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«Customs visa-free travel» in the fight against money laundering and optimization of customs risks

Ukraine constantly continues to move towards the consolidation of economic processes with the European Union, and the issue of rapid European integration as a whole is extremely relevant. Currently, a number of simplified procedures have been introduced with EU countries: «economic visa-free travel», transport and energy «visa-free travel» (all this contributes to the abolition of tariffs and quotas to simplify documentation, save money, avoid corruption and money laundering). Customs innovations allow Ukrainian businesses to get tools to take advantage of the benefits and simplifications of the joint transit procedure. The article defines that Ukraine's accession in 2022 to the convention on the procedure of joint transit, the so-called «customs visa-free», will contribute not only to the simplification of customs procedures, but also to strengthening the security of customs transportation, the development of international trade, strengthening the fight against money laundering, transparency of export-import operations and ensuring the payment of customs payments to the budget. The use of a computerized transit system (NCTS) for «customs visa-free travel», in addition to simplifying customs clearance, allows for customs risk analysis, which generally contributes to improving the efficiency of customs risk management and combating money laundering.

Keywords: customs clearance; customs visa-free travel; anti-money laundering; customs risks.

Topicality. The European Council at the summit in Brussels on June 23, 2022 adopted the long-awaited decision of Ukrainians to grant Ukraine the status of a candidate for the European Union.

As noted by D.Schembel [1]: «granting the status of a candidate for membership in the European Union (hereinafter referred to as the EU) is only the first step. On the way to Ukraine's accession, it is necessary to carry out a number of reforms and adapt Ukrainian legislation in accordance with European criteria. The European Union has provided a number of requirements that need to be met on the way to European integration. At the moment, Ukraine has been assigned a number of "tasks" that need to be completed, namely:

- strengthening the fight against corruption;
- implementation of the reform of the Constitutional Court of Ukraine;
- continuation of judicial reform in Ukraine;
- anti-oligarchic law;
- implementation of the fight against money laundering;
- "Law on media" (bringing media legislation in line with the European one);
- changes in the legislation on national minorities».

Achieving results in accordance with the above-mentioned EU requirements implies the need to change the current legislation of Ukraine, which will be accompanied by reform and the creation of an established mechanism for implementing these changes and innovations. In terms of combating money laundering, most European countries focus on controlling questionable operations (transactions). Such control is assigned to various bodies that can exercise appropriate control within the limits of their powers. One of these state bodies is customs, which, through customs control, minimizes risks in customs affairs, which ensures the well-coordinated work of both the customs authorities themselves and other bodies, departments, and institutions related to their activities.

Analysis of recent research and publications. Research on the problems of customs risk management was carried out by such scientists as: I.H. Berezhniuk [12], I.O. Drahan and O.V. Komarov [10, 11], S.V. Kapitanets and O.A. Fradynskyi [9], I.V. Nestyishena and V.A. Turzhanskyi [13]. The works of Ye.Aloshynskyi, O.Afanasieva, L.M. Hanas, O.P. Hrebelnyk, O.I. Dorosh, K.Ilchenko, N.Koval, O.V. Mukan, Ya.Nazarova, L.S. Nodzhak, L.I. Pashkovska, V.Prokopenko, S.M. Trukhan, I.Tuliantseva, V.V. Chentsova, O.V. Chuprina paid attention to customs clearance issues. However, given the need to strengthen Ukraine anti-money laundering in the context of European integration processes, the need to optimize customs risks during joint transit, the need to improve the security of the procedure for such transit and ensure the payment of customs duties to the budget in full, the issue of customs clearance is being updated on time.

The goal of the article is a study of the impact of innovations in the domestic customs business regarding «customs visa-free travel» on the fight against money laundering and to optimize customs risks.

Presentation of the main material. The main changes of the customs code and innovations in terms of customs reform of Ukraine were presented at the «Customs platform: Ukraine-EU 2022» on October 01, 2022. In particular, the main theses of this meeting were related to Ukraine's accession to the convention on the procedure of joint transit [6] (hereinafter referred to as the convention; «customs visa – free travel»), which contributes to the simplification of customs procedures, strengthening the security of customs transportation, the development of international trade, strengthening the fight against money laundering, transparency of export-import operations and ensuring the payment of customs payments to the budget, because customs revenues account for about 35 % of revenues to the state budget of Ukraine.

Alishauskas V. representative of the EU Public Finance Management Support Program (EU4PFM), outlining the main trends of modern EU customs legislation, noted that «EU customs legislation reflects the new economic reality, as well as the new role and mission of the customs service. It has transformed the role of customs authorities, giving them a role in the supply chain, monitoring and turning them into a catalyst for the competitiveness of countries and companies. Promoting legitimate trade requires simple, fast and standard customs procedures and processes. The purpose of the new EU customs code was to simplify customs legislation and allow the use of modern tools and technologies. The procedure for joint transit and use of NCTS is an example of the implementation of this new role of customs» [2].

Ukraine started testing NCTS at the end of 2020, but since the spring of 2021, a nationwide application of this system has been introduced. However, Ukraine was waiting for an invitation to join the Convention on the common transit procedure for the final transition to the international application of the above-mentioned system. The relevant decision was made at a meeting of the EU-CTC working group in July 2022. This was followed by the adoption by the Verkhovna Rada of Ukraine of Law No. 2510-IX [5] «On amendments to the Customs Code of Ukraine and other laws of Ukraine on certain issues of implementation of Chapter 5 of Section IV of the association agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their member states, on the other hand» dated August 15, 2022, which became the final and decisive position in simplifying customs procedures (joining the «customs visa-free regime»). The adopted customs amendments came into force on October 01, 2022.

