

## **INTERNATIONAL AND NATIONAL LEGAL FRAMEWORKS FOR ASSESSING RISK LEVELS IN THE CUSTOMS AUTHORITIES OF THE REPUBLIC OF UZBEKISTAN**

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As long as there is always danger in human life, he is constantly looking for ways to identify danger and its types, to set acceptable limits and to protect himself from its severe consequences. The activity related to determining the level of risk, finding ways to prevent it, and implementing measures to reduce possible damages is called a risk management system. Activities within the scope of risk management at the customs office are aimed at protection from the effects of risks that threaten the economic security of the state. Smart risk management increases the entity's chances of success in the long-term perspective, reduces the risk of deterioration of its current situation to some extent. In general, risk management makes it possible to use resources more rationally, share responsibility, improve the results of activities, and protect against the negative effects of risks.

The development of economic integration processes with the countries of the world, the increase in the volume of foreign trade, the renewal of the structural structure of goods and the attraction of foreign investments are related to the development of foreign trade relations of Uzbekistan with foreign countries far and near. In recent years, the development of foreign trade during the implementation of the policy of forming an open economy in the Republic helps the emergence of new goods in the domestic market of Uzbekistan. The emergence of new goods and new supply chains, the characteristics of goods, price, terms of delivery and payment, participants of foreign economic activity and other information lead to an increase in the amount of information required for customs purposes. This, in turn, creates the need to create a comprehensive risk management mechanism in customs authorities. For this reason, in order to identify risks in advance, foreign trade uses a risk management system worldwide to ensure customs control of the circulation of goods. This situation has become an objective necessity in Uzbekistan today and requires its implementation.

From this point of view, the implementation of national legislation to international norms and the creation of a perfect legal system occupy the main place. In this regard, the Law of the Republic of Uzbekistan dated May 26, 2000 "On Foreign Economic Activity" regulates relations related to the implementation of foreign economic activity. The main tasks of this Law are to ensure the economic security of the Republic of Uzbekistan in the implementation of foreign economic activities, to protect its economic sovereignty and economic interests, to

stimulate the development of the national economy, and to create conditions for the integration of the country's economy into the world economic system. A comprehensive mechanism that meets today's requirements for the full implementation of this task is a risk management system.

The International Kyoto Convention on Simplification and Harmonization of Customs Procedures dated May 18, 1973 serves as the basis for setting the standards of world customs services to regulate the risk management system at the international level. The preamble of the Kyoto Convention mentions "the maximum use of information technologies in the application of modern methods of management based on risk management and audit methods."

Also, the Kyoto Convention stipulates the use of modern customs technologies to improve customs procedures and accelerate world trade.

At the same time, the application of the risk management system is provided in Chapter 6 "Customs control" of the General Annex of the Kyoto Convention, which is directly mentioned in its standards 6.3, 6.4 and 6.5. Including:

- Standard 6.3 "Customs authorities use a risk management system in the implementation of customs control";
- Standard 6.4 "Customs authorities shall use risk analysis to determine the persons and goods, including means of transport, subject to customs inspection and the scope of the inspection";
- Standard 6.5 states that "To support the risk management system, customs authorities adopt a strategy for assessing the level of compliance with legislation."

The Republic of Uzbekistan joined the Kyoto Convention (with amendments adopted on June 26, 1999) on December 21, 2020. In this case, "the Republic of Uzbekistan accepts all annexes and chapters of the Convention, with the exception of Chapter 3 of Special Annex "E" (cabotage transport of goods)".

127 of the 183 member states of this organization, including 8 Commonwealth countries (Azerbaijan, Armenia, Belarus, Kazakhstan, Russia, Tajikistan, Turkmenistan and Ukraine) have become members of the convention.

It is worth noting that in international trade, the Kyoto Convention is highly valued as a trade facilitation tool. The main goal of the convention is to unify and simplify customs procedures based on the use of information technologies and risk management systems, cooperation with other state bodies controlling the border.

This international document consists of the main part, main and special annexes. Contracting States wishing to accede to the Convention must accept its Main Part and the General Annex. Acceptance of special applications is not binding on the contracting party.

In addition, World Trade Facilitation and Security Standards were adopted by the World Customs Organization at the annual session of the World Customs Organization Council held in Brussels in June 2005.

