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February 01, 2007*

The State Program on development of the customs system of Azerbaijan Republic within 2007-2011

The customs system plays an exceptional role in protection of the country's economic security and the internal market, widening its international economic and trade relations. The customs system of Azerbaijan Republic was formed in accordance with the policy determined by Heydar Aliyev, our wide-nation leader and as a result of regular development it was transformed to the multifunctional system, one of the attributes of the state sovereignty. As a result of the state policy conducted last years consistently there were carried out important works in direction of reconstruction of the customs system, its material-technical base was strengthened considerably, there were established legislative acts and well differentiated customs-tariff system regulating the customs affairs and the fight against the smuggling and the other kinds of violation of law was intensified.

Presently, the dynamic social-economic development observed in Azerbaijan and the integration to the international economic system make unavoidable the improvement of the customs system, modernization of its material-technical system, conducting of the customs affairs in conformity to the international standards in all directions and increasing of the role of the customs system in the country's social-economic development as a whole. "The State Program of the Customs System of Azerbaijan Republic during 2007-2011" (hereinafter referred to as the "State Program"), being an important stage in fulfillment of the state's customs policy determines the main duties and directions related to the development of this field and the arrangements to be carried out with more velocity within the next years.

Purpose and main duties of the State Program

The purpose of the State Program is to provide the fulfillment of the state policy in the field of customs affairs in Azerbaijan Republic with success and the dynamic development of the customs system as one of the main means of the country's social-economic development.

The main duties of the State Program include:

- to provide the speeding-up of the goods circulation in the customs frontier of Azerbaijan Republic and creating of favorable conditions for the entrepreneurship subjects;
- to intensify the arrangements in the field of restriction of the monopoly activity and preventing of the unfair competition;

- to improve the mechanism of regulating of customs in the field of the intensive and widening of export and the protection of the internal market;
- to strengthen the material-technical base of the customs system.

Main Directions of the State Program

According to the determined main duties the State Program envisages the development of the customs system within 2007-2011 in the main following directions:

- improvement of the legislative base and the customs regulation;
- conforming of the custom control methods to the international standards and automation of the customs procedures;
- strengthening of the fight against he smuggling and the other violations of law in the field of customs affairs;
- development of the customs infrastructures;
- Personnel training and widening of the international cooperation.

Improvement of the legislative base and the customs regulation

The Customs Code, approved in 1997 and the other normative-legal acts approved subsequently played important part in forming of the customs system in Azerbaijan Republic and fulfillment of the customs affairs. Within ten years after this time Azerbaijan entered a new phase of social-economic development, its economic power was strengthened and the welfare of the population was considerably improved. Within the last period the international relations of Azerbaijan Republic were considerably widened, it joined several international conventions and became member of several international organizations.

The widening of the geography of the country's economic-trade relations, increasing of the capacity of the import and export operations and the strengthening of integration of Azerbaijan into the international economic system necessitate the improvement of the legislation in the field of customs affairs and the improvement of the normative-legal acts regulating the customs operations. Therefore, taking into account the experience of the developed countries in the filed of customs affairs and the provisions of the international conventions approved in this area, the customs legislation of Azerbaijan Republic has to be improved, the new Customs Code has to be accepted as well. In the course of improvement of the legislative acts, the provision of their direct effect has to be taken as a ground.

The customs tariff regulation plays an important part in the development of the foreign trade relations and the protection of the internal market. From this point of view, the development and the wide application of the tariff regulation means with a great diapason have to be main duties of the customs authorities within the near next years.

There are envisaged to speed up the activity related to the improvement of the application mechanism of the tariff preferences as regards the imported goods and the fulfillment of the customs duties procedures and the conforming of the goods nomenclature to the modifications made in the harmonic system.

One of the main duties of the customs authorities in the field of improvement of the legislation is to inform the participants of the foreign trade and the economic relations timely on the accepted laws and the normative-legal acts and to conduct required affairs in connection with their commentary. In this connection there are envisaged to carry out required arrangements by the customs authorities within the next years.

