and metal products, cable and wire	4,1	26,6
Non-metallic minerals, clay	1,3	-
Chemicals, fertilizers, rubber	3,0	4,3
Timber and pulp and paper products	6,4	2,6
Textile raw materials and semi-finished products	18,1	6,7
Fur and fur raw materials	7,7	-
Food products and raw materials for their production	27,7	14,9
Industrial consumer goods	7,8	1,9
Total	100	100

At the same time, the leader of Soviet imports, machinery and equipment, accounted for one-third of all imports – 32.4%; ores, metals and products made of them accounted for 26.6% and were in second place in Soviet imports, and food was in third place at 14.9%. This situation is explained, on the one hand, by adherence to the declared course of industrialization of the country's economy, and, on the other hand, by the continued militarization of the USSR in anticipation of a possible entry into World War II, which necessitated a reduction in the technological dependence of the Soviet economy, which was gradually moving to an autarkic (self-sufficient) model of development.

As of 1940, the USSR's main foreign trade partner was Germany, with a trade turnover of 40.4% of its total annual volume. The second place was occupied by the United States with 19.7%, and the third – by Mongolia with 6.0%, which in 1939, together with the USSR, took part as an ally in the fighting against the Japanese on the Halkhin Gol River and, quite naturally, needed various kinds of military and economic support from the suzerain country (Figure 1).

Trade turnover with the USSR's main European trading partners, Great Britain and France, fell from 282.3 to 2.4 million rubles and from 58.2 to 0.4 million rubles between 1930 and 1940, respectively. It is clear that this situation was due to the entry of these countries into World War II, but the general downward trend in foreign trade with the USSR was characteristic of the period of 1930–40.

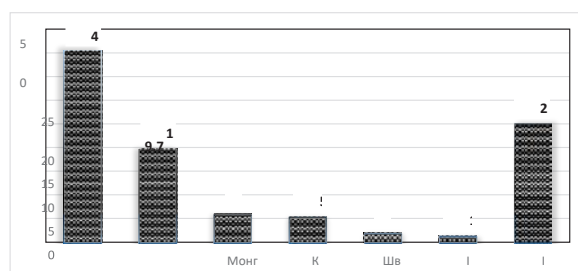


Fig. 1. The annual trade turnover of the USSR with foreign countries in 1940, in % of the total volume [1, p. 14]

Another factor that contributed to the reorientation of trade flows to Germany was the USSR's war of aggression against Finland, which led to the introduction of a moral embargo on supplies to the USSR and limited its access to the markets of Western democracies. The introduction of the moral embargo by the United States was primarily due to the fact that during the war, Finnish civilians were targeted by Soviet aircraft. Therefore, the supply of important industrial equipment to Soviet aircraft factories was suspended and Soviet aircraft manufacturers were banned from accessing aircraft manufacturing plants in the United States.

After the signing of the Molotov-Ribbentrop Pact, the German side initiated an exchange of letters between the German and Soviet sides on the intensification of economic relations. The German side expressed a desire to purchase Soviet goods, mainly raw materials and supplies (oil, timber, food, copper, tin, nickel, and other non-ferrous metals), worth 1,300 million German marks. The Soviet side responded by reducing the volume of supplies to DM 470 million and expressed interest in the following nomenclature of German supplies: modern weapons, equipment for the mining, chemical, and oil industries, metal-cutting machines, locomotives, turbines, ships, etc.

4An economic agreement on the establishment of foreign economic supplies between Germany and the USSR was signed in Moscow on February 11, 1940. It was envisaged that over the next 12 months, the USSR would supply goods worth DM 420–430 million. These goods were defined as fodder grains (barley, oats), oil, cotton, phosphates, iron ore, chrome ore, manganese ore, non-ferrous metals, etc. In turn, Germany undertook to supply its goods for a similar amount, but over the next 15 months. The German supplies included the unfinished heavy cruiser "Lutzov", equipment and materials necessary for its completion, samples of ship artillery, mines, torpedoes, periscopes, the latest models of aircraft, tanks and communications equipment, samples of machines and machinery (excavators, drilling rigs, electric motors, pumps, steam turbines) (Sipols, 1997).

Naturally, Germany's attack on the USSR radically changed the situation not only in the political arena but also in the field of export-import contacts, significantly reducing their volume, redrawing their structure, and reorienting them to new counterpart countries. These countries were the states that were members of the Anti-Hitler Coalition (Great Britain, Canada) or, at that time, had not yet entered the war, but sympathized with the fighters against Nazism and fascism (the United States). The Soviet leadership was well aware of the problems that the invasion would bring to the country, so in the first week of the war it raised the issue of organizing imports from the Allied countries.

On June 29, 1941, Soviet Ambassador to the United States K. Umansky received a telegram from People's Commissar for Foreign Affairs V. Molotov, which contained a directive to clarify the possibility of purchasing on credit *"You should now go to Roosevelt or Hall (Welles) and raise the question of the possibility of assisting the Soviet Union with the following supplies: 1) single-engine fighter planes – 3,000; 2) bomber planes – 3,000; 3) machines, presses and hammers for aircraft factories – 30 million dollars; 4) anti-aircraft guns. 4) anti-aircraft guns from 25 to 47 millimeters – 20 thousand pieces with ammunition, 5) crackers and other installations for the production of high-octane jet fuel and installations for the production of air mass, 6) toluene – 50 thousand, 7) equipment for toluene plants, 8) equipment for a tire plant, 9) equipment for a plant for the production of rolled light alloys. It is desirable to have a five-year loan for these goods. Telegraph the results"* (Ministry of Foreign Affairs of the USSR, 1984).

The United States entered the war after Japan attacked its naval base at Pearl Harbor on December 07, 1941, and as of the summer of that year, it was a country with developed industrial and agricultural potential, located on another continent and fully protected from enemy attacks by both nature and its own armed forces. Therefore, the choice of the main supplier country for the USSR was understandable and quite acceptable. The only problem in the organization of supply was the problem of cargo delivery, since the Baltic and Black Sea ports of the USSR, which were the most convenient for servicing trade flows, were blocked by the enemy, so the sea harbors of the Soviet North and the Far East remained to be used.

Table 2 shows that during the war, the United States became the undisputed leader in imports to the USSR. Their share in the entire period of supply amounted to 83.7%, and while in 1941 it was 19.9%, in 1944 it reached its maximum of 89.5%. The share of imports from Great Britain gradually decreased: from 49.7% in 1941 to 5% in 1945, amounting to 8.2% in total. This situation can be explained by the fact that at the beginning of the war it was extremely important for the UK to keep the USSR from surrendering, because the USSR's loss meant the inclusion of its industrial and partly demographic potential in the war on the side of Germany, and then there was virtually no chance for London to win the

confrontation. Canada (British Dominion) rounds out the top three, with total imports amounting to 2.2%, with no Canadian cargo imported at all in 1941, and the largest share of 3.2% of total imports in 1942. Other notable importers included Mongolia (0.9%), Bulgaria (0.8%), Iran (0.8%), and China (0.6%).

Table 2

**The results of import operations in the USSR by major countries and years for the period
22.06.1941–31.12.1945 (Vneshnyaya trgovlya Soyuz SSR, 1947)**

Countries Years	USA	Great-Britain	Canada	Mongolia	Bulgaria	Iran	China	Other countries	Total
1941, mln. Rubles –	223,2	559,4	-	63,8	-	13,9	51,19	213,01	1124,5
specific gravity, %	19,9	49,7	-	5,7	-	1,2	4,6	18,9	100
1942, mln. Rubles –	4125,9	1171,6	231,2	118,5	-	54	49,27	325,53	6076
specific gravity, %	67,9	19,3	3,8	2,0	-	0,9	0,8	5,3	100
1943, mln. Rubles –	13837	1453	318,8	122,5	-	110,8	82,6	284,3	16219
specific gravity, %	85,3	9,0	2,0	0,8	-	0,7	0,5	1,7	100
1944, mln. Rubles –	19765	1014,8	459,9	123,7	-	187,2	114,8	423,6	22089
specific gravity, %	89,5	4,6	2,1	0,6	-	0,9	0,5	1,8	100
– specific gravity, %	12512	732,8	325,7	109,3	491,6	102,7	47,42	474,48	14796
	84,5	5,0	2,2	0,7	3,3	0,7	0,3	3,3	100
Total for the entire period, RUB mln. –	50463	4931,5	1335,5	537,8	491,6	468,6	345,3	1732,7	60306
specific gravity, %	83,7	8,2	2,2	0,9	0,8	0,8	0,6	2,8	100

Analyzing the commodity nomenclature by importing countries (except for the United States, for which this will be done in more detail in the following subsections of the study), it should be noted that the UK supplied the largest range of its goods: weapons and military equipment (aircraft and spare parts for them, tanks, armored personnel carriers, armored vehicles, guns, gunpowder, communications equipment, ships and naval equipment, military engineering property) with a total volume of

341.5 thousand tons. tons; industrial equipment and technical supplies (machinetools, electric furnaces, forging and pressing equipment, rolling, mining and lifting and transport equipment, power plants, etc.) worth RUB 910 million; 183 thousand tons of metals and metal products; petroleum products totaling 73 thousand tons; 140 thousand tons of rubber and rubber products; 55 thousand tons of chemicals; 159 thousand tons of food.

Canada, as a British dominion, imported 44.6 thousand tons of weapons and military equipment to the USSR, including 1590 repair shops; gunpowder accounted for 17 thousand tons of 22 thousand tons of artillery weapons; communications equipment amounted to 7.5 thousand tons. tons; 644 machine tools; 200 truck cranes; 272 compressors; 1356 railway platforms; 166.8 thousand tons of metals and metal products; 80.8 thousand tons of railway rails; 661.8 thousand tons of food (mainly wheat – 187.5 thousand tons and flour – 454.1 thousand tons), etc.

Mongolia's honorable 4th place is explained by the fact that it viewed the USSR as its ally in the confrontation with Japan and that it had already proved that it could be relied on in 1939 in joint battles with the Japanese on the Khalkhin Gol River. Therefore, if the USSR survived the confrontation with Germany, Mongolia as a state would have prospects. Its main imported commodity was livestock: 722.2 thousand heads of cattle, 4931.4 thousand heads of small livestock (mainly goats and sheep),

366.7 thousand working and cavalry horses, 61.2 thousand heads of meat horses. In addition to live animals, food (meat, animal fats, game), leather raw materials, boots, coats, spinning materials, and scrap metal were imported.

The situation with Bulgarian imports looks semi-anecdotal. As we can see, it was carried out only in 1945 and amounted to 3.3% of the total annual volume. This situation can be explained by the fact that until September 1944 Bulgaria was an ally of Germany (as well as Romania, Finland, and Hungary). As a result of the coup d'état of September 8–9, 1944, pro-Soviet politicians came to power and signed an armistice with the USSR on October 28, 1944, opening the way for the resumption of trade relations. A total of 143.2 thousand tons of goods were imported from Bulgaria, including non-ferrous metal ores

(38.4 thousand tons), foodstuffs (39.6 thousand tons), sulfur dioxide (33.2 thousand tons), tobacco (22.6 thousand tons), chemicals (920 tons), leather, and spinning materials.

The total physical volume of imports from Iran amounted to 203.6 thousand tons and was quite diverse. First of all, it is worth highlighting food supplies totaling 130 thousand tons: rice (85.8 thousand tons), fish products (18 thousand tons), dried fruits (17.3 thousand tons), beans (4.7 thousand tons), animal and vegetable fats, canned food, almonds. In addition to finished food, cattle and small cattle were imported,

79.4 thousand and 608.2 thousand heads, respectively, as well as 16.7 thousand horses, about 3 thousand heads of donkeys, mules, and camels. Leather goods included tanned leather, about 300,000 pairs of leather shoes, 171,000 armed belts, 235,200 gloves, and 38,800 coats. Supplies of small arms consisted of 141.6 thousand Mauser rifles, 9.6 thousand submachine guns, 900 machine guns, and 19.7 million rifle cartridges.

Without exaggeration, tungsten concentrate was the most important strategic material imported from China, with 17.3 thousand tons imported (out of 39.3 thousand tons of total Chinese imports). The importance of this metal was explained by the fact that it was used in the manufacture of cores for sub-caliber artillery shells, which were used to guarantee the defeat of heavy German armored vehicles (a kind of analog of the Javelin at the time). Imports of non-ferrous metals (tin, mercury, antimony) amounted to 7.7 thousand tons; tung oil, used for the production of paints and varnishes, – 3.74 thousand tons; imports of food products were limited to 577.4 tons of tea, and it is also worth noting leather, wool, silk, and bristles.

In addition to the above countries, during the war the USSR imported mainly raw materials from the following countries:

Argentina (29.6 thousand tons) – mica, casein, lard, vegetable oil, leather, wool and woolen blankets, quebracoat glue and quebracoat extract (a tanning agent used for leather dressing);

Afghanistan (1.3 thousand tons) – leather, wool, cotton, opium;

Venezuela (0.7 thousand tons) – coffee and cocoa beans;

Colombia (3.3 thousand tons) – coffee;

Mexico (2.2 thousand tons) – car tires, sisal;

Manchuria (3.1 thousand tons) – soybeans;

Dutch East Indies (Indonesia) (3.6 thousand tons) – rubber, tea, kapok (vegetable fiber for padding mattresses and pillows), quinine (a substance for making malaria drugs);

Poland (3,279 thousand tons) – non-ferrous metals (4.4 thousand tons), steel and steel products (36.5 thousand tons), coal and coke (3,279 thousand tons), cement (90.3 thousand tons), chemical products (2.59 thousand tons), sugar (1 thousand tons), glass and glass products, spinning products and finished products;

Portugal (3.6 thousand tons) – finished cork and cork bark;

Romania (195.4 thousand tons) – petroleum products (169.9 thousand tons), timber and timber products (23.4 thousand tons), roofing felt, sheet glass, yarn;

Xinjiang, since 1949 – part of China (138.8 thousand) – food products (9.8 thousand tons), livestock (89.4 thousand cattle, 1612.3 thousand small cattle, 148 thousand horses, 50 thousand donkeys, 3.1 thousand camels), leather, wool (11.6 thousand tons), cotton, raw silk, hair, bristles;

Tuva (35 thousand tons) – food products (3.05 thousand tons), livestock (58.9 thousand heads of cattle, 283.5 thousand heads of small cattle, 26.8 thousand horses), leather raw materials (1.03 thousand tons), leather skins, wool;

Finland, after the end of the war and the signing of the peace treaty (228.6 thousand tons) – sulfuric acid (68.6 thousand tons), pulp (31 thousand tons), paper (56.8 thousand tons), standard houses (173.1 thousand square meters);

Philippines (1.9 thousand tons) – copra, yarn, Manila rope;

Sweden (21.4 thousand tons) – industrial, metallurgical, lifting and transport, oil, power, electrical equipment, pumps, tools, ball bearings, metals and metal products;

Czechoslovakia (2.7 thousand tons) – power equipment, steel and steel products;

Yugoslavia (27 thousand tons) – non-ferrous metals: copper, lead, antimony (6.5 thousand tons), non-ferrous metal ores (10.4 thousand tons), sulfur dioxide (3.2 thousand tons), sheet glass, alcohol, red pepper, wine, vodka, yarn, tobacco (1.655 thousand tons), opium, hops.

As can be seen from Table 3, the volume of Soviet imports during 1941–1945 in physical terms amounted to 24.082 million tons. At the same time, the value of imports amounted to 60.306 billion rubles

against 3.163 billion rubles of Soviet exports (19 times higher). The lowest foreign economic activity, which is quite natural, was in 1941: for imports, it amounted to 0.552 million tons (2.29% of the total), and for the value of exports – 0.163 billion rubles (5.2% of the total). The maximum values were recorded for imports in 1944 (31.21 million tons, or 22.089%) and for exports in 1945 (1.572 billion rubles, or 49.7%).

Table 3

**Dynamics of the USSR's import operations for the period of 22.06.1941–31.12.1945
(Vneshnyaya trgovlya Soyuzo SSR, 1947)**

Years	Import			
	tonnage		cost	
	physical volume, mln tons	specific gravity, %	amount, billion rubles	specific gravity, %
1941	0,552	2,29	1,124	1,86
1942	2,038	8,46	6,076	10,07
1943	4,734	19,66	16,219	26,89
1944	7,518	31,21	22,089	36,62
1945	9,237	38,38	14,796	24,56
Total	24,082	100	60,306	100

An analysis of the indicators in Table 4 allows us to conclude that the main groups of imported goods in their physical terms were: food – 4.88 million tons, or 20.26%; metals and metal products – 3.72 million tons, or 15.44%; arms and military equipment – 3.499 million tons, or 14.52%. As for the value structure of imports, the situation is quite different: the largest volumes are accounted for by weapons and military equipment – 29.82 billion rubles, or 49.44%; food products are estimated at 9.26 billion rubles and account for 15.36%; the cost of industrial equipment and technical supplies is 6.74 billion rubles, or 11.17%.

Table 4

**Structure of the USSR's import operations in 1941–45 in physical and value terms by product group
(Vneshnyaya trgovlya Soyuzo SSR, 1947)**

Name of product groups	tonnage		cost	
	physical volume, mln tons	specific gravity, %	amount, billion rubles	specific gravity, %
Arms and military equipment	3,499	14,52	29,82	49,44
Industrial equipment and technical supplies	1,49	6,18	6,74	11,17
Railway traction and rolling stock	0,52	2,15	1,2	1,98
Metals and metal products	3,72	15,44	4,84	7,98
Ores	0,186	0,7	0,246	0,4
Hard coal	3,28	13,62	0,162	0,26
Petroleum products	2,89	12,01	0,947	1,57
Food products	4,88	20,26	9,26	15,36
Chemicals	0,95	3,94	1,31	2,17
Other products	2,667	11,18	5,781	9,12
Total	24,082	100	60,306	100

When analyzing imports, it should be understood that the bulk of the revenues both in physical terms (16.252 million tons or 67.5%) and in value terms (49.96 billion rubles or 81.19%) (Table 5) are accounted for by lend-lease, a form of military and economic assistance to the allied countries by the United States, which was a free supply of military equipment, vehicles, equipment, technologies, materials, fuel, and food necessary for the conduct of hostilities in World War II. A comparison of the value of Soviet imports and the Lend-Lease allows us to conclude that the Lend-Lease accounted for 81.19% of imports, and for all commodity items the share of the Lend-Lease exceeded 60%. The largest share was for railroad traction and rolling stock – 95.67%; in second place, with almost identical figures, are food products – 94.96% and chemicals – 94.21%; the situation is similar with the third position, which is shared by metals and metal

products – 87.48% and oil products – 86.51%. The relatively low share of arms and military equipment (61.04%) is explained by the fact that significant volumes of them were supplied by the UK and Canada.

Table 5

Specific value of the U.S. Lend-Lease in the structure of the USSR's import operations in 1941–45 (Vneshnyaya trgovlya Soyuza SSR, 1947)

Name product groups	Total imports, mln. US DOLLARS*	including landlord, USD. U.S. DOLLARS	Share of the list in total imports, %
Arms and military equipment	5626,4	3434,5	61,04
Industrial equipment and technical supplies	1271,7	1010,8	79,48
Railway traction and rolling stock	226,4	216,6	95,67
Rubber and technical rubber products	229,8	151,2	65,79
Metals and metal products	913,2	798,9	87,48
Petroleum products	178,7	154,6	86,51
Food products	1747,2	1659,2	94,96
Chemicals	247,2	232,9	94,21
Other products	1090,8	780,6	71,56
Total	11378,5	9238,2	81,19

– calculated by the author on the basis of the declared exchange rate of the Soviet ruble to the US dollar as 5.3: 1.

The memoirs of A. Mikoyan, People's Commissar (analogous to the post of Minister) of Foreign Trade of the USSR, contain a revealing point: the statement that during the war “*Soviet industry satisfied more than 70% of its demand for urgently needed and strategic goods and raw materials necessary for the production of tanks, airplanes, guns, ammunition from the stocks of the Ministry of Foreign Trade*” (Mikoyan, 1999), i.e., from imports.

Conclusions and Prospects for Further Research. Soviet imports during World War II should be divided into two stages:

– the first stage (09/01/1939–21/06/1941), when Germany became the main foreign economic partner of the USSR, from which equipment and machinery for various sectors of the economy, weapons, etc. were imported;

– the second stage (22.06.1941–02.09.1945), when, as a result of the German attack, there were dramatic changes in the USSR's foreign economic activity, both in terms of changes in the volume and structure of imports and in reorientation to other partner countries, primarily allies in the Anti-Hitler Coalition.

The outbreak of hostilities between the USSR and Germany led to the fact that the main item of foreign economic supplies was the supply of arms and military ammunition, food, industrial equipment and strategic materials, raw materials and semi-finished products. A huge role in this was played by the land-lease as a method of military and economic support of its allies by the United States. For the Soviet Union, it amounted to 81.19% in value terms of all imports. The largest volumes of imports, both in terms of value and quantity, occurred in 1944–45, when logistics supply chains were developed.

Further research in this area of study is seen in the study of issues related to the activities of Soviet government agencies (primarily diplomatic) and commercial organizations (e.g., Amtorg, the Government Procurement Commission) in organizing imports during World War II.

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ДИНАМІКА ТА СТРУКТУРА ІМПОРТУ В СРСР У РОКИ ІІ СВІТОВОЇ ВІЙНИ

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У роботі за мету поставлено дослідження питання динаміки та зміни структури радянського імпорту в роки ІІ Світової війни, оцінки ролі та значення країн-партнерів для СРСР у сфері зовнішньоекономічної діяльності.

Результати дослідження було отримано в ході використання діалектичного методу пізнання явищ, що мають правову і економічну природу та стосуються дослідження імпорتنих товаропотоків як невід'ємного елементу зовнішньоекономічної діяльності держави. Окрім того, було використано методи статистичний – для узагальнення, систематизації і аналізу матеріалу; таблицний – для наочного відображення проаналізованих даних; абстрактно-логічний – при обґрунтуванні теоретичних положень і формулюванні висновків.

