



Peculiarities of Applying the Rates of Customs Duties in the Process of Integration of the Republic of Uzbekistan Into the EEU

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Abstract: *The article is devoted to the study of the implementation of the foreign trade policy of the Republic of Uzbekistan related to customs activities. It pays special attention to the possible entry of the Republic of Uzbekistan into the Eurasian Economic Union, and also considers the positive and negative aspects of our country's accession to this regional economic integration structure.*

Keywords: *Eurasian Economic Union, customs payments, exports, imports*

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Introduction:

To date, the priority tasks facing our state is to ensure economic security, protect the economic sovereignty and economic interests of the Republic of Uzbekistan in the implementation of foreign economic activity, stimulating the development of the national economy, creating conditions for the integration of the country's economy into the world economic system, establishing mutually beneficial economic relations and increasing the geography of export countries, while creating conditions for the production of competitive One of the priority directions of the state policy is to ensure sustainable development of the national economy, which stipulates the necessity of its qualitative integration into the world economic system. For this reason, the main goal of economic policy of our country at this stage is to implement mutually beneficial cooperation of Uzbekistan with the EAEU. It should be recalled that in May last year, the OliyMajlis of Uzbekistan approved a proposal for the country's participation in the activities of the Eurasian Economic Union as an observer.

The Eurasian Economic Union (EAEU) emerged in January 2015 with the aim to reunite the post-Soviet space. Building on the Customs Union between Belarus, Russia and Kazakhstan (2010) and successfully expanding membership to Armenia and Kyrgyzstan (2015), the EAEU not only unites a market of more than 182 million people, but also pursues the stated aim of using the experience of the European Union to achieve deep integration in the shortest possible time.

President ShavkatMirziyoyev acknowledged in his address to the OliyMajlis that the main problem of exports is the small market, as 70% of our trade turnover is linked to Russia and the EAEU. The

head of state also noted that the country will face difficulties when it joins the EEU: businesses may close before adapting to the requirements of the union. As neighbouring countries are already transitioning to product labelling, our goods cannot compete in the market without labelling.

In order to obtain observer status, Uzbekistan actively developed trade and economic relations with the EAEU states. All EAEU members are members of the CIS and there are close ties between the two organisations. According to statistics from 2020, Uzbekistan's trade with the EAEU countries was worth \$10 billion. These states account for up to 28% of the republic's total foreign trade turnover. Among the CIS countries, Russia, Kazakhstan and Kyrgyzstan are Uzbekistan's main foreign trade partners. Uzbekistan exports textiles, products of metallurgical and chemical industries, as well as fresh fruits and vegetables to neighboring countries. From the union states, the republic receives construction materials, wood processing and chemical industry products, as well as processed food, including dairy and meat products.

When it comes to accession to the EEU, experts have different opinions. Some of them argue that closer integration with the EAEU countries will lead to an increase in Uzbek exports, a significant reduction in the size of the shadow market, the elimination of monopolies and the reduction of duties, while others argue that there may be an outflow of resources from the country, redistributed in favour of the economically stronger members of the union.

Research methodology

The following methods were used: comparative, systematic, monographic research methods, comparison, induction, deduction, method of work with WEB-sites.

Literature analysis:

Currently, in order to integrate the national economy with the world economy, the development of foreign trade relations, as well as for joining the EAEU, the state bodies of our country, in particular the State Customs Service, have identified a number of tasks and projects that will be implemented in subsequent years to organize customs control using modern and innovative methods. Also, a number of reforms were carried out to liberalize foreign economic activity, expand export potential, improve customs administration, simplify customs procedures and further improve the activities of customs authorities.

In particular, by Decree of the President of the Republic of Uzbekistan of February 3, 2021 No. UP-6155 "On the State program for the implementation of the Strategy for Action in five priority areas of development of the Republic of Uzbekistan in 2017-2021, the Year for the Support of Youth and the Promotion of Public Health" determined:

gradual organization in the experiment uncategorisable "customs posts of the remote electronic Declaration";

remote control of customs clearance processes, drastic reduction of human factor interference;

introduction of the practice of general online control by digitalizing the processes of registration of carriers, verification of documents, collection of payments for services rendered by veterinary and phytosanitary authorities at the border.

It is worth noting that today Uzbekistan's entry into the Eurasian Economic Union is a top priority, the Head of State stressed that it is necessary to open markets, stop engaging in protectionism and establish protective duties.