Adjustment of the customs control methods to the international standards and automation of the customs procedures

The customs control has exceptional role in the development of the international trade, speeding up of the goods circulation, increasing of the freight transportations, the effective activity of the transit system, the fight against the violations of law in the field of customs affairs, protection of the intellectual rights and the provision of the safety matters in the transportations.

The customs control has to create favorable conditions for the liberty of the foreign trade on one hand and to provide the preventing of the negative cases in the international trade and the passing of goods through the customs frontier on the other hand.

To provide the efficiency of the customs control, the methods of control have to be improved, there will be used the scientific-technical achievements in the course of customs control, the modern technical control means have to be applied while the customs inspection, the frontier-transit stations have to be provided with the stationary inspection devices in order to secure the high quality inspection of the transport means of big external dimensions and the methods of the electron supervision have to be applied in this field.

The organization of the customs clearance operations on the automated basis while import and export of goods, will enable the improvement of the level of services rendered for the participants of the foreign trade and the improvement of management in the customs authorities as a whole by providing the increasing of the efficiency of the customs clearance and reducing of the time spent for this duty to the minimum.

The organization of the affairs on the basis of the “unique station” in the customs frontiers observed in the international practice facilitates the supervision procedures in the transit stations. Due to the application of this principal, all kinds of control on the transported goods are carried out as the transport means come to a stop once, the reiteration arisen in the conducting of the supervision on the loads passed through the customs control is prevented and there is provided the considerable reducing of the term of stop of the transport means in the frontier-transit stations.

Strengthening of the fight against the smuggling and the other violations of law in the field of customs affairs

By the legislation of Azerbaijan Republic, the customs authorities are authorized to conduct the investigation, inquest and the primary investigation in the field of customs affairs, as well as to fulfill the operation-searching activity that require them to reveal, preventing timely the violations of law in the field of customs affairs and working out of the effective methods of fight for disclosing of these cases.

The increasing of the efficiency of the fight against the violations in the field of foreign economic activity, providing of the legality and the validity of the decisions approved by the officials of customs administrations in the process of attracting of the persons to the criminal or administrative responsibility is one of the main duties in the activity of the customs authorities of Azerbaijan Republic. To achieve the increasing of the disclosing percentage of the crimes and the other violations of law in the customs affairs, there will be paid special attention to the automation of the information provision of the law-enforcement activity of the customs authorities, the improvement of the risks' management system, the preventing of the criminal tendencies in the field of foreign economic activity.

There are envisaged to reveal the persons violating the customs legislation in the customs territory of Azerbaijan Republic, providing of the customs protection services with the transport means and the other required means with the purpose of preventing of these cases, carrying out of the customs supervision in direction of illegal transit of the goods and transport means through the customs frontier and conducting of the mobile searching measures.

Development of the Customs Infrastructures

To observe the customs rules in the course of goods import and export on the foreign trade agreements, there will be created the network of the customs infrastructures meeting modern requirements and the infrastructures close by their assignment to the customs authorities (customs brokers, customs depots and the customs carriers) have to be involved to the work.

There will be stipulated to create the favorable conditions for the representatives of the private sector, besides the customs authorities and establishing of the business relations with the founders of the customs warehouses in the process of widening of the customs infrastructure network, including the establishing of the customs depots.

The participants of the foreign economic activity are in need of the availability of the subjects, which are able to carry out the intermediary functions in fulfillment of the customs clearance of goods and the submission of the documents required for this purpose to the customs authorities in many cases. In fulfillment of this activity, the customs broker has the considerable role and there will be created possibilities required for this purposes.

In the course of establishing of the new customs authorities there will be preferred the conditions of territorial closeness of the big transport centers and the industrial objects, while planning of establishing, it has to envisage the availability of the places of stations in the sufficient number, construction of warehouses, the presence of the communication lines and the other obligatory conditions. The affair of strengthening of the customs authorities material-technical base has to be fulfilled.

