

Republic Tadjikistan

Seminar: Customs Automation

“Development of the Uniform Information Automated System”

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Customs service
of the Government
of the Republic Tadjikistan

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Dear ladies and gentlemen, dear colleagues!

Let me welcome all of you at this seminar and express my gratitude to the organizers of the given workshop, for the opportunity to share information and opinions concerning application and development of information and communication technologies in customs administration.

Natural process of integration and internationalization of the world economy demands a new level of economic relations. At the present stage of development of the multipolar world none of the countries are capable to develop in isolation. Strengthening of integration processes is explained by the grown interdependence of economies of some countries and is expressed, first of all, in multilateral agreements on trade regulation.

Since Republic Tadjikistan has gained its independence it has established close economic relations with many countries of the world, made the important step towards integration with the world economy.

In conditions of transition to market economy in the Republic Tadjikistan the problems of trade and customs regulation of foreign trade become a priority and have special value for stabilization of economic relations.

The Republic Tadjikistan understands the importance and value of integration processes within the framework of such authoritative and influential international organizations and programs as United Nations, World Trade Organization, World Customs Organization, Customs Cooperation Committee, Central/Asian Regional Economic Cooperation Program and some other international organizations, taking into account the factor of harmonization and strengthening of interaction of the customs systems, communication systems, transport and information systems and effective use of them for the purposes of trade development facilitation among the countries participants.

At the present time the Republic Tadjikistan with the purpose of trade development facilitation finishes the process of harmonization of the legislation in the field of foreign trade, banking activity, civil and judicial areas, technical standards and tax&customs system.

End goal of such activity is to effectively enter the world trade system, to seek optimum ways of regional trade and cooperation development, to create the most reasonable conditions for investments.

Especially I want to note, that in the Republic Tadjikistan with adoption and introduction of legislation system based on international standards, high rates of foreign trade growth have been provided. This is an evidence that there is sufficient capacity in the area of legislative reforms, removal

of trade barriers, simplification and automation of trade and customs procedures and consequently in the growth of trade.

In this connection activation of cooperation and strengthening of interaction between the countries, which is especially important for developing countries, is crucial for their dynamic development, creation of institutional base of the market economy based on internationally recognized principles of economic development and trade procedures.

Hence, it is necessary for us to make the best efforts for creation of such systems and mechanisms which allow us to cooperate and undertake more effectively concrete actions on simplification of trade and customs procedures, removals of trade barriers.

It is worth noting that in conditions of integration processes development the issues of activation and development of trade within the framework of international financial and economic organizations get special features. In particular, issues of automation, simplification and harmonization of customs procedures are rather topical and significant.

It is worth noting that the customs legislation of Republic Tadjikistan, in particular the Customs Code of the Republic Tadjikistan, has established the executive body for implementation of customs policy of the Republic Tadjikistan. This body is the Customs Service of the Government of the Republic Tadjikistan.

At the present time the Customs Service carries out the work on customs legislation improvement, in particular in the recent past the new edition of Customs Code has been passed. Modernization of customs service is being carried out.

For the current customs system of the Republic Tadjikistan such priority directions are topical and significant as studying and introduction of modern customs rules and mechanisms in customs service, in particular such as introduction of electronic declaration procedures, post-customs control, pre-entrance inspection (pre-customs control), etc.

Necessity for modern customs procedures is that in the situation of growing volumes of foreign trade the number of unreasonable delays at customs borders goes down, thus, applying such mechanisms of world trade regulation they promote customs control efficiency and economic security of the country.

Customs Service of the Government of the Republic Tadjikistan stage by stage takes measures on facilitation and simplification of customs registration and control.

For example, in the recent past the Directorate for customs-and-tariff regulation and the post-customs control was established within the structure of the Customs Service, which is called to carry out appropriate control over import of goods on the customs territory and by doing so takes into

consideration the mechanisms of risk management in order to promote commodity circulation on the customs border.

It is worth noting, that introduction of modern customs procedures (electronic declaring, risk management, etc.) depends basically on relevant customs infrastructure, in particular on advanced information-and-communication infrastructure of customs service.

The appropriate level of customs infrastructure, in particular its automation will allow to implement the basic norms and standards on simplification and harmonization of customs procedures according to provisions of the International Convention on simplification and harmonization of customs procedures (Revised Kyoto Convention).

Necessity of the prompt modernization of customs infrastructure of the Republic Tadjikistan is becoming a paramount task and provides the serious approach and support on the part of such international financial trade organizations as the World Customs Organization, the World Trade Organization, the International Monetary Fund, the World Bank, the Asian Development Bank, CAREC Program and of some other influential organizations and communities, participant to which the Republic Tadjikistan is.

Here I want to note, that the Republic Tadjikistan attaches special significance to the issues of simplification of trade and customs procedures and understands the fact that without development of trade and simplification of trade and customs procedures it is impossible to provide not only sustainable economic growth, but regional security and stability as well.

With the purpose of achievement of the specified objectives, and also for the purpose of setting up such customs system that would meet international standards and norms, the Republic Tadjikistan has signed the Memorandum of mutual understanding with the Asian Development Bank – “Tadjikistan: Program of trade facilitation and customs cooperation”.