In recent years, in order to accelerate the process of integration of the Republic of Uzbekistan into the EAEU, as well as the liberalization of foreign economic activity, expansion of export potential,

improvement of customs administration, simplification of customs procedures and further improvement of the activities of customs authorities, a number of reforms have been carried out.

At the same time, it should be noted that according to the Presidential Decree of 09/10/2021 UP-6310 "On simplification of customs procedures and further improvement of the organizational structure of the State Customs Service", a steady desire was demonstrated, expressed in specific reforms in the field of economic liberalization.

Analysis and results:

Today, the issue of economic integration is especially important in increasing the country's role in international trade, since Uzbekistan has no access to the sea. Our neighbors have access to the sea. We enter Russia through Kazakhstan, which has its own interests. No one is going to make it easier for us. The accession of the EAEU will provide more favorable conditions for accessibility to the transport infrastructure of Russia and European countries for national producers, which means that the transport costs of foreign trade will be reduced. Also, Uzbekistan will strengthen its position in negotiations with third countries on the world market as a member of the economic bloc. At the same time, joining the Eurasian Economic Union does not automatically mean solving all the problems of our economy. Integration, first of all, creates conditions for increasing the output of goods and services.

It should be noted that the benefits associated with Uzbekistan's entry into the EAEU are mainly focused on the benefit of consumers.

Firstly, the possibility of a wider choice of goods will grow.

Secondly, the expanded market will increase competition between manufacturers, which should lead to better quality products at an affordable price. Thirdly, the formation of a common labor market and the creation of joint ventures with partners within the EAEU will reduce unemployment.

However, it is important to note that in accordance with the preliminary analysis of the consequences of the country's possible accession to the EAEU, the following risks have been identified:

Firstly, different VAT rates in the EAEU member states, as

well as tariff exemptions existing in a number of countries, will lead to

to the registration of goods intended for import into the Republic of Uzbekistan, in countries with low rates.

This leads to a complication of the free movement of goods within the EAEU and creates unequal conditions of competition.

Due to the fact that the rates of customs payments in the Republic of Uzbekistan (duty, excise, VAT) are noticeably higher compared to similar rates established in neighboring countries, there is a risk of customs clearance (with payment of all payments) of goods destined for the Republic of Uzbekistan to the Republic of Kazakhstan and the Kyrgyz Republic.

For example, one of the conditions for Kazakhstan's accession to the WTO are tariff obligations for a number of commodity items - a list of exemptions, the import rate of which under WTO conditions is lower than the current customs duties under the Unified Customs Tariff of the Eurasian Economic Union (ETU). Tariff preferences were accepted for 3,877 commodity items. It is obvious that in such conditions it is economically more profitable to import goods to the territory of the EAEU through the territory of the Republic of Kazakhstan. At the same time, importers of other EAEU member states find themselves in unequal conditions, which contradicts the norms of the Eurasian Economic Union. Import duties are applied in the same way as an instrument of anti-

dumping measures to protect domestic producers. Reduced duties on certain types of goods may create obstacles to the development of domestic production. Thus, the goods included in the List of Exemptions can be imported to Kazakhstan either at reduced duty rates (WTO rates); or at standard customs duty rates (EAEU ETT). To control the goods included in the List of seizures, when they are handled on the territory of the Republic of Kazakhstan, the system of "electronic invoices" (ESF) is currently used. When selling goods included in the List of exemptions, the taxpayer is obliged to issue an ESF to the buyer. However, the legislation of the Republic of Uzbekistan does not provide for this procedure. As a result, there is a need to bring national legislation into line with the order of the EAEU, as well as the development of automated information systems to control rates on goods from the list of exemptions.

It should be noted that to date, import customs duty rates of 0% have been set for 62.7% of the total number of commodity sub-items. Consequently, the role of VAT in the formation of the state budget of the Republic of Uzbekistan is significant. Accordingly, the imbalance of the VAT rate with other neighboring countries significantly affects the process of customs control and clearance.

Also, in the case of customs clearance for goods withdrawn from the ETT, difficulties with data identification may arise. It is necessary to pay attention to the fact that a significant proportion of goods are agricultural products, consumer goods and vehicles.

It is worth noting that Uzbekistan has abolished the excise tax on 73 commodity items. We are talking about food products (20 types of goods - juices, cheese, cottage cheese, margarine, confectionery flour products, sausages and similar meat products), electrical equipment (35 types of goods - refrigerators, televisions, gas stoves, vacuum cleaners, washing machines) and others.