The activity of the customs laboratory of the special importance in the classification of the goods has to be applied and the will be established the network of the general customs laboratories. The customs laboratory structures including to the network have to embrace all regions of the country.

Personnel Training and widening of the international cooperation

The personnel training have to be in the centre of attention of the customs authorities. The improvement of the quality of the methodic and applied manual drawn up in connection with the customs affaires will serve the increasing of the professional knowledge of the employees and training of the personnel of higher quality for the customs service besides the increasing of the level of education.

The providing of the participation of the customs employees in the regional training courses held by the support of the international customs organization, mastering of the customs specialists to the modern theoretical and practical knowledge on the fields in the seminars and courses organized by the other international organizations have to be directed towards the increasing of the customs affairs efficiency.

There was approved the “Regulations of Servicing” determining the attitude rules and the ethics policy of the customs employees of Azerbaijan Republic, at the same time there were confirmed the “internal discipline rules” and the “honor code” regulating these matters. With the purpose of consecutive improvement of the arrangements fulfilled in this direction, there will be organized the learning of the practice of the European Union on the ethics attitude for the customs employees.

Improving of the activity of the customs service in the country and providing of the establishing of the modern customs model require the widening of the international cooperation. Carrying out of works in this direction creates favorable conditions for adjustment of the norms used in the customs system to the international norms and the intense application of the leading practice in this field in Azerbaijan.

Expecting Results

The fulfillment of the State Program will enable the achievement of the following results:

- Consecutive improvement of the material-technical base of the customs system;
- Establishing of the customs infrastructures conforming to the modern requirements;
- Speeding up of the personnel potential;

Increasing of the profits of the state budget;
Application of the modern tariff and the non-tariff regulation arrangements in the import-export operations;
Speeding up of the membership process to the World Trade Organization;
The application of the automated management in full capacity in the customs system;
Increasing of the efficiency of fulfillment of the customs control'
Improvement and development of the customs-tariff policy;
Increasing of the role of the customs system in strengthening of the country's economic security;
Intensifying of the fight against the violations of law in the field of customs affairs;
Increasing of the role of the customs system in the country's social-economic development;
Coordination of the customs adjustment means to the regulating means accepted in the world wide scale;
Facilitating of the clearance of the import and export operations in the trade-economic relations.

Financial provision of the State Program

The financial provision of the State Program will be carried out at the expenses of the below indicated financial resources:

Allotments from the state budget;
The funds of the out of budget development fund of the State Customs Committee;
The financial support of the international organizations;
The other resources determined by the legislation.

**Action Plan on the fulfillment of the State Program
Concerning the Development of the Customs System of Azerbaijan Republic
Within 2007-2011**

#	Name of actions	Executive bodies	Term of execution
1	2	3	4
1. In the field of improvement of the legislative base and the customs regulation			
1.1.	Development of the draft of the new Customs Code of Azerbaijan Republic taking into account the provisions of the "Kyoto Convention related to the oversimplification and harmonization of the customs procedures"	State Customs Committee	2007
1.2.	Preparation of proposals on the joining the international conventions in the field o customs affairs and the trade.	State Customs Committee, Ministry of Justice, Ministry of Foreign Affairs	2007-2008
1.3.	Providing of the fulfillment of the norms of international conventions joined by Azerbaijan Republic in the country	State Customs Committee	2007-2011
1.4.	Preparation of proposals on improvement of the normative legal acts approved in the field of customs affairs	State Customs Committee, Ministry of Justice	2008
1.5.	Improvement of the mission of informing of the foreign economic activity participants on the customs issues	State Customs Committee	2007-2008
1.6.	Preparation of the collection reflecting the laws and the normative-legal acts accepted in the field of customs affairs and their comments	State Customs Committee	2008-2009
1.7.	Renewal of the information site on the normative-legal acts in the area of customs affairs	State Customs Committee	2008
1.8.	Preparation of the comments related to the product nomenclature of the foreign economic activity of Azerbaijan Republic (PN FEA)	State Customs Committee	2008-2011
1.9.	Preparation and approval of proposals on improvement of the customs tariff regulation	Cabinet of Ministers, State Customs Committee	2007-2008
1.10.	Preparation of proposals on improvement of the application	State	2007-2008