В процесі дослідження з'ясовано, що на початку ІІ Світової війни (01.09.1939–21.06.1941 років) радянський імпорт мав орієнтацію на високотехнологічні засоби виробництва, а основним торгівельним партнером СРСР була Німеччина, із якої надходили зразки озброєння, обладнання для гірничорудної, хімічної та нафтової промисловості, станки і верстати, локомотиви, турбіни. Після її нападу відбулося переорієнтування радянського імпорту. Після німецького нападу на СРСР відбулася переорієнтація імпорتنих потоків на країни Антигітлерівської коаліції, а основними зовнішньоекономічними партнерами стали США, Великобританія, Канада, Монголія, Іран, Китай. Змінилася структура імпорту, у якій почали превалювати озброєння і військове спорядження, продовольство, промислове устаткування та стратегічна сировина і напівфабрикати, нафтопродукти. Дипломатична переписка засвідчує, що вже наприкінці червня 1941 року СРСР виявив бажання закупити в кредит у США різні типи літаків та різне промислове устаткування для авіаційних заводів і виробництва авіаційного пального, зенітні гармати кількох калібрів, обладнання для заводів з виробництва вибухівки, автомобільних шин та сплавів різних металів. За рахунок імпорتنих поставок в СРСР забезпечувалося до 70% всієї потреби у гостродефіцитних стратегічних матеріалах, сировині і напівфабрикатах. У дослідженні, за результатами аналізу статистичних показників імпорту робиться висновок, що основна частина поставок як у фізичному вимірнику (16,252 млн тон або 67,5%), так і у вартісному (49,96 млрд рублів або 81,19%) припадає на ленд-ліз – форми військово-економічної допомоги зі сторони США країнам-союзникам, яка полягала у безоплатному постачанні військової техніки, автотранспорту, устаткування та обладнання, технологій, матеріалів, пального, продуктів харчування, необхідних для ведення бойових дій у ІІ Світовій війні та перемоги над спільним ворогом.

Ключові слова: зовнішньоекономічна діяльність, імпорт, ленд-ліз, поставки, ІІ Світова війна, СРСР, США.

CUSTOMS REGULATION AND CONTROL OF FOREIGN ECONOMIC ACTIVITIES: INSTITUTIONAL PATHOLOGIES, METHODS AND TOOLS FOR OVERCOMING THEM

The implementation of Ukraine's European integration intentions in the modern globalized world requires a proper theoretical understanding of systemic deficiencies in the sphere of state regulation of foreign economic activity. Today, these shortcomings have signs of institutional pathologies. Currently, a clear understanding of the nature of these pathologies and identification of ways to overcome them is needed, which is covered in the article.

The purpose of the article is to study the generalization of scientific approaches to the grouping of institutional deviations and violations in the field of foreign economic activity, as well as to determine the main directions, methods and tools for overcoming these violations and minimizing their consequences.

Methods. The article, based on the methodology of the system approach, substantiates the directions of countering institutional pathologies in the field of foreign economic activity. Key elements of the methodology of state management of foreign economic activity are used in the work. In particular, the authors characterized the methods and tools of customs regulation of foreign economic activity. Special attention is paid to customs control methods.

The results. The article highlights the causes and consequences of institutional pathologies and their impact on the development and effectiveness of foreign economic activity. The grouping of institutional pathologies in the field of foreign economic activity was carried out and their main features were characterized. Author's classification of methods and tools of state regulation of foreign economic activity was carried out. Ways to overcome such pathologies through the use of methods and tools of customs regulation are identified. It is proposed to combine all methods of regulating foreign economic activity into two groups, namely: systemic-strategic and situational-tactical. The peculiarities of the application of various methods and techniques of customs control both during and after customs clearance of goods are also defined.

Conclusions. The authors substantiated that depending on the institutional state of state regulation of foreign economic activity and the type of institutional changes, decisions are made on the use of certain methods and tools of customs regulation and customs control. Making such a decision is the prerogative of the customs authorities. The effectiveness of such decisions depends on the state of institutional support for state management of foreign economic activities, as well as on the professionalism of customs officials who directly carry out customs regulation and customs control in this area.

Key words: state regulation of foreign economic activity, institutional changes in the field of foreign economic activity, tariff and non-tariff methods of customs regulation, documentary methods of customs control, risk-oriented control, post customs control, customs post audit.

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Introduction. The globalization of economic relations and the development of integration processes require the search for new ways to effectively carry out customs in Ukraine, improve the quality of customs control and ensure the country's customs and fiscal security. The pace of Ukraine's integration into the global economic space largely depends on this. The European integration path that Ukraine has to follow involves ensuring the steady growth of foreign economic relations and requires all influential and interested parties to correctly understand and clearly apply the tools of state regulation and control in the field of foreign economic activity (hereinafter referred to as FEA).

However, the state of permanent reform in which the state and, in particular, the customs service are located has led to a number of institutional changes that have upset the institutional balance and provoked the development of institutional pathologies and deformations in the field of foreign economic activity and put Ukraine on the verge of another institutional failure. This has negative implications for the development of customs, which should

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be implemented to solve at least two problems: first, the proper performance of control and fiscal functions by customs authorities related to customs payments and state budget revenues; second, by simplifying customs procedures, to create favorable conditions for the development of foreign trade and increase its efficiency.

In this context, the most important thing now is an adequate understanding and effective use of methods and tools of customs regulation and customs control. After all, the absence of these methods or institutional shortcomings and miscalculations in their use lead to significant losses to the state budget, hinder the country's socio-economic development and prolong Ukraine's path to the EU and NATO.

Literature review. The problems of development of the state administration of foreign economic activity, as well as improvement of customs regulation and customs control in Ukraine are widely studied by leading scholars and practitioners in the field of customs. Some of the most significant scientific works in this area are monographic studies by I. Berezniuk (Berezniuk, 2009), O. Borysenko (Borysenko,), S. Brekhov (Brekhov, 2018) [1], O. Vakulchyk (Vakulchyk, 2014) [2], P. Pashko (Pashko, 2009), L. Pismachenko (Pismachenko, 2008) [3], E. Rudnichenko (Rudnichenko, 2014), which reveal the peculiarities of the formation and development of customs regulation, customs control and customs audit institutions in Ukraine. The research on ensuring the customs security of the state and overcoming the factors leading to the development of institutional pathologies in the field of foreign economic activity was conducted by such domestic scholars as: V. Dubrovsky, V Cherkashyn, O., Hetman, (Dubrovsky and K, 2019); Y. Zhalilo (Zhalilo, 2009) and others. The fundamental foundations of the formation of institutional support for the implementation of the state fiscal policy and its impact on the socio-economic growth of the country have been studied in the works of foreign scholars, including the works of: R. Coase (1992), J. Commons (2009), D. North (2000), etc. However, despite a fairly wide range of problems raised in the scientific and practical work of the authors, there is no intensification of the activities of customs authorities in this area. Thus, the scientific understanding of the problems in this area and the search for ways to solve them actualize the need for this study and prompted the authors to write this article.

The purpose of the article is to study the theoretical and methodological approaches to grouping institutional deviations and violations in the field of foreign economic activity, and also to identify the main methods and tools used in the process of customs regulation and customs control to counteract these violations.

Summary. The presence of institutional pathologies in the field of foreign economic activity leads to such negative consequences as hybridization of public administration in this area, growth of the "shadow economy", and growth of corruption. All of this disrupts the institutional balance in society, slows down the country's socio-economic development, and creates the preconditions for an increase in the level of customs, fiscal, and economic danger, in particular in the field of foreign trade. In order to overcome these negative trends, it is necessary to develop a number of customs regulation and customs control measures at the methodological level. It is important to understand the feasibility of using the key elements of the methodology of state management of foreign economic activity, in

particular the purpose, nature and methods of application of methods and tools of customs regulation. It is also important to emphasize the need to strengthen the application of customs control methods. The actualization of issues related to the expediency of applying various methods and techniques of customs control raises a layer of theoretical and methodological issues regarding the forms and types of its implementation. The authors substantiate the need for such control on the basis of the use of various methods and tools both during customs clearance and after its completion in the form of post-clearance control and customs post-audit.

The essence of institutional changes in the field of foreign economic activity and their impact on the state of customs regulation and customs security.

The role of the state and its governmental institutions in regulating foreign economic activity is of great importance. It is the state that should become the carrier of ideas, the architect of reforms, and the guarantor of relevant institutional changes in society. State institutions and agencies should become the guides of a balanced, purposeful, progressive and evolutionary policy aimed at overcoming the contradictions of socio-economic development, for economic growth and ensuring institutional balance in society. Institutional changes should ensure sustainable economic development, which underlies institutional equilibrium and is the main factor in overcoming significant institutional pathologies and institutional deformations inherent in transformational economies, protecting them from institutional failure. It is clear that "...the process of formation and development of an effective institutional environment has certain specifics due to imperfections, imbalances and incompleteness of the institutional system" (Katygrobova, 2013). At the same time, the role of the state, which realizes its purpose of regulating foreign economic activity through the implementation of customs policy, is decisive.

In the context of the study of institutional change, let us first define the essence of the term "institutional pathology". First of all, we should note that pathology is a deviation from the norm, an abnormality of the functioning of a living organism (Dubichynskyi, 2008). Given that, according to Niccolo Machiavelli, "...the state is an organic living system guided by its own laws of development" (Machiavelli, 2014), we define the essence of the concept of "institutional pathology" as a disease of the state that has certain signs (symptoms) manifested in the form of deviation of its institutions from legal norms and rules in the performance of public administration functions.

In our opinion, the key signs of institutional pathologies are deviations in the following key indicators of the state's performance in the following areas:

1. Low growth rates of gross domestic product (GDP).
2. High level of shadowing.
3. Low income level of the population.
4. Oligarchic-autocratic model of state governance.
5. Corruption at all levels: domestic, business, and political.
6. Legal institutions do not counteract the activities of informal illegal institutions, which leads to hybridization of power.
7. Violation of the rule of law.

All of these signs are currently pronounced in Ukraine, in particular:

– Low GDP growth rates. Ukraine lags far behind most European countries in terms of GDP growth. To be more convincing, let's compare the dynamics of Ukraine's GDP growth rates with Poland's for the period from 1990 to 2021. Back in 1990, Poland was slightly behind Ukraine in this indicator, but later began to rapidly increase its GDP growth rate, while Ukraine remained at the level of the 1990s (Fig. 1).

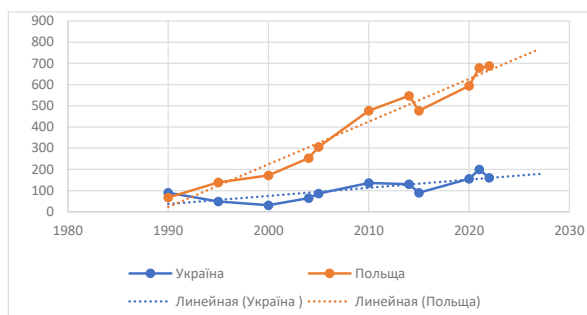


Fig. 1. Gross domestic product at purchasing power parity of Ukraine and Poland, billion US dollars.

Source: (Take-profit.org, 2023). (Ministry of Finance of Ukraine, 2023)

As we can see, despite having better starting conditions in the period from 1990 to 2000, Ukraine lost a lot of time in adapting to market conditions for doing business and transforming economic relations. In the following years, GDP growth was also quite low. This indicates that the reforms were unsuccessful and Ukraine chose the wrong path of development. That is, at the very beginning of the construction of Ukrainian statehood, the foundations were laid for the development of institutional pathologies. This is also evidenced by the following indicator.

– low income level of the population. In 2020, and still today, Ukraine is the poorest country in Europe in terms of income per capita. This is what prompts Ukrainians to seek a better life in other countries, including Poland and other countries of the world. In particular, in Poland, the average income per capita in 2021 was 37997 USD. while in Ukraine it was only \$4826.6. This is almost 8 times lower. In general, the GDP per capita in Ukraine and Poland for the period from 1990 to the present is shown in Figure 2.

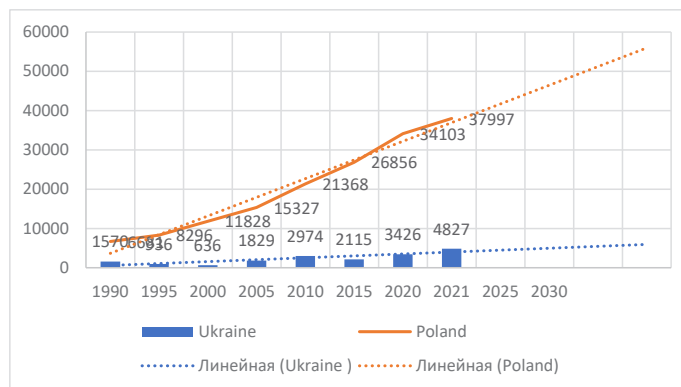


Fig. 2. Dynamics and trends of GDP of Ukraine by Poland for the period 1990-2021, US dollars

Source: (According to the IMF)

It should be noted that the GDP per capita in 2021 was the highest in all the years of independence. We believe that poverty and the devastating consequences of the war will be the main reasons for many Ukrainians who, unfortunately, will decide not to return to the country. In general, according to news sources, «...according to a recent World Bank report, in 2022, the poverty rate in Ukraine increased from 5.5% to 24.2%, and another 7.1 million people fell below the poverty line». (Slovo i Dilo, 2023). As Arup Banerjee, the World Bank’s Regional Director for Eastern Europe, noted in 2022, “...as a result of the full-scale war unleashed by Russia, the poverty rate in Ukraine has increased 10 times”. According to Banerjee, at the end of 2022, 25% of Ukraine’s population lived in poverty, and by the end of 2023, this figure could rise to 55%.

– *high level of shadow economy*. According to official institutions, the level of the shadow economy in Ukraine has been ranging from 27% to 36% over the past 11 years and tends to decrease (Figure 3).

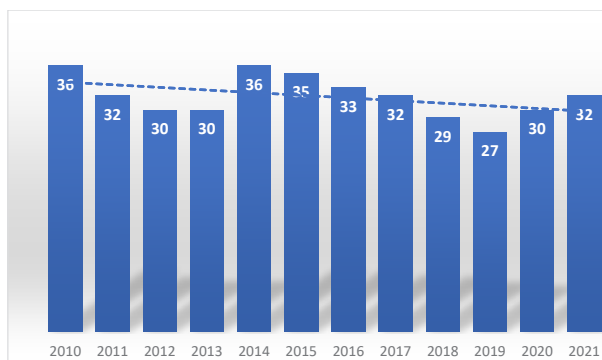


Fig. 3. Dynamics of the level of the shadow economy in Ukraine

Source: Ministry of Economic Development (2022)

At the same time, international experts and Danylo Hetmantsev, Chairman of the Verkhovna Rada Committee on Finance, Taxation and Customs Policy, believe that the shadow economy in Ukraine is half of GDP. In addition, Danylo Hetmantsev noted that no one can tell the exact figure of the shadow economy, and no research can be reliable, because the “shadow” cannot be counted. He also emphasized that the issue of smuggling and the shadow economy is a direct threat to national security in terms of its scale (Ukrainian Global Studies Studio, 2021). Ihor Makarenko, Director of the Institute of Evolutionary Economics, notes that if “...on the eve of the war, it was believed that the level of the shadow economy was somewhere between 33–35%, then according to international organizations, the level of the shadow economy in Ukraine is now 50%” (Makarenko, 2022). [According to him, the country has a very large administrative component, which is then compensated by the shadow economy. That is, the level of the shadow economy in the country during the war is 50%.

– *Corruption at all levels: domestic, business, and political.* Currently, corruption in Ukraine is one of the most important problems hindering the country’s development. According to the results of 2020, Ukraine’s Corruption Perceptions Index (CPI) score improved to 33 points out of 100. This is 3 points more than in the previous year, but only 1 point more than in 2018. Ukraine ranked 117th out of 180 countries in the global ranking. The group with a score of 33 points also includes countries from Africa and Asia – Egypt, Eswatini (formerly Swaziland, Africa), Nepal, Sierra Leone, and Zambia. However, in 2021, Ukraine lost ground again and moved to 122nd place with 32 points. In 2022, Ukraine returned to its position of 2020 and received 33 points out of 100 in the Corruption Perceptions Index (CPI), which increased by one point, and now Ukraine ranks 116th out of 180 countries in the CPI (Corruption Perceptions Index – 2022).

– *oligarchic-autocratic model of state governance.* The public administration system formed over 30 years of independence in Ukraine has enabled the development of an oligarchic monopolized economy. This has led to the hybridization of power (the merger of big business with public authorities acting in the interests of oligarchic clans) and the intensification of other pathologies related to the shadow economy and corruption of the government.

– *legal institutions do not counteract the activities of unofficial illegal institutions, which leads to hybridization of power.* The hybridization of power has led to inaction of official state institutions or to the “protection” of certain industries or business structures by the authorities, which has contributed to the development of the shadow economy. This leads to the growth of unrecorded and illegal economic activities in the segments of the “informal” economy, the underground economy, and the fictitious economy. While the informal economy is usually a type of economic activity prohibited by law and developed within criminal groups, the fictitious economy includes bribery and all kinds of fraud. In particular, fraud includes: actions related to the illegal receipt and transfer of funds; activities aimed at obtaining unjustified benefits and various kinds of privileges and preferences by economic agents, etc. The main reason for the emergence of this sector of the economy is, on the one hand, the desire of economic agents to obtain certain benefits through organized corrupt ties, and, on the other hand, the use of official position by public administration officials.

– *The rule of law is systematically violated.* Corrupt law enforcement, state fiscal, regulatory and judicial institutions are unable to counteract the development of the shadow economy, which is growing under the patronage of certain oligarchic groups and informal leaders of the criminal world. The deformed and chronically bribery-ridden judiciary is unable to satisfy Ukrainians’ demand for justice, which is another reason for social unrest.

As we can see, all these signs of institutional pathologies negatively affect both the state of socio-economic development of the state as a whole and the state of development of certain areas and sectors of economic activity, in particular, foreign economic activity.

Consequences and Threats of Institutional Pathologies in the Field of Foreign Economic Activity for Ukraine and Ways to Overcome Them

The inadequacy or one-sidedness of foreign economic policy, ineffective use of state regulation of foreign economic activity, and shortcomings in the application of methods and tools of customs regulation and customs control lead to the development of institutional pathologies and deformations, and to a significant distortion of the relationship between business and the state. This is also one of the reasons for the high level of the shadow economy in the country (Ivashova, Ivashov, Kritenko, 2020), the formation of hybrid institutions of public administration in the field of foreign trade (Predborskyi, 2005) and leads

to significant budget losses. Indeed, the annual potential losses of the Ukrainian budget from arrears due to shadow transactions and tax evasion, including in the field of foreign economic activity, in different years range from 13 to 15 billion dollars (Ivashova, and K, 2020). That is, the country's budget loses at least more than UAH 280 billion annually (Lev, 2020). To successfully counteract shadow transactions, it is necessary to clearly understand in which areas of economic activity they are carried out, what schemes are used for tax evasion, and how the funds withdrawn from legal circulation are redistributed. Depending on the answers we get to these questions, we can talk about mechanisms and tools to overcome the shadow economy, because "progress in the economy is impossible without bringing financial schemes out of the shadows" (Lev, 2020).

Therefore, let us dwell in more detail on the issues of combating shadow transactions in the context of studying the problems of public administration of foreign economic activity. Currently, there are enough analytical materials that reveal the structure of the shadow economy by various industries, spheres and types of activity, including the sphere of foreign economic relations (Varnaliy, 2014; Dubrovsky, 2008; Zhalilo, 2009; Makarenko, 2022; Predborskyi, 2005). The standard list of violations according to V. Dubrovsky's classification includes the following (Table 1).

Table 1

Typical violations and shadow operations in the field of foreign trade

List of typical violations
– violation of customs regulations and smuggling
– manipulation of the customs value of goods;
– interrupted transit;
– schemes by means of postal mail;
– “jackets”;
– direct smuggling;
– embezzlement of value added tax (VAT);
– illegal reimbursement from the budget for exports;
– fictitious entrepreneurship (missing trader), including “carousel” schemes;
– substitution of goods (“twists”);
– counterfeit;
– transfer of profits to tax havens (offshore);
– schemes of the shadow land lease market;
– shadow wages;
– distortion of the tax base (concealment of sales);
– Abuse of tax privileges and preferences and special regimes;
– informal entrepreneurship and individual economic activity without registration.

Source: generalized by the authors based on data from (Dubrovsky and K, 2019)

As we can see, the set of tools for tax avoidance in foreign economic operations in Ukraine is not very different from other countries. The vast majority of tax evasion cases are related to schemes in the field of foreign economic activity, as it is more convenient for their owners to keep funds illegally obtained in Ukraine in convertible currency (USD, EUR) and preferably in foreign banks. This can only be achieved through foreign economic operations. Thus, according to the results of research by the International Institute for Management Development (Switzerland), the Institute for Strategic Studies of Ukraine, as well as scholars Z. Varnalii (Varnalii, 2014), V. Dubrovskyi (Dubrovskyi and K, 2019) [4], V. Predborskyi (Predborskyi, 2004), L. Ivashova, M. Ivashov, and O. Kritenko (Ivashova and K, 2020) and other researchers have determined that about 80% of shadow transactions are somehow related to foreign economic activity, and only about 20% are carried out within the country. These results are confirmed by the figures provided by individual analysts. Thus, if “smuggling and customs violations alone cause the Ukrainian budget to lose UAH 110 billion annually, offshore schemes – UAH 65 billion, tax evasion in the financial sector – UAH 35 billion, the shadow land lease market – UAH 40 billion, schemes to minimize VAT payments (envelope centers) – UAH 20 billion, counterfeiting – UAH 10 billion. If only these schemes are brought out of the shadows and the budget is filled with them, it will be 280 billion UAH” (Lev, 2020), which in dollar terms at the time was more than 10 billion USD. THE AMOUNT OF MONEY WAS MORE THAN 10 BILLION US DOLLARS.

Since about 80% of shadow funds are converted through foreign economic operations, it becomes clear that strengthening state customs control in the field of foreign trade is the key mechanism for countering the shadow sector in the country. It is also worth noting that the structure of the shadow economy in

Ukraine is atypical in relation to the structure of the economy itself. Unlike most other countries (except for some CIS countries), the vast majority of tax revenues in Ukraine are lost through the most extensive instruments of tax evasion and aggressive tax planning. Unlike in most countries, these instruments are massively used by large and ultra-large enterprises that dominate the domestic economy and, thanks to their informal connections, have great opportunities for tax avoidance.

Accordingly, the mechanical transfer of the experience of other countries in this area to Ukraine leads to inadequate conclusions and recommendations that do not contribute to the effective fight against the shadow economy. With the development of globalization processes, the foreign economic activity of enterprises has significantly intensified. The number of violations of customs legislation related to the use of various shadow schemes for tax evasion has also increased proportionally. The main ones are identified in scientific works (Ivashova, and K, 2020) and presented in Table 2.

