

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY STATE UNIVERSITY
Academic and Research Institute of Business, Economics and Management
Department of International Economic Relations

Ovcharenko Danyil Olegovich

QUALIFICATION PAPER

on the topic "CUSTOMS AND TARIFF REGULATION AS A FACTOR OF
NATIONAL ECONOMIC SECURITY"

Specialty 292 "International Economic Relations"

Student 4th course

Ovcharenko Danyil

group ME-71an

It is submitted for the Bachelor's degree requirements fulfillment.

Qualifying Bachelor's paper contains the results of own research. The use of the ideas, results and texts of other authors has a link to the corresponding source.

Ovcharenko Danyil

Research advisor

PhD, Associate Professor
Troian M. Yu.

Sumy, 2021

ABSTRACT

on bachelor's degree qualification paper on the topic
«CUSTOMS AND TARIFF REGULATION AS A FACTOR OF NATIONAL
ECONOMIC SECURITY »

student

Ovcharenko Danyil Olegovych

The main content of the bachelor's degree qualification paper is presented on 39 pages, including references consisted of 31 used sources, which is placed on 3 pages. The paper contains 3 figures.

Keywords: CUSTOMS AND TARIFF REGULATION, CUSTOMS SECURITY, FOREIGN ECONOMIC SECURITY OF THE STATE, CUSTOMS PAYMENTS.

The purpose of the work is to study the features of the functioning of the customs tariff policy of Ukraine.

The object of the research is the customs tariff system of Ukraine acts.

Subject of study is the system of economic relations regarding the formation of the customs tariff policy of Ukraine.

Methods that were used in the study of this work: abstract-logical, deduction, induction, theoretical generalization, statistical method, comparative analysis etc.

The information base of this work is – materials from the Internet resources, publications of Ukrainian and foreign authors, financial reports of international companies.

The main scientific results are:

1. Setting goals for building a holistic and coherent system of customs authorities, an effective territorial structure.

2. Introduction and development of the range of powers, advanced training and professional training of customs officers.

3. Analysis of improving the efficiency of customs officers by automating the work, simplifying customs procedures and ensuring their transparency, improving the material and technical base, equipment, etc.

The research results can be used to improve used to improve the migration management mechanism flows in Ukraine.

The year of qualifying paper fulfillment is 2021.

The year of paper defense is 2021.

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY STATE UNIVERSITY

Academic and Research Institute of Business, Economics and Management
Department of International Economic Relations

APPROVED BY
Head of the Department

(academic degree, academic rank)

(signature) (full name)

« __ » _____ 20__ .

TASKS FOR BACHELOR'S DEGREE QUALIFICATION PAPER

(specialty 292 " International Economic Relations ")
4th year course, group ME-71an

Ovcharenko Danyil Olegovych

1. The theme of the paper is «Customs and tariff regulation as a factor of national economic security» approved by the order of the university from « 19 »_ 04__ 2021 № 0193 VI.
2. The term of completed paper submission by the student is 14.06. 2021
3. The purpose of the qualification paper is to study the features of the functioning of the customs tariff policy of Ukraine.
4. The object of the research is the customs tariff system of Ukraine acts.
5. The subject of the research is the system of economic relations regarding the formation of the customs tariff policy of Ukraine.
6. The qualification paper is carried out on materials from the Internet resources, publications of Ukrainian and foreign authors, statistical databases.
7. Approximate qualifying bachelor's paper plan, terms for submitting chapters to the research advisor and the content of tasks for the accomplished purpose is as follows:

Chapter 1 Organizational and legal aspects of customs institutions in Ukraine,
deadline – 05.05.2021

Chapter 1 deals with researching the next tasks:

- to consider the customs code;
- to define Duties as a tool for regulating export-import operations.

Chapter 2 Customs tariff policy of ukraine at the present stage, deadline – 01.06.2021

Chapter 2 deals with researching the next tasks:

- to analyze theoretical principles of functioning of customs and tariff regulation in Ukraine;

- to analyze customs and tariff policy of Ukraine at the present stage;

Chapter 3 World experience of customs and tariff regulation and possibilities of its establishment in Ukraine

Chapter 3 deals with researching the next tasks:

- to define measures to improve legal tariff regulation in Ukraine.

8. Supervision on work:

Chapter	Full name and position of the advisor	Date, signature	
		task issued by	task accepted by
1	PhD, Associate Professor Troian M. Yu.		
2	PhD, Associate Professor Troian M. Yu.		
3	PhD, Associate Professor Troian M. Yu.		

9. Date of issue of the task: « ____ » _____ 20 __

Research Advisor:

(signature)

Troian M. Yu.

The tasks has been received:

(signature)

Ovcharenko D.O.

CONTENT

INTRODUCTION	8
1 Organizational and legal aspects of customs institutions in Ukraine	9
1.1 The Customs Code is the main instrument of the country's customs policy	9
1.2 Duties as a tool for regulating export-import operations	12
2 Customs tariff policy of ukraine at the present stage	16
2.1 Theoretical principles of functioning of customs and tariff regulation in Ukraine	16
2.2 Customs and tariff policy of Ukraine at the present stage	23
3 World experience of customs and tariff regulation and possibilities of its establishment in ukraine	28
CONCLUSIONS	33
REFERENCES	35

INTRODUCTION

The development of foreign trade, in particular the increase of the country's exports on the world market, the increase and maintenance of its share in world trade is an extremely important factor in the functioning of the national economy.

Foreign trade is one of the main stabilizing factors of the national economy.

In recent years, due to the growth of exports, its share in GDP increased from 17.9% to more than 40%, which provided a growth in the number of jobs and helped accelerate the country's economy out of the crisis. The well-considered policy of customs tariff regulation played a significant role in this.

Thus, the main purpose of this work is to study the features of the functioning of the customs tariff policy of Ukraine.

This goal necessitated the solution of a number of interrelated problems:

To study the peculiarities of organizational and legal aspects of the activity of customs institutes in Ukraine;

To study the customs tariff policy of Ukraine at the current stage of economic development;

To consider the problems of customs regulation and directions of improvement of the customs tariff policy of Ukraine.

The subject of the work is the system of economic relations regarding the formation of the customs tariff policy of Ukraine.

The customs tariff system of Ukraine acts as the object of research.

In the process of writing the thesis used methods of scientific research of empirical, experimental-theoretical and theoretical levels, namely: comparative in the study of foreign experience in customs regulation, historical consideration of the essence of customs regulation, analysis, generalization and synthesis in the study of customs regulation and issues in Ukraine, abstraction, observation in the study of the essence and significance of customs regulation and features of customs and non-tariff regulation; concretization in determining the priority areas for improving customs regulation, as well as a graphical method for constructing various tables and figures.