	mechanism of the tariff preferences in relation to the import goods	Customs Committee	
1.11.	Improvement of the procedures of fulfillment of customs payments	State Customs Committee	2007-2008
1.12.	Taking into account the changes made in the harmonic system, providing of adjustment of the PN FEA of Azerbaijan Republic to it.	State Customs Committee	2007-2011
1.13.	Carrying out of the corresponding arrangements aiming at protection of the internal market, preventing of the unfair competition cases and increasing of the competition capability of the country's economic subjects	State Customs Committee, Ministry of Economic Development	2008
1.14.	Strengthening of the customs supervision with the purpose of fighting against the legalization of the money funds obtained illegally and the financing of the terrorism	State Customs Committee, National Bank of Azerbaijan Republic	2007-2011
1.15.	Providing of passing to the card system in receiving of the customs payments	State Customs Committee	2008
2. In the filed of co-ordination of the customs control methods to the international standards and automation of the customs procedures			
2.1.	Preparation of the standards for the customs control procedures on the basis of the international norms	State Customs Committee	2008-2009
2.2.	Determination of the inspection standards of the freight containers and the freight transporting means in the chain of international trade with the purpose of providing of the security	State Customs Committee	2008-2009
2.3.	Determination of the criterion of use the selected means in the inspection of the goods and the transport means in the course of the customs control	State Customs Committee	2008-2010
2.4.	Organization of the activity of using the form of the e-declaration form	State Customs Committee	2007-2008
2.5.	Creating of the assistant electron means with the purpose of revealing and identification of the goods being under control of export in the customs frontier-transit station	State Customs Committee	2008
2.6.	Preparation of the well-grounded proposals on establishing the unique station system	State Customs Committee	2008
2.7.	Improvement of the control rules conforming to the Appendix No: 1 of the "International Convention on co-ordination of the	Cabinet of Ministers,	2008

	conditions of transit of freights in the frontiers” (1982)	State Customs Committee	
2.8.	Determination of the limits of the customs control terms on the goods transit features	State Customs Committee	2007-2008
2.9.	Organization of the modern customs logistic terminals	State Customs Committee	2007-2008
2.10.	Improvement of the cooperation mechanisms between the customs authorities and the entrepreneurs	State Customs Committee	2008-2009
2.11.	Determination of the principals of entitling of the economic activity participants in full conformity to the international standards	State Customs Committee	2009
2.12.	Creating of the information system on the protection of the intellectual rights	State Customs Committee	2007-2009
2.13.	Development of the unique global corporative network of the customs authorities	State Customs Committee	2007-2011
2.14.	Improvement of the automated system of the customs clearance and control, providing of its industrial exploiting with the customs authorities	State Customs Committee	2007-2008
2.15.	Establishing of the automated supervision system on the goods and transport means passing though the customs frontier	State Customs Committee	2008-2011
2.16.	Recording keeping, storage and the automation of flow of the goods in the customs depots and terminals	State Customs Committee	2007-2009
2.17.	Improvement of the automated system of recording keeping of violations revealed by the customs authorities and the control	State Customs Committee	Regularly
2.18.	Creating and application of the risks management automated system	State Customs Committee	2007-2009
2.19.	Preparation and application of the concept of information security provision in the information-technical infrastructures of the customs authorities	State Customs Committee	2007-2009
2.20.	Establishing of the secure information-technical infrastructure providing the effective information exchange by the application of the electron signature and the electron documents	State Customs Committee	2008-2011
2.21.	Creating and application of the program-engineering system providing the declaration of the goods and the transport means from distance (as well as through the Internet)	State Customs Committee	2008-2011
2.22.	Fulfillment of the principals of the electron government	State Customs	Regularly