Table 2

List of typical violations of customs legislation using shadow schemes in the field of foreign trade

Typical violations
– incomplete declaration;
– use of fictitious companies, including in offshore zones;
– overstatement of the customs value of exported goods for reimbursement of export VAT from the state budget;
– understatement of the customs value of imported goods to reduce customs duties;
– placing goods in the recycling mode;
– actual import of goods under the guise of foreign investment or tolling operations;
– incorrect classification of goods;
– importation of goods under the guise of components;
– investments in authorized capital of joint ventures;
– failure to return or untimely return of foreign currency earnings;
– falsification of shipping documents;
– transferring funds to offshore zones, etc.

Source: based on (Ivashova, and K, 2020)

If public authorities do not respond in a timely manner to the development of institutional pathologies and institutional deformations in various spheres of public life, they accumulate and deepen. As a result, the effect of a “revolutionary situation” arises, which can lead to a socio-economic crisis and institutional failure. The most illustrative, in terms of the impact on the development of the state, are the consequences of institutional changes that manifest themselves in the form of institutional pathologies in the field of foreign economic activity. The latter cause structural failures in the FEA management system, which leads to an imbalance in the activities of customs institutions, including customs. The analysis of the state regulatory acts in the field of foreign economic activity and their consequences, conducted over the past few years, gives grounds to assert that the system of foreign economic activity regulation as one of the functions of public administration has acquired certain deformations that have all the signs of organizational and managerial pathologies. In general, based on the works of scholars (Peter Senge, 1999; Mazur, 2014), we identify 12 main pathologies in the field of foreign economic activity (Table 3).

Description of institutional pathologies in the field of foreign trade

Type of pathology	Characterization of pathology
A dilemma in strategy	mixing incompatible goals, merging the tax and customs services into one body – the State Fiscal Service (SFS). This resulted in simplified standards of perception of customs as a purely fiscal activity and in the leveling of the regulatory and control functions of the State Customs Service. This approach remained in place even after the SFS was split into two agencies.
Replacing the problem	Instead of radical reforms, “cosmetic” or temporary changes are proposed, which give only short-term results, in particular, simplification of customs procedures and risk assessment without the introduction of a full-fledged customs audit does not solve the problem of customs security
Pendulum solution	adoption of contradictory regulations and half-hearted decisions on the development of certain institutions. For example, decisions made regarding the development of customs audit and authorized economic operator institutions.
The prevalence of structure over function ¹	constant structural and organizational transformations through reforms and reorganizations of state bodies regulating foreign economic activity are each time associated with rewriting the functions and tasks of individual structural units of the customs authorities. Continuous reforms of the customs service through mergers and divisions within the customs system each time reduce the efficiency of individual customs offices
Postponement of goals realization ¹	manifests itself during reforms based on institutional borrowing in the form of institutional conflict, which makes it impossible to bring them to a logical conclusion, so they are constantly stretched out in time and do not have the proper effect. An example is the ongoing reform of the customs service, which continues to this day.
Management conflicts ¹	confrontation between different management levels, which creates duplication of functions, overlapping interests, power contradictions and antagonism at different levels of management between structural units of individual customs offices, between customs offices, between customs offices and departments and offices of the central office of the State Customs Service, etc.
Erosion of standards ¹	deliberate deviation from the recognized international standards and norms of customs operations, in particular, half-hearted decisions on the implementation of the Kyoto Convention standards regarding the introduction of customs post-audit as a key type of customs control
Neutralizing previous decisions ²	adequate and useful state decisions are leveled by other norms of the opposite direction, which leads to an imbalance in the legal field of customs affairs
Delayed reaction ²	changes are made not at the moment of identifying problem areas, but with a significant delay, during which the ineffective rule continues to operate and induce negative effects (for example, with “Euro cars” or the settlement of problems with customs clearance of humanitarian aid)
Design defectiveness ²	Adoption of imperfect decisions or legal norms in advance. For example, the decision to merge the tax and customs services, the imperfection of the mechanism for introducing the institution of an authorized economic operator, the inhibition of the development of effective areas of customs control, the lack of clearly defined methods and tools of customs control, etc.
Conflict of interest*.	low level of social protection of customs officers and a high risk of corruption, as well as unclear formulation of ethical standards of behavior of customs officers (bribery, nepotism, corruption)
Impunity*.	lack of direct responsibility for management decisions made or not made and their consequences.

Notes: ¹- Proposed by Peter Senge

²- proposed by Olena Mazur

* – proposed by the authors

Source: compiled by the authors on the basis of Senge and Mazur (Peter Senge, 1999, Olena Mazur, 2014)

It is not enough to analyze and systematize the signs of manifestation and consequences of institutional pathologies and deformations. Within the scope of our study, we will dwell in more detail on the causes and consequences of the development of institutional pathologies in the field of foreign trade and identify

the main directions for their elimination. At the same time, we will emphasize the priority institutional changes aimed at strengthening the role of customs authorities in the field of foreign trade regulation in order to "...on the way to European integration to convince potential EU partners that Ukraine will enter the Union not as a beggar, but as a young, stable and energetic economy that opens new prospects for socio- economic, political and humanitarian development for the united Europe" (Zhalilo, 2009, p. 312). This is how Ukraine should position itself on foreign markets after the war.

Therefore, the formation of a system of state regulation and control of foreign economic activity requires scientific substantiation of methodological approaches to the study of this process, understanding of the sequence of its course and scientific prediction of the results and consequences of the implementation or lack of reforms. After all, the prospects for the development of customs authorities as a key state institution regulating foreign economic activity involve: first, an integrated approach to implementation by balancing the fiscal, regulatory and control functions of customs authorities; second, reorganization of the customs control system in the context of ensuring customs security, including by increasing the importance and role of customs post-audit; third, identification of the main methods and instruments of customs regulation and customs control of foreign economic operations and increasing their efficiency with.

At the same time, an important area of scientific research is to clarify the list and characteristics of the key elements of the methodology of state management of foreign economic activity – methods and instruments of state regulation and control of foreign economic activity at both the tactical and strategic levels.

Methods and tools to counteract institutional pathologies in the field of foreign trade by customs authorities

In our previous publications, we have already considered the problems of determining the essential content of such concepts as "method" and "methodology" in the process of scientific cognition and concluded that these concepts should be a separate object of research by scientists, since they do not have an unambiguous interpretation. However, if earlier we focused in more detail on the coverage of general approaches to defining the essence of methodology and the systemic approach (Ivashova and Bakardzhyjev, 2016) and the features of the methodology of public administration in the field of foreign economic activity (Pismachenko (Ivashova), 2009), now we will define the key elements of the methodology of public administration of foreign economic activity, namely, specific methods and tools of management in this area.

In this article, we will focus on specific methods and instruments of customs regulation and customs control of foreign trade in Ukraine, the use of which allows for direct state management of this area of foreign economic activity. In the world and domestic practice, all methods of regulating foreign trade activities are divided into two large groups: administrative methods, which are short-term, restrictive or fiscal in nature and through which the state exercises "manual" control in the field of foreign trade in order to urgently influence the acceleration or deceleration of certain processes based on state needs; economic methods – are long-term, characterized as regulatory and used to promote the development of the national economy and to ensure.

In general, the classification proposed by various authors is mainly reduced to dividing the methods of state regulation of foreign economic activity into two groups according to the method of such regulation – tariff and non-tariff. However, there are different approaches to determining their content and methods of application, taking into account other classification features, namely, the form of influence, nature, duration and purpose of such methods. At the same time, different authors emphasize different features. This allowed us to develop our own classification of methods of regulating foreign economic activity (Fig. 4).

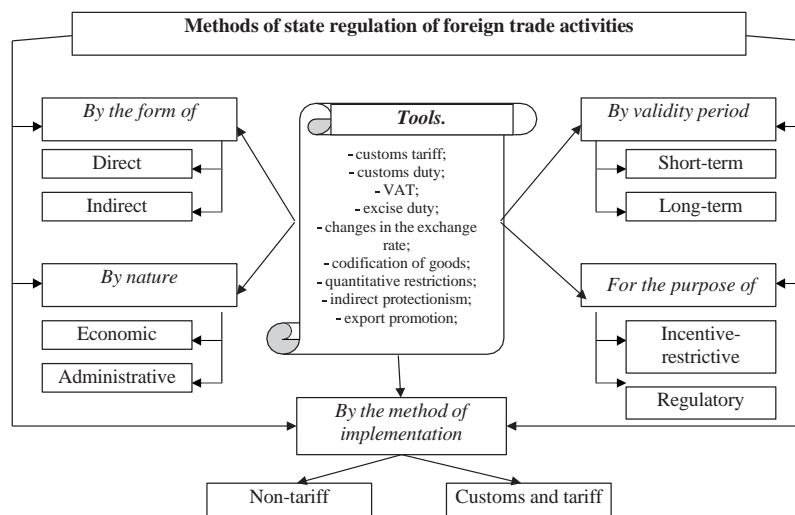


Fig. 4. Classification of methods and instruments of state regulation of foreign trade activity (author's development)

Thus, when developing this classification, we were guided by the work of our predecessors, which allowed us to state the following – regulation of foreign trade activities is carried out through the use of a certain set of tools, such as: customs tariff, customs duty; value added tax, excise duty, changes in the exchange rate, codes of commodity nomenclature, quantitative restrictions, indirect protectionism, technical standards, etc. In general, we presented the description of methods and instruments of regulation of foreign trade relations in the author's monograph (Pismachenko (Ivashova), 2008) in the form of a table (Table 3), which has been slightly revised and, in our opinion, remains relevant.

Table 3

Characterization of the Methods of State Regulation of Foreign Trade Relations by the Composition of Instruments

Feature	Methods	Instruments of state regulation of the TCD									
		Customs tariff	Customs duty	VAT	Excise duty	Changes in currency exchange rates	Codification of goods	Quantitative restrictions	Protectionism	Stimulation exports	Technical standards
By the form of influence	Direct	+	+				+	+	+	+	+
	Indirect			+	+	+					
By nature	Economic	+	+	+	+	+					
	Administrative						+	+	+	+	+
By validity period	Short-term					+		+	+	+	
	Long-term	+	+	+	+		+				+
For the purpose of	Restrictive	+		+	+	+	+	+			+
	Stimulating	+	+			+	+		+	+	+
By the method of implementation	Customs and tariffs	+	+				+				
	Non-tariff			+	+	+		+	+	+	+
Information platform		Customs statistics									

Source: improved on the basis of the author's development (Pismachenko (Ivashova), 2008) [12].

In general, public administration of foreign economic activity involves the widespread use of this information platform, which is created on the basis of statistical methods. The methodology of customs statistics of foreign trade of Ukraine uses its own methods and tools, which require a separate study and coverage in scientific papers and are not the subject of our study.

In general, customs and statistical control and analysis of foreign economic activity allow making the right strategic and tactical management decisions on public administration and regulation of this activity. Based on the level and period at which such decisions are made, we propose to divide all methods of regulating foreign trade activities into two large groups: systemic and strategic and situational and tactical, namely

– *systemic and strategic* methods are economic customs and tariff methods that are direct and long-term, characterized as regulatory and used to promote the sustainable development of the national economy and ensure budget revenues from foreign trade;

– *situational and tactical* methods are administrative non-tariff methods that are indirect and short-term, have a stimulating or restrictive effect, and are used for «manual» management in the field of foreign trade in order to quickly influence the acceleration or deceleration of certain processes based on state needs in uncertain or uncertain situations and circumstances.

In the process of managing foreign trade activities, public administration entities use not only methods and tools of customs regulation that allow them to regulate the processes of foreign trade. Along with these methods, it is advisable to use customs control methods. This makes it possible to provide managers with reliable information necessary for making adequate decisions. In addition, the use of customs control methods streamlines the relationship between the state and business in the field of foreign economic activity, and increases the responsibility of foreign economic operators. Therefore, it is important to understand the role of customs control and to apply the full range of methods and tools for its implementation. In general, the control function of customs authorities that strive to work in accordance with international standards is a leading one.

In accordance with the provisions of the Kyoto Convention (WCO, 1973), the main prerequisites for simplifying customs procedures include methods of customs control over movement and control measures based on the use of audit methods. At present, it is advisable to distinguish the concept of customs control in two areas: customs control during customs clearance; customs control based on audit methods. The application of certain customs control methods depends on the type, form and method of control based on the results of risk analysis (Fig. 5).

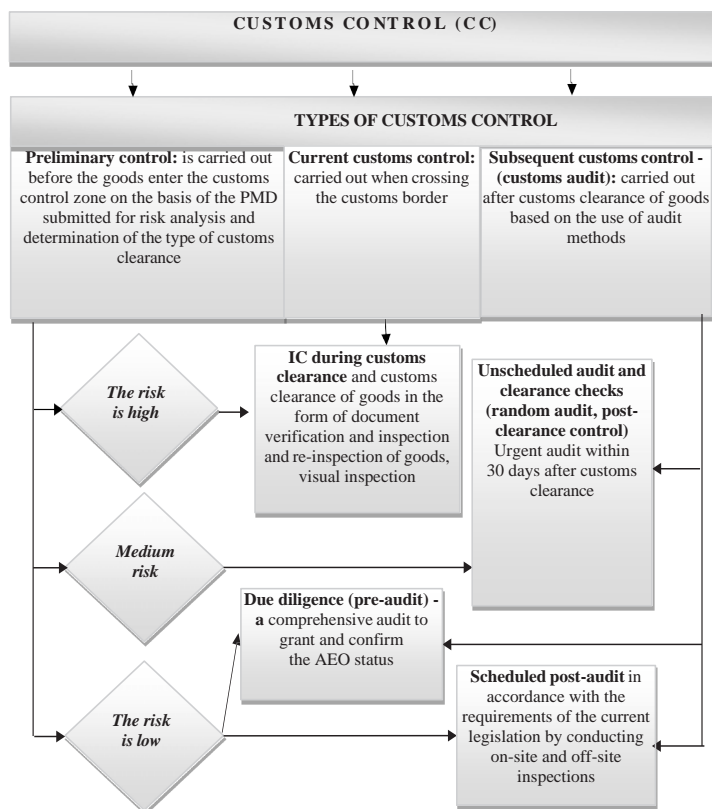


Fig. 5. Structural and logical scheme of risk-based customs control

At present, the choice of the type of control, as well as the selection of effective methods and tools of customs control depends on the proper functioning of the risk management system. After all, control using the risk management system is a risk assessment by analyzing (including using information technology) the submitted documents in a particular case of movement of goods, commercial vehicles across the customs border of Ukraine in order to select the forms and scope of customs control sufficient to ensure compliance with the requirements of Ukrainian legislation on customs affairs (VRU, 2012).

Depending on the type and form of customs control, customs officials may use both general scientific and special control methods that are widely used by state regulatory authorities (Figure 6).

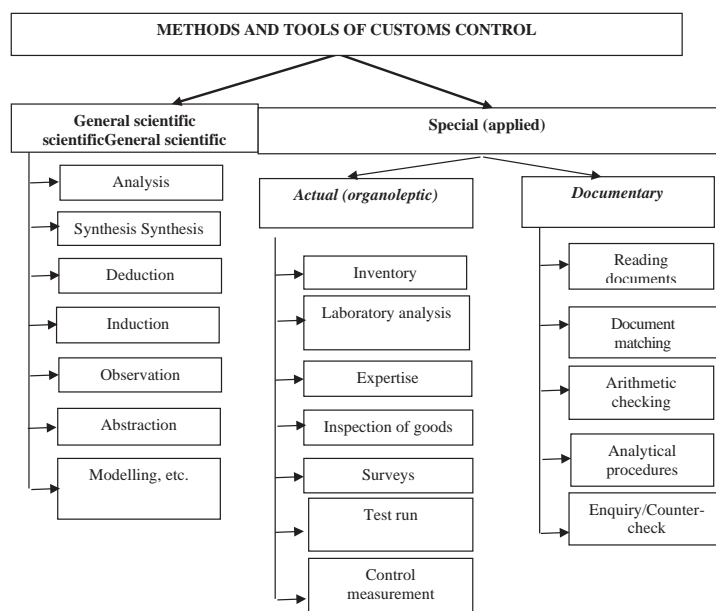


Fig. 6. Classification of customs control methods

The realization of Ukraine’s intentions to integrate into the European Union requires the adaptation of domestic customs legislation to European standards, including the development of customs post-audit.

It is worth noting here that the most effective type of customs control in the world is customs post-audit. In particular, one of the 22 areas of the Customs Blueprints (Customs Blueprints, 2007), which reflect the best EU principles and standards in the field of customs, is the development of customs control in the form of customs post-audit. The use of customs post-audit is intended to facilitate the development of international trade by striking a balance between simplifying trade procedures, on the one hand, and ensuring effective customs control and security, on the other. The practical application of the principles and methodology of customs post-audit is also stipulated by the provisions of the Customs Cooperation Council Resolution – the SAFE Framework of Standards to Secure and Facilitate International Trade, used by the WCO member states (WCO, 2005). Thus, it is now imperative that Ukraine focuses on strengthening and developing risk-based customs control and ensuring the use of customs post-audit methods and tools. In addition, the development of customs post-audit is one of the requirements of the European Commission for Ukraine’s accession to the European Union.

At present, the Customs Service of Ukraine has certain problems that prevent it from fulfilling this requirement, namely: low efficiency of customs control; lack of an effective customs post-audit institution in the structure of the Customs Service; insufficient number of customs post-audit specialists; insufficient level of professional training of customs auditors. In general, we agree with A. Kostenko (Kostenko, 2022) that “...in the current conditions of economic and organizational crisis of the customs authorities, their material and technical base does not allow for a detailed and in-depth analysis of data for post-release inspections due to the use of outdated technologies, lack of objective tools and methods for data analysis and monitoring, as well as staffing problems”.

In order to overcome these problems, we believe it is necessary to: amend the customs legislation to legalize such type of customs control as customs post-audit and methods of its implementation; create

a hierarchical system of customs post-audit in the structure of the customs service; expand the staff of customs post-audit units and provide these units with highly qualified specialists; organize short-term courses for training, retraining and advanced training of specialists in the field of customs post-audit. In addition, to improve the quality of customs control, we believe it is necessary to create an institute of customs intelligence in Ukraine.

Improvement of methodological approaches to the state management of foreign economic activity on the basis of optimization of the composition and increase of efficiency of application of methods and instruments of customs regulation and customs control is one of the ways to overcome institutional pathologies in the field of foreign economic activity.

Conclusions. Institutional support for state regulation of foreign economic activity is ambiguous and sometimes contradictory. The result of the institutional weakness of the state is a significant shadow economy, corruption and financial problems in the country. These problems have resulted in significant institutional pathologies in the area of public administration of foreign economic activity that need to be addressed. This primarily concerns the area of customs regulation and customs control. Methods and tools used by customs officials play an important role in the implementation of customs procedures. Improvement of theoretical and methodological approaches to the methods and tools of customs administration is the basis that will allow for effective institutional changes and shifts towards improving customs.

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МИТНЕ РЕГУЛЮВАННЯ І КОНТРОЛЬ ЗОВНІШНЬОЕКОНОМІЧНОЇ ДІЯЛЬНОСТІ: ІНСТИТУЦІЙНІ ПАТОЛОГІЇ, МЕТОДИ Й ІНСТРУМЕНТИ ЇХ ПОДОЛАННЯ

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Реалізація євроінтеграційних намірів України в сучасному глобалізованому світі потребує належного теоретичного осмислення системних недоліків у сфері державного регулювання зовнішньоекономічної діяльності. Сьогодні ці недоліки мають ознаки інституційних патологій. Наразі потрібне чітке розуміння природи цих патологій й означення шляхів їх подолання, що й висвітлено у статті.

***Метою статті** є дослідження узагальнення наукових підходів до групування інституційних відхилень та порушень у сфері зовнішньоекономічної діяльності, а також визначення основних напрямів, методів та інструментів щодо подолання цих порушень та мінімізації їх наслідків.*

***Методи.** У статті на основі методології системного підходу обґрунтовано напрями протидії інституційним патологіям у сфері зовнішньоекономічної діяльності. У роботі використано ключові елементи методології державного управління зовнішньоекономічною діяльністю. Зокрема, авторами охарактеризовано методи та інструментів митного регулювання зовнішньоекономічної діяльності. Особливу увагу приділено методам митного контролю.*

***Результати.** У статті висвітлено причини та наслідки інституційних патологій та їх вплив на розвиток і ефективність зовнішньоекономічної діяльності. Здійснено групування інституційних патологій у сфері зовнішньоекономічної діяльності та охарактеризовано їх основні риси. Здійснено авторську класифікацію методів та інструментів державного регулювання зовнішньоекономічної діяльності. Означено шляхи подолання таких патологій через використання методів та інструментів митного регулювання. Запропоновано усі методи з регулювання зовнішньоекономічної діяльності об'єднати у дві групи, а саме: системно-стратегічні та ситуаційно-тактичні. Також означено особливості застосування різноманітних методів і прийоми митного контролю як під час, так і після митного оформлення товарів.*

***Висновки.** Авторами обґрунтовано, що залежно від інституційного стану державного регулювання зовнішньоекономічної діяльності та типу інституційних змін приймаються рішення про використання*

тих чи інших методів й інструментів митного регулювання і митного контролю. Прийняття такого рішення є прерогативою митних органів. Ефективність таких рішень залежить від стану інституційного забезпечення державного управління зовнішньоекономічною діяльністю, а також від професіоналізму посадових осіб митних органів, що безпосередньо здійснюють митне регулювання та митний контроль у цій сфері.

Ключові слова: державне регулювання зовнішньоекономічної діяльності, інституційні зміни у сфері зовнішньоекономічної діяльності, тарифні та нетарифні методи митного регулювання, документальні методи митного контролю, ризик орієнтований контроль, пост митний контроль, митний постаудит.

CUSTOMS CLEARANCE OF HUMANITARIAN AID IN UKRAINE DURING WARTIME

The article is devoted to the analysis of the peculiarities of customs clearance of humanitarian aid during the period of martial law in Ukraine. The categories of goods that are humanitarian aid, the volume of shipments of similar goods by foreign countries, emphasizing the key aspects of declaration were considered. The regulation of a separate procedure for the passage of such dual-use goods through the customs border is indicated. The list of business entities that have the right to import military goods into Ukraine has been determined.

The purpose of the article is to study the transformations of the procedure for customs clearance of humanitarian aid as a result of the introduction of martial law in Ukraine and to identify the necessary changes in the current legislation.

Methods. To write the article, a comparative method was used (to systematize information legal acts on customs clearance of humanitarian aid); dialectical (to understand the relationship of the basic); structural and functional (for comparison of national experience); analysis (to highlight the criteria for the category of goods that are humanitarian aid); generalization method (to form the conclusions of the analysis).