It should also be noted that the rates in the Republic of Kazakhstan for tobacco products are set at 2 euros / 1000 pcs, while the rate in the Republic of Uzbekistan for the commodity item according to HS "2402209000" (other cigarettes containing tobacco) is 30% of the customs value, but not less than 45 US dollars / 1000 pcs.

To compare the excise tax rates established byin the Republic of Kyrgyzstan and the Republic of Kazakhstan with rates in the Republic of Uzbekistan, as an example, we will give a product classified byHS "220300" "Malt beer". In the Kyrgyz Republic, the rate for "2203" is 30 soms per liter (approximately 0.43 US dollars / l), in the Republic of Kazakhstan the excise tax rate is 48 tenge per liter (approximately 0.12 US dollars / l), in the Republic of Uzbekistan the rate for this product is 50%, but not less than 1.5 US dollars per liter.

Secondly, based on the analysis of the possible risks of the consequences of accession, the following factors were identified related to the increase in the import of motor vehicles to the Republic of Uzbekistan.

The established rates of customs payments are significantly higher than

in the EAEU countries. Also, there are tariff exemptions for motor vehicles in the Kyrgyz Republic and the Republic of Armenia.

At the same time, temporary import of motor vehicles registered

in foreign countries by legal entities and individuals of the Republic of Uzbekistan is currently prohibited in the Republic of Uzbekistan. However, the use of motor vehicles registered in foreign countries under a general power of attorney is not prohibited.

In case of possible accession of the Republic of Uzbekistan to the EAEU, vehicles released into free circulation in the EAEU countries can freely enter the Republic of Uzbekistan.

In this case, there is a risk of customs clearance (with payment of all payments) of vehicles intended for the Republic of Uzbekistan to the Republic of Kazakhstan and the Kyrgyz Republic, with subsequent import and use by individuals of the Republic of Uzbekistan on the basis of a general power of attorney.

Thirdly, by separate decisions of the Council of the Eurasian Economic Commission (EEC), the rates of import customs duties of the Unified Customs Tariff of the EAEU for a certain period are established in relation to various types of products and goods. For example, such goods may include individual fruit processing products classified by codes 2007995003, 2007995004, 2007995005 and 2007995007 HS of the EAEU, as well as certain fish species classified by codes 030919000 and 0301991100 HS of the EAEU, with respect to polyvinyl chloride plasticized for the production of wallpaper, classified by the code 3904220001 HS of the EAEU, with respect to aniline and its salts classified by the code 2921410000 HS of the EAEU and other goods.

With a possible accession to the EAEU, the Republic of Uzbekistan will have to bring national legislation in the field of customs and tariff regulation in line with the above-mentioned decisions of the EEC Council.

As a result of studying the established rates of import customs duties of the above-mentioned goods in the Republic of Uzbekistan, it was found that the rate coincides with respect to some goods. But at the same time, there are a number of goods for which the rates in the Republic of Uzbekistan are significantly high, in addition, the type of these rates is alternative.

In addition, you should pay attention to the validity period of the set rates. For example, with respect to certain types of goods, the rates of import customs duties established by Decisions of the EEC Council are adopted for a certain period (usually from 1 to 4 years).

And the rates of import duties in Uzbekistan are set for an indefinite period, however, changes may be made to this list.

Conclusion:

Taking into account the above, it is proposed to provide for the elaboration of the following issues:

provision of a transitional period for the further functioning of border customs posts on the State Border of the Republic of Uzbekistan with the Republic of Kazakhstan and the Kyrgyz Republic;

when accepting the EAEU ETT rates, it is proposed to apply tariff exemptions as close as possible (possibly lower) to the withdrawal rates for goods established in the Republic of Kazakhstan and the Kyrgyz Republic;

when reviewing excise tax rates, it is proposed to cancel excise tax rates on a number of goods and apply as close as possible to the rates established in the Republic of Kazakhstan and the Kyrgyz Republic;

to consider the possibility of developing measures to restrict the right of use, possession, disposal and transfer on the territory of the Republic of Uzbekistan of motor vehicles registered in foreign countries, including the EAEU countries by individuals of the Republic of Uzbekistan;

introduction of the mechanism of modern control methods and tracing the entire chain of movement of goods from the EAEU member states, including from third countries, in which special attention should be paid to monitoring the movement of goods based on statistical information provided to the tax authorities.

Literature

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