		Committee	
2.23.	Renewal of the information-technical and the software means being used	State Customs Committee	Regularly
2.24.	Providing of preparation and exploiting of the new information systems and technologies in the customs affairs	State Customs Committee	Regularly
2.25.	Providing of the electron information exchange with the separate state authorities	State Customs Committee	2008-2011
2.26.	Providing of the electron information exchange with the participants of the foreign relations	State Customs Committee	2008-2011
2.27.	Providing of the electron information exchange with the customs authorities of the foreign states within the framework of their own authorities	State Customs Committee	2008-2011
2.28.	Creating of the hot line network in the customs system	State Customs Committee	2008
2.29.	Development of the customs statistics of the foreign trade in accordance with the international practice and standards	State Customs Committee	Regularly
2.30.	Conducting of the comparable customs statistics of the foreign trade with the foreign countries (statistics of correctness)	State Customs Committee	Regularly
2.31.	Extension of the statistical observation forms	State Customs Committee	Regularly
2.32.	Preparation of the proposals related to the description and coding of commodities	State Customs Committee	Regularly
2.33.	Preparation and application of the version of the foreign trade's customs statistics methodology according to the international standards	State Customs Committee	2008
2.34.	Improvement of the primary record keeping sources with the purpose of providing the correctness and efficiency of the statistical information	State Customs Committee	Regularly
3. In the field of strengthening of the fight against the smuggling and the other violations of law in the field of customs affairs			
3.1.	Improvement of the material-technical base of the operative-search sections	State Customs Committee	2007-2008
3.2.	Preparation, approval and application of the internal normative legal acts regulating the fulfillment of the operative-search measures by the customs authorities	State Customs Committee	2007-2011
3.3.	Providing of the customs authorities with the methodic manuals for investigation of the violations of law related to the	State Customs	2007-2008

	deviation from the customs payments, violation of the legislation in the field of customs affairs and non observance of the requirements of the customs regimes	Committee	
3.4.	Preparation and application of the complex actions aiming at strengthening of the fight against the smuggling and the other cases of violations in the area of customs affairs	State Customs Committee	2007-2011
3.5.	Providing of the overall use the risks automated management system of infringements	State Customs Committee	2008-2011
3.6.	Improvement of the material-technical base of the cynology service, extension of the scope of activity on searching of drugs, fire arms and explosive matters, as well as the training of the guard dogs	State Customs Committee	2007-2011
3.7.	Organization of receiving of primary information from the different sources, as well as the foreign sources with the purpose of preventing the cases causing any danger for the economic security and interests of Azerbaijan Republic, life and health condition of men, the interests of the consumers (smuggling, effort to the import of false goods, incorrect declaration of the goods through the frontier)	State Customs Committee	2008-2009
4. In the field of development of the customs infrastructures			
4.1.	Providing of the customs authorities with the technical control means and the stationary devices	State Customs Committee, Ministry of Finance	2007-2011
4.2.	Purchasing of the modern technical control means for carrying out of the customs control on the big motor transport means	State Customs Committee, Ministry of Finance	2007-2011
4.3.	Purchasing of the modern maritime transport means for fulfillment of the customs control in the Caspian Sea.	State Customs Committee	2007-2009
4.4.	Creating of the mobile and stationary devices network on inspection of freights	State Customs Committee	2009-2011
4.5.	Extension of the activity of establishing of customs terminals, customs warehouses and the temporary storage depots	State Customs Committee	2007-2011
4.6.	Fulfillment of the arrangements on starting to the activity of the customs brokers' institute	State Customs Committee	2007-2011
4.7.	Fulfillment of the establishment of customs laboratories network		Regularly
4.8.	Setting and supply of the customs frontier-transit stations in conformity to the effective international standards	State Customs Committee	2007-2011