1 ORGANIZATIONAL AND LEGAL ASPECTS OF CUSTOMS INSTITUTIONS IN UKRAINE

1.1 The Customs Code is the main instrument of the country's customs policy

The integration of the Ukrainian economy into the European and world, Ukraine's intentions to join the WTO Agreement required the transformation of domestic legislation in the direction of implementing certain norms and provisions to the world. On January 1, 2004, the new Customs Code of Ukraine entered into force. The new version of the Customs Code is fully in line with international law, enshrines in national law the main provisions of a number of international conventions and agreements on customs matters, including those to which Ukraine currently only intends to accede. The legal norms of the Code regulate procedural issues of export-import operations; implementation of joint customs control of goods moving across the customs border with the customs services of neighboring countries, regardless of the country - the owner of goods, cargo and vehicles; legislate the types of customs regimes; determine the peculiarities of customs procedures for the movement of goods across the customs border of Ukraine by sea, river, air, rail and road transport; detail the procedural rules of proceedings in cases of violation of customs rules, etc. In addition, the code expands the legal framework for the functioning of the system of protection of intellectual property rights in Ukraine [6].

The new Code presents norms that are fundamentally important from the standpoint of our statehood, such as: customs territory, customs border, special customs zones, widely outlines the bodies of state regulation of customs, their rights and responsibilities.

The system of customs bodies formed during the years of independence as a whole corresponds to the tasks set before the customs service of Ukraine, at the same time for increase of efficiency of work of branch there was a necessity of restructuring of separate links of customs system. The organization of regional customs, customs of centralized subordination and customs subordinated to regional structures, will significantly reduce the administrative and managerial staff and increase the

efficiency of official activities. The new Customs Code contains norms that enshrine the current structure of the customs authorities of Ukraine, clearly defines the status and powers of all elements of this structure: from the State Customs Service to customs and specialized organizations. This act specifies the rights and responsibilities of regional customs, customs, customs laboratories, educational institutions of customs authorities, clearly defines the principles of relations of customs authorities of Ukraine and their officials with other authorities, enterprises and citizens.

The Customs Code develops basic provisions for international relations of the State Customs Service of Ukraine with international organizations, as well as customs services of foreign countries. Based on the world experience, the procedure of joint customs control of cargoes and goods on the border of Ukraine with the customs services of neighboring countries has been worked out. A new, fundamentally important factor in ensuring international trade rules is the establishment in the Code of a rule on the application of equivalent customs procedures regardless of the country - owner of goods, cargo and vehicles, as well as to which country are sent or from which countries these goods and vehicles arrive. means, except as provided by international instruments on the application of sanctions to individual countries.

The Customs Code establishes a new, more flexible principle of building Ukraine's customs tariff, which meets the requirements for customs tariffs of member countries of the World Trade Organization (WTO). One of the primary tasks of the Code is to cover and specify all aspects of customs control, customs clearance of goods and cargoes of enterprises, organizations, institutions of all forms of ownership, as well as citizens. A number of articles are aimed at maximum simplification and liberalization of customs control procedures through the introduction of new and legally established forms and means of such control, their legal justification. We are talking, in particular, about the legislative definition of a special regime introduced in EU countries for the examination of passengers' belongings and their exemption from mandatory declaration, the organization of so-called "green corridors" at border customs and airports. In general, the issue of declaring goods, vehicles, personal luggage of citizens is today one of the most vulnerable for both individuals and legal entities. For the first time, the Code legally defines such important factors in the

implementation of the declaration procedure as the deadline for filing a customs declaration and the moment of its acceptance, which has important legal significance in the organization of customs control and clearance. In order to simplify customs procedures, the submission of a preliminary declaration or clearance of goods on the basis of a periodic customs declaration is also introduced.

For the first time in the customs legislation the peculiarities of customs operations when moving citizens and goods by different modes of transport are thoroughly considered. A separate section defines the procedure and conditions for the passage through the customs border of Ukraine of sea and river vessels, aircraft, rail and road vehicles, as well as customs procedures on pipelines, power lines, international postal channel.

A number of new sections, chapters and articles are aimed at streamlining the accrual and collection of duties, other customs payments, their deferral and installment, providing guarantees for the payment of customs duties by authorized banks and other credit and financial institutions. The list of customs payments made by the customs has been systematized, such extremely important problematic provisions for the customs case as the criteria for determining the country of origin of goods, customs privileges and preferences, etc. have been worked out. Thus, a fundamentally new approach is proposed in establishing preferences for goods imported into Ukraine. It is expected that the national system of preferences will establish a preferential treatment for goods from countries listed by the UN as the least developed countries in the world, as well as for goods from developing countries and per capita GDP in Ukraine does not exceed this figure. Progressive aspects of the Code are the determination of the legal status of a customs broker and a customs carrier. Proposals for the legislative consolidation of these institutions have long been received from customs specialists and business entities working in the foreign economic sphere. After all, brokers ensure the prompt registration of export-import cargo, and the clear work of customs carriers should minimize abuse and ensure compliance with the established procedure for the movement of goods in customs transit.

Summarizing the above, it can be stated that the new Customs Code of Ukraine is a modern, relevant legal act that fully complies with the Constitution of Ukraine and

generally accepted norms of international law. Its introduction will not only further improve the legal regulation of customs in Ukraine, but also significantly expand the prospects of Ukraine's accession to the WTO, Ukraine's entry into the world market, creates additional conditions for strengthening trade and economic ties with foreign countries, as well as for participation of our state in international cooperation on customs issues.

1.2 Duties as a tool for regulating export-import operations

Duty is an indirect tax levied on goods (other items) moving through the customs territory (imported, exported or transited), included in the price of goods and paid by the final consumer [1].

Customs duty is a tax on goods and other items that move across the customs border of Ukraine.

The following types of duties are applied in Ukraine:

- advalorem, which is accrued as a percentage of the customs value of goods and other items subject to customs duties;
- specific, which is accrued in the prescribed amount of money per unit of goods and other items subject to customs duties;
- combined, combining both of these types of customs duties.

Duties should be distinguished from customs duties, which are fees for customs services. The duty has all the necessary basic tax characteristics:

1. payment of duties is mandatory;
2. the duty is a gratuitous payment;
3. the duty is used for the purposes of financial support of activity of the state and / or municipalities.

Unlike customs duties, customs duties are a fee for the provision of various services (transportation, storage), the implementation of various measures in the process of customs clearance and, therefore, are not taxes in the proper sense of the

word. Thus, a duty is a mandatory payment levied by the customs authorities on goods moved across the customs border, which have all the features of the tax, mainly free of charge, which means the unilateral nature of the tax liability, without the equivalence and non-refundability of the tax, while the collection is always remunerative. The fee payer receives certain rights for a fee [11].