This important international document established a new approach to the "end-to-end" management of goods transported across borders, realizing the importance of close cooperation between customs services and commercial organizations, with a view to a secure global trade regime.

Global trade facilitation and security standards have 6 main goals, one of which is to strengthen cooperation between customs services in order to increase the capacity to detect high-risk cargo.

Also, there are 4 main elements of these standards, one of which is that all participating countries undertake a gradual transition to a risk management system to address security issues. Standard 4 of the World Trade Facilitation and Security Standards is called "Risk Management System" and it directly states:

- the need for customs services to create an automated system of risk management in order to identify potentially dangerous cargoes;
- it is determined that the system should include a risk assessment mechanism, decisions on the identification of audited objects, including the implementation of a more effective work mechanism.

Meanwhile, Standard 5, called "Selection, Profiling and Targeting for Inspection", requires customs services to use sophisticated methods to identify and target potentially high-risk cargo. It is noted that such methods include analysis of cargoes by obtaining information about them before they are sent from the country of shipment or arrive at the country of destination, and confirmation of the safety of goods at the place of origin based on external economic activity serves to reduce the high score for determining the risk.

The 6th standard of the document is called "Preliminary electronic data" and it is established that the customs services should require timely submission of data in order to objectively assess the risk.

Today, due to the fact that the volume of foreign trade goods turnover is increasing day by day in the world practice, the problem of the shortage of forces and means spent on customs control and clearance in the customs authorities, as well as the large amount of time and expenses are being spent. In order to solve this problem, that is, to optimally use the available forces and tools, to ensure customs control and clearance without reducing efficiency, to save time and costs, and to support the development of international trade, the risk management system is widely used by customs authorities.



The main document on the risk management system in the customs authorities of the Republic of Uzbekistan is the Customs Code, Chapter 29 of which is called "Risk Management System" and includes 5 articles 203-207. This chapter describes the goals and objectives of the "Risk Management System", the main concepts, and is the legal basis for introducing the system into the practice of customs authorities.

Article 203 of the Customs Code is entitled "Application of the Risk Management System" and it states the following.

To determine the goods and means of transport, documents and persons subject to customs control, to determine the forms and level of customs control applied to such goods, means of transport, documents and persons, the customs authorities use the risk management system. the strategy and tactics of the risk management system, information collection and processing, risk analysis and assessment, development of risk management measures and their implementation are determined by the Customs Committee of the Republic of Uzbekistan.

According to it, the purpose of the application of the risk management system is as follows:

- to ensure state security, protection of human life and health, environmental protection measures within the scope of powers of customs authorities;
- focus on high-risk areas and ensure effective use of available resources at the disposal of customs authorities;
- acceleration of customs operations when goods are transported across the customs border;
- violations of customs legislation:
  - a) has a stable character;
  - b) related to refusal to pay customs duties;
  - v) identification, forecasting and prevention of manifestations related to other types of customs control entrusted to the customs authorities to ensure compliance.

Article 204 of the Code contains the main concepts used in the Risk Management System, and their content and meaning are revealed.

Article 205 of the Code refers to "objects of risk analysis" and includes the following:

- goods under customs control or placed under the customs regime of free circulation (import);
- vehicles used for commercial purposes;
- information specified in foreign economic contracts (agreements, agreements) on trade or exchange, agreements on the right to own goods, use them and (or) dispose of them, or other documents;
- information specified in the tracking documents of the goods and other documents;
- activities of authorized persons in relation to goods under customs control;
- results of application of customs control forms.

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Article 206 of the Code specifies the procedure for "Preliminary information presentation". In particular, in the application of the risk management system, the information provided by the participants of foreign economic activity, carriers, persons who have licenses and permits in the field of customs work, about cargo, passengers, vehicles is used.

According to the international agreements of the Republic of Uzbekistan, the customs authorities carry out preliminary information exchange with the customs authorities of foreign countries and international organizations.

Today, bilateral agreements in this field are based mainly on the Republic of Belarus, Russia, Georgia, Kazakhstan, Turkmenistan, Ukraine, Tajikistan, China, Korea, Azerbaijan, Turkey, Iran, Pakistan, Kyrgyzstan, Moldova, India, Afghanistan, Latvia, Israel, Japan, The system of providing information in advance has been established with the countries of Italy, Greece, Egypt, Belgium, Czech Republic, Poland, Finland, UAE, and Slovakia.

