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**Country Report on
Customs reform and modernisation of the Republic of Tajikistan, prepared by Nidoev N.F. – Head
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Introduction

In the conditions where the links of the world's nations assumed a new effect and the statehood and management are continuously improved it is vital that the country's internal processes are viewed in the context of global events, as the self-actualisation processes are concurrently developed.

Indeed, with the establishment of a new international relationships system, Tajikistan must take a proper place in it. This is very important as Tajikistan in terms of its geographic location and geopolitical situation is on the cross-roads of large countries' interests, various political and ideological systems.

Comparing the history of Tajikistan and the modern situation at the global level as well as the experience of neighbouring countries, we need to find an optimal combination of tradable mechanisms and state regulation at the first phases of transition period.

The world's experience of customs administration for the last years indicates that the improvement of the national customs system is possible not by the means of changing its individual elements but by the balanced, scrutinised reformation of the legislation, methodology, institutional frameworks, work mode, establishment of resource persons and taxpayer's perception. This was the aim of recently adopted (25 October 2003) Resolution of the Tajik Government ref.No.465 "About the approval of the strategic priorities development implementation plan of the tax and customs services within the new tax and customs administration for 2003-2008", covering the whole block of problems arising from the modernisation of the Ministry of the state revenue and duties activity. This resolution was triggered under the adopted Memorandum between the Government of Tajikistan and the International Monetary Fund with the subject on the economic and financial policy for October 1, 2002 to September 30, 2005. The IMF's Mission proposed an integrated programme of reforming the Ministry, in particular the Customs Department in such areas as the customs policy and its administration in the view of short- and long-term perspective.

Prior to commencing to the reformation, i.e. to the first – preparation phase of modernisation, the specialists of the MoR* carefully reviewed the experience of neighbouring countries and the countries close and far abroad, in particular the experience of the Russian Ministry of revenue and duties, KAZ Ministry of the state revenues, Kyrgyz Ministry of finance, Canadian Ministry of the national revenues, which already passed all the stages of modernisation. On this basis 75 initiatives were designed and approved with the MoR's order No.87 dated April 21, 2003, and named as the "Tajikistan Ministry of the state revenues and duties initiatives to implement the IMF's recommendations under the tax and customs reform". A strict compliance of the scheduled actions and the order of registration and submission of the documents in each case, in general enabled to accomplish a task of improving the efficiency of work in order to proceed to the next stage of modernisation in the second half of 2004.

With the development of integration processes the trade activation and development under the Customs Cooperation Committee acquire a specific feature. Based on the data from the State Statistic Committee of Tajikistan the trade enterprises of all ownership types and the individuals sold to the population of the country goods in amount of TJS 1433.1 million in 2003. Comparing with 2002 the retail goods turnover by all the sale channels in comparable prices increased by 24.5%.

The Republic of Tajikistan recognises the importance of integration processes under the Committee as the factor of rapprochement and strengthening of the customs, communication, transportation and information systems interaction and its effective utilisation for the purposes of facilitating the trade development between the member countries.

In this regard the activation of the cooperation and reinforcement of countries' interaction which is in particular important for the developing countries is the determinant for its dynamic developments, establishment of institutional grounds of market-oriented economy based on the internationally recognised principles of economic development and trading. Consequently, we are required to make all the efforts to create such systems and mechanisms, which will enable us to more efficiently interact and undertake certain actions towards the simplification of trade procedures and eliminating the constraints to the trade.

Currently, the Republic of Tajikistan completed the process of export trading, banking, civil and forensic, technical standards and customs system legislation harmonisation aimed to establish favourable conditions for the trade. The finite task of such activity is to effectively access to the world trading system, finding of the best ways to develop the regional trade and cooperation and generating the most acceptable conditions for investments.

Attraction of foreign investments and loans, its efficient use in the industry, financial and banking system modernisation is the key trend to economy and foreign economic activity thaw, and in the

* MoR – Ministry of the State Revenue and Duties of Tajikistan

formulation not only the consumer account but also the development budget. The Government of Tajikistan had envisaged at least six percent of the expansion factor, and seven percent inflation rate for the next years in its forecast.