Imports of goods are accompanied by the collection of duties. The rates of import duty and the list of goods to which they apply are determined by the "Common Customs Tariff of Ukraine" and changes and additions to it.

Import duty rates are set and changed by the Laws of the Verkhovna Rada of Ukraine.

The rates of import duty to be used in the work provided in the systematized by the State Customs Service systematized set of rates of import duty (letter of the State Customs Committee of Ukraine dated 30.08.96 N 11 / 2-6451) taking into account the following changes and additions.

When importing goods from countries in respect of which free trade agreements apply, no duty is levied. The current procedure provides for confirmation of the origin of goods with the provision of documents in the prescribed form.

Preferences on import duties also apply to goods originating in the customs territories of the CIS countries, which are supplied under the Agreement on General Conditions and Mechanism to Support the Development of Industrial Cooperation of Enterprises and Industries of the CIS Member States of December 23, 1993. Seasonal import and export duties may be imposed on certain goods and other items for a period not exceeding four months from the date of their establishment.

In order to protect the economic interests of Ukraine, Ukrainian producers and in cases provided by the laws of Ukraine, in the case of import into the customs territory of Ukraine and export outside the territory of goods, regardless of other types of duties may apply special types of duties:

- Special duty;
- Anti-dumping duty;
- Compensatory duty.

Special duty applies:

- As a means of protection of Ukrainian producers;
- As a means of protection of the national producer in case the goods are imported into the customs territory of Ukraine in quantities and (or) under such conditions that cause significant damage or pose a threat of causing significant damage to the national producer;
- As a precautionary measure against participants in foreign economic activity who violate national interests in the field of foreign economic activity;
- As measures in response to discriminatory and (or) unfriendly actions of other states, customs unions and economic groups that restrict the exercise of legitimate rights and interests of foreign economic activity and (or) infringe on the interests of Ukraine.

The anti-dumping duty applies to:

- In accordance with the Law of Ukraine "On protection of domestic producers from dumped imports" in the case of import into the customs territory of Ukraine of goods that are subject to dumping, which causes harm to domestic producers;
- In the case of export outside the customs territory of Ukraine of goods at a price significantly lower than the prices of other exporters of similar or directly competing goods at the time of export if such export causes damage.

The countervailing duty applies:

- In accordance with the Law of Ukraine "On Protection of National Producers from Subsidized Imports" in the case of importation into the customs territory of Ukraine of goods that are the object of subsidized imports, which cause harm to national producers;
- In the case of export outside the customs territory of Ukraine of goods for the production, processing, sale, transportation, export or consumption of which a subsidy was provided directly or indirectly, if such export causes harm.

Special types of duties are levied on the basis of decisions on the application of anti-dumping, countervailing or special measures adopted in accordance with the laws of Ukraine "On protection of domestic producers from dumped imports", "On protection of domestic producers from subsidized imports" "[11].

Where imports of goods are subject to anti-dumping, countervailing or special measures, preferences shall not be established or suspended or terminated by the authority which established them.

The calculation of customs duties on goods and other items subject to customs taxation is based on their customs value, ie the price actually paid or payable for them at the time of crossing the customs border of Ukraine. The duty is paid to the customs authorities of Ukraine, and in the case of goods and other items sent in international mail - to communications companies. The procedure for granting deferral and installment payment of customs duties shall be established by the State Customs Service of Ukraine.

2 CUSTOMS TARIFF POLICY OF UKRAINE AT THE PRESENT STAGE

2.1 Theoretical principles of functioning of customs and tariff regulation in Ukraine

Customs tariff regulation is the relations that arise between the state and the subjects of foreign economic activity due to the conditions of crossing the national border of goods, goods, goods; it is the agreement on the regulation of issues related to the establishment of customs taxes, customs duties, as well as the procedures of customs control.

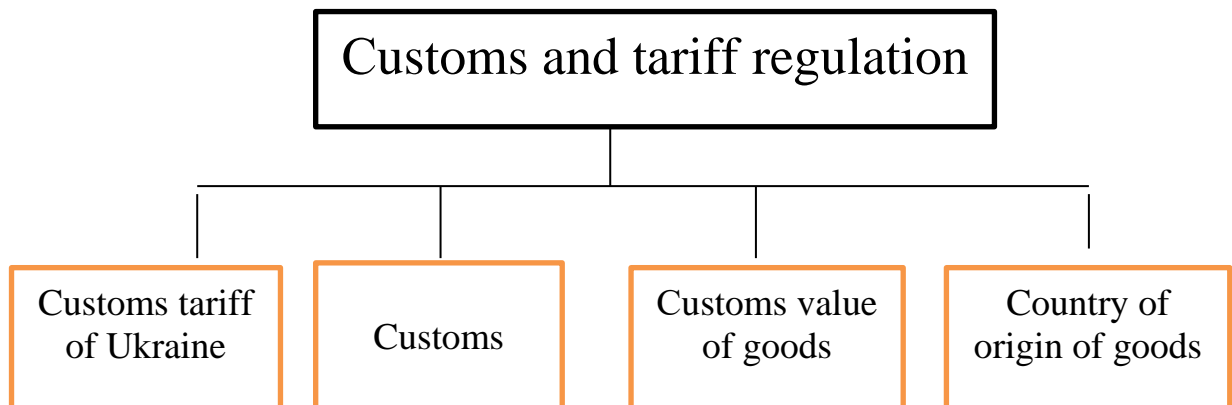


Figure 2.1 - Components of customs and tariff regulation [13]

After the adoption of the Declaration on the State Sovereignty of Ukraine, it independently determines the customs policy, creates its own customs system and implements the customs regulations.

Customs regulation is carried out by the highest authorities and administrations of Ukraine. The specially authorized body of the state administration in the field of customs administration is the State Fiscal Service of Ukraine, which adopts the normative regulations.

Customs regulation is carried out in accordance with the Customs Code, laws of Ukraine and international agreements. Ukraine can join customs unions with other states.

In the practice of foreign economic activity, the countries of the world have two levels of customs regulation [20]:

1. The International provides for the implementation of such regulation through the adoption and implementation of decisions of specialized international organizations, such as the World Trade Organization (WTO), the International Monetary Fund, the World Bank for Reconstruction and Development, and others involved in the customs regulation of trade.

2. The National shall rely on the relevant laws and other legislative acts of its national legislation.

Customs regulation is considered as a set of state customs measures used in the process of regulating foreign trade. The very concept of "customs measure" is absent, which makes it impossible to unambiguously understand the category of "customs regulation". In our opinion, when interpreting this category, we can consider two main areas of regulation: customs as a tax and customs as a body that enforces customs legislation.