Article 207 of the Customs Code defines the procedure for "risk assessment and management by customs authorities".

In particular, the Customs Committee of the Republic of Uzbekistan collects, summarizes and analyzes statistical and operational information about violations committed in the field of customs work, including those that are at the stage of investigations, as well as all the facts of violations for which a procedural decision has been made.

Risk profiles and the terms and criteria for their determination and application are determined by the Customs Committee of the Republic of Uzbekistan.

Risk profiles are used by customs authorities to apply customs control forms during customs control, and they cannot be a basis for restricting the movement of goods across the customs border.

The procedure for inclusion in the lowest or highest risk category, as well as the procedure for applying certain types of customs procedures and certain forms of customs control, is determined by the Customs Committee of the Republic of Uzbekistan together with interested state bodies and other organizations.

The composition of defined risk profiles and indicators is information intended for use by customs authorities.

At the same time, the Decree and Decisions of the President of the Republic of Uzbekistan became the main impetus for introducing the risk management system into the practice of the customs authorities of the Republic of Uzbekistan.

For example, in the Address of the President of the Republic of Uzbekistan to the Oliy Majlis on December 22, 2017, "Customs inspection in all developed countries is carried out through a risk warning system. This saves both state resources and time of entrepreneurs. However, this system has not yet been implemented in our country. He stated that starting from 2018, we will

introduce a risk warning system for business entities at the customs inspection, that is, depending on how honest the entrepreneurs are, they will be sent through the "green" and "red" corridors.

After that, DP-5308- Decree no. until July 1, 2018, it was envisaged to divide the customs inspection into categories according to the level of reliability of business entities through the risk management system and to introduce the system of passing through "green" and "red" corridors.

Decree No. DP-5414 of the President of the Republic of Uzbekistan dated April 12, 2018 "On measures to fundamentally improve the activities of the State Customs Service of the Republic of Uzbekistan" and Decision No. DP-3665 "On the organization of the activities of the State Customs Service of the Republic of Uzbekistan" were approved .

DP-5414 Decree No. DP-5414 defined the following as the main directions of the risk management system implemented in the customs authorities. Including:

firstly, transition from carrying out "gross" customs control to a risk management system that allows identifying customs control objects based on a comprehensive analysis, as well as reducing administrative obstacles for participants of foreign economic activity:

- reducing the duration of customs procedures at border crossing points due to the implementation of modern forms, methods and technical means of customs control;
- wide implementation of modern information and communication technologies aimed at increasing the efficiency of the activities of all structural structures of customs authorities and interdepartmental information exchange;
- further expansion of cooperation with customs authorities of foreign countries and international organizations, systematic study and introduction of best practices, international norms and standards in the field of customs work.

secondly, within the Customs Committee, the "Risk Monitoring and Assessment Department" was established, and its main tasks are:

- introduction of an automated system of risk management in customs authorities, which provides for the concentration of forces and means to control goods and participants of foreign economic activity with a high risk of violation of customs legislation;
- development of a methodology for the purposeful selection of high-risk consignments for customs control, including the analysis of preliminary data and random sampling;
- to develop procedures and criteria for the application of simplified customs procedures to the participants of FOREIGN ECONOMIC ACTIVITY who fully comply with the customs legislation of the Republic of Uzbekistan;
- continuous monitoring of the effective use of the risk management system, its further improvement and continuous operation.



thirdly, the CUSTOMS COMMITTEE of the Republic of Uzbekistan was assigned the task of ensuring the development and implementation of an automated system of risk management that provides for conducting customs control of goods on a competitive basis by September 1, 2018 :

- Decision No. DP-3665 "On the Organization of the Activities of the State Customs Service of the Republic of Uzbekistan" aimed at applying the principle of selection of customs control, increasing the possibilities of identifying and forecasting customs violations, and also facilitating the persons who carry out FOREIGN ECONOMIC ACTIVITIES in compliance with customs legislation the task of creating and implementing the information system "Risk Management at Customs" that allows creating conditions was set.

Also, the Decree of the President of the Republic of Uzbekistan dated November 24, 2018 No. DP-5582 "On additional measures to improve the customs administration and increase the effectiveness of the State Customs Service of the Republic of Uzbekistan" was approved.