According to the Ministry of Finance of Ukraine, as of July 2022, more than 1,100 traders, about 4,500 customs officers have already been registered in the NCTS system, more than 5,500 declarations have been submitted, 13 companies have been assigned the status of a financial guarantor, and the provision of special transit simplifications to Ukrainian enterprises has begun [7].

As noted by B.Kreidenko [3], the Convention provides for Ukraine's participation in the New Computerized Transit System (NCTS), which is used by the contracting parties to the convention, and contributes to the effective protection of the rights and interests of subjects of foreign economic activity. The convention is the basis for the movement of goods between the participating countries and helps to significantly simplify such transportation and logistics. Also, the author [3] notes that after joining the convention, the customs offices of the EU and Ukraine will have one transit document in the system, which means that it will be possible to check what the entrepreneur exported from the EU and whether this corresponds to what he imported. The entire process is carried out within the framework of one transit procedure, according to one transit declaration and covered by one financial guarantee, and authorized enterprises send and receive goods at their enterprise without entering customs terminals. It is the NCTS that ensures the practical implementation of the provisions of the convention on the procedure for joint transit of goods between the customs offices of the participating countries, and these are 35 European countries: EU member states, as well as the United Kingdom, Turkey, Serbia, North Macedonia, Iceland, Norway, Liechtenstein and Switzerland. In fact, this software product connects customs services in the countries participating in the convention, allowing the exchange of customs data, increases the efficiency and security of the transit procedure, allows you to track goods in different jurisdictions and improves control over them.

It should be noted that NCTS also focuses on risk analysis. Therefore, having a Data Bank of all EU countries in terms of control of export-import operations to a particular country, this system allows minimizing (leveling) the risks of deliberate distortion of documents (substitution during transit, route, etc.). Such an analysis helps to simplify the control procedure due to the presence of clear indicators of the system and exposes fraud with customs clearance during joint transit. As noted by S.V. Kapitanets and O.A. Fradynskyi [9], now Ukraine is constantly working to prevent and minimize risks, which is an integral component in the implementation of state management of customs affairs. However, in the scientific research environment, the issue of risk management in the design of NCTS deployment in Ukraine is practically not studied. This is largely a consequence of a certain novelty of the topic of Ukraine's accession to the EU common transit system and the dynamics of its development.

At the same time, risk management is a key element in the structure of modern management technologies of executive authorities, including the state customs service of Ukraine. The use of a risk-based approach in the preparation of an important state project for the deployment of NCTS in Ukraine allows us to form a comprehensive view of risks, providing not only their identification, but also an assessment of the impact of each of them, ranking, and pre-prepared response scenarios. Such scenarios were clearly defined measures that, through

consistent implementation, supported and continue to support a better process of informed choice and making justified and informed decisions through an in-depth understanding of the nature of risks and their impact [9].

Customs innovations allow Ukrainian businesses to get tools to take advantage of the benefits and simplifications of the joint transit procedure. So far, only a limited number of enterprises have had access to simplifications. In addition, a list of goods that can be transported through the customs territory of Ukraine without providing customs with security for the payment of customs duties during martial law and one year after its termination has been defined. The list is formed taking into account the goods needed for the country's defense capability [4].

A special feature of the joint transit regime provided for by the convention is mandatory financial guarantee for all types of goods and sealing all movements. Seals are applied to all vehicles and have a protective function, and will now be recognized in the EU, which increases the safety of transportation [3]. In addition, we agree with B.Kreidenko [3] in terms of the fact that «the Convention on the procedure of joint transit also provides for traders to apply a number of special transit simplifications: the application of a general financial guarantee, a general financial guarantee with a reduction in the amount of security of the base amount by 50 or 70 %, exemption from the guarantee; the possibility of sending or receiving goods without presenting them to customs (the so-called "authorized shipper" and "authorized consignee"), self-sealing of goods. Traders have the opportunity to get permission to apply several simplifications simultaneously».

Conclusions and prospects for further research. Despite the full-scale war, Ukraine is constantly moving towards European integration, consolidating and harmonizing economic processes with the European Union. Currently, Ukraine has already introduced a number of «visa-free travel» with EU countries: energy, transport, economic (regarding the abolition of tariffs and quotas that contribute to saving and simplifying joint transit procedures, leveling corruption risks). In addition, the introduction of an «industrial visa-free regime» is planned for next year. All this will contribute to the effective management of customs risks and the fight against money laundering, as well as allow domestic businesses and the economy as a whole to gain advantages, profits and super-profits and ensure dynamic development.

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«Митний безвіз» у боротьбі з відмиванням коштів та в оптимізації митних ризиків

Україна постійно продовжує рух у напрямі євроінтеграції, інтегруючи та синхронізуючи економічні процеси з Європейським Союзом. Наразі вже запроваджено низку «безвізів» з країнами ЄС: енергетичний, транспортний, економічний (щодо скасування тарифів і квот, які сприяють економії та спрощують процедури, мінімізуючи корупційні складові). Митні нововведення дозволяють українському бізнесу отримати інструменти для користування перевагами та спрощеннями процедури спільного транзиту. У статті визначено, що приєднання України у 2022 році до конвенції про процедуру спільного транзиту, так званого «митного безвізу», сприяє не тільки спрощенню митних процедур, але і посиленню безпеки митних перевезень, розвитку міжнародної торгівлі, посиленню боротьби з відмиванням коштів, прозорості здійснення експортно-імпортних операцій та забезпеченню сплати митних платежів до бюджету. Використання комп'ютеризованої транзитної системи (NCTS) при «митному безвізі», окрім спрощення митного оформлення, дозволяє проводити аналіз митних ризиків, що в цілому сприяє підвищенню ефективності управління митними ризиками та боротьби з відмивання коштів.

Ключові слова: митне оформлення; митний безвіз; боротьба з відмиванням коштів; митні ризики.

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