Results. With the adoption the Law of Ukraine “On Humanitarian Aid”, which regulates the main aspects of the circulation of humanitarian aid in Ukraine, one of the key conditions for the import of humanitarian goods was its exemption from the tax burden of value added tax and customs duties, and the most important condition for exemption from taxation – recognition of goods moving across the customs border as humanitarian aid. Before the start of the full-scale invasion of the aggressor on the territory of Ukraine, this was accompanied by the need to carry out a number of bureaucratic manipulations even before arriving at the customs border of Ukraine. During the research, it was established that during the period of martial law, the Cabinet of Ministers of Ukraine provided a clear list of goods that are considered humanitarian aid, simplified the procedure for customs clearance of such cargo, regulated the main aspects of recognition and customs clearance of humanitarian aid in the form of dual purpose goods, military goods, medicines and medicines.

Conclusions. Active communication between state bodies and volunteer organizations and, as a result, the introduction of numerous changes in legislation significantly simplified the procedure for importing humanitarian aid into the territory of Ukraine. The procedure for customs clearance of humanitarian cargo has been simplified, and it has been determined, in particular, that goods are recognized as humanitarian aid based on the declarative principle without the adoption of a corresponding decision by specially authorized state bodies on humanitarian aid issues. At the same time, persons who intend to import humanitarian aid goods into the state in the future should be careful in view of the constant improvement of the legislative regulation, restrictions and/or prohibitions regarding certain goods. The search for balanced approach customs formalities remains relevant.

Key words: customs clearance, customs control, customs formalities, humanitarian help, martial law.

JEL Classification: K 13, K 39.

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Introduction. For a long time, Ukraine has been resisting full-scale armed aggression from Russia. During the entire period of martial law, citizens of countries all over the world, governments, charitable organizations, enterprises of various scales direct their efforts to help refugees, citizens of our state and the Armed Forces of Ukraine. However, in the process of importing humanitarian aid into the customs territory of Ukraine, many procedural issues arise, especially when it comes to military and/or dual-use goods.

Literature review. O. Afanasyeva (analysis of modern research on customs procedures on transport in Ukraine), O. Grebelnyk (study of customs clearance during the movement of goods), K. Ilchenko (simplification and harmonization as one of the factors of increasing the volume of foreign trade), N. Koval (Specifics of customs clearance of humanitarian aid moving across the customs border of Ukraine), Y. Nazarova (topical issues regarding electronic customs documentation), L. I. Pashkovska (declaration and customs clearance

of goods and vehicles moving across the customs border of Ukraine), I. Tulyantseva (organization of customs control), V. V. Chentsova (customs law in Ukraine), O. V. Chupryna (classification of customs regimes in legal science and legislation) and others.

The issue of accounting and control of humanitarian aid from national and foreign donors is covered in the works of Z. Levchenko (the procedure for importing humanitarian aid into the territory of Ukraine under martial law), E. Derkach (Legal issues of transporting humanitarian aid cargo under martial law), T. Dugar (humanitarian aid: accounting and taxation under martial law).

The doctrine of humanitarian aid law. Presentation of the main material. According to the provisions of the Law of Ukraine “On Humanitarian Aid”, humanitarian aid is free targeted aid in monetary or in-kind form (non-refundable financial aid, works, services, voluntary donations of goods, products, etc.) provided by domestic or foreign donors in connection with due to the emergence of an emergency situation (armed conflict, natural disaster, man-made disaster, etc.) (Law of Ukraine № 1192-XIV, 1999).

Empirical results. With the beginning of the Russian-Ukrainian war in 2014, more than 50 countries of the world began providing humanitarian and financial aid to Ukraine (including more than 30 foreign companies and a number of international organizations), but with the beginning of the full-scale invasion of the aggressor on February 24, 2022, the volume of donations increased significantly. According to the German agency “Statista”, Estonia, Latvia and Poland provide the largest amount of aid to Ukraine, the ratio of allocated resources and gross domestic product of these countries illustrated in figure 1. (Statista Research Department, 2023).

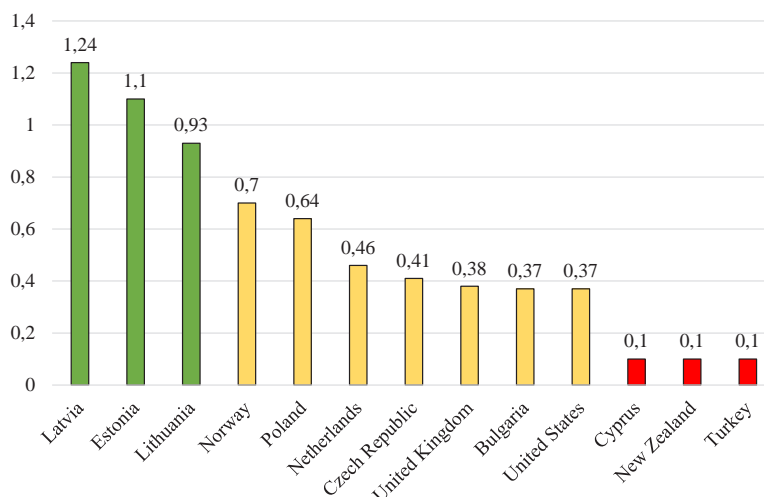


Fig. 1. Countries participating in aid to Ukraine

The Kiel Institute of World Economy took into account only official financial, humanitarian and military aid from January 24, 2022 to February 24, 2023. But when compiling the rating, the costs of accommodating Ukrainian refugees were not taken into account. Countries which supplied the most significant amount of humanitarian aid provided to Ukraine in the period from from January 24, 2022 to February 24, 2023 listed at table 1.

Table 1

**Countries which supplied the most significant amount of humanitarian aid provided to Ukraine
(Wikipedia, 2023)**

Australia	Funds transferred for humanitarian aid: 10 million Australian dollars to a number of non-governmental organizations; 10 million Australian dollars to the World Food Program; 8 million Australian dollars – the United Nations Population Fund; 2 million Australian dollars to the Alliance for Emergency Action in Ukraine; 70,000 tons of coal for Ukrainian power plants
United Kingdom	Humanitarian aid in the amount of 220 million pounds; rations, medical equipment and non-lethal military aid; more than 500 pcs. mobile generators; £2m funded for essential food for regions surrounded by Russian troops
Israel	100 tons of humanitarian aid, including 17 tons of medicines and medical equipment, water purification systems and emergency water supply kits, thousands of tents, blankets, sleeping bags; 4 armored ambulances along with an additional 230 tons of humanitarian aid collected by citizens
Germany	Mobile field hospital worth 5.3 million euros to medical personnel; 10,000 tons of food and hygiene products; 50 medical vehicles
Norway	Humanitarian aid in the amount of 2 billion crowns
South Korea	20 tons of humanitarian aid, which includes automatic defibrillators, ventilators and first-aid kits, which were sent by request from Ukraine; containers with medical equipment worth \$30 million
United States	Humanitarian aid in the amount of 1 billion US dollars; 25 Mitsubishi L200 pick up trucks, 35 Renault Duster SUVs, 16 4x4 personal carriers, 13 cargo trucks
France	65 tons of tents, medicines, foodstuffs, etc.; 8 tons of medical equipment
Switzerland	About 35 tons of emergency aid, including medical equipment and tents; 100 million Swiss francs were allocated; about 3,500 tons of aid, including medical equipment
Japan	30 tons of humanitarian aid including firefighting gear, satellites phones and communication equipment; \$400 million grant to support reconstruction of critical infrastructure in Ukraine; \$5.5 billion of humanitarian aid; 60 generators and over 83,000 solar-powered

In connection with such amounts of income, the Cabinet of Ministers of Ukraine approved a number of normative legal acts, according to the provisions of which the passage of aid through the customs border and the procedure for its customs clearance were simplified as much as possible.

In accordance to the list of categories of goods that are humanitarian aid was approved, in particular: food products, drugs, medicines, textiles, hygiene and basic necessities, etc., i.e. intended not for sale, but for the provision of civil protection of the population and its primary needs; fuel and lubricants, military equipment, vehicles, weapons, equipment, etc., that is, goods necessary to ensure defense and security, the import of which is possible only with a written decision of the relevant military-civilian or military administration (Resolution of the Cabinet of Ministers of Ukraine № 224, 2022).

The implementation of the provisions of the said Resolution made it possible to significantly reduce personnel and time costs. However, goods that are not on the list should be recognized as humanitarian aid on a general basis: during the period of martial law, such a procedure is carried out on a declarative basis (without making relevant decisions of specially authorized state bodies and passing procedures for recognizing aid as humanitarian).

Customs clearance of such humanitarian aid takes place at the place of crossing the code of Ukraine by submitting a specially developed form of the Declaration on the list of goods recognized as humanitarian aid, which must contain the following information: information about the person making the declaration; information about the sender; information about the recipient; details of the vehicle in which transportation is carried out; actual place of unloading and checkpoint at the customs border; a list of goods with an indication of their quantity and volume; signature of the person moving the goods (stamp is not required). Such a declaration is made for each individual truck transporting humanitarian aid and is submitted in paper or electronic form. The declaration is made by the person who transports the goods (for example, a driver or an authorized person), and no additional permits or statements from the receiving party are required, which immediately reduces the financial costs that could have been incurred for searching for a customs broker (Resolution of the Cabinet of Ministers of Ukraine № 147, 2022).

Simplification of the procedure for customs clearance of humanitarian aid, among other things, provides for the cancellation of all measures of non-tariff regulation of foreign economic activity, including: phytosanitary and veterinary-sanitary controls; quota; licensing etc. Despite this, the state export control was not canceled – it underwent certain changes, in this regard it does not apply to special personal protective equipment, weapons, ammunition, means and equipment used for intelligence.

Medicines and medical products make up a significant part of humanitarian aid, so the simplification of customs clearance affected them as well. Currently there is no need to obtain a certificate from the Ministry

of Health or an authorized person to make relevant purchases. In addition, the list of medicines purchased for the implementation of programs in the field of health care has been supplemented (Resolution of the Cabinet of Ministers of Ukraine № 1153, 2022).

However, it should be remembered that the purchase and use on the territory of Ukraine of medicinal products originating from the Republic of Belarus and of the Russian Federation is prohibited (Orders of the Ministry of Health № 503 and 394). Regarding prohibitions, in addition to the above, it is worth noting that it is prohibited to import into the customs territory of Ukraine:

- in the customs regime of import of goods from the Russian Federation (Resolution of the Cabinet of Ministers of Ukraine № 426, 2022);

- goods originating from the Russian Federation (Resolution of the Cabinet of Ministers of Ukraine № 1147, 2015);

- psychotropic, narcotic, poisonous, radioactive, explosive substances;

- printed materials, clichés, negatives, removed films, photographic images, filmstrips, video recordings, copies of magnetic information for computers, manuscripts, records and other sound recordings, drawings and other printed visual materials containing the propaganda of the ideas of war, racism, racial discrimination and genocide, and also aimed at undermining the territorial integrity of Ukraine, its political independence, state sovereignty; products of a pornographic nature;

- goods imported in violation of intellectual property rights.

In addition, the issuance of import permits for publishing products from Russia has been suspended, previously issued permits have been canceled, which is a complete ban on the import of books, magazines, textbooks, newspapers, etc. of the aggressor.

A separate procedure for passing through the customs border such dual purpose goods as plates for body armor has been established; portable non-civilian radio stations; unmanned aerial vehicles (quadrocopters) of non-civilian purpose; binoculars, monoculars and other optical tubes, magnifiers for non-civilian purposes; collimator sights, non-civilian optical sights; thermal imagers, night vision devices (Resolution of the Cabinet of Ministers of Ukraine № 174, 2022).

Before the end of the martial law, in order to recognize the specified goods as humanitarian aid and their passage into the territory of Ukraine, it is necessary to submit a guarantee letter of the final recipient in the prescribed form to the customs clearance authorities.

The final recipients of such assistance may be: law enforcement agencies; military administration bodies; other military formations, created in accordance with current legislation; entities engaged in the fight against terrorism, etc. Unlike the Declaration on the list of goods recognized as humanitarian aid, the guarantee letter must be certified by the seal of the body that will be the end user, as it ensures control of the actual receipt of goods, keeps records of them and monitors compliance with the guarantee obligations provided by it.

Import of other humanitarian aid goods, which belong to: dual-use goods – is carried out in accordance with the Procedure for State Control of International Transfers of Dual-Use Goods (Resolution of the Cabinet of Ministers of Ukraine № 86, 2004); goods for military purposes – in accordance with the Procedure for State Control of International Transfers of Goods for Military Purposes (Resolution of the Cabinet of Ministers of Ukraine № 1807, 2003).

From March 10, 2022, the preparation and issuance of permits for the import of military goods into Ukraine has been accelerated, in particular, the simplification of the registration procedure for business entities that can import such goods has been regulated, and the scope of their activities has been expanded (Resolution № 247). The resolution applies exclusively to economic entities of Ukraine that carry out or intend to carry out the import of goods of military purpose for the needs of law enforcement agencies, the Armed Forces of Ukraine, other military formations formed in accordance with the laws of Ukraine, as well as other entities that carry out the fight against terrorism in accordance with the law.

In addition, it is envisaged to use an end-user certificate of the approved form as a confirming document, which must indicate the place of final installation of the goods, the purpose of their use, and prescribe guarantees that the imported goods will not be used for another purpose and will not be transferred to another consumer on the territory of Ukraine or re-exported without the permission of the State Export Control Service of Ukraine (Resolution № 247).

Conclusions. It can be confidently asserted that active communication between state bodies and volunteer organizations and, as a result, the introduction of numerous changes in legislation significantly

simplified the procedure for importing humanitarian aid into the territory of Ukraine. The procedure for customs clearance of humanitarian cargo has been simplified, and it has been determined, in particular, that goods are recognized as humanitarian aid based on the declarative principle without the adoption of a corresponding decision by specially authorized state bodies on humanitarian aid issues. However, this does not mean that it is enough to purchase goods abroad, fill out a declaration at the checkpoint, indicating that the goods are humanitarian aid, and bring them into the country. At the same time, persons who intend to import humanitarian aid goods into the state in the future should be careful in view of the constant improvement of the legislative regulation of this issue and the established features, restrictions and/or prohibitions regarding the import of certain categories of goods. It is important to follow all the procedures for the registration of humanitarian cargo from the beginning to the very end, because the requirements of the Law of Ukraine “On Humanitarian Aid” have been changed only in part of the procedure for recognizing the cargo as humanitarian aid. Compliance with other rules is mandatory. In particular, it is necessary to correctly define the content of the contracts, adhere to the donation criteria, determine the recipient of this humanitarian aid, correctly make a declaration during the customs clearance of the goods and hand over the humanitarian cargo to the recipient, who must have the appropriate status.

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МИТНЕ ОФОРМЛЕННЯ ГУМАНІТАРНОЇ ДОПОМОГИ В УКРАЇНІ ПІД ЧАС ВІЙНИ

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Стаття присвячена аналізу особливостей митного оформлення гуманітарної допомоги в період дії воєнного стану в Україні. Розглянуто категорії товарів, які є гуманітарною допомогою, обсяги перевезень подібних товарів іноземними державами, акцентовано увагу на ключових аспектах декларування. Зазначено регламентацію окремого порядку пропуску через митний кордон таких товарів подвійного використання. Визначено перелік суб'єктів господарювання, які мають право ввозити в Україну товари військового призначення.

Метою статті є дослідження трансформацій порядку митного оформлення гуманітарної допомоги внаслідок запровадження воєнного стану в Україні та визначення необхідних змін у чинному законодавстві.

Результати. Закон України «Про гуманітарну допомогу» регламентує основні аспекти транспортування та використання гуманітарної допомоги в Україні, однією з ключових особливостей імпорту гуманітарних вантажів є їх звільнення від оподаткування. Перед початком повномасштабного вторгнення агресора на територію України, для оформлення подібних вантажів необхідно було виконати ряд бюрократичних процедур ще до прибуття на митний кордон. Під час проведення дослідження було встановлено, що на час воєнного стану Кабінет Міністрів України склав чіткий перелік товарів, які вважаються гуманітарною допомогою, і спростив процедуру митного оформлення таких вантажів. Також були врегульовані аспекти митного оформлення гуманітарної допомоги, яка може включати товари подвійного та військового призначення, медикаментів та медичного обладнання.

Висновки. Наразі порядок оформлення гуманітарних вантажів був значно спрощений, товари можуть

бути визнані гуманітарною допомогою за декларарування, без потреби отримання спеціального рішення від уповноважених державних органів. Однак особам, які планують ввозити гуманітарну допомогу у майбутньому, слід бути уважними через постійне вдосконалення законодавчого регулювання та встановлення нових обмежень та/або заборон на ввезення певних категорій товарів. Важливим завданням залишається пошук збалансованих методів впливу на здійснення митних формальностей у цьому контексті.

Ключові слова: митне оформлення, митний контроль, митні формальності, гуманітарна допомога, воєнний стан.

SIMPLIFYING AND ENHANCING CUSTOMS VALUATION CONTROL USING POST-CLEARANCE CUSTOMS CONTROL MECHANISMS: PREREQUISITES AND PROSPECTS OF THE INTERNATIONAL CRIMINAL COURT

Purpose. The aim of this research is to outline the potential of customs post-clearance control procedures for verification of the customs value as well as to determine the optimal legislative contours of their model on the example of the customs legislation of Ukraine. **Methods.** The methodological basis of the study comprises of comparative review methods as well as systematic review methods and standard techniques of text analysis with their due adjustment to legislative material. **Results.** The author covered a wide spectrum of scientific and expert studies on the introduction of post-clearance customs procedures for customs valuation control, as well as reviewed the foreign experience of setting down legislative framework for the key aspects of these procedures. **Conclusions.** Under the conditions defined by the law, in particular, at a low level risk of violating the requirements of the customs valuation rules, the release of goods for free circulation may be allowed at the customs value declared by the declarant, if they voluntarily give consent for the declared customs value to be verified as part of customs post-clearance control measures, which could include customs post-clearance control procedure and, if necessary, customs post-clearance audit aimed at examining information and documents confirming authenticity of declaration of customs value, as well as completeness of the calculation and payment of customs charges, determined on the basis of the customs value declared by the declarant. Nevertheless, it should be prescribed that provided that authorized customs authority carries out a full range of measures to verify the correctness of the determination of the customs value in line with the standard procedure before their release for free circulation, customs post-clearance audit should be allowed only as an exception under exceptional circumstances cogently substantiated by customs authorities and relating to impossibility of properly checking the completeness and/or reliability of information on the customs value at the stage of customs clearance.

Key words: adjustment of the declared customs value, customs formalities and controls, determination of customs value, simplified customs declaration, post-clearance customs audit.

Jel classification: F53, H83, P21

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Introduction. Confirmation by the customs authorities of the authenticity and accuracy of the declared information on the customs value and its adjustment to bring it in line with the requirements of the customs legislation is inevitably necessary for the correct calculation of customs charges and ensuring a fair competitive environment on the commodity markets. However, the focus of the customs administration system on a balanced ratio of fiscal priorities and the goal of the greatest promotion of international trade in the activities of customs authorities challenges the customs legislation to provide international traders with such simple and flexible rules of customs clearance and customs control as to maintain the trade and investment attractiveness of the country at the highest possible level, while at the same time taking proper care of meeting the fiscal and security interests of its society. Considering this, it is relevant for the world scientific community to study the rules for customs valuation control from the point of view of finding ways to align them with the most progressive theoretical concepts and the best foreign experience, which are aimed at taking into account as much as possible in the procedures for checking information on the customs value of goods, the variety of features of international transaction that affect the ability of declarants to declare the customs value of imported goods with maximum accuracy, while simultaneously

identifying fraudulent conduct on their part. One of the means that can ensure the achievement of this goal is a customs post-clearance audit as a tool of customs control used after the release of goods for free circulation. In light of this, the aim of this research is to outline the potential of customs post-release control procedures for verification of the customs value as well as to determine the optimal legislative contours of their model on the example of the customs legislation of Ukraine. The methodological basis of the study comprises of comparative review methods as well as systematic review methods and standard techniques of text analysis with their due adjustment to legislative material.

Post-clearance customs control procedures: theory and implementation in the legislation of Ukraine. Beginning the study, first of all, it should be born in mind that customs post-clearance control (post-audit) is widely recognized by the world scientific and expert community as a toolkit that could considerably simplify, speed up and increase the effectiveness of customs valuation control.

According to the World Customs Organization post-clearance audit process is a structured examination, after Customs has released the cargo, of the relevant commercial data, sales contracts, financial and non-financial records, physical stock and other assets of traders. Post-clearance audit has proved to be an essential tool ensuring that Customs controls are effective in many aspects, including compliance with the World Trade Organization Customs Valuation Agreement (World Customs Organization, n.d.). Having acquainted herself with this and other international documents on customs post-clearance audit issues, Maslova (2021) stated that according to the international customs standards and recommendations, post-clearance customs control has a significant potential to reduce the administrative burden on international traders during customs clearance and customs control, as well as to strengthen control over compliance with the provisions of the law relating to the safety of society and the customs interests of the state, since in customs control zones, customs formalities must be performed as quickly as possible and using a limited amount of data, while after the release of goods for free circulation customs authorities have much more time and other resources for control measures at their disposal (p. 366).

Moreover, as Shcherbatiuk (2020) points out, the prospects for improving customs control in almost all EU regulations are related to the development and improvement of customs audit, which is carried out in accordance with the requirements of general regulations that determine the standards for its conduct. However, each EU member country has its own legislative acts that, within the framework of EU regulations, regulate and reflect the national peculiarities of customs control and audit. In accordance with the above, the scientist offers the following directions for improving customs control in Ukraine: legitimize customs audit as a type of customs control in the Customs Code of Ukraine; provide customs audit units with reliable and operational information through close cooperation of customs audit units with risk analysis and assessment units and create customs intelligence units in the structure of the customs service (Shcherbatiuk, 2020, p. 390). Similarly, Fedotov (2016) emphasized that the customs post-clearance audit system occupies one of the leading places in the application of the system of risk analysis and management – the basic philosophy of the modern customs administration (p. 20).

Having studied the Ukrainian legislative basis of the posts-clearance customs control, it could be noted that its main forms are customs post-control and customs post-audit.

Referring to the rules and regulations making provisions for post-customs control, it should be born in mind that as stipulated by Art. 337-1 of the Customs Code of Ukraine (2012) for the purpose of post-customs control, the customs authorities shall have the right to check the accuracy and completeness of the information that is stated in the customs declaration, entry summary declaration and the availability, accuracy and correctness of the documents based on which the release of goods was performed. For that purpose, customs authority shall send to the declarant an electronic notification containing the list of documents to be provided for conducting post-customs control. The outcomes of post-customs control of an entity shall be taken into account by the risk management system applied by the customs authorities and during planning and performance of customs audits (Customs Code of Ukraine, 2012).