In this case, the position of national legislation is logical, which defines customs regulation as the regulation of issues related to the establishment of duties and customs duties, customs control procedures, organization of customs control of Ukraine. However, this definition needs to be revised. Customs control procedures are inextricably linked with the procedure for moving goods across the customs border of Ukraine, customs clearance, collection of taxes and fees established by law, which in the complex is a customs case. The issues of establishing customs duties belong to the sphere of customs tariff regulation. Thus, customs regulation can be considered as the implementation of customs and organization of customs authorities of Ukraine [1].

For a comprehensive analysis of customs regulation, it is first necessary to focus on customs tariff regulation. The most established is the understanding of customs tariff regulation as a set of methods and tools of state regulation of foreign trade and other forms foreign economic activity through customs tariffs within the framework of protectionist policies and their minimization or full elimination of free trade ("free trade").

One of the most common FEA regulators is the customs tariff. Practically all

countries of the world with its help solve the most various problems: from protection of the domestic manufacturer to replenishment of the state.

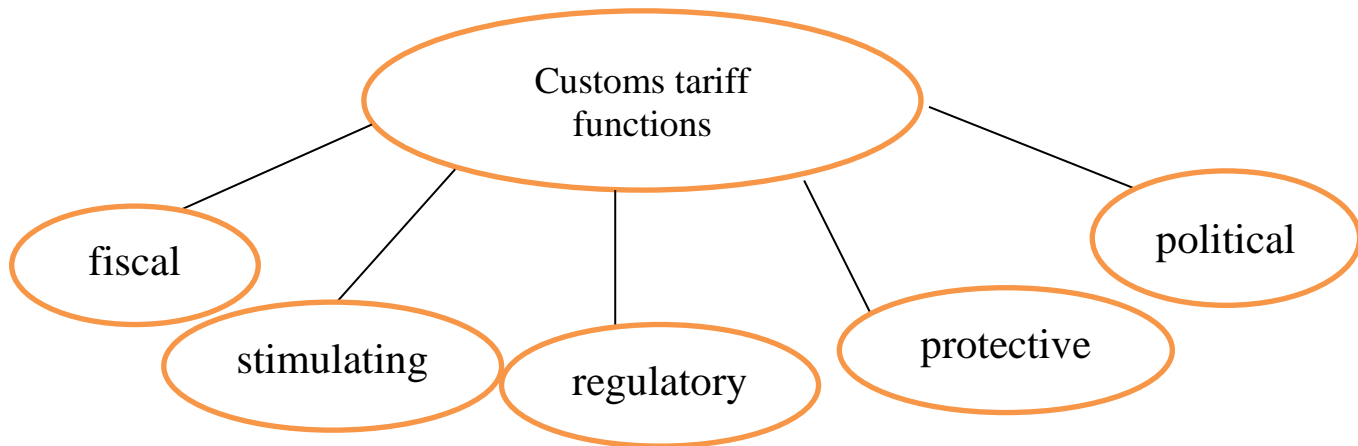


Figure 2.2 - Customs tariff functions [11]

The main element of the customs tariff is the duty. Duty is an indirect tax levied on goods (other items) that move through the customs territory (imported, exported or transit), is included in the price of goods and is paid at the expense of the final consumer.

The structure of customs tariff regulation is closely related to determining the place of duty among other taxes and fees levied when moving goods across the customs border: value added tax (VAT), excise duty, customs clearance of goods and vehicles and a single fee. VAT and excise duty, in contrast to customs duties, are paid by both importers when importing goods and domestic producers when selling goods on the domestic market. Accordingly, these taxes equally increase the price of both imported and Ukrainian goods. A single fee and fee for customs clearance of goods and vehicles is not able to seriously affect the price of imported goods. In addition, the object of taxation is not a single fee, but vehicles that carry goods and the types of state control to which such goods are subject.

Thus, it can be concluded that of all the taxes and duties payable on the movement of goods across the customs border, only the duty can significantly affect the price of imported goods, thus giving a price advantage to domestic goods.

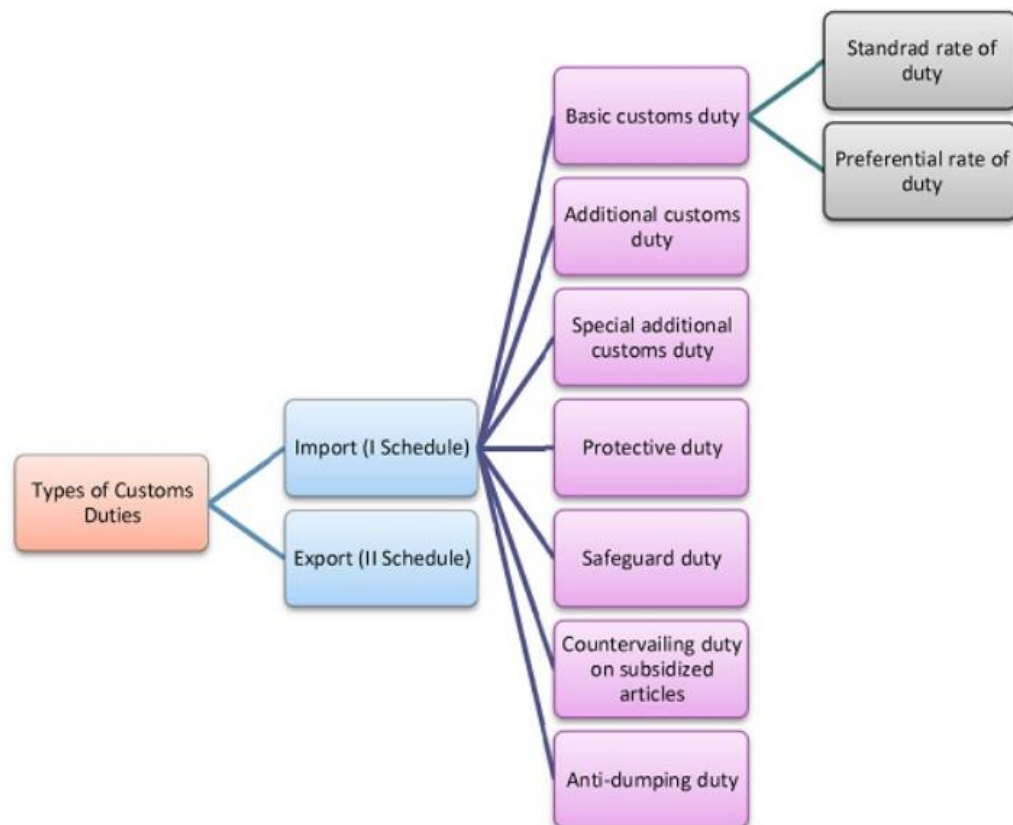


Figure 2.3 - Classification of types of duties [17]

Customs duty is a tax on goods and other items that move across the customs border of Ukraine. The duty levied by customs is a tax on goods and other items that move across the customs border.