4.9.	Extension of the cooperation with the international organizations in rendering assistance to the establishment of the customs infrastructures	State Customs Committee, Ministry of Finance	2007-2011
4.10.	Reconstruction of Bilasuvar frontier-transit station in conformity to the international standards	Cabinet of Ministers, State Customs Committee	2007-2009
4.11.	Reconstruction of the customs posts "Sinig Korpu", "Sadakhli" and "Boyuk Kesik" of Tovuz Customs administration in conformity to the international standards	Cabinet of Ministers, State Customs Committee	2008-2011
4.12.	Reconstruction of the customs post "Samur" of Khachmaz Customs administration in conformity to the international standards	Cabinet of Ministers, State Customs Committee	2007-2011
4.13.	Reconstruction of the customs post "Nazimchay" of Balakan Customs administration in conformity to the international standards	State Customs Committee	2009
4.14.	Construction of Nakhchivan Customs Administration and terminal	State Customs Committee	2009-2011
4.15.	Reconstruction of the customs post "Shahtakhti" according to the international standards	Customs Committee of Nakhchivan Autonomous Republic	2009-2011
4.16.	Establishing of the customs laboratories in the activity zones of Nakhchivan, Sumgait, Ganja and Bilasuvar customs administrations	State Customs Committee, NCC	2008-2009
4.17.	Construction of the new building for the chief Customs Administration in Air transport in the International Airport named after Heydar Aliyev	State Customs Committee	2007-2008
4.18.	Construction of the new building for Baku Chief Customs Administration	State Customs Committee	2008-2009
4.19.	Providing of using the medical service complex from the customs service		2007
5. In the field of training personnel and extension of international cooperation			
5.1.	Providing of the experience exchange with the customs authorities of the developed countries and training of the employees in the qualification improvement courses	State Customs Committee	2007-2011

5.2.	Preparation of the methodic and applied manuals related to the customs affairs for improvement of the professional qualification of employees.	State Customs Committee	2007-2011
5.3.	Organization of seminars devoted to the themes related to the export control and the other operations involving the local and foreign specialists	State Customs Committee	2007-2011
5.4.	Extensive use the possibilities of the regional teaching centre in Baku of the World Customs Organization (WCO) in improvement of knowledge of the employees of customs authorities	State Customs Committee	Regularly
5.5.	Organization of the use the education module system of WCO in the teaching process	State Customs Committee	2009
5.6.	Improvement of the material-technical provision of the medical services rendered to the customs authorities employees	State Customs Committee, SN, MN	2007-2008
5.7.	Fulfillment of the material-technical provision of the services of the customs protection	State Customs Committee, MN	2007-2008
5.8.	Extension of the double relations of customs services of Azerbaijan Republic with the international organizations and the customs services of the foreign countries	State Customs Committee	2007-2011
5.9.	Strengthening of the activity in the works of the Board of the heads of customs of services of CIS, GUAM and IAT members state and the Customs Cooperation Committee within the framework of the Central Asian Regional Economic Cooperation	State Customs Committee, Ministry of Foreign Affairs	2007-2011
5.10.	Extension of the cooperation within the framework of the UN Development Program, the International Agency Atomic Energy, the Regional Communication Network on the law-enforcement affairs of WCO and the international projects	State Customs Committee, MFA, IIN	2007-2011
5.11.	Organization of the international arrangements having the great importance in the field of customs in Azerbaijan Republic	State Customs Committee, MFA	2007-2011
5.12.	Preparation of the annual activity programs related to the activity of the customs attaches	State Customs Committee, MFA	2008

Acronyms:

NK - Cabinet of Ministers of Azerbaijan Republic

ЯН - Ministry of Justice of Azerbaijan Republic
XIN - Ministry of Foreign Affairs of Azerbaijan Republic
MIN - Ministry of Finance of Azerbaijan Republic
IIN - Ministry of Economic Development of Azerbaijan Republic

SN - Ministry of Health of Azerbaijan Republic
DGK - State Customs Committee of Azerbaijan Republic
MB - National Bank of Azerbaijan Republic
NGK - Customs Committee of Nakhchivan Autonomous Republic