Customs audit according to Art. 345 § 1 of the Customs Code of Ukraine include actions taken by the customs authorities to verify that the customs declarations and declarations of customs value are correctly filled out, the declared data is reliable, importation (transfer) of goods into the customs territory of Ukraine or the territory of free customs zone is legitimate, exportation (transfer) of goods from the customs territory of Ukraine or the territory of free customs zone is legitimate, and customs charges as well as penalties, the control over the collection of which is entrusted to customs authorities, are assessed and paid on time, in full and in an accurate manner (Customs Code of Ukraine, 2012). As stated by

Art. 345 § 3 of the Customs Code of Ukraine the customs authorities shall be entitled to carry out customs control through (scheduled or unscheduled) on-site and off-site customs audits to verify compliance with the customs legislation of Ukraine, in particular:

(1) correct determination of tax base, timeliness, accuracy, completeness of assessment and payment of customs charges;

(2) relevance and legality of granting (obtaining) tax privileges and exemptions;

(3) correct classification of goods subject to customs clearance according to the Ukrainian Classification of Goods for Foreign Economic Activity;

(4) correspondence of actual use of the goods moved across the customs border of Ukraine with the declared purpose of such movement and/or congruence of financial and accounting records, statements, agreements (contracts), calculations and other documents of an auditee with the information indicated in the customs declaration, declaration of customs value used for customs clearance under relevant customs procedure;

(5) lawfulness of movement of goods across the customs border of Ukraine, including the importation/exportation of goods into/from the territory of the free customs zone (Customs Code of Ukraine, 2012).

The audit findings in accordance with Art. 345 § 6 of the Customs Code of Ukraine, shall be documented in the report (statement) and serve as the basis for the customs authority to assess the amount of tax liability of the auditee for payment of customs charges and to take actions provided for by the laws of Ukraine (Customs Code of Ukraine, 2012). However, in Art. 345 § 8 of the Customs Code of Ukraine it is prescribed that if in the aftermath of an audit customs decisions on tariff classification or on adjustment of the declared customs value are cancelled or amended, the actions taken by the auditee to adhere to those decisions shall not invoke the imposition of penalties, except for the cases where such decisions were taken based on incorrect documents, inaccurate information submitted by the auditee and/or due to their failure to supply all the information available and required for those decisions that significantly affected the essence of those decisions (Customs Code of Ukraine, 2012).

Having comprehended the above provisions from the point of view of whether the model established by them reflects the concept of speeding up and simplifying customs clearance and customs control, which dominates in scientific and professional literature owing to the transfer of a part of these measures, including those related to customs valuation control, to the post-clearance time, it is to be admitted that that in Ukraine customs post-clearance audit currently does not fulfill this function.

As noted by the Business Ombudsman Council of Ukraine (2018), increasing the control pressure on enterprises after the release of goods for free circulation, the government should accordingly simplify the implementation of customs rules and processes at the previous stages of customs control. It is about the fact that in Ukraine at the moment there is no clear connection between the simplification of the release of goods and the customs audit – according to the current customs legislation, the customs audit does not fulfill its purpose of being a tool for speeding up and simplifying customs clearance by reducing the process of interaction with customs authorities at customs posts. Taking this into account, experts of the Business Ombudsman Council emphasized that for the successful implementation of post-clearance audit procedure, the possibility of releasing goods for free circulation should not depend on whether the final determination of the amount of duties, taxes, fees and payments took place (Ukrainian Business Ombudsman Council, 2018, p. 50). Experts of the American Chamber of Commerce in Ukraine express the similar thoughts in their publication, dedicated to the guiding principles for customs affairs in Ukraine. In this regard, they claim that bringing in post-clearance customs control is inefficient without the simultaneous introduction of other instruments closely related to post-clearance audit – for example, risk management, simplification and automation of customs procedures, interaction between units that carry out customs clearance and auditors in order to reduce the scope of control during the release of goods (American Chamber of Commerce in Ukraine, 2020, p. 32).

Conversely, improper rules and regulations setting down the grounds and procedure of customs post-clearance control due to backward understanding of the purpose of this tool, as well as due to its incorrect practical application from the point of view of a balanced ratio of fiscal priorities and the goal of the greatest promotion of international trade, completely nullifies the potential of this procedure to simplify the application and increase the effectiveness of customs valuation control and the fulfillment of other customs formalities.

In particular, in context of the shortcomings of regulation and the practical application of customs post-clearance audit procedures, due weight should be given to the outcomes of the annual survey of Ukrainian

exporters and importers by the Institute of Economic Research and Political Consultations in 2021 on the topic of simplifying trade procedures in Ukraine (customs procedures, appeals and digital products), according to which it was found that the post-clearance audit procedure at that moment was exceedingly complex and notorious for considerable duration, as well as exporters' dissatisfaction with it is related to:

unjustified increase in the customs value of goods at the audit stage;

– changing the product code in disregard of an already submitted customs declaration;

– a different approach to the same legislative requirements on the part of customs officers and auditors (Institute of Economic Research and Political Consultations, 2021, p. 14).

Explaining these phenomena, Novik (2018) pertinently emphasized that the adoption of post-clearance customs control as the basis of the customs control toolkit without its proper legal regulation can lead, along with an increase in number of overcharged customs duties and fines, to an increase in the tax burden of enterprises as well as to a significant decrease in the rate of their collection, with the classification of its part as hopeless (p. 168).

Equally relevant in this context are the considerations of Savarets (2017) that post-clearance audit as a form of customs control should be inextricably linked with the procedure and moment of release of goods for free circulation based on the results of the risk management system. Accordingly, post-clearance audit can be conducted on sole condition that additional types of control were not applied during customs clearance. If the customs authority applied additional types of control during customs control and clearance and afterwards did released goods for free circulation, then in order to carry out further verification of such a transaction and question its lawfulness, the customs authority must provide substantiated facts (Savarets, 2017).

Nevertheless, the cautious remarks about the limited possibilities and risks of the customs post-clearance audit should be taken into consideration. In particular, it is firmly believed that one of the most common arguments used by critics of the introduction of post-release customs controls is the risk of impossibility to collect due customs charges in the event that the legal entity ceases to exist after the customs clearance. Ensuring the inevitability of punishment for fraud and/or the possibility of collecting the appropriate duties from importers (when charges have been accrued as a result of inspections) in the event of the actual termination of the activities of such legal entities is unlikely to be fully within the scope of the ongoing reform of the customs service (Ukrainian Business Ombudsman Council, 2018, p. 50).

Foreign practices of post-release customs valuation control. An additional argument in favor of the enrichment of customs law with provisions ensuring simplification and enhancing control over the correctness of the determination of the customs value of goods through transferring of part of the control measures to the time after the release of goods for free circulation, is that such practices are already provided for by the customs legislation of the European Union and certain individual countries

In this context the special simplified procedure established by the Kazakh customs legislation for the release of imported goods prior to the final determination by customs authorities of their customs value attracts particular attention. In line with Art. 65 § 16 of the Code of the Republic of Kazakhstan on customs regulation in the Republic of Kazakhstan (2017), in the event that during the customs declaration of goods their exact customs value cannot be determined due to the fact that on the date of registration by the customs body of the declaration for goods in accordance with the terms of the transaction under which the goods are sold for export to the customs territory, there are no documents containing the exact information necessary for its calculation, it is allowed to postpone the determination of the exact customs value the goods. In this case, the declaration and determination of the customs value of goods on the basis of documents and information held by the declarant (the preliminary customs value), as well as payment of customs charges calculated with reliance on the declared preliminary customs value shall be allowed (Code of the Republic of Kazakhstan on customs regulation in the Republic of Kazakhstan, 2017).

In addition, it should be noted that the afore-mentioned special simplified procedure has obvious points of contact with the simplified declaration procedure under the customs legislation of the European Union. According to Art. 166 of the European Union Customs Code (2013) the customs authorities may accept that a person has goods placed under a customs procedure on the basis of a simplified declaration which may omit certain of the particulars relating to transaction and imported goods, including those information and documents confirming their customs value. The regular use of a simplified declaration shall be subject to an authorisation from the customs authorities. As determined by Art. 167 § 1 of the European Union Customs Code, in the case of a simplified declaration the declarant shall lodge a supplementary declaration

containing the particulars necessary for the customs procedure concerned at the competent customs office within a specific time-limit (European Union Customs Code, 2013). Describing the application of these statutory provisions in the context of customs value declaration, European Commission's Directorate-General for Taxation and Customs Union indicates that, traditionally, importers that could not determine a value element at the time of importation would resort to a simplified declaration, which may omit certain particulars normally required. The regular use of such simplification is subject to a prior authorization, and a guarantee is generally required pending the submission of a supplementary declaration providing the missing particulars. Where Customs value is concerned, the EU simplified declaration reflects the spirit of Article 13 of the WTO Valuation Agreement. When particulars for the final determination of the Customs value of imported goods are not yet available at the time of declaring the goods to Customs, the goods may be released, subject to a guarantee that covers the amount of customs duties due in connection to those imported goods (European Commission's Directorate-General for Taxation and Customs Union, 2020).

Thus, the specific and promising practices of controlling the correctness of the determination of the customs value and its adjustment, provided for by the legislation of some states, are, in particular: 1) a special simplified procedure for the release of goods imported into the customs territory for free circulation until the final agreement by the customs authority and the declarant of their value for customs purposes based on the documents and information available to the declarant (preliminary customs value) with subsequent adjustment based on the results of customs control, including in the form of documentary checks of compliance with the requirements of customs legislation (Kazakhstan); 2) the European procedure for simplified declaration and release of goods for free circulation in disregard of absence of some of information or documents and on condition that payment of customs charges is ensured with a guarantee before lodging a supplementary declaration with omitted information and documents, as well as the need for prior approval by customs authorities for the regular use of this simplification.

Conclusions. Having looked into scientific and expert studies on the introduction of post-clearance customs procedures for customs valuation control, as well as having reviewed the foreign experience of setting down legislative framework for the key aspects of these procedures, it could be concluded that under the conditions defined by the law, in particular, at a low level risk of violating the requirements of the customs valuation rules, the release of goods for free circulation may be allowed at the customs value declared by the declarant, if they voluntarily give consent for the declared customs value to be verified as part of customs post-clearance control measures, which could include customs post-control procedure and, if necessary, customs post-audit aimed at examining information and documents confirming authenticity of declaration of customs value, as well as completeness of the calculation and payment of customs charges, determined on the basis of the customs value declared by the declarant. Nevertheless, it should be prescribed that provided that authorized customs authority carries out a full range of measures to verify the correctness of the determination of the customs value in line with the standard procedure before their release for free circulation, customs post-clearance audit should be allowed only as an exception under exceptional circumstances cogently substantiated by customs authorities and relating to impossibility of properly checking the completeness and/or reliability of information on the customs value at the stage of customs clearance. This solutions are perfectly aligned with the best practices of customs valuation control provided for by the legislation of customs unions and certain countries are, in particular: 1) a special simplified procedure for the release of imported goods for free circulation prior to the final determination of customs value introduced by the law of Kazakhstan (preliminary customs valuation); 2) the European procedure for simplified declaration and release of goods for free circulation in disregard of absence of some of information or documents and on condition that payment of customs charges is ensured with a guarantee.

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СПРОЩЕННЯ ТА ПІДВИЩЕННЯ ЕФЕКТИВНОСТІ КОНТРОЛЮ ПРАВИЛЬНОСТІ ВИЗНАЧЕННЯ МИТНОЇ ВАРТОСТІ ТОВАРІВ ЗА ДОПОМОГОЮ ЗАХОДІВ МИТНОГО ПОСТ-КОНТРОЛЮ: ПЕРЕДУМОВИ ТА ПЕРСПЕКТИВИ

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Мета. Метою цього дослідження є окреслення потенціалу процедур контролю правильності визначення митної вартості товарів після їх випуску у вільний обіг та визначення оптимальних законодавчих контурів їх моделі на прикладі митного законодавства України. **Методи.** Методологічна основа дослідження включає порівняльно-правовий метод, системний метод досліджень та стандартний набір формально-догматичних технік вивчення правових джерел. **Результати.** Досліджене широке коло наукових та експертних публікацій з питань запровадження процедур контролю правильності визначення митної вартості товарів після їх випуску у вільний обіг, а також оглянутий зарубіжний досвід правового регулювання цих ключових аспектів цих процедур. **Висновки.** Обґрунтований висновок про те, що за визначених законодавством умов, зокрема

за низького рівня ризику допущення порушень вимог законодавства про митну вартість, може допускатись випуск товарів у вільний обіг на митній території за заявленою декларантом митною вартістю, якщо воно добровільно погодиться на перевірку правильності її визначення у рамках заходів митного контролю після випуску товарів у вільний обіг, якими є митний пост-контроль та, у разі необхідності, документальна перевірка дотримання вимог митного законодавства (митний пост-аудит) у частині достовірності декларації митної вартості, а також повноти нарахування та сплати митних платежів, визначених на основі заявленого декларантом числового значення митної вартості. Водночас, висловлюються аргументи на користь того, що за умови виконання уповноваженим митним органом повного спектру заходів контролю правильності визначення митної вартості товарів за звичайною процедурою до їх випуску у вільний обіг, митний пост-контроль та документальна перевірка дотримання вимог митного законодавства (митний пост-аудит) мають допускатись лише як виняток за умови належного обґрунтування митним органом причин неможливості або ускладненості перевірки повноти та/або достовірності відомостей про митну вартість товарів на етапі митного оформлення. Звернена увага й на те, що ці пропозиції цілком узгоджуються з прогресивними практиками контролю правильності визначення митної вартості та її коригування, передбаченими законодавством деяких зарубіжних держав та митних об'єднань, зокрема: 1) з передбаченим законодавством Казахстану спеціальним спрощеним порядком випуску товарів у вільний обіг за попереднім числовим значенням митної вартості; 3) з європейською процедурою спрощеного декларування та випуску товарів у вільний обіг, яка допускає відсутність деяких із відомостей чи документів, у тому числі тих з них, що пов'язані з митною вартістю, та передбачає забезпечення сплати митних платежів гарантією до подання додаткової декларації.

Ключові слова: визначення митної вартості товарів, коригування митної вартості товарів, митне оформлення та митний контроль, митний пост-аудит, спрощене митне декларування.

PECULIARITIES OF ITALIAN “DRY PORTS” IN THE CONTEXT OF FOREIGN ECONOMIC ACTIVITY

Objective. *The article is aimed at studying the Italian experience of the peculiarities of functioning of dry ports in the context of foreign economic activity.*

Research methods. *To achieve this goal, the following methods were used: induction and deduction, theoretical generalisation, abstraction, dialectical cognition – when studying scientific sources and researching the specifics of the creation and operation of dry ports, comparative method – for systematisation of information on legal acts, structural and functional method – for studying foreign experience, and the method of generalisation – for forming the conclusions of the study).*

Results. *The article analyses the main legislative acts of Italy that regulate the creation and functioning of the country's intermodal infrastructure, namely: Law № 240 of 4 August 1990 on the State Regulation of the Construction of Interports Aimed at the Transport of Goods and in Favour of Intermodality; National Logistics Plan for 2011–2020; and Draft Law № 703 on the Framework Law on Interports.*

The study found that in order to consolidate and develop intermodal transport and logistics in the country, the Union of Interports of Italy (Unione Interporti Riuniti) was created, the main purpose of which is to increase the role of multimodal facilities and develop a stable connection between them and all other entities involved in logistics activities.

The author analyses the activities of the largest dry ports in Italy in the context of their specifics, location and transport links, the range of logistics and customs services provided by them, the area and logistics, forms of ownership, ownership structure, etc.

Scientific novelty. *The study of international experience in the creation and operation of intermodal infrastructure facilities has been further developed.*

Practical significance. *The main provisions of this study can be used in the process of developing proposals for improving the procedure for creating dry ports in Ukraine.*

Key words: intermodal transport, dry port, infrastructure facilities, logistics.

JEL Classification: F 20.

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Problem statement. The volume of intermodal transport in the world is growing every year. Thus, as of 2022, the global intermodal freight market is estimated at USD 54.8 billion. At the same time, it is expected to reach USD 171.5 billion in 2030. The average annual growth rate of this freight transport industry is projected to be 15.3% (Intermodal Freight Transportation, 2023). Therefore, the development of dry ports in Ukraine, as an important component of the intermodal business, can significantly improve the dynamics of Ukraine's foreign economic activity under martial law. Therefore, it is necessary to study the possibilities of implementing international best practices in the creation of such logistics centres in Ukraine.

It is determined that in some countries, intermodal infrastructure is characterised by a high level of development and a significant impact on the national economy, in particular in Italy. Therefore, it has been chosen as a benchmark for developing proposals for the development of Ukraine's logistics infrastructure, in particular, the creation of dry ports. It is worth noting that it is impossible to fully translate effective international experience into domestic practice given the peculiarities of our country's geographical location, its logistics potential and the war-affected business environment. However, certain elements of this experience can be used as a basis for a model for the creation and operation of dry ports in Ukraine.

Analysis of recent research and publications. Among the scholars who have studied the peculiarities of intermodal infrastructure functioning, the following can be distinguished: Artemenko A. V., Zavorodna Y. V., Nelipovych O. V., Melnyk O. V., Miroshnyk O. V., Rudoi T. V., Tymoshchuk O. M., Shcherbyna V. V.

Despite the significant number of studies on this topic, there are still many controversial issues that require further study, including a study of international experience in the specifics of dry ports and the possibility of its implementation in Ukraine.

The article is aimed at studying the Italian experience of the peculiarities of functioning of dry ports in the context of foreign economic activity.

Summary of the main research material. The main legislative act that regulates the creation and operation of the country's intermodal infrastructure and defines the legal regime of dry ports is the Italian Law "On the State Regulation of the Construction of Interports Aimed at the Transport of Goods and in the Benefit of Intermodality" of 4 August 1990, № 240. This law contains provisions on (Legge n. 240, 1990):

- definition of the term "dry port". "A dry port is an organic set of integrated structures and services aimed at the exchange of goods between different modes of transport, and includes rail connections to seaports and airfields and access to motorways;
- classification of interports ("dry ports" in Italy), which are divided into national and local ports and are defined by the General Transport Plan;
- construction and management of interports. Initially, it was determined that the construction and management was entrusted to state bodies and joint-stock companies united in consortia on the basis of a concession agreement, which later turned out to be contrary to the European Directive DIR. 75/130/EC and DIR. 92/106/EC, which favour liberalisation. Therefore, a legislative decree was adopted on 01.04.1995, which essentially provided for the privatisation of intermodal infrastructure;
- peculiarities of financing interports;
- rules for intermodal activities.

Another regulatory act that has been used to develop Italy's intermodal infrastructure for a long time is the National Logistics Plan for 2011–2020, developed by the General Consultation for Road Transport and Logistics at the initiative of the Minister of Infrastructure and Transport. This national plan is a tool for implementing the 2001 General Transport and Logistics Plan to ensure a unified direction of transport policy, as well as to coordinate and harmonise the exercise of powers and administrative interventions by the state and regions. The logistics plan identifies ten areas of intervention, characterised by fifty-one measures to be implemented in various transport and logistics sectors. It affirmed the central role of intermodality and the need to achieve a high level of free and intermodal integration, and it was also intended to create, through the intervention of local authorities and careful financial planning, rail and road infrastructure capable of guaranteeing their interconnection with the Trans-European Transport Networks (TEN-T networks) in order to achieve socio-economic benefits. The most important measures to be taken at the regulatory level outlined in the Plan are, in addition to the provision of incentive schemes for intermodality, the reform of the port legal system, the creation of a transport and logistics authority and the reform of the law on freight villages ("dry ports") (Il testo della legge quadro sugli interporti, 2010).

In recent years, the need to reform the procedure for the establishment and operation of interports has become increasingly acute, as Law № 240 of 1990 has become outdated, and therefore legislators have drafted the Framework Law on Interports № 703, which is currently being considered by the Italian Senate. Its main objective is to create an efficient network of dry ports capable of concentrating logistics operators, shippers, road transport companies, intermodal terminals and customs services. The main points to be provided for in the draft law are (Legge A. C. 703, 2023):

1. Specifying the goals of intermodal infrastructure.
2. Implementation of intermodal planning principles.
3. Identification conditions and requirements for creating interports.
4. Functions and responsibilities of the National Committee for Intermodality and Logistics.
5. The legal regime of import management (management is based on private law).
6. Financial support for the development of intermodality, interports and inter-port railway connections.

"Today, dry ports are one of the most important components of the Italian logistics industry, which is why the Union of Italian Interports (Unione Interporti Riuniti – hereinafter referred to as UIR) was established to consolidate and develop intermodal transport and logistics in the country. UIR is a

national association that unites almost all Italian interports. Founded in 2003, the Association is the sole representative of the intermodal transport sector, whose main goal is to enhance the role of multimodal facilities and develop stable communication between them and all other entities involved in logistics activities. The Association also carries out information, education and promotion activities for members, legislative and governmental institutions, as well as business structures, acting as a qualified intermediary to help solve problems related to the development of the national logistics and transport system (UIR, 2023). In order to become a member of the UIR, the dry port authority must apply for membership and be assessed by a special committee for compliance with certain criteria. In addition, according to the law, all dry ports operating in Italy must be registered with the Ministry of Infrastructure.

Today, 24 intermodal facilities are members of the Association: Interporto Bologna S.P.A., Interporto Centro Ingresso Pordenone, Interporto Regionale Della Puglia, Interporto Cervignano Del Friuli S.P.A., Civitavecchia Fruit & Forest Terminal, Stazioni Doganali Autoportuali di Gorizia, Interporto Toscana Amerigo Vespucci S.P.A., Interporto Sud Europa, Interporto Campano, Polo Logistico Di Mortara S.P.A., Interporto Centro Italia Orte S.P.A., Interporto Servizi Doganali E Intermodali Del Brennero S.P.A., Interporto Padova S.P.A., Interporto Di Parma, Portogruaro Interporto S.P.A., Carbones Italy SRL, Interporto Della Toscana Centrale S.P.A., Interporto Rivalta Scravia S.P.A., Interporto Vado Io Spa, Interporto Di Rovigo S.P.A., Società Interporto Di Torino, Interporto Di Venezia, Quadrante Europa Verona Interporto, Interporto Di Trieste (Unione Interporti Riuniti, 2023).