Regarding the goods moving across the customs border of Ukraine, there are three types of duty rates:

- preferential;
- privileged;
- full.

Preferential are special preferential rates, which include exemption from customs duties and apply to goods originating in the states, which, together with Ukraine, are members of customs unions or create special customs zones with it, and also at establishment of any special preferential decision according to the international

agreements with the participation of Ukraine, they are taken into account.

Preferential rates are applied to goods originating from countries or economic unions that are used in Ukraine by the most favorable regime.

Full rates on other goods.

Customs duties should be distinguished from customs duties, which are a fee for customs services. The duty has all the necessary basic tax characteristics:

1. the payment of the duty is obligatory;
2. the duty is a free payment;
3. the duty is used for the purposes of financial provision of activity of the state and / or municipal formations.

Imports of goods are accompanied by the collection of customs duties. The rates of import duty and the list of goods in relation to which they apply are determined by the "Customs Tariff of Ukraine" and changes and additions. Import duty rates are set and changed by the Laws of the Verkhovna Rada of Ukraine. When importing goods from countries in relations with which there are agreements on free trade, the duty is not levied. The current procedure provides for the confirmation of the origin of goods with the provision of documents for the established form.

Preferences on import duties also apply to goods originating in the customs territories of the CIS countries which are delivered within Agreements on general conditions and the mechanism of support of development of industrial cooperation of the enterprises and branches of the CIS states.

Seasonal import and export duties may be imposed on certain goods and other items for a period not exceeding four months from the moment of their entry.

In order to protect the economic interests of Ukraine, Ukrainian producers and in the cases provided by the laws of Ukraine, in the case of importation into the customs territory of Ukraine and exportation of goods outside this territory, independently of other types of customs duties, the following types may be imposed:

- special duty;
- anti-dumping duties;
- compensatory duty.

A special duty applies:

- 1) as a means of protecting Ukrainian producers;
- 2) as a means of protection of the national commodity producer in case the goods are imported into the customs territory of Ukraine in the volumes and (or) for such conditions, that cause significant damage or create a threat of causing significant damage to the national producer of goods;
- 3) as a precautionary measure against students of foreign economic activity who violate national interests in the field of foreign economic activity;
- 4) as measures in response to discriminatory and (or) unfriendly actions of other states, customs unions and economic groups, which limit the exercise of legal rights and the interests of the subjects of foreign economic activity and (or) infringe on the interests of Ukraine.

The anti-dumping duty applies:

- 1) in accordance with the Law of Ukraine "On Protection of National Commodity Producers from Dumped Imports" in the case of importation into the customs territory of Ukraine of goods that are the object of dumping, which causes harm to the national producer of goods;
- 2) in case of export of goods at the price outside the customs territory of Ukraine, significantly lower than the prices of other exporters of similar or directly competing goods at the time of this export, if such export is incurred.

The imposition of customs duties on goods and other items subject to customs duties shall be carried out on the basis of their customs value, that is, the prices that are actually paid or subject to payment for them for a moment the cross-section of the customs border of Ukraine.

The duty is paid to the customs authorities of Ukraine, as well as goods and other items that are sent in international mail. The procedure for granting deferrals and installments of payment of duties shall be established by the State Fiscal Service of Ukraine.

All payments made at customs are calculated on the basis of customs value.

Customs value - is the value declared by the declarant or determined by the customs authority of goods moving across the customs border of Ukraine, which is calculated at the moment of crossing the customs border of Ukraine by goods.

The methods of determining the customs value of goods moving across the customs border of Ukraine and the conditions of their establishment shall be established by the Customs Code [14].

The customs value of goods and the method of its determination are declared (declared) to the customs authority by the declarant during the movement of goods across the customs border of Ukraine by submitting a declaration of customs value.

The customs value includes the price of the goods indicated in the invoice of the foreign counterparty, as well as such actual costs (if they are not taken into account:

- 1) to spend on transportation, loading, unloading, relocation and insurance to the point of crossing the customs border of Ukraine;
- 2) commission and brokerage costs during the customs and other types of registration in foreign countries on the way of transportation of goods;
- 3) payment for the use of intellectual property, which belong to these goods and other items, which must be paid to importers or exporters directly or ordered as a condition of their knowledge.

The calculation of the customs value is carried out in advance on the basis of the transaction price, ie the invoice value of the goods.

Invoice value (or contract value) is the price of the goods stipulated in the contract and in the invoice.

Further calculation of the customs value is carried out taking into account the terms of delivery of goods in accordance with the interpretation of the International Commercial Commerce based on what to spend included by the seller in the invoice and when they are made: to the intersection of the customs border or beyond.

The country of origin of the goods as an element of customs tariff regulation is determined by the purpose of setting tariff and non-tariff regulation measures and the export of goods from this territory, as well as ensuring the registration of goods in the statistics of foreign trade [16].

The country of origin of the goods is considered to be the country in which the goods were fully manufactured or subjected to sufficient processing in accordance with the criteria.

In this case, the country of origin of the goods can be understood as a group of countries, customs unions of countries, region or part of the country, if there is a need to separate them from the target.

The main document confirming the origin of the goods is the certificate of origin of the goods, the presentation of which is required by the customs authority in cases.

2.2 Customs and tariff policy of Ukraine at the present stage

For Ukraine, the current stage is characterized by a steady increase in the volume and expansion of international trade, the establishment of the dynamics of trade, by tightening the requirements of international organizations to ensure free access of foreign goods to domestic markets and lowering national trade barriers. The integration of international requirements into the national practice of customs regulation of Ukraine is deepening.

In such conditions, the need to increase the effectiveness of national customs policy in the field of response to external threats is exacerbated and rapid counteraction to the possible negative consequences of such threats in the direction of strengthening the economic interests of the state and the maximum possible time.

The growth of import volumes to Ukraine (in 2017 compared to 2018) indicates the need to increase the efficiency of customs control for Ukraine. Significant increase in the scale of import of goods to Ukraine from Georgia, Poland, Italy, Belarus, China and Germany acutely highlighted the problems of lack of technological and physical capacity of the state fiscal service for operational and effective implementation in 2018.

During 2018, significant positive changes were made in the direction of improving customs policy [22].