The Gross Domestic Product of Tajikistan amounts to TJS 4,757,816.3 in 2003 based on the on-line data, which accounts to 110.2% of the last year index in the comparable prices.

According to the preliminary data of the Ministry of Finance of Tajikistan for 2003 the National Budget for the total revenues and guarantees was executed by 112.0% of the adjusted annual plan, which equals to 16.3% of the GDP. The tax proceeds amounted to 91.1% of the total revenue figures. The supply of 2003 was executed by 100.2% of the adjusted annual plan, which accounts to 15.3% of the GDP in current prices.

From the start of the Committee work, though little time passed, we believe that the developed papers, such as the draft Action Plan: Urumqi, PRC 20-21 August 2002, CCC in Issyk-kul in August 2003, testify to positive and effective undertakings under the CCC.

Up to present it has been already acquired a positive cooperation experience including the customs initiatives, information sharing, training of specialists on the various facets of customs activity and development of other areas of mutual cooperation.

The above collaboration areas allow identifying other aspects of mutual concern, enabling to bring up the customs functioning of our countries to a more qualitative level.

Considering the availability of ample areas and the interaction potential the Republic of Tajikistan attaches a special and priority value to the development of multilateral cooperation within the Customs Cooperation Committee. An evidence for such cooperation development potential is the growth of the commodity turnover of the Republic in 2003. The export trading turnover of Tajikistan, including power and natural gas, amounted to USD 1,678.2 million, with is 115.2% of 2002 or exceeded by USD 221.7M. The trade balance was negative and amounted to USD 83.4M.

The export of goods in 2003 was USD 797.9M which is by 8.3% or by USD 60.9M more than in 2002. The import of goods in the republic was USD 881.3M which is by 22.3% or USD 160.9M more, comparing with 2002. The key export partners were Netherlands – 25.2%, Turkey – 24.2%, Latvia – 9.8%, Switzerland – 9.6%, Uzbekistan – 8.5%, Russia – 6.5%, Iran – 6.4%, Hungary – 1.5% and Ukraine – 0.8%.

Import was mainly from the CIS countries: Russia – 20.2% of the total import value, Uzbekistan – 15.2%, Kazakhstan – 10.9%, Azerbaijan – 7.1%, Ukraine – 7.1% and the far abroad countries such as Romania – 4.4%, Turkey – 3.3%, China and Brazil – 3.0% each, Iran – 2.7%, Italy – 2.6%, UAE – 1.6%, Germany – 1.4%, Latvia – 1.0%, Guinea – 0.9% etc.

This indicator reflects the real resources of the regional cooperation and trade, where adequate growth reserves are available. When establishing adequate conditions and simplifying the transit procedures and eliminating other constrains, the trade indices will tend to increase which addressed our interests.

1. REFORM AND MODERNISATION PROGRAMME

Currently there are new revisions of Tax and Customs Codes developed in Tajikistan which are under final review by the relevant ministries and agencies.

It is therefore clear that the path of customs system reform paved just in the concepts of new codes. On another hand, if to consider that Tajikistan is destined to advance towards the Kyoto Convention in the future and follow the trading rules of WTO, apparently that the mechanism of trade control should be built on commonly recognised international standards which we are not ready yet to conceive.

The membership in WTO and well thought-out structure of Tajikistan's participation in WTO should (i) be a strong exogenous incentive to resolve tasks set, (ii) be a tool to protect national interests at the world markets; (iii) assist domestic manufacturers to adopt to new working conditions by strengthening the appropriate public structures work; (iv) develop human resources with appropriate qualifications; (v) identify moot programmes in terms of antidumping investigations, and bring them in accordance with WTO requirements; (vi) an extensive work on legislation and legal structure harmonisation with WTO standards is at hand, most important of which are the new revisions of Tax and Customs Codes, technical regulation laws, protective antidumping and compensation initiatives, intellectual property rights; and, as most important (vii) there should be a regular negotiation platform to bring to the government entities' notice the interests of entrepreneurship both supporters and contestants of WTO accession.