The main objective of the Program is to set up an effective and harmonious customs system in the Republic Tadjikistan, which positively influences development of trade and growth of investments, encouragement of movement of goods and people.

The program will solve the following objectives:

- strengthen management, transparency and institutional capacity.
- strengthen legislative rules and regulations according to the international standards and conventions.
- improve operational efficiency for trade development and improvement of income generation capacity.
- create an effective mechanism of regional cooperation and development.

Now let me cover information-and-communication aspects of activity of our customs service.

The basic content of information-and-communication administration of Customs Service is its purposeful activity on comprehensive automation of customs authorities and provision of exploitation of information-and-communication infrastructure facilities.

Informatization of customs bodies is an independent and priority area of activity of the Customs Service of the Government of the Republic Tadjikistan and represents the process of introduction of modern information technologies in the customs operations.

Efficiency of customs activity at the present stage of its development is determined by numerous factors among which, first of all, the following are worth to be noted:

- level of automation of development and use of the uniform information-and-legal database on customs legislation;
- level of automation of customs registration facilities and of the control of cargo customs declarations;
- level of efficiency of the control and account of volumes of the cargoes, timeliness and completeness of customs fees and charges;
- level of reliability and security of customs information.

The current information/technical system of the customs of the Republic Tadjikistan functions as a corporate system of administration, which is characterized by great volume of the information received, processed, transmitted, as well as by data-keeping on the goods moved through the customs border of the Republic Tadjikistan.

However, the current system of information-and-communication technologies of the customs of the Republic Tadjikistan is not effective enough for the purpose of solving the current and perspective objectives, resulting in the following:

- reference data used during customs registration of goods and services is not sufficiently actualized, which delays the process of registration of the required by the declarant documents, complicates the procedure of customs control of conformity of the presented by the declarant documents to legal documents; promotes entering of distortions or errors into the Cargo customs declarations, which eventually results in delay of the customs control procedure, etc.;
- centralized accounting of cargo customs declarations is carried out on the basis of manual methods of gathering and processing of information that results in distortion of statistical data due to untimeliness and incompleteness of gathering data and data transmission of Cargo customs declarations, untimeliness of detection of intentional and unintentional mistakes during registration of Cargo customs declarations;
- lack of comprehensive corporate "on-line" system of communication *Customs House - regional Department - the Central Headquarters*;

- lack of sufficient automation facilities on operative control of movements of goods on the territory of Tadjikistan, which promotes smuggling, incompleteness of the custom revenues, etc.

The above mentioned shortcomings of the current system of information-communication technologies inevitably result in reduction in an overall performance of customs bodies of the Republic Tadjikistan and create preconditions for potential corruption.

Creation and introduction of both local hardware/software complexes of cargo customs declaration registration, and comprehensive system of data transfer related to customs activity in general is a critical and perspective objective, importance of which is provided by the world integration processes.

In this connection, creation and introduction of essentially new methods and approaches on the automated gathering, processing, protection and transfer of data within the system of customs service of the Republic Tadjikistan, determines development and introduction of essentially new information/technical environment of the national customs service.

In a daily work of customs service of the Republic Tadjikistan it is necessary to adapt modern information/communication technologies, including:

- software;
- hardware;
- telecommunication/communications facilities, providing a corporate network for information sharing based on coordinated composition, structure, formats and standards of data transfer.
- efficiency of access of customs units to the "online" uniform database within the framework of their competence. Thus, requirements of efficiency, reliability and security of information should be provided for data exchange.

Realizing importance and necessity of modernization of national customs service the Government of the Republic Tadjikistan and the Asian Development Bank, on the basis of the above-stated Memorandum of mutual understanding, have signed the Loan Agreement under the regional project «Customs Modernization and Infrastructure Development (2114-TAJ (SF)) which came into force on May, 1, 2005.

Within the framework of the loan provided under the regional project “Customs Modernization and Infrastructure Development”, in October, 2005, according to the Decision of the Government of the Republic dated October, 4, 2005 № 383 the State Agency «Regional Project Management Center on Customs Modernization and Infrastructure Development of the Customs Service» was set up.

Key goals of the PMC are:

- duly and qualitative implementation of the regional project;
- ensuring target use of loan allocated by ADB and others.

Subject of activity is implementation of coordination and ensuring efficient work environment for the consultants as well as general management of the project.

Undertaken by the Customs Service of the Government of the Republic Tadjikistan and by the Asian Development Bank actions will promote the following:

- coordinated work in the field of customs modernization reforms in the Central Asia region that will provide favorable legislative and physical infrastructure for strengthening of regional customs cooperation of the Republic Tajikistan;
- enhancement of forms and methods of customs control in compliance with the requirements of the World Customs Organization and provisions of Kyoto Convention;
- training of customs officials of the Republic Tadjikistan in basic tools of regional cooperation;
- further development of customs information exchange in a view of prevention of smuggling and violations of customs rules.

Summing-up the above-stated, it is worth noting that none of the states can remain away from the modern processes taking place in the world community, targeted on comprehensive simplification of customs procedures with a view of comprehensive world trade facilitation. Introduction of standards and recommended methods reflecting the practices that have been developed by international organizations and some countries, should be used for development of national legislation and improvement of customs administration.

Thank you for your attention!