According to the official data of the UIR (Interporti, una riforma trainata dal Pnrr, 2023), the total area of warehouses of all dry ports is more than 32 million m², and 50,000 trains are unloaded/loaded every year, transporting more than 65 million tonnes of cargo, equivalent to 2 million TEU.

The vast majority of dry ports operating in Italy are established in the form of joint-stock companies Società per azioni (S.P.A.) is a form of corporation in Italy, literally translated as “company limited by shares”. Shareholders’ interests in a joint-stock company are distributed in the form of shares, and the minimum authorised capital is EUR 120,000. The supreme governing body of a joint-stock company is the general meeting of its shareholders. A joint-stock company is the only form of business that allows the company’s shares to be listed on a stock exchange.

In some cases, a limited liability company (Società a responsabilità limitata (S.R.L.) is also used. Unlike a joint-stock company, in this form, the shares of the participants are not in the form of shares, and the minimum authorised capital is EUR 10,000. If an SRL has two or more founders, at the time of its establishment, at least 25% of the authorised capital must be deposited into a special bank account. And if there is only one founder, then the entire €10,000 must be deposited at the time of registration. For example, in 2013, the international Austrian corporation Carbones established an intermodal terminal in Italy in the form of a limited liability company, which is to handle such cargoes as coal, ferroalloys, iron and steel products.

For example, let’s look at the ownership and ownership structure of some of Italy’s dry ports (Table 1):

Thus, the table above shows that in the vast majority of cases, Italian dry ports are established in the form of public-private partnerships in which the majority of shares are held by state shareholders (usually the shareholder with the largest share is a municipality or provincial administration). The charters of most dry ports state that the share of state shareholders in the charter capital cannot be less than 20%. Other shareholders are usually banking institutions, transport companies, chambers of commerce and industry, associations or unions of industrialists. The import port is managed by the Board of Directors, which is appointed on the basis of the dry port’s charter and the current Italian legislation. The Chairman of the Board of Directors is appointed by the municipality of the province where the logistics facility is located. The Executive Director, who directly manages the port, is appointed by the Board of Directors.

One of the most important issues that arise when opening a dry port is its location and transport links. As a rule, such logistics facilities are located close to international roads and railways, airports, seaports and river ports. For example, in Italy, 70% of the total cargo traffic handled by dry ports is accounted for by those located in the northern part of the country (14 out of 24) (Fig. 1), which is due to the fact that the largest pan-European corridors pass through this region of Italy: Corridor 1 (Baltic-Adriatic); Corridor 3 (Mediterranean), which partially replaces the former Corridor 5 Lisbon- Kyiv; Corridor 5 (Helsinki-La Valletta), which partially replaces the former Corridor 1 Berlin-Palermo; Corridor 6 (Genoa-Rotterdam).

Table 1

Ownership and structure of Italian dry ports

“Dry Port”	Form of ownership	Ownership structure, % of shares
Interporto Centro Ingrosso Pordenone	S.P.A.	Chamber of Commerce of Pordenone-Udine – 78.97% The Municipality of Pordenone – 15.34%. Interporto – Centro Ingrosso di Pordenone S.p.A. – 4.28%. Confederation of the North Adriatic – 0.67% The Union of Italian Enterprises – 0.35% Pordenone Craftsmen’s Union – 0.30%.
		Provincial federation of winegrowers – 0.04%. Provincial Union of Friulian Co-operatives – 0.02%. Provincial Union of Farmers of Pordenone – 0.01%.
Interporto Bologna	S.P.A.	The Municipality of Bologna – 35.1%. Bologna Metro – 17.56%. Intesa Sanpaolo Banking Group – 17.21%. Chamber of Commerce and Industry of Bologna – 5.9% Association of Industrialists of the Provinces of Bologna, Modena, Ferrara – 5.13%. BPER Banca Banking Group – 2.6%. Unilog Group – 2.47% Interporto Bologna – 2.11%. Banca Nazionale Del Lavoro s.p.a. – 2.08% Generali Italia – 1.69%. Mercitalia Rail 1.49%. A.B.S.E.A. – 1.49% Banco BPM – 1.43%. Artigianato Group of companies – 1.43% Dexia Crediop – 1.13%. L’operosa – 1.1%.
Società Interporto di Torino	S.P.A.	Finpiemonte (owned by the Piedmont region) – 52.74% Socotras (an association of private companies) – 43.26 Mercitalia Logistics – 4%.
Interporto Rivalta Scravia	S.P.A.	Argo Financial SPA – 1.65%. Port Authority of Savona – 0.06%. Autostrada Dei Fiori SPA – 48.16%. Municipality of Alessandria – 0.19%. Confindustria Alessandria – 0.13%. Finpiemont – 4.72%. Rivalta Scrivia Interport – 49.81%
Stazioni Doganali Autoportuali di Gorizia	S.P.A.	Municipality of Gorizia – 100%

Source: based on (Stazioni Doganali Autoportuali di Gorizia, 2023; Interporto Rivalta Scravia, 2023; Società Interporto di Torino, 2023; Interporto Bologna, 2023; Interporto Centro Ingrosso Pordenone, 2023)

1. In addition to these transport corridors, it is also worth noting the Adriatic and Tyrrhenian trade routes that pass through the area (Rapporto UIR, 2013).

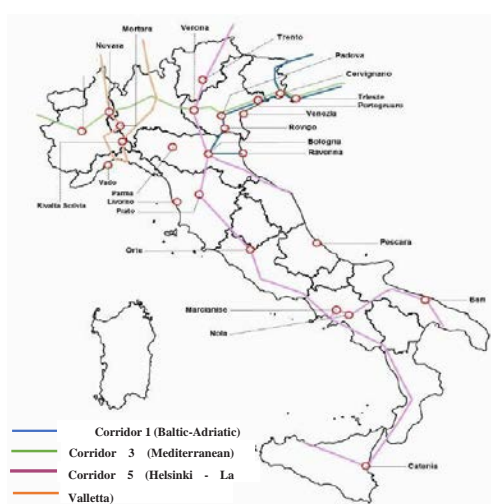


Fig. 1. Location of Italian ports

Source: based on (Interporti finanziati con sovvenzioni pubblici, 2013)

The location of a dry season port largely determines its transport links. Let's consider the transport connection of Italian interports (Table 2).

Table 2

Transport links between Italian interports

“Dry Port”	Railway connection	Air services	Road connections	Sea connection
Interporto Centro Ingrosso Pordenone	The railway connection is provided by the operator Rete Ferroviaria Italiana by railway lines Venice – Udine – Tarvisio – Trieste	Marco Polo International Airport (Venice)	Motorway A28 Trunk road SS13	Seaports of Venice and Trieste
Interporto Bologna	Railway connection is provided by the Terminali Italia operator	Guglielmo Marconi International Airport (Bologna)	At the crossroads of 5 transport routes of national and international importance and between Corridor 3 (Mediterranean) and Trans-European Corridor 5 (Helsinki-La Valletta) and Corridor 1 (Baltic-Adriatic).	The seaports of Trieste, La Spezia and Livorno.
Interporto Cervignano Del Friuli	Railway lines: – Venice – Trieste; – Cervignano – Palmanova – Udine; – Udine – Tarvisio	Ronchi dei Legionari Airport (Trieste)	Motorway A4	Seaports of Trieste, Nogaro and Monfalcone
Interporto Di Gorizia	International railway line Gorizia-Nova Gorica	Ronchi dei Legionari Airport (Trieste)	Italian motorway A34, which branches off the A4 motorway (part of the European route E70). Slovenian motorway H4	Seaports of Trieste, Nogaro and Monfalcone
Interporto Campano	It is the only intermodal platform in Italy that has a private railway station operated by RFI (Rete Ferroviaria Italiana).	Capodoccolo International Airport (Naples)	Motorways: A16 Naples-Bari, A30 Caserta-Salerno, A1 Naples-Milan, A3 Salerno-Reggio Calabria	Seaports of Naples, Gioia Tauro, Taranto, Salerno and Bari

Source: based on (*Stazioni Doganali Autoportuali di Gorizia, 2023; Interporto Bologna, 2023; Interporto Centro Ingrosso Pordenone, 2023; Interporto Campano, 2023; Interporto Cervignano Del Friuli, 2023*)

Thus, based on the information provided in the table, it is possible to identify a number of features of the transport connection of dry ports in Italy, namely

- the vast majority of intermodal terminals use the services of the national railway operator Rete Ferroviaria Italiana. Nevertheless, other regional operators, such as Ferrovie Emilia Romagna and Ferrovie del Sud Est, also provide transport services;
- Almost all dry ports are located near major cities, which gives them access to a network of international airports;
- Italy's imports do not have connections to inland waterways (unlike in northern Europe, where this mode of transport is widely used in the intermodal industry);
- Usually, a dry port is created as a satellite for a particular seaport, but Italian ports provide their services to several simultaneously.

Thus, Italy's dry ports allow for the integration of land, rail, water and air transport, creating synergies between the 4 modes of transport, which allows for dynamic and efficient management of logistics flows.

Another important characteristic of interports is their area and logistics. Their capacity and efficiency depend on these characteristics. For example, let's look at these characteristics of several dry ports (Table 3).

Table 3

Area and material and technical support of Italian interports

"Dry Port"	Area.	Logistical support
Interporto Centro Ingresso Pordenone	Total area 840,000 m ² including: – Railway terminal – 160,000 m ² ; – Office space – 200 m ² ; – Railway equipment workshop – 1000 m ² ; – Conveyor and shipping warehouses – 107,000 m ² ; – Logistics centre – 30,000 m ² ; – Intermodal platform – 100,000 m ² ; – Industrial zone – 25,000 m ² ; – Space for warehouses and storage areas: 50,000 m ² .	The railway terminal has 7 tracks, 3 of which are electrified for 800 metres and 4 for 750 and 700 metres. The platform is designed to receive Ro-La trains (freight transport by train) and is prepared for the installation of portal cranes.
Interporto Cervignano Del Friuli	It covers an area of 460,000 m ² , which includes: – Intermodal terminal – 160,000 m ² ; – Covered warehouses – 24,000 m ² ; – Open warehouses and car parks – 50,000 m ² ; – Administrative buildings – 2500 m ² .	– 3 railway branches of 2 tracks of 750 m each; – road scales and two overhead cranes with a lifting capacity of 12.5 and 30 tonnes; – 4 riverboats (3 of them with piggybacks); – 2 port tractors and loaders of various capacities; The warehouses are connected to the railway and are equipped with hydraulic shutters, an external platform at the level of the shutters, a sprinkler system, service offices and technical facilities.
Interporto Di Gorizia	Total area 600,000 m ² including: – 43,000 m ² – covered warehouses; – 260,000 m ² of open warehouse space; – 20,000 m ² – intermodal terminal; – 33,000 m ² – cooling rooms.	– The warehouse is equipped with an air purification system and an overhead crane with a lifting capacity of 25 tonnes; – 5 caterpillar tractors with lengths of 500 m, 385 m, 350 m, 340 m; – The Ro-La system, consisting of concrete platforms and loading ramps located along the main railway axis; – 11 cooling chambers (from 190 m ² to 650 m ²) with a total area of 4,400 m ² and a total volume of 28,700 m ³ ; – A modern racking system that can store up to 3,800 pallets; – A warehouse management system for tracking batches of goods and containers and separate inventory management.
Interporto Toscana Amerigo Vespucci	Total area 2 800 000 m ² including: – 120,000 m ² – covered warehouses, of which: – 7,500 m ² – premises with refrigerated chambers for chilled products (from 0° to 14°C); – 2,000 m ² – warehouses for frozen products (down to -30°C); – 3,000 m ² – warehouses for fruit ripening and processing. – 830,000 m ² – open warehouse space; – 126,000 m ² – railway terminal; – 142,000 m ² – the area for the provision of various services; – 285,000 m ² – green areas; – 1,000 m ² – premises for customs control; – 736,000 m ² – other areas; – 162,400 m ² – areas of future developments.	The railway terminal is equipped with 4 tracks and 1 transtainer crane. 360 compartments for heavy vehicles 2 high-speed corridors connecting to the port terminals of the seaport of Livorno. A special feature is the availability of storage facilities with the ability to maintain temperatures down to -30°C.
Interporto Padova	Total area 1,100,000 m ² including: – 270,000 m ² – warehouse space, of which: – 18,000 m ² – cold rooms; – 300,000 m ² – intermodal and railway terminal.	The intermodal terminal has two entrances with three tracks each and another entrance with two tracks, each track is 750 m long. For container handling, 19 reach stackers are used (10 for handling empty containers and 9 for handling loaded containers), which load and unload trucks and trains.

Source: based on (Stazioni Doganali Autoportuali di Gorizia, 2023; Interporto Centro Ingresso Pordenone, 2023; Interporto Cervignano Del Friuli, 2023; Interporto Toscana Amerigo Vespucci, 2023; Interporto Padova, 2023)

The infrastructure zones of Italian dry ports cover a total of almost 32,000,000 m².

They vary considerably in size, from the smallest, which cover an area of 300,000–500,000 m² to the largest, which cover an area of more than 2,500,000 m². On average, the area of an intermodal facility is 1,100,000 m².

In addition to the areas that are already in use, there are also vast areas that can be used for expansion in the short and medium term. In most cases, these are areas that are already owned by logistics terminals but not yet equipped with infrastructure (total area of more than 10,000,000 m²).

In summary, the Italian import system is internally made up of huge real estate assets (covered warehouses, cold storage and office buildings), open storage space and significant land (greenfield and future development sites).

Another feature of the dry port in Italy is the simultaneous presence on its territory of areas intended for logistics, areas used for intermodal transport and a railway terminal.

In terms of logistics, the main characteristic of intermodal terminals is the length of the train they can handle. In most Italian dry ports, the maximum train length they can handle is no more than 750 m (EU standard), but there are several intermodal terminals that can handle trains of 800 m or more.

Most dry ports are also equipped:

- to service Ro-La transport (Rolling Road is a rail transport system for trucks. Trucks and semi-trailers can travel certain parts of their route across Europe by rail, thus combining road and rail transport);
- to handle goods that require special storage conditions. For this purpose, some dry ports that specialise in handling fruit and vegetables are equipped with cold rooms that can maintain temperatures down to -30°C and air purification systems;
- to provide VGM-certified services (Verified Gross Mass is the weight of the cargo, including the weight of the fasteners, containers and the container carrying the cargo).

In addition to the above equipment, modern intermodal terminals in Italy are equipped with overhead and gantry cranes, port tractors and loading machines, and riverboats of various capacities.

As noted earlier, dry ports are modern intermodal facilities that provide a wide range of logistics services, including customs clearance services. Therefore, it is also advisable to study dry ports in the context of the services they provide (Table 4).

Thus, dry ports in the country provide a wide range of logistics services, such as:

- Loading, unloading, preparation for transport, labelling, packaging.
- Storage and return of empty containers and reverse logistics (logistics is the management of waste generated throughout the supply chain).
- Warehousing, stock replenishment, distribution, order picking.
- Installation, repair, maintenance and cleaning of vehicles, etc.

In terms of customs services, in order to ensure their provision, offices of the customs authorities of the province in which the logistics facility is located are often located on the territory of dry ports. Among the customs services most often available to consumers are the following: customs clearance of goods, assistance in filling out and submitting customs declarations, assistance in preparing and submitting national and international customs reporting forms (through the Intrastat system), and various forms of customs control.

In addition, customs warehouses often operate on the territory of dry ports. Customs warehouses operating on the territory of interports may be (IL SISTEMA DOGANALE, 2014):

- private. They are intended exclusively for storing the warehouseman's goods.

Types:

- C: the depositor (warehouse owner) is the same as the warehouse holder, without necessarily being the owner of the goods;
 - D: similar to type C. Taxation in accordance with the elements of value at the time of entry of the goods;
 - E: similar to type D. Can place goods under the customs regime without presenting them to the customs authority.
 - state-owned. Can be used by any person to store goods. Types:
 - A: storage of goods under the responsibility of the warehouse keeper (general warehouses);
 - B: storage of goods under the responsibility of the owner of the goods;
 - F: managed by the customs authority that holds goods awaiting customs clearance.
- The entire territory of private and public customs warehouses is a customs control zone.

Table 4

Logistics and customs services provided by Italian dry ports

“Dry Port”	Logistics services	Customs services
Interporto Centro Ingresso Pordenone	<ol style="list-style-type: none"> 1. Warehouse services. 2. Repair and maintenance of vehicles. 3. Issuance of permits for the circulation and registration of vehicles. 4. Measures to preserve cargo. 	<ul style="list-style-type: none"> – Acceptance and registration of customs declarations for linking to various applicable regimes (import, export, transit, etc.). – Preliminary permits for admission to customs procedures. – Consideration of applications for permits to operators for customs clearance procedures and permits to establish customs warehouses. – Inquiries into compliance with the requirements of authorised economic operators.
Interporto Bologna	<ol style="list-style-type: none"> 1. Warehouse services. 2. Dangerous goods management. 3. Maintenance and repair of vehicles. 4. Agency services (train booking, train release and inspection, train check-in / check-out); 5. Processing of railway wagons: <ul style="list-style-type: none"> – Coupling and uncoupling of train locomotives; – Removing and applying tail signals; – Connecting and detaching wagons; – Train locomotive control; – Overloading of wagons; – Locomotive towing of a train. 	<p>The terminal houses the territorial centre of the Bologna Customs (which includes a customs counter and a fenced customs area for customs control), where all customs services that can be provided by the customs administration can be obtained.</p>
Interporto Campano	<ol style="list-style-type: none"> 1. Storage of goods. 2. Storage of dangerous goods. 3. Warehouse and inventory accounting. 4. Loading and unloading. 5. Fumigation of warehouses. 6. Packaging and labelling. 7. Weighing cargo and vehicles. 8. Door-to-door delivery service. 9. Container rental. 10. Repair of containers. 11. Washing and cleaning of containers. 	<p>The entire territory of the dry port is a customs control zone (type E customs warehouse is one of the types of private customs warehouse). In addition, there is a 40,000 sq m temporary storage warehouse², a 3,000 sq m excise warehouse² and 1,600 sq m administrative premises².</p> <p>Customs formalities at the terminal are carried out by the Nola Customs Office (municipality). The office has premises equipped with mobile scanners and scales for container inspection.</p>
Interporto Servizi Doganali E Intermodali Del Brennero	<ol style="list-style-type: none"> 1. Transportation and storage of goods. 2. Premises for rent. 3. Courier services. 4. Railway services. 5. Fuel distributor. 6. Cargo weighing. 7. Cleaning of containers. 	<p>At the import facility, all users can receive a wide range of customs services, including:</p> <ul style="list-style-type: none"> – assistance in customs clearance of goods; – assistance in filling out customs declarations; – preparation and submission of reports through the Intrastat system; – Assisting international freight forwarders with customs formalities; – customs declaration for export and import of goods; – customs operations for temporary import and export.
Interporto Vado	<ol style="list-style-type: none"> 1. Storage of goods. 2. Warehouse operations. 3. Outsourcing services. 4. Picking and delivery of goods. 5. Rent of warehouses and offices. 6. VGM (Verified Gross Mass) – weighing services for any type of transport. 7. Repair of containers. 8. Fumigation and high temperature treatment of containers. 9. Fastening and unloading / loading of goods requiring special conditions. 	<p>There is a customs warehouse on the territory of the dry port. The port administration holds permits for a private temporary storage warehouse and an authorised consignee.</p> <p>Users can get all the necessary customs services at the import territory.</p>

Source: based on (Interporto Bologna, 2023; Interporto Centro Ingresso Pordenone, 2023; Interporto Campano, 2023; Interporto Servizi Doganali E Intermodali Del Brennero, 2023; Interporto Vado, 2023)

In addition, Italian dry ports may obtain permits from the customs administration for the following activities:

- opening and operation of an excise warehouse;
- application of the transit simplification “status of authorised shipper” (for the common transit regime (NCTS));
- application of the transit simplification “status of authorised consignee” (for the common transit mode (NCTS));
- a simplified domiciliation procedure (designation of a special place of payment on a bill of exchange other than the location of the person indicated as the payer on the bill by means of a domiciliation formula).

In total, about 1,200 international companies and organisations with more than 20,000 employees operate in Italian dry ports (Gli interporti italiani risentono del Covid ma riacquistano attenzione politica, 2020). As for the specialisation of interports, most of them provide their logistics services for all types of cargo without exception. However, some of them specialise only in handling certain types of cargo for which the appropriate conditions have been created, namely Civitavecchia Fruit & Forest Terminal – vegetables and fruits, Interporto Di Gorizia – fresh, dried and frozen products, Interporto Toscana Amerigo Vespucci – fresh and frozen products.

Conclusions. It is established that the world market of intermodal freight transport is developing quite dynamically, due to which modern intermodal terminals are gaining more and more influence on the international economy and are becoming one of the factors of logistical improvement of trade turnover, which is extremely relevant in the current conditions of foreign economic activity of business entities

In the course of the study of the peculiarities of functioning of interports in Italy, as one of the leading countries in the field of intermodal business, it is determined that they are one of the most important infrastructure facilities of land transport and an integral part of the national integrated transport system (SNIT – Sistema Nazionale Integrato dei Trasporti). In addition, the results obtained will be useful in the context of the implementation of certain stages of the development of Ukraine’s intermodal infrastructure.

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ОСОБЛИВОСТІ ДІЯЛЬНОСТІ «СУХИХ ПОРТІВ» ІТАЛІЇ В КОНТЕКСТІ ЗДІЙСНЕННЯ ЗОВНІШНЬОЕКОНОМІЧНОЇ ДІЯЛЬНОСТІ

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Мета. Метою статті є дослідження досвіду Італії щодо особливостей функціонування «сухих портів» в контексті здійснення зовнішньоекономічної діяльності.

Методи дослідження. Для досягнення поставленої мети використано такі методи: індукції та дедукції, теоретичного узагальнення, абстрагування, діалектичного пізнання – при вивченні наукових джерел та дослідженні особливостей створення і функціонування «сухих портів», компаративний – для систематизації відомостей про правові акти, структурно-функціональний – для вивчення зарубіжного досвіду, метод узагальнення – для формування висновків дослідження).

Результати. Проведено аналіз основних законодавчих актів Італії, якими регламентується створення та функціонування інтермодальної інфраструктури країни, а саме: Закон «Про державне регулювання будівництва інтерпортів, які спрямовані на перевезення вантажів і на користь інтермодальності» від 4 серпня 1990 року № 240; Національний план логістики на 2011–2020 роки; проєкт закону «Рамковий закон про інтерпорти» № 703.