Adoption of the law on the Government of Tajikistan in the new revision on 12 May 2001 with reference No.28 became a basis for structural modifications in the executive authority. Ministries and agencies were established in lieu of new requirements to achieve this purpose. Also new excise tax rates were adopted based on the Resolution of the Government of Tajikistan dated 31 March 2003 No.153 – "Setting of the excise tax rates on individual goods produced inside the Republic of Tajikistan and imported to Tajikistan", as well as ad valorem and specific rates of customs duty as per the Resolution of the Government dated 25 October 2003 with No.450 – "Customs tariff of the Republic of Tajikistan" and the action plan of Tajik MoR for the period up to 2008 based on the Government's Resolution dated 25 October 2003 with No.465 – "Approval of the strategic priorities development implementation plan of the tax and customs service under the tax and customs administration for 2003-2008".

Transition to the new service environment and, in general any reform raises many problems. Therefore, one should create a modern customs infrastructure on the borders. The most difficult part is, indeed, Tajik-Afghan border. This is the most stretched and less equipped, and most dangerous in terms of drug traffic. In addition, the entry points are far from each other and the control of situation is possible only with the efforts of every law-enforcement body of the Republic. Establishment of a state-of-the-art customs infrastructure along with the opening of vehicle entry points at the borders should include creation of mobile points network.

The MoR of Tajikistan is one of the most important public institutions, providing protection for the country's economic sovereignty and economic security and replenishing the National budget. The main feature of 2002-2003 for the MoR of Tajikistan is that the execution of the plan target solved without any extra administration pressure. In other words, 2002-2003 and the beginning of 2004 became critical for customs and tax services as the Ministry's management succeeded in (i) to secure friendly environment amongst the participants of foreign economic activity; (ii) to form an operable system of customs and tax bodies; and (iii) to resolve the main task – replenish the State budget without extra administrative intervention from the higher level.

However, the execution of the target task is still requires extensive efforts, as the tasks are constantly being revised and, as a rule, always being increased. Nevertheless, the tax and customs system copes rather successfully, advancing to the level of confident target task. So, if the target task of customs and tax services was generally executed in 1999 by 106.9%; in 2000 by 108.6%; in 2001 by 113.0%; in 2002 by 116.0%; in 2003 by 113.9% including the adjustments. This indices for the indicated years were as follows (by individual services):

- tax service: 111.8%; 109.0%; 98.70%; 114.7%; 112.7%;
- customs service: 90.9%; 107.0%; 105.8%; 117.7,0%; 115.2%.

In fact, from the start of establishing the customs service in Tajikistan its role in the state budget replenishment had been increasing from year to year. Thus, based on the data of EAD of the MoR, if the customs due amounted to 20% of all the revenues collected by the tax and customs services in 1999, this index reached 46.4% in 2003.

As it is seen from the above figures, ensuring the collection of customs dues and its transfer to the state budget in the full amount has become a main course of the customs policy of Tajikistan during the last years. At the same time, the financial crisis forced to move aside such critical customs service's

functions as the protection of the domestic market from undesirable foreign competition, promotion of manufacture and consumption of domestic goods, and mainly the law-enforcement work.

Such trend was addressed during the financial stabilisation initiative which restrained export and promoted import of goods. Obviously, such approach unavoidably leads to reinforcement of Tajikistan import dependence in food, consumer goods, to reduction of foreign exchange reserves and expansion of foreign debt. Therefore, one should grasp these issues, shape the tasks in a new fashion.

It is worth underlining that the customs service's function of only collecting the customs dues does not mean the end of functions. At present and especially in the future we need to think on other priorities as well, and first of all on facilitating the trade and improving the law-enforcement of the customs agencies. Carrying out the function of the law-enforcement agency the customs should efficiently recourse key attention of the dependent structures to ensure effective audit in the trading turnover. Thus, changing many habits and traditions one should build truly partner relations between the customs service and the trading community and resuscitate efficient work. Also one should understand the existing problems of customs and a fair criticism that the customs procedures are too bulky, non-transparent and confusing.