In accordance with it, it was determined that the automated system of risk management will be implemented in full mode using the following.

In this, starting from December 1, 2018:

- "yellow corridor", in which customs control forms for checking customs declarations, documents and information are carried out in relation to goods and vehicles with a medium risk level or randomly selected;
- "red corridor", in which customs control forms are carried out in relation to goods and vehicles with a high level of risk or randomly selected.

From March 1, 2019:

- "green corridor", when a decision is made to release low-risk goods and vehicles, customs control forms are not performed on them;
- "blue corridor", in which customs control forms are carried out after their export for goods with a medium level of risk or determined on the basis of random selection.

By the Decree of the President of the Republic of Uzbekistan dated January 19, 2019 "On the state program on the implementation of the strategy of action on the five priority areas of development of the Republic of Uzbekistan in the "Year of active investments and social development"" until July 1, 2019 A task was given on "Accelerating the introduction of an automated system of risk management for the effective use of means of identifying goods with a high risk of violation of customs legislation and participants of foreign economic activity ". The State program approved by the Decree of the President of the Republic of Uzbekistan dated March 2, 2020 No. Clause 146 established the task of introducing a risk management system at automobile border customs posts.

As a logical continuation of this, the Decree No. DP-6005 of the President of the Republic of Uzbekistan dated June 5, 2020 "On reforming the customs administration and improving the activities of the state customs service bodies of the Republic of Uzbekistan" was approved. According to it, from November 1, 2020, it was decided to introduce the risk management system at the road border customs posts, including the gradual introduction of the risk management system at the road, railway and air border customs posts.

In addition, the task was to develop and implement the automated information system "Automated release", which provides for the gradual implementation of the system of automatic customs clearance of low-risk (green lane) customs cargo declarations.

In accordance with the decree of the president of the Republic of Uzbekistan dated April 23, 2019 DP-4297, taking into account the ratio of public expenditures to the achieved or expected effect in the conditions of resource limitation by October 1, 2019, the implementation of a full-fledged risk management system and the inclusion of the customs value of goods among the risk indicators of, for illegal purposes, assignments were established by officials of the state customs service to take specific measures to prevent the manipulation of criteria.

At the same time, the Decree of the President of the Republic of Uzbekistan No. DP-14 dated January 25, 2023 improves the procedure for the implementation of control functions by ministries and agencies and organizations in their system based on the results of the "risk analysis" system, as well as their coordination and optimization of control functions, wide implementation of information technologies, including the digitization of the work process of ministries and agencies, the tasks of ministries and agencies and organizations in their system regarding the improvement of the model of public service provision to business entities and the population, determined that the role of the risk management system is incomparable in other agencies and organizations .

By the Decree of the President of the Republic of Uzbekistan dated October 5, 2020 "On approval of the "Digital Uzbekistan-2030" Strategy and measures for its effective implementation" No. introduction at border customs posts. "Introduction of the risk management system at the railway and air border customs posts" was assigned.

By Decree No. 6155 of the president of the Republic of Uzbekistan dated 03.02.2021 "on the state program on the implementation of the strategy of action on the five priority areas of development of the Republic of Uzbekistan in the "year of youth support and strengthening of Population Health" in 2017-2021:

- development of an internal departmental document on the introduction of the risk management system at railway and air border customs posts;
- integration of "Railroad" and "Avia" information system into the risk management system;



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- preliminary assessment of the level of risk of transported goods and implementation of effective customs control, purposeful use of forces and means were envisaged.

Conditions for performance of tasks of the risk management system by the employees of the customs authorities in the instruction No. 3154 "On the implementation of customs procedures during the customs inspection and customs inspection of goods and taking samples and (or) samples" registered on April 19, 2019 from the Ministry of Justice of the Republic of Uzbekistan was determined.

Thus, the introduced risk management system analyzes data on the activities of legal entities and individuals, assesses risks, determines the probability of occurrence of risks, defines and applies measures to minimize risks, implements them through special software, controls the quality of the measures used, and improves the efficiency of the system. In order to ensure the legality of the implementation mechanisms of these processes, due to their connection with the evaluation and the change or cancellation of the created risk criteria, the norms regulating them have been developed. These norms define the limits of the rights and obligations of customs officials within the framework of the risk management system.

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