First of all, the interaction of customs authorities with economic entities engaged in foreign economic activity is intensifying. This measure is aimed at ensuring the liberalization of foreign trade and at the same time overcoming the shadow

mechanisms of importation into Ukraine.

Due to such interaction, the growth of additional revenues to the State Budget of Ukraine from the adjustment of the customs value of goods is ensured.

Secondly, the work on bringing the legislation of Ukraine in the field of protection of intellectual property rights is intensified to the level of world standards in order to counter the illegal movement of goods containing objects of intellectual property rights.

Observance of the interests of intellectual property rights plays an important role in ensuring non-discriminatory treatment of Ukraine as a subject of international economic relations, which seeks to gain competitiveness in the conditions of charitable competition.

Third, effective cooperation with the SFS of the neighboring countries and the countries of Ukraine's largest trading partners has been established with the purpose of detection of corruption shadow schemes in foreign economic activity and organized groups, who carry out criminal activity in the foreign economic sphere and are engaged in legalization (laundering) of criminal funds.

Fourth, some progress has been made in the direction of creating, preparing for the implementation and development of the electronic declaration system, which to a large extent approximates the legislation of Ukraine on customs issues to the legislation of the European Union and contributes to the acceleration and simplification of procedures.

Fifth, a number of measures have been taken to ensure that foodstuffs and foodstuffs are not allowed to enter the customs territory of Ukraine.

However, a number of problematic issues of the current customs policy of Ukraine should also be noted.

One of the most important problems of Ukraine's customs policy is the deviation of customs control from the current needs of capacity and the world.

The significant increase in foreign trade volumes and the strengthening of these trends in 2017 require a qualitatively new approach to implementation.

The growth of trade flows has highlighted such a problem of customs control as significant time spent on customs procedures.

The significant imperfections of Ukraine's customs policy are also evidenced by: the significant content of goods that are smuggled; preservation of the threatening situation with the smuggling of narcotics and weapons (in 2018, customs authorities detected 546 cases of illegal smuggling); committing offenses in the sphere of intellectual property, especially through the channels of illegal movement through the customs border of Ukraine of the Republic of Ukraine.

A very important problem is also the widespread practice of distorting the customs value of imported goods.

According to the State Fiscal Service of Ukraine, there is a tendency to reduce the customs value of imports with a wide range of goods. Such tendencies actualize for Ukraine the strengthening of the effectiveness of monitoring mechanisms and the determination of the true value of goods, their reliability.

There is also an increase in the volume and growth rate of payments for export-import operations through offshore zones.

According to the results of 2018, the increase in exports of goods through offshore zones took place at the expense of metallurgical products, fuel and energy products and goods.

Imports of goods through offshore zones in 2018 were growing even more dynamically than exports. Increase of payments for import of goods through companies registered in offshore zones in 2018 is almost 34% .

The growing weight of export-import operations with settlements through offshore zones creates wide opportunities for manipulation of contract prices, aimed at generating income and tax evasion, which poses a significant threat to stable economic growth and targets.

Another negative factor is the persistence of tendencies to a significant gap between the number of students registered in Ukraine and foreign economic activity of Ukraine.

There is a need for a thorough study of this situation on the subject of probable abuses in the relevant sphere, as well as the emergence of a phenomenon.

Considering the considered tendencies and conditions of functioning of the customs policy in Ukraine, the priorities of increase of capacity of the policy of the

state in this sphere have:

- increasing the level of protection of national interests of the state with the simultaneous implementation of international requirements and standards;
- simplification of customs procedures; increasing the effectiveness of detection and counteraction to negative phenomena in the environment of foreign trade.
- creation of the most favorable environment for FEA students;

In order to implement these priorities in the near future, it is necessary to take a number of measures, which will increase the level of protection of the national interests of the state, create favorable conditions for the increase of foreign trade volumes and will positively affect the social and social development.

For this, in my opinion, it is necessary:

- to create favorable normative and legal conditions for the extension of the rights of customs authorities in the part of access to information contained in the databases of other authorities of the authorities;
- to develop programs for reforming customs clearance procedures;
- to conduct scientific trainings for customs officers on risk management, implementation of the "single window" and an integrated cordon management system and include in the training programs the training and retraining of customs officers and customs officers;
- to increase the level of budget financing of modernization processes and reform of the system of customs policy implementation, in accordance with the requirements of international standards.

In my opinion, it is possible to suggest several effective methods of customs tariff regulation for implementation in Ukraine on the example of economically developed countries.

For countries that are at a stage of rapid economic growth, the policy of moderate protectionism, which has continued to be effective, is effective.

In this case, high tariff rates should be applied only to expensive goods. This policy provides for the provision of preferential customs tariffs mainly for the countries of suppliers of raw materials and goods of minimal technological value. At the same time, the customs tariff policy should correspond to the economic interests

of the state, and not to the separate subjects of foreign economic activity.

It should be noted that only with the help of tariff regulation it is impossible to ensure the protection of the national producer, it is effective in combining it with anti-dumping investigations, non-tariff regulatory methods and subsidies to national producers.

In my opinion, at the present stage, the most acceptable for Ukraine is to use the experience of the countries of Central and Eastern Europe, which have recently joined. It provides for the observance of low tariff rates on the vast majority of commodity items, especially on goods with a low degree of processing.

Special protection should be given to the products of the entire economy and certain branches of mechanical engineering. In parallel, an effective system of risk analysis should be implemented to prevent customs offenses.

3 WORLD EXPERIENCE OF CUSTOMS AND TARIFF REGULATION AND POSSIBILITIES OF ITS ESTABLISHMENT IN UKRAINE

It is expedient for Ukraine in the process of formation of its customs policy and the mechanism of use of instruments of customs and tariff regulation to use the world tax.

Let us consider the peculiarities of customs tariff regulation in some countries of the world and try to single out those instruments and methods that can be used in Ukraine.

Customs tariff regulation of export-import operations of developed countries of the world basically corresponds to recommendations of the international organizations.

In countries with a market economy, only imports are taxed for the purpose of encouraging capital inflows to the country, and export duties are not levied.

In general, most of the highly developed countries and countries with economies in transition have developed at different stages of their development a similar external which consisted in stimulating the export of finished products, restricting the export of raw materials and encouraging the import of components, materials for the development of own property.

Thus, customs tariff regulation as a means of stimulating exports is successfully used in many countries, especially in Indonesia, Indonesia and South Africa where the specified import materials are specified, and also adds a bank guarantee, the importer of the given materials is released from payment of the duty by receipt of payment and the amount of duty will be paid by the exporter in the event that he does not export 85% of the products at the specified time.

China also has a system of export promotion, which consists in providing numerous benefits and assistance in carrying out export operations, at the same time, privileges for importers are forbidden and additional tariffs for speeding up customs clearance are introduced.