В ході дослідження виявлено, що для консолідації та розвитку інтермодального транспорту та логістики в країні було створено Об'єднання Інтерпортів Італії (Unione Interporti Riuniti), основною метою якого є підвищення ролі мультимодальних об'єктів та розвиток стабільного зв'язку між ними та всіма іншими суб'єктами, залученими до логістичної діяльності.

Проаналізовано діяльність найбільших «сухих портів» Італії в контексті особливостей їх функціонування, місця розташування та транспортного сполучення, спектру логістичних і митних послуг, які ними надаються, площі та матеріально-технічного забезпечення, форм власності, структури власників та ін.

Наукова новизна. Набуло подальшого розвитку дослідження міжнародного досвіду особливостей створення і функціонування об'єктів інтермодальної інфраструктури.

Практична значущість. Основні положення даного дослідження можуть бути використані в процесі напрацювання пропозицій щодо удосконалення процедури створення «сухих портів» в Україні.

Ключові слова: інтермодальні перевезення, «сухий порт», інфраструктурні об'єкти, логістика.

EXTERNAL SECTOR OF UKRAINE: TENDENCIES, DETERMINANTS AND INTERDEPENDENCIES BETWEEN INDICATORS

The investigation implements a simultaneous econometric model of the external sector of the Ukrainian economy. The endogenous variables are: volume of direct foreign investments in Ukraine (FDI), gross foreign debt, export of goods and services and import of goods and services. The exogenous variables of the model are: volume of industrial production, expenditures from the state budget, gross domestic product (GDP), tax revenues, exchange rate of the national currency to the US dollar; the level of the shadow economy. All data are collected for Ukraine for the period 2002–2021 years.

Purpose of the investigation is to identify and interpret indicators that affect external sector of the Ukrainian economy, and identify interdependencies between indicators of the external sector with quantitative methods of analysis.

Method of simultaneous modeling was used, which makes it possible to investigate the interdependence between exogenous and endogenous variables.

The system of four equations was proposed that describes the dependence between indicators of the external sector and indicators of the economic sector of Ukraine. The model was checked for adequacy and an econometric analysis of quality was carried out.

Discovered that an increase in gross foreign debt has a negative impact on the volume of FDI and the increase in the export of goods and services contributes to the increase in the volume of FDI (the first equation).

The second equation proved that an increase in the volume of FDI may lead to an increase in the gross external debt and an increase in the import of goods and services can lead to a decrease in the gross external debt.

According to the third equation an increase in the volume of FDI in Ukraine and gross foreign debt can contribute to an increase in the export of goods and services.

The fourth equation confirmed that an increase in FDI can lead to a decrease in imports of goods and services and an increase in exports can lead to an increase in imports because more foreign currency will be available to buy imported goods and services.

Key words: model, export, import, direct foreign investments, gross foreign debt, external sector, indicators, economic development, simultaneous equations.

JEL Classification: C02, C3, F21, F47.

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Introduction. Exports and imports have a significant impact on the country's economy. Exports can contribute to GDP growth by creating jobs and increasing revenue from the sale of goods and services abroad. Imports can meet the needs of the population for goods and services that cannot be produced domestically, and can promote competition, which can lead to lower prices and higher quality of goods and services. Foreign direct investment (FDI) can also have a significant impact on a country's economy. FDI can contribute to GDP growth by creating jobs, introducing new technologies and promoting competition. FDI can also contribute to infrastructure development and higher living standards. However, exports, imports and FDI can also have a negative impact on a country's economy. For example, exporting can lead to job losses in industries that compete with imported goods and services. Imports can lead to a deficit in the trade balance and a decrease in the exchange rate of the national currency. FDI can lead to a loss of control over the national economy and an increase in income inequality. Gross

public debt can be caused by various factors such as war, economic crises and social programs. It is important that the national debt is not too high, as this can lead to financial instability. The state can reduce the public debt with the help of various measures, such as: increasing exports, decreasing imports, attracting foreign direct investments, increasing tax revenues, reducing government expenditures, etc. The relationship between exports, imports, foreign direct investment and gross public debt is complex and indirect. In general, it can be said that the growth of exports and foreign direct investment contributes to the reduction of public debt, while the growth of imports contributes to its increase. The impact of exports, imports and FDI on a country's economy depends on many factors, such as the structure of the economy, the country's level of development and international trade conditions. It is important to take into account all these factors when formulating policies that will contribute to the economic growth and development of the country. In order to identify and study the influences between exports, imports, direct foreign investments and the gross external debt of Ukraine, it is advisable to use econometric methods and models that make it possible to quantitatively assess the dependencies between these economic indicators, to identify direct and reverse influences based on a statistical sample. Another characteristic feature of dependencies between economic indicators is that these dependencies can be mutual. In this study, for example, it is difficult to clearly identify causal relationships between exports and imports, as exports affect imports and imports affect exports. To identify mutual dependencies between variables, it is advisable to use simultaneous econometric models. Therefore, a simultaneous approach was developed to study the mutual influence between export, import, FDI and the gross external debt of Ukraine. The independent variables are: the volume of industrial production, million hryvnias; expenditures from the state budget, UAH million; gross domestic product (GDP), UAH million; tax revenues, UAH million; the rate of the national currency against the US dollar and the level of the shadow economy, %. The model consists of four equations that describe both the interdependence between dependent variables and the influence of independent variables on them. Model parameters were estimated using the two-step least-squares method.

Literature review. The external sector modeling is the process of developing and using mathematical models to analyze the interactions between a country's economy and the global economy. As it is known external sector impacts on different aspects of economics. Acharya V. V. investigated dependence between external sector and macroprudential policies for India (Achatya, 2023). Sahoo, M. and coauthors (also for India) proved with the econometric methods that oil imports significantly improve the balance of the country, which is important for the sustainability of the external sector (Sahoo, 2022). Badejo, B. A. and coauthors in the contrary investigated impact of non-oil export commodities on the external sector of Nigeria and proved significant and positive dependence in the short-run horizons, but not in the long-run, they used Vector Error Correction Model (VECM) (Badejo, 2018). Emter L. and McQuade P. claim that China's capital flows and exchange rate have become more volatile in recent years, due to a number of factors, including the trade war with the United States, the liberalization of financial markets, and domestic financial market vulnerabilities; this volatility could have significant implications for the Chinese economy and the global financial system (Emter, 2018). Ruiz Estrada M. A. investigated external sector in COVID-19 conditions in China (Ruiz Estrada, 2020), Aragie E. and coauthors in Ethiopia in short-term (Aragie, 2020) Vdovyn M. and Zomchak L. in pre-pandemic period, Covid-19 and war in Ukraine (Vdovyn, 2022). Ruiz Estrada M. A. with coauthors proposed the ESVM-index (λ) as a new indicator to evaluate the external sector behavior of a country or region, which is not a forecasting model, but rather a tool for policy-makers and researchers to study the past and present economic situation in any country's external sector performance (Ruiz Estrada, 2018). Arturo, M. and coauthor introduced a new index called the External Sector Development Index (SXi) to measure the external sector of a country and applied the SXi to the Chinese and ASEAN economies (Arturo, 2011).

One of the most popular types of models for external sector are autoregressive. For example, Onwioduokit E. A. and Effiong O. E. used vector autoregressive model for investigation the impact of external sector liberalization on output growth in Nigeria from 1981 to 2019 (Onwioduokit, 2021). Korgbeelo C. used autoregressive lag-distributed model for investigation the impact of the IMF stabilization program on the development of Nigeria's external sector (Korgbeelo, 2023). The same method used Kaur M. and Kulaar N. for external sector of India investigation (Kaur M., 2023). Zomchak L. and Starchevska I. used logistic regression analysis for economy of Ukraine (Zomchak, 2022). The findings of the study (Onyimadu, 2019) with structural equations model show that oil price shocks do have significant impacts

on the components of Nigeria's external sector. The paper (Sobański, 2019) discusses the concept of «dark matter» in the context of the US external sector, where dark matter is defined as the difference between the official net international investment position (IIP) and the actual net IIP, which is estimated based on prevailing income differentials. The paper by Sahoo M. and coauthors (Sahoo, 2022) examines the dynamic relationship between fiscal balance and current account balance in India, and tests the twin deficit hypothesis, the paper finds that there is evidence to support the twin deficit hypothesis in India. The paper by Vdovyn M. and coauthors (Vdovyn, 2022) explains the game theory methods use in economic systems modeling. The paper (Petraikos, 2022) examines the political budget cycles in Greece and their impact on the country's public debt and economic growth with five econometric models and finds that political budget cycles have been a persistent problem in Greece since 1974.

Simultaneous model of external sector of Ukraine. To carry out an econometric analysis of the relationship between foreign trade and investment, data were collected from the official page of the State Statistics Service of Ukraine for 2002–2021 (State Statistics Service of Ukraine, 2022) according to the following indicators:

Endogenous variables:

– y_1 – volume of direct foreign investments in Ukraine, million dollars USA – this indicator indicates the amount of foreign investments that are coming to Ukraine. The higher this indicator, the greater the interest in investing in Ukraine and the greater the need for infrastructure and business development in the country;

– y_2 – gross foreign debt, million dollars USA. This is an indicator that indicates the total amount of the country's debt to foreign creditors. The higher this indicator, the more difficult it is to repay the debt to foreign creditors, which can lead to a decrease in confidence in the country's economy;

– y_3 – export of goods and services, million dollars USA – this indicator indicates the volume of goods and services exported from the country. The higher this indicator, the more opportunities for attracting foreign investment into the country's economy;

– y_4 – import of goods and services, million dollars USA – this indicator indicates the volume of goods and services imported into the country. The higher this indicator, the greater the dependence on the foreign economic environment, which can lead to a decrease in the stability of the country's economy.

Exogenous variables:

– x_1 – volume of industrial production, UAH million. This indicator indicates the volume of production of industrial products in the country. The higher this indicator, the more opportunities there are for the development of exports and the attraction of foreign investments in the country's economy;

– x_2 – expenditures from the state budget, UAH million. An indicator that indicates the level of state investment in the country's economy. The higher this indicator, the more opportunities there are for the development of the country's economy and the attraction of foreign investments;

– x_3 – gross domestic product (GDP), UAH million. This indicator indicates the volume of all goods and services produced in the country. This is a key indicator that reflects the country's economic development. The higher this indicator, the more opportunities for attracting foreign investment into the country's economy;

– x_4 – tax revenues, UAH million. This indicator indicates the amount of taxes collected by the state from enterprises and citizens. This indicator can indicate the level of economic activity in the country, as well as the effectiveness of fiscal policy;

– x_5 – exchange rate of the national currency to the US dollar – this indicator indicates the exchange rate of the national currency of the country to the US dollar. This can affect the export and import of goods and services, as well as the attractiveness of foreign investments;

– x_6 – the level of the shadow economy, % – an indicator that indicates the amount of economic activity that is unofficially registered in the country's economy. The higher this indicator, the more difficult it is to control the country's economy, which can affect the attractiveness of foreign investments.

These indicators can be grouped into 4 groups:

1. Indicators of foreign trade:

– y_3 – export of goods and services, million dollars USA;

– y_4 – import of goods and services, million dollars USA;

2. Indicators of foreign investments:

– y_1 – volume of direct foreign investments in Ukraine, million dollars USA;

3. Indicators of the country's financial condition:

- y_2 – gross foreign debt, million dollars USA;
- x_6 – level of the shadow economy, %;

4. Indicators of economic development of the country:

- x_1 – volume of industrial production, UAH million;
- x_2 – expenditures from the state budget, UAH million;
- x_3 – gross domestic product (GDP), UAH million;
- x_4 – tax revenues, UAH million;
- x_5 – exchange rate of the national currency to the US dollar.

That is, for the analysis of foreign trade, such indicators as export (y_3) and import (y_4) of goods and services can be used. These indicators indicate the level of the country's foreign trade and its ability to compete on the international market. With the help of these indicators, it is possible to assess the country's foreign trade balance and its dependence on imports.

Regarding investments, indicators such as the volume of foreign direct investment (y_1) and gross external debt (y_2) can be used for their analysis. These indicators indicate the level of foreign investment in the country and its ability to attract investment from abroad. In addition, the amount of direct investment can indicate the level of confidence in the country and its economic stability, and the gross external debt can indicate the level of the country's debt burden.

Domestic indicators, such as the volume of industrial production (x_1), state budget expenditures (x_2), gross domestic product (x_3), tax revenues (x_4), the exchange rate of the national currency to the US dollar (x_5) and the level of the shadow economy (x_6), can indicate the general level of economic development of the country. The volume of industrial production can indicate the level of production and industrial development of the country, and expenditures from the state budget and tax revenues can indicate the effectiveness of public administration and fiscal policy. Gross domestic product is one of the main indicators of the country's economic development and can indicate the general standard of living of the population. The exchange rate of the national currency against the US dollar can indicate the level of international competitiveness of the country and the state of its foreign trade. The level of the shadow economy may indicate the level of corruption and illegal capital outflow in the country.

The simultaneous model of the relationship between foreign trade and investment consists of four equations.

The first equation:

$$y_1 = a_{10} + a_{14}x_4 + a_{15}x_5 + \beta_{12}y_2 + \beta_{13}y_3 + \beta_{14}y_4 + \varepsilon_1,$$

where a and β – parameters of the equation, y_1 – volume of direct foreign investments in Ukraine, x_4 – tax revenues, x_5 – exchange rate of the national currency to the US dollar, y_3 – export of goods and services, y_4 – import of goods and services, ε – error term.

This equation describes the dependence of the amount of direct foreign investment in Ukraine (y_1) on various economic indicators, such as gross foreign debt (y_2), export of goods and services (y_3), import of goods and services (y_4), volume of industrial production (x_1), state budget expenditures (x_2), gross domestic product (GDP) (x_3), tax revenues (x_4), the exchange rate of the national currency to the US dollar (x_5), and the level of the shadow economy (x_6).

The second equation:

$$y_2 = a_{20} + a_{23}x_3 + a_{25}x_5 + a_{26}x_6 + \beta_{21}y_1 + \beta_{24}y_4 + \varepsilon_2,$$

where a and β – parameters of the equation, y_2 – gross foreign debt, x_3 – gross domestic product, x_5 – exchange rate of the national currency to the US dollar, x_6 – level of the shadow economy, y_1 – volume of direct foreign investments in Ukraine, y_4 – import of goods and services, ε – error term.

This equation shows that the foreign debt of Ukraine depends on domestic production, the exchange rate of the national currency, the level of the shadow economy, the volume of foreign direct investment in Ukraine, and the import of goods and services.

The third equation:

$$y_3 = a_{30} + a_{21}x_1 + a_{32}x_2 + a_{34}x_4 + \beta_{34}y_4 + \varepsilon_3,$$

where a and β – parameters of the equation, y_3 – export of goods and services, x_1 – volume of industrial

production, x_2 – expenditures from the state budget, x_4 – tax revenues, y_4 – import of goods and services, ε – error term.

This equation shows that the export of goods and services depends on the volume of industrial production, expenditures from the state budget, tax revenues and gross domestic product.

The fourth equation:

$$y_4 = a_{40} + a_{43}x_3 + a_{44}x_4 + a_{45}x_5 + \beta_{41}y_1 + \beta_{43}y_3 + \varepsilon_4,$$

where a and β – parameters of the equation, y_4 – import of goods and services, x_3 – gross domestic product, x_4 – tax revenues, y_1 – volume of direct foreign investments in Ukraine, y_3 – export of goods and services, ε – error term.

This equation describes the relationship between imports of goods and services and other variables:

– The amount of foreign direct investment in Ukraine (y_1): The more foreign investment, the more economic activity usually increases, which can lead to an increase in the import of goods and services.

– Export of goods and services (y_3): If there is a high amount of export of goods and services in Ukraine, then, usually, the import of goods and services decreases.

– Volume of gross domestic product (x_3): The greater the GDP in Ukraine, the more the population can afford to buy more foreign goods and services.

– Exchange rate of the national currency to the US dollar (x_5): If the national currency appreciates against the US dollar, this usually lowers the price of imported goods and services and increases the amount of imports.

Next, we will check the model for identity using the order condition.

Let m be the number of endogenous variables in the model (6 in our model);

m_i is the number of endogenous variables in the i -th equation of the model;

k is the number of exogenous variables in the model (4 in our model);

k_i is the number of exogenous variables in the i -th equation of the model.

We apply the rule: $k - k_i \geq m_i - 1$.

1) $6 - 2 > 3 - 1$ – overidentified;

2) $6 - 3 > 3 - 1$ – overidentified;

3) $6 - 3 > 2 - 1$ – overidentified;

4) $6 - 3 > 3 - 1$ – overidentified.

From the obtained results, we see that under the condition of order, all equations are overidentified, and therefore the entire model is also overidentified. To determine and estimate the parameters of the simultaneous model, we will use the two-step method of least squares. Let's write the model in an abbreviated form in a collapsed form. In this notation, the endogenous variables of the model depend on all the exogenous variables. Abbreviated form (collapsed expression):

$$y_1 = \pi_{10} + \pi_{11}x_1 + \pi_{12}x_2 + \pi_{13}x_3 + \pi_{14}x_4 + \pi_{15}x_5 + \pi_{16}x_6$$

$$y_2 = \pi_{20} + \pi_{21}x_1 + \pi_{22}x_2 + \pi_{23}x_3 + \pi_{24}x_4 + \pi_{25}x_5 + \pi_{26}x_6$$

$$y_3 = \pi_{30} + \pi_{31}x_1 + \pi_{32}x_2 + \pi_{33}x_3 + \pi_{34}x_4 + \pi_{35}x_5 + \pi_{36}x_6$$

$$y_4 = \pi_{40} + \pi_{41}x_1 + \pi_{42}x_2 + \pi_{43}x_3 + \pi_{44}x_4 + \pi_{45}x_5 + \pi_{46}x_6$$

where y – endogenous variables, x – exogenous variables, π – parameters of the equations.

After checking the adequacy of the studied equations. To check the adequacy of the model, we will use the F-criterion, the empirical value of which for the first equation is equal to $F_{em} = 12.93349646$ (F-statistic). Equating with the critical $F_{kp} = 0.0000808$, we conclude that the null hypothesis about the zero value of the multiple regression coefficients can be rejected. So, with a confidence probability of $p=0.95$, it can be stated that the constructed first equation of the simultaneous model is adequate. The same situation with other equations.

Empirical results. To calculate the unknown parameters, it is necessary to replace the endogenous variables in the structural model with the estimated values of the endogenous variables depending on all the exogenous values of the model. The following equations are obtained, the first equation:

$$y_1 = 536,957 - 0,004\tilde{y}_2 + 0,778\tilde{y}_3 + 0,009x_4 - 19151,145x_5 .$$

– An increase in gross foreign debt has a negative impact on the volume of foreign direct investment in Ukraine.

– The increase in the export of goods and services contributes to the increase in the volume of direct foreign investment in Ukraine.

– An increase in the import of goods and services contributes to an increase in the volume of direct foreign investment in Ukraine.

– A decrease in the exchange rate of the national currency against the US dollar contributes to an increase in the volume of direct foreign investment in Ukraine. Thus, an increase in the export of goods and services and a decrease in the exchange rate of the national currency against the US dollar can be favorable conditions for attracting foreign direct investment to Ukraine. However, an increase in gross external debt and imports of goods and services may negatively affect this process.

The second equation with parameters:

$$y_2 = -4660,247 + 1252,077 \tilde{y}_1 - 0,009 \tilde{y}_4 + 0,502 x_3 + 1,432 x_5 + 193541,262 x_6 .$$

– An increase in the volume of foreign direct investment may lead to an increase in the gross external debt.

– An increase in the import of goods and services can lead to a decrease in the gross external debt.

– An increase in GDP can lead to an increase in gross external debt.

– An increase in the exchange rate of the national currency against the US dollar may lead to an increase in the gross external debt.

– An increase in the level of the shadow economy may lead to an increase in the gross external debt.

The third equation:

$$y_3 = 0,009 - 0,002 \tilde{y}_4 - 0,034 x_4 + 0,752 x_2 + 8826,747 x_1 .$$

According to the equation, it can be seen that an increase in the volume of direct foreign investment in Ukraine (y_1) and gross foreign debt (y_2) can contribute to an increase in the export of goods and services (y_3). However, an increase in the import of goods and services (y_4) may reduce the volume of exports (y_3). In addition, the equation reflects the impact of production (x_1), state budget expenditures (x_2), GDP (x_3), tax revenues (x_4), the exchange rate of the national currency (x_5) and the level of the shadow economy (x_6) on the export of goods and services (y_3).

The fourth equation:

$$y_4 = -247,012 + 0,018 \tilde{y}_1 - 0,002 \tilde{y}_3 + 1,268 x_3 - 0,076 x_4 - 9605,979 x_5 .$$

An increase in foreign investment can lead to a decrease in imports of goods and services, as foreign companies can produce more goods in Ukraine instead of importing them from other countries.

An increase in exports can lead to an increase in imports because more foreign currency will be available to buy imported goods and services.

An increase in GDP can lead to an increase in imports because a higher level of income can lead to a higher demand for imported goods and services.

An increase in tax revenue can lead to a decrease in imports, as more funds can be directed to the production of domestic goods and services.

A decrease in the exchange rate of the national currency against the dollar can lead to an increase in imports, since imported goods and services can become cheaper for domestic consumers.

Conclusions. The proposed simultaneous model can be useful for studying the interaction of various factors on the country's economy and for forecasting the possible consequences of various economic decisions.

The amount of foreign direct investment and gross external debt are important factors affecting a country's ability to attract foreign investment and repay external debts. Export and import of goods and services are important indicators that affect the country's external balance and, therefore, its economic stability. The volume of industrial output and GDP indicate the general state of a country's economy, while tax revenue can reflect a state's ability to collect taxes and finance various projects. The exchange rate of the national currency against the US dollar can affect the competitiveness of goods and services of domestic producers on the international market. The level of the shadow economy can indicate shortcomings in the management of the country's economy and can affect the overall economic development.

To check the adequacy of the model, we will use the Fisher criterion (F-criterion), the empirical value of which, for example, for the first equation is $F_{em} = 9.940766954$ (F-statistic). Based on the comparison of the empirical value with the critical value ($F_{kp} = 3, 2.901294536$ at the given level of significance $\alpha = 0.05$ and the number of degrees of freedom $v_1 = 5$ and $v_2 = 15$), we conclude that the null hypothesis about the zero value of the multiple regression coefficients can be rejected. So, with a confidence probability of $p=0.95$, it can be stated that the constructed first equation of the simulative model of the relationship of foreign trade and investment is adequate. The same situation with the following equations.