That is, the customs tariff is established as an instrument to stimulate the production and export of products with a high share of added value, which is practiced on the basis of the use of the principle of tariff escalation, which consists in the fact that the rates of duty are increased in accordance with the growth rate of 10 degrees.

In particular, the level of customs duty on imported finished products in Japan is 10.8 times higher than the level of the duty on raw materials, in the EU - 7 times - 7.7 times. In countries with economies in transition, the tariff escalation is slightly lower: with the increase in the degree of processing of goods, the level of tariff protection is 2.5, and the level of protection is higher. The tariff escalation in Ukraine is approximately at the same level: our finished imported products are subject to a duty 3.2 times higher

In countries with less developed economies, the tariff escalation is smaller, the lower the level of development of the country: in Turkey, tariffs for finished products are 3.5 times higher.

From the above it is possible to draw a conclusion that, certainly, the tariff escalation is an effective method of protection of the national commodity producer, however, its development in developed countries causes the conservation of the technological backwardness of the countries that are on the way to the market economy.

It is interesting that many countries around the world, in addition to stimulating exports and promoting the development of domestic production, do not create obstacles for imported ones.

Here is an example of Japan, where there is a system of tax benefits for importers, for example, a tax credit in the amount of 5% of the volume of imports or general exemption from taxation of a large list of imported goods, which is 25%.

As there is a need for unification of tariff rates, which has already been discussed above, some countries have made significant steps in this direction, such as you can give the example of Chile, where the tariff rate is 15%, and Bolivia, where there are only two rates - 10% and 17%. In Russia, a gradual reform is being implemented to reduce the number of ad valorem rates applied to imported goods.

At the same time, such reforms are usually accompanied by a decrease in the average level of protectionism, which is achieved by two methods – by the method, when at each stage of the reform the higher rates are reduced to the next lower level (for example, in Costa Rica and Guatemala), or by the method of proportional reduction, when at each stage all rates are reduced by a certain number of percentages (Mexico).

Poland's customs tariff provides for four types of customs rates: basic (conventional), preferential, autonomous and reduced. Reduced rates are set for countries that have signed agreements on free trade with Poland - these are the countries of CEZVT, members of the EFTA, the Baltic states. These rates are mainly used for customs clearance, as 80% of trade flows come from the above-mentioned countries. Unfortunately, Ukraine is not part of this group of countries. Since Poland joined the EU, it has not been able to set customs tariffs on its own, in addition to a significant share of the collected customs duties. The rapid liberalization of the customs tariff policy of this state weakened the fiscal function of the customs tariff and limited the possibility of the expiration of trade.

In general, it can be noted that, in contrast to the Ukrainian legislation, the norms of the customs legislation of Poland and the order of the law very close to the requirements and norms of the European Union, despite the fact that a number of legal acts, which required harmonization in the countries of Central and Eastern Europe, amounted to 1.5 thousand [20].

In Hungary, similarly to Poland, the customs tariff policy is carried out according to the norms of the EU, and the customs registration is based on the Unified Administration.

Customs policy of Hungary, as well as other new countries - members of the EU, which belonged to the communist camp (Slovenia, Slovakia), characterized by a transitional state from the policy of protection of the national economy from import expansion to the liberalization of trade, trade efforts to avoid a sharp reduction in customs rates and to preserve elements of state support for the entire economy and other vulnerable sectors of the economy.

The essential difference between customs and tariff regulation in Ukraine and

the leading countries of the world lies in the extremely branched commodity nomenclature.

which as of 2018 has 11058 positions, while, for example, in the USA TNZED consists of 10085 positions, in Japan - 8964, and in China - 6509 positions.

This situation creates a potential for abuse of foreign trade entities by declaring the product not with its code in order to pay less.

Unfortunately, the possibility of harmonization of the customs legislation of Ukraine with the requirements of the EU is significantly slowed down by giving priority to the fiscal function which makes it extremely difficult to work closely with EU countries.

In industrialized countries, the duty performs primarily a regulatory function, rather than a fiscal one, and revenues from import duties are not more than 0.3% in contrast to Ukraine, whose fiscal service plays an important role in the process of filling the state budget.

The transformation of the customs authorities of Ukraine into a fiscal one reduces the possibilities of realization of their other functions and creates obstacles for international cooperation.

As a result, the scale of tax evasion is increasing, the competitiveness of the domestic commodity producer is decreasing, and the amount of tax evasion is not increasing.

In order to implement Ukraine's efforts, it will "join" the European Union and strengthen cooperation with the world's leading economic organizations, following a similar analogy which have already passed this path, to make changes in the national legislation and to use only those instruments of customs tariff regulation, which are not the only ones but also able to protect the economic interests of Ukraine. In other words, the experience of some CEE countries that have recently joined the EU should be adopted, and customs rates should be gradually reduced accordingly, respectively at the same time not refusing to protect vulnerable sectors of the economy (agro-industrial complex, mechanical engineering, food industry), and also to continue further implementation of the risk analysis and post-audit system to prevent customs offenses. As for the latter, it is useful to use the experience of the United States and

Japan and to reduce the commodity nomenclature, which will reduce the abuse of the definition.

CONCLUSIONS

Having investigated in this work the peculiarities of the customs tariff policy of Ukraine, we can make the following conclusions and generalizations.

First of all, the tax policy of Ukraine as a component of financial policy at the present stage should be formed in view of the relations with other countries

Therefore, consideration of the features of customs taxation, which is an important economic regulator of foreign economic activity, at the time of acquisition.

We have determined that the duty is, of course, a tax, insofar as it is paid in a compulsory free manner in accordance with the domestic law. The corresponding duty is an important component of the tax system and is characterized as follows:

- Is an indirect tax, and therefore its main features are inherent in it: first of all, the duty is included in the price of the goods as a surcharge and is a tax on consumption; second, the duty has a clear fiscal nature; thirdly, it is charged according to tariffs;
- Is a national tax and is fully paid to the State Budget of Ukraine.

The duty actually performs the same functions as other taxes and fees, but has certain features:

- The fiscal function of the duty consists in the fact that funds are accumulated for the state to perform the tasks assigned to it. Such a purely fiscal approach to the establishment of tariffs was characteristic of the era of protectionism, when high duty rates were specially established, however, from the beginning of integration processes there was a weakening of the role of customs duties in the formation of revenues;

The regulatory function of the duty is that due to the differentiation of rates there is an adjustment of national and world prices.

There are three main manifestations of this function: protectionist (the national price will be significantly lower than the world price together with the paid one, duty), stimulating (the national price will be higher than the world price together with the

paid duty) and stabilizing (the national price is comparable).