It can be concluded that each equation of the simultaneous model is adequate, since the coefficients of multiple determination are greater than 0.72, in particular: R-square 0.73, which indicates that the model explains about 73% of the variation in the volume of foreign direct investment in Ukraine. R-squared 0.91 indicate that the model explains about 91% of the variation in gross external debt. R-squared 0.84 indicating that the model explains about 84% of the variation in exports of goods and services. R-squared 0.81 indicating that the model explains about 81% of the variation in imports of goods and services.

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ЗОВНІШНІЙ СЕКТОР УКРАЇНИ: ТЕНДЕНЦІЇ, ДЕТЕРМІНАНТИ ТА ВЗАЄМНІ ЗАЛЕЖНОСТІ МІЖ ІНДИКАТОРАМИ

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У дослідженні реалізовано симультаивну економетричну модель зовнішнього сектора економіки України. У якості ендогенних змінних обрано: обсяг прямих іноземних інвестицій в Україну, валовий зовнішній борг, експорт товарів і послуг та імпорт товарів і послуг. Екзогенними змінними моделі є: обсяг промислового виробництва, видатки з державного бюджету, валовий внутрішній продукт (ВВП), податкові надходження, курс національної валюти до долара США; рівень тіньової економіки. Усі дані зібрано по Україні за період 2002–2021 років.

Метою дослідження є виявлення та інтерпретація індикаторів, що впливають на зовнішній сектор української економіки, а також виявлення взаємозалежностей між такими показниками зовнішнього сектора, як обсяг прямих іноземних інвестицій в Україну, валовий зовнішній борг, експорт товарів і послуг та імпорт товарів і послуг, за допомогою кількісних методів економетричного аналізу.

Використано метод симультаивних економетричних моделей (систем одночасних рівнянь), що дає змогу дослідити не лише залежність ендогенних змінних від екзогенних, а також взаємозалежність між екзогенними та ендогенними змінними

Запропоновано систему чотирьох одночасних рівнянь, яка описує залежність між показниками зовнішнього сектора та показниками економічного стану України. Модель перевірено на адекватність та проведено економетричний аналіз якості моделювання.

Виявлено, що збільшення валового зовнішнього боргу негативно впливає на обсяг прямих іноземних інвестицій в Україну, а збільшення експорту товарів і послуг сприяє збільшенню обсягу прямих іноземних інвестицій в Україну (перше рівняння). Друге рівняння довело, що збільшення обсягу прямих іноземних інвестицій в Україну може призвести до збільшення валового зовнішнього боргу, а збільшення імпорту товарів і послуг може призвести до зменшення валового зовнішнього боргу. Відповідно до третього рівняння збільшення обсягу прямих іноземних інвестицій в Україну та валового зовнішнього боргу може сприяти збільшенню експорту товарів і послуг. Четверте рівняння підтвердило, що збільшення прямих іноземних інвестицій в Україну може призвести до зменшення імпорту товарів і послуг, а збільшення експорту може призвести до збільшення імпорту, оскільки більше іноземної валюти буде доступно для купівлі імпортованих товарів і послуг.

Ключові слова: модель, експорт, імпорт, прями іноземні інвестиції, валовий зовнішній борг, зовнішній сектор, показники, економічний розвиток, симультаивні рівняння.

CURRENT ISSUES OF CUSTOMS FUNCTIONING DURING WAR AND POST-WAR CONDITIONS IN FOCUS AT THE UNIVERSITY OF CUSTOMS AND FINANCE

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On May 26, 2023, the University of Customs and Finance in Dnipro, Ukraine, hosted the 5th International Scientific and Practical Conference “Ukrainian Legal Dimension: Seeking Answers to Global International Challenges”. The event was attended by representatives of government authorities, including customs officials, as well as representatives from the fields of science, business, and civil society. Participants also included representatives from higher education institutions and members of international projects and programs from Georgia, Italy, Poland, Slovakia, and the Czech Republic.

During the scientific conference, a discussion panel titled “Customs of Ukraine in the Conditions of War and Post-War Statehood” was organized, bringing together representatives from the Verkhovna Rada of Ukraine, the Supreme Court, international customs organizations, customs administrations of various countries, operational customs officers from Ukraine, researchers, and the general public. Materials from the discussion panel were subsequently prepared and published (1).

The Customs Service of Ukraine plays a key role in the practical implementation of government policy in terms of liberalizing external trade, abandoning the state’s monopoly on foreign economic activity, and increasing the entry of economic entities into the foreign market. It also plays a crucial role in protecting national security, ensuring the economic interests of the state are achieved, establishing a market economy and facilitating its integration into the global economy, promoting foreign economic relations, and ensuring the rights and legitimate interests of the country’s citizens and economic entities are protected.

However, Russia’s military aggression against Ukraine has, among other things, triggered an immense economic crisis and inflicted significant damage to industries, power infrastructure, transportation, housing, and many other aspects of the country’s economy. In these dire circumstances, the operational effectiveness of the Customs Service is critical, as the degree to which it is able to maintain security in its area of responsibility directly impacts the national security of the country.

In this context, the aim of the discussion panel was to assess the state of Ukraine’s customs authority’s activities during the period of military aggression, evaluate the effectiveness of its operations, consider the size of the task being faced by customs, and identify options for restoring customs regulatory controls in post-war conditions.

The discussion panel was officially opened by its moderator, Professor **Viktor Chentsov**, the Chairman of the Academic Council of the University of Customs and Finance. He emphasized that the main objective of this scientific event was to unite efforts in addressing the challenges and development prospects of Ukraine’s

customs in the context of war and post-war situations, fostering collaboration, and exchanging experiences. Professor Chentsov expressed his gratitude to all participants who agreed to take part in the discussion panel despite the challenging times in which it was being held. He encouraged participants to provide creative inspiration, explore productive outcomes, engage in an active exchange of ideas and experiences, and, ultimately, the translation of research findings into practical activities.

The Secretary General of the World Customs Organization (WCO), Dr. **Kunio Mikuriya**, delivered a welcome speech in which he noted that the WCO had commenced a review of its own tools for managing humanitarian aid and is working with other partners, such as the International Chamber of Commerce, to facilitate trade conditions. Additionally, the WCO had prepared an “Official Note of the Secretariat on the Role of Customs in Unstable and Conflict-Affected Situations,” which would be published in the following week.

The Secretariat’s note contains several recommendations that the Secretary General sought to emphasize. Firstly, he highlighted the need to assess the damage caused to customs infrastructure by the war and, as a first step, to identify the extent of reconstruction required. In doing so, he noted the importance of considering the needs of border regions, which may not necessarily represent main trade routes. Despite potential limitations on the flow of goods, this type of cross-border trade contributes to the relative wealth and stability to the border economy and provides significant support to the population in border regions.

Secondly, Dr. Mikuriya observed that monitoring of humanitarian aid is essential to ensure the smooth and effective border crossing of such cargo while avoiding any abuse of this assistance mechanism.

Thirdly, a recovery plan should be prepared now since a significant amount of funds may arrive for post-conflict reconstruction. However, the basis of this recovery should reflect the country’s own needs rather than donor programs. It is of utmost importance that the customs of Ukraine adhere to the principle of self-sufficiency.

Fourthly, he observed that customs must play a role in ensuring security and, therefore, must have appropriate law enforcement powers, noting that areas affected by conflicts are usually more vulnerable and attract illegal trade.

Overall, the Secretary General noted that the customs service of Ukraine has a particular responsibility for managing humanitarian aid, securing borders, and contributing to the stability of the country during times of conflict and for supporting its post-conflict recovery.

He added that, during the meetings of the Policy Commission and the Council, the topic of “fragile” borders will hold a prominent place on the agenda and will be included in the Strategic Plan as a primary research theme to meet urgent and emerging needs. In this regard, the WCO Secretariat expects greater support from its members, including from countries in need such as Ukraine.

In conclusion, Dr. Mikuriya expressed hope that the discussion panel would provide significant insights and knowledge exchange to assist Ukraine’s customs service to play a crucial role in supporting the country and its people during these disturbing times.

Professor **David Widdowson**, President of the International Network of Customs Universities (INCU), presented a report on the topic “Customs in times of crisis.” He observed that customs authorities are required to respond in the most radical of ways in such times, whether the crisis is caused by natural disasters, the impact of a global pandemic, the horror of terrorist attacks, or the carnage of war.

He noted that the situation in Ukraine is not reflective of an evolutionary change to the environment in which customs is required to operate, but a profound change that has required a radical re-think of the way in which customs can contribute to the security of the state, most importantly in terms of the safety and security of its citizens. Professor Widdowson further noted that those parts of the Ukrainian border directly affected by the conflict are already impossible to control without military means. Customs’ focus has shifted towards preserving control over the remaining trade routes and safe corridors under Ukraine’s authority. He emphasized the necessity of preserving control to the greatest extent possible in the remaining border crossings, as they are essential for ensuring the lawful entry and exit of goods, vehicles, and people, and for maintaining uninterrupted trade between Ukraine and the rest of the world, including the facilitation of essential services and supplies such as military support and humanitarian aid. In closing, Professor Widdowson expressed his wish for a speedy return to peace and freedom.

In his presentation on “Conceptual Approach to the Requirements of a Modern Customs Service”, Professor **Igbal Babaev**, the Deputy Chairman of the State Customs Committee of Azerbaijan, D. Sc., shared his experience in restoring the state and, in particular, the national customs service, in the aftermath

of the Second Karabakh War. He emphasized the need for the customs administration to shift from a “control” principle to a “service” approach and to assist and cooperate with businesses rather than simply exert control over them. Professor Babaev noted the importance of creating a structure (a system of customs institutions) that fosters trust between the customs service and businesses, and in cases of deception and non-compliance by businesses, they should be held fully accountable under the law. Regarding the assessment of Ukraine’s customs service, he indicated that an assessment of the service by global customs professionals would likely conclude that there is room for improvement. This perspective is generally shared by Ukrainian customs professionals, who believe that serious reform of the Ukrainian customs service is needed.

In delivering his presentation on “Building a New Customs Administration in a Post-War Environment”, **Bahri Berisha**, the Director-General of Kosovo Customs showcased the history and evolution of Kosovo Customs, including the challenges faced during the post-war period, particularly in the context of maintaining customs control. The Director-General highlighted the importance of rebuilding the capability of the customs authority in the post-conflict environment with a particular emphasis on the need to re-establish effective its law enforcement capabilities to achieve an appropriate level of regulatory control. Director-General Berisha expressed gratitude to partners, including Ukrainian partners, for supporting Kosovo Customs in its developmental journey.

Professor **Aivars Vilnis Krastins**, former Chairman of Latvian Customs and WCO expert, D.Sc., shared his experience of working as the head of Latvian customs during the time when Latvia was negotiating its accession to the EU, noting that Ukraine was now seeking EU membership. He discussed the challenges faced while fulfilling EU requirements and the changes to the existing system, drawing on examples from Canada and Denmark. In his presentation on “Ukraine and Changes in the EU Customs Paradigm”, Professor Krastins emphasized the importance of developing customs education, noting the significant role played by INCU and specialized customs journals such as the “World Customs Journal” (Canberra, Australia), and the “Customs Scientific Journal” (Ukraine), among others. He encouraged Ukraine to consider the inclusion of the customs profession in its academic degree programs.

Professor **Wieslaw Czyzowicz**, former head of Polish Customs and, Doctor of Science, delivered a presentation on “The Role of Customs in Protecting Ukraine’s National Interests”. He shared his reflections on the role and functions of Ukrainian customs during the war, and in particular in the post-war period. In his address, he emphasized the important role that would be played by Ukrainian Customs following resolution of the conflict, and the need to re-establish border controls as soon as possible, while recognising that the transition to post-war cross-border stability would take time. Professor Czyzowicz expressed his wish for a swift cessation of hostilities and an end to Russia’s barbaric aggression, hoping for peace. He expressed his desire for a free, democratic, prosperous, and happy Ukraine, with its customs service supporting the country’s reconstruction and dynamic development.

Igor Dankov, the customs advisor at the Mission of Ukraine to the EU and representative of the State Customs Service of Ukraine in Brussels, addressed the role played by customs attachés in negotiating and establishing customs policies and procedures in times of conflict. In his report titled “The Role of Customs Attachés in Times of War and Post-War Development”, he emphasised the imperative for a country’s customs service to be given the authority to coordinate government activities at the border, with the necessary powers to ensure border security.

Anatoliy Makarenko, a distinguished economist of Ukraine and Vice-President of the NGO “Association of Ukrainian Taxpayers” for Customs Policy, presented his report on “Ukraine’s Customs Before and After the War”. In his address, he opined that the war and subsequent victory should be seen as an opportunity for the State Customs Service of Ukraine to receive a new lease on life. However, he emphasized that all reforms and organizational improvements should be progressed and achieved through lawful, clear, and coherent vertical management of the State Customs Service of Ukraine.

Vitaliy Naumenko, former Deputy Minister of Revenues and Duties of Ukraine, who had ministerial responsibility for customs, addressed the challenges facing the customs service in this time of war and ways to overcome them. He highlighted the lack of consistency and systematic approach in attempts to reform the national customs service. He believed that the constant changes have led to the loss of momentum in customs’ development, the destruction of the previously established management decision-making mechanisms, and the interruption of international customs cooperation. He emphasized that the customs service is not just about taxes; primarily, it is a reliable state body involved in ensuring national

security. It requires strengthening of personnel capacity, substantial technical assistance, and significant international investments. He concluded, however, that despite the problems of the past, he was confident that the customs service would successfully reform and appropriately meet its regulatory responsibilities.

Professor **Ivan Bereznyuk**, assistant-consultant of the Subcommittee on Customs Affairs of the Verkhovna Rada of Ukraine, D.E.Sc., outlined priority steps for restoring an effective customs service.

Deputy Chairman of the State Customs Service of Ukraine, **Vladislav Suvorov**, in his report on the priority directions of the international activities of the Ukrainian Customs Service amid Russia's armed aggression, proposed recommendations to achieve economic security, operational resilience of customs controls, the security mandate of the Ukrainian customs, and the development of a strategy for the Customs Service's post-war period.

He emphasized that the state's financial policy cannot remain static, but should be adjusted in response to changes in external and internal factors of the national economy. In this context, tax and customs policies can and should be similarly adjusted by determining and adapting modern taxation priorities in line with the overarching financial policies, which are designed to protect Ukraine's national interests. This was also discussed in the report "New Customs Interests of the Country and Building a System for Their Provision" presented by Professor **Pavlo Pashko**, former Deputy Chairman of the State Customs Service of Ukraine, D.E.Sc.

In her presentation on "Current Changes in Customs Legislation: Necessity of Adoption in the Conditions of Martial Law and Implementation Challenges", Professor **Liliya Dorofeeva**, the head of the Legal Department of the Zakarpattia Customs, D.E.Sc., emphasized that the realities of war required urgent transformation of the country's economy to address the new and emerging conditions. She argued that the state should promptly introduce amendments to external economic and trade policies. This necessitated the urgent adoption of legislative and regulatory reforms to enhance the effectiveness of the customs regulatory mechanism in the context of Russia's military aggression.

The topic of "Authorized Economic Operator (AEO) Status and Criteria Analysis" was addressed by **Tetiana Ostriukova**, an expert from the Public Council at the State Customs Service of Ukraine. She highlighted that obtaining AEO status has become crucial for many businesses due to the numerous benefits it provides, significantly reducing administrative burdens related to customs procedures. However, meeting the strict criteria for AEO status is not an easy task. She emphasized that compliance with these criteria should be ongoing and that failure to do so may lead to the loss of AEO authorization at any time.

Galyna Vdovina, the head of the NGO "All-Ukrainian Customs Forum", presented her paper titled "The Role and Perspectives of Customs Audit". She considered audit, as a tool of customs control, to be one of the priority areas for reforming the Ukrainian customs and a key aspect of its future architecture. In her address, she analysed the prerequisites for introducing this specific form of customs control, presented statistical data on its results, identified the challenges of its implementation, and proposed ways to address them.

Professor **Viktor Chentsov's** presentation on "Personnel Training for Ukrainian Customs Authorities: Reflections on Necessary Changes" addressed the increasing need for professional training, retraining, and qualification improvement for customs officials in the context of radical changes to the activities and functioning of the customs system, which historically characterizes Ukraine. After analysing the advantages and disadvantages of various forms of training for customs officials, Professor Chentsov argued that specialized educational institutions are well placed to provide targeted and state-ordered personnel preparation. He also highlighted the need to improve the contractual mechanisms between the State Customs Service of Ukraine and educational institutions for training customs officials at undergraduate- and postgraduate-level of education without the need to use state funds (for example, through funding provided by legal entities or individuals).

The presentation by Professor **Dmytro Prymachenko**, Vice-Rector for Research at the Ukrainian Customs Academy, D.E.Sc., focused on analysing the state and prospects of implementing the Common Transit Regime in Ukraine. He outlined the main advantages of the NCTS (New Computerized Transit System), which include the use of a single customs declaration for moving goods from the country of dispatch to the country of destination through third countries under uniform rules within the framework of the Convention on the Common Transit Regime and the Convention on the Simplification of Formalities in Trade in Goods. Other advantages include: reducing the transit clearance time for goods; providing transit simplifications to economic operators not registered as violators in the information database; determining the form of customs control before the goods cross the national border; increasing opportunities for

analysing customs risks and minimizing them; and more. The presentation emphasized that Ukraine's accession to these conventions will promote interaction between economic operators and customs authorities, create a positive image for the state, and develop international trade.

Other themes addressed at the conference included the social and economic changes that have taken place in Ukraine in recent years, which have necessitated a reevaluation of the established paradigm of administrative penalties, such as confiscation. One of the conceptual problems of the current model of imposing administrative penalties in the form of confiscation is the lack of compliance with the principle of proportionality between the damage caused and the protected rights, freedoms, and legitimate interests of individuals or legal entities and the sanctions set forth in the law establishing administrative liability. In this context, Associate Professor **Anatoliy Mazur**, from the Department of Public and Private Law at the University of Customs and Finance, analysed citizens' constitutional complaints to the Constitutional Court of Ukraine and its decisions in his presentation on "Confiscation in the Customs Code of Ukraine: The Principle of Proportionality of Administrative Penalty and Committed Offense in the Interpretation of the Constitutional Court of Ukraine".

Other problematic issues regarding the imposition of administrative liability on legal entities were addressed by Professor **Vladyslav Lipinskiy**, Dr.Sc., Director of the Institute of Law and International Legal Relations at the University of Customs and Finance. Professor Lipinskiy adopted the position that the optimal way to improve the administrative-offense provisions in customs legislation is to hold legal entities responsible for violating customs rules. This, he argued, will ensure the application of proportionate administrative-legal consequences for customs rule violations.

Taking into account the results of the discussion panel "Ukrainian Customs in the Context of War and Post-War Conditions" and with the aim of identifying issues for further consideration, the following recommendations were approved:

1. In order to implement the provisions of the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community, and their Member States, on the other, it is proposed to accelerate the procedures for adapting national customs legislation to the EU Customs Code. Specifically, the following actions are proposed:

1.1. Create a working group to prepare a new version of the Customs Code of Ukraine. The new version of the codified act should closely reflect the provisions of the Union Customs Code, the Implementing Regulations and the Delegated Regulations of the European Union. The working group should include experts from the State Customs Service of Ukraine and other relevant government bodies, representatives of entities engaged in foreign economic activities, and members of the academic community, including the University of Customs and Finance (UCF).

1.2. Prepare and submit to the Verkhovna Rada of Ukraine a new version of the Ukrainian Customs Tariff. The new version should be based on the updated Ukrainian Classification of Goods for Foreign Economic Activity (UCGFEA), constructed on the basis of the Harmonized Commodity Description and Coding System 2017 (HS-2017) at the six digit level and the Combined Nomenclature of the European Union (CNEU) at the seven and eight digit level, taking into account the obligations within the framework of the World Trade Organization (WTO).

1.3. Complete the "Conformance Testing" procedure, as required by the Directorate-General for Taxation and Customs Union of the European Commission (DG TAXUD), as stipulated in the mechanism for implementing the provisions of the Convention on a Common Transit Procedure and the Convention on the Simplification of Formalities in Trade in Goods. This will help to initiate the procedure for Ukraine's accession to these Conventions and implementation of the new computerized transit system NCTS.

1.4. To enhance the institution of customs attachés and introduce positions of customs advisors in Missions of Ukraine to international organizations and other diplomatic missions.

2. It is proposed to establish a working group to develop a Strategy for the development of the Customs Service of Ukraine in the post-war period (hereinafter referred to as the "Strategy"). The Strategy should define the optimal model for the customs service, its goals and objectives, priority areas of focus and ways to achieve them. It was agreed that implementation of the Strategy should result in the creation of an institutional mechanism that will appropriately address the rights and legitimate interests of individuals and legal entities in the field of state customs affairs; create conditions for the development of the national economy and international trade; provide relevant services to citizens and businesses; improve the efficiency of customs revenue administration, and ultimately, ensure efficient revenue generation for the state budget.

3. Develop and submit to the Verkhovna Rada of Ukraine a draft law “On the National Customs Service of Ukraine”, which will define the legal framework for the organization and activities of the National Customs Service of Ukraine, as well as the procedure for serving in the customs authority. According to the draft law, the National Customs Service of Ukraine should be an executive body responsible for protecting the customs interests and customs security of Ukraine, regulating foreign trade, protecting the domestic market, promoting the development of the Ukrainian economy and its integration into the global economy, contributing to the state budget, and countering customs violations.

Additionally, to improve certain aspects of the activities of the State Customs Service of Ukraine, the following measures are proposed:

1. Enhance the capacity of customs personnel by:
 - Developing a mechanism for interaction between the client (the State Customs Service of Ukraine) and the executor (specialized higher education institution) through contractual relations.
 - Strengthening the State Customs Service of Ukraine’s role in the process of preparing higher education applicants in higher education institutions that prepare candidates for the customs service through competitive admissions.
2. Develop and implement quality standards for the planning and conduct of customs audits that will ensure the validity of the process and increase the accountability of officials who conduct such audits.
3. Improve the mechanism for obtaining Authorized Economic Operator (AEO) status, which will improve relations between the government and businesses, streamline customs procedures, and reduce bureaucracy at customs for companies that comply with the legislation.
4. Ensure customs infrastructure is fit for purpose by:
 - Identifying the appropriate location of customs facilities based on modern, post-conflict needs.
 - Equipping such facilities with advanced technology to enable efficient implementation of state customs affairs and facilitate the movement of goods and vehicles across the Ukrainian customs border.
 - Creating opportunities for conducting joint customs operations with neighbouring customs administrations at the customs border.

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NOTES

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