One of the most common FEA regulators is the customs tariff

Also, depending on the context, it can be defined as:

- a list of duty rates applied to goods moving across a customs border, systematized according to the goods;
a specific rate of duty to be paid for the export or import of certain goods into the customs territory of the country. In this case, the concept of customs tariff completely coincides with the concept of customs.

At the present stage of Ukraine's customs tariff policy, it is most acceptable to use the experience of the countries of Central and Eastern Europe, which are in trouble. It provides for the observance of low tariff rates on the vast majority of commodity items, especially on goods with a low degree of processing.

Special protection should be given to the products of the entire economy and certain branches of mechanical engineering. In parallel, an effective system of risk analysis should be implemented to prevent customs offenses.

Thus, having assessed the experience of foreign countries in the field of customs regulation, it should be noted that the effectiveness of such regulation in Ukraine is more important, while the implementation of the rest of the tasks assigned to the customs regulation system is not carried out or is carried out carelessly and inefficiently at the same time, the involvement of the considered experience of foreign countries is impossible without reforming the appropriate approach to setting priorities in priorities.

REFERENCES

1. Pashko P.V., Pisnoy P.Ya. Customs security of Ukraine. Bulletin of the National Academy of Public Administration.
2. Pashko P.V., Pisnoy P.Ya. Customs policy and customs security of Ukraine. Finance of Ukraine, 2006. No 1. Pp. 74–85;
3. Customs Code of Ukraine and normative legal acts regulating its application: 36. doc. / compilers: P.V. Pashko, V.P. Naumenko. Kyiv : Znannya, 2004. 1173 p.
4. Pashko P., Demchenko V., Pavlyuk V. Measures of customs and tariff regulation as a part of the realization of the customs policy of Ukraine. Visn. AMSU. 2005. No 4(28). Pp. 3–7.
5. Pashko P.V., Skorokhod O.I. Evaluation of the customs security of the state. Finance of Ukraine. 2005. No 2 (111). Pp. 101–105.
6. Jalilo Ya.L. Problems of determination of economic security in the system of ensuring national security of Ukraine. Materials of international scientific conference “Problems of economic security” (Donetsk, 23–24 november 2001). Donetsk : RIA DonNTU, 2001. Pp. 27, 28.
7. Kalinichenko A.I. Customs safety as a part of the national security of Ukraine. Law and innovations. No 2 (10), 2015.
8. Statute of the Ministry of Finance of Ukraine : Decree of the President of Ukraine dated April 8, 2011 No 446/2011. Ofits. visn. Pres. Urk. 2011. No 11. P. 610.
9. Oleksiyenko R.Yu. Areas of protection of economic interests of the state in the foreign economic sphere by the customs authorities. Customs policy and current issues of economic and customs security of Ukraine at the present stage : materials of international sciences practice conf. (Dnipropetrovsk, 23 november 2007). Dnipropetrovsk : AMSU, 2008. Pp.102–106.
10. Borodin D.V., Polezhaeva N.V. Prospects for the development of customs and tariff regulation at the present stage, scientific article // Logistics systems in the global economy., 2015, P. 470–472.

11. McKenzie, M. (2008). Climate change and the Generalized System of Preferences. *Journal of International Economic Law*, 11(3), 679-695.
12. Bartels, L., Haeberli, C. (2010). Binding Tariff Preferences for Developing Countries Under Article II Gatt. *Journal of International Economic Law*, 13(4), 969-995.
13. Emily, B., Shushanik, H. (2015). The US Generalised System of Preferences in Principle and Practice. *The World Economy*, 38(3), 399–424.
14. Irish, M. (2007). GSP Tariffs and Conditionality: A Comment on EC-Preferences. *Journal of World Trade*, 41 (4), 683-698.
15. Fisher, B. (2006). Preference Erosion, Government Revenues and Non-tariff Trade Barriers. *The World Economy*, 29(10), 1377–1393.
16. Portela, C., Orbie, J. (2014). Sanctions under the EU Generalised System of Preferences and foreign policy: coherence by accident? *Contemporary Politics*, 20(1), 63-76.
17. Witt, A.M. (2019). De-globalization: Theories, predictions, and opportunities for international business research. *Journal of International Business Studies*, 50(7), 1053–107.
18. Kano, L. (2018). Global value chain governance: A relational perspective. *Journal of International Business Studies*, 49(6), 684–705.
19. Benito, G.R., Petersen, B., Welch, L.S. (2019). The global value chain and internalization theory. *Journal of International Business Studies*, 50(7), 1414–1423.
20. Abdi, M., Aulakh, P.S. (2018). Internationalization and performance: Degree, duration, and scale of operations. *Journal of International Business Studies*, 49(7), 832–857.
21. Balandina, G., Ponomarev, Y., Sinelnikov-Murylev, S. (2020). Customs Administration in Russia: State-of-the-Art Procedures to Be Followed. *Ekonomicheskaya politika*, 15(1), 108-135.
22. UNCTAD (2019) Handbook on Duty-Free Quota-Free and Rules of Origin. New York and Geneva: United Nation.
23. Kaczmarek, M. (2017). Two Ways of Influence-building: The Eurasian Economic Union and the One Belt, One Road Initiative. *Europe-Asia Studies*, 69(7),

1027-1046.

24. Kiyanchuk, I. (2017). Influence of customs payments on the economic security of the country, problems and ways of overcoming. *Baltic journal of economic studies*, 3(3), 32-37.

25. Korf, D. (2017). Commodity Nomenclature and Classification of Goods for Customs Purposes in the Eurasian Economic Union. *Pravo-zurnal Vysshei shkola ekonomiki*, 3(1), 188-198.

26. Troshkina, T. (2017). Legal Regulation of Administering Customs Payments in EAEU States. *Pravo-zurnal Vysshei shkola ekonomiki*, 2, 237-252.

27. UNCTAD (2018) Generalized System of Preferences. Handbook on the Rules of Origin of the European Union. New York and Geneva: United Nation.

28. Manchin, M. (2006). Preference Utilisation and Tariff Reduction in EU Imports from ACP Countries. *The World Economy*, 29(9), 1243–1266.

29. Tarr, D.G. (2016). The Eurasian Economic Union of Russia, Belarus, Kazakhstan, Armenia, and the Kyrgyz Republic: Can It Succeed Where Its Predecessor Failed? *Eastern European Economics*, 54(1), 1-22.

30. Wardhaugh, B. (2013). GSP+ and Human Rights: Is the EU's Approach the Right One? *Journal of International Economic Law*, 16(4), 827-846.

31. UNCTAD (2017). Generalized System of Preferences. Handbook on the Scheme of the European Community. New York and Geneva: United Nation.