Nevertheless, the customs service did not introduce the required programmes of ensuring the effective revenue collection. The serious issues are in the following: smuggling – absence of sufficient cross-border movement control and within Tajikistan, which results in significant penetration of the goods into internal turnover, which were not imposed of duties and taxes, also there is a contraband drugs turnover, underdeclaration of goods value, its incorrect classification, lack of systematic control of correct valuation prior to completion of the registration, absence of post-entry audit to establish correct value price and classification of goods; problems in information and communication technology system of customs service. These problems are aggravated with the lack of sufficient control and full information with regard to the accountability of the agencies.

The Ministry of the state revenue and duties of Tajikistan made a lot with respect to the timely implementation of target task, design of methodology and instructions, and initiatives towards the ICT of customs service.

In particular, on 30 October 2002 the "Matrix of strategic priorities development implementation actions of the Ministry of state revenue and duties of Tajikistan, "Ministry of the state revenue and duties of Tajikistan action plan to implement the recommendation of IMF under the tax and customs reform" was developed and approved, where ICT initiatives were also included.

During the last years the international institutions provided an extensive technical assistance to Tajikistan in the area of customs administration. However, the implementation of modernisation programme will need an achievement of unprecedented modifications. To make the process manageable the programme must cover two-to-three years period. Inasmuch the reform programme will enable to achieve the output in expanding the collection of taxes within the short-term perspective based on the advancement of technical assistance for ICT in customs services, it is needed to resolve the following problems first:

- to design and introduce in practice the computerisation and automation programme of the Ministry in general. The programme must be in accord with the provisions of the national computerisation programme;
- to recruit skilled IT specialists by changing the staffing, based on the contract agreement or offering another motivation;
- prepare detailed terms of reference for the supporting system taking into account the experience with the Research Institute (APM HI) and the computer system;
- prepare an absolute plan for computerisation of the customs declarations processing (including the computation of duties and taxes, dues and accounts, export trading statistics) and the cargo transit control;
- gradually build up facilities of the automated systems for guidance dataware, examination of manifests, selection, inspection criteria, notifications, temporary admission modes, on-line information, data processing, risk assessment;
- prepare a customs service reform strategy in the context of a broad reform strategy.

Apparently, from the view of simplification and acceleration of customs procedures, it also relates to the following six problems: simplification of imposing customs duties, preliminary manifestation, promotion of the domestic manufacturers to export goods; application of the information technologies; post-clearance audit, strengthening of law-enforcement functions.

Timely resolving of these issues will facilitate establishment of new entities of close to customs infrastructure, and initially the development of the customs brokers' associations. A prompt solution of

this issue is so much critical for ensuring an effective customs officers' activity that in 2004-2005 should be announced as the year of the customs broker.

With this purpose, the transition to remote registration (electronic declaration), implementation of the customs audit based not only on the physical review and examination, but also with assistance of various enterprises, border points to establish a new channels of communications and generated information database and transfer to use modern ITs, then it will be possible from Dushanbe to observe on-line the registration of cargo customs declarations at transit points from Pyanj to Penjikent, Regar and Jirgital, which would mean that the customs services and the economic units will trust each other.

The Customs Code of Tajikistan Currently in force is based on the Russian Customs Code, adopted in 1993, which suffered major changes during the last years, carefully updated, improved during the consultations with business sector and its new revisions were adopted. Presently we are concerned of such critical economic and legal issues as follows: Is it possible to maximally detail each step? What customs administration should be? Should we innovate a special Tajik Customs code out of general practice if such code must conform to the international standards and if it is based on international customs legislation? Do we need legal mechanisms of interaction with customs agencies? The principles of such integration should be reflected in the customs code.

We suggest to address the following issues in the new revision of the Customs code of Tajikistan:

- the bill should must contain transparent norms of direct action, and there should be clear and stable rules for the foreign activity units. Inasmuch the reality is always much saturated than any other law, it is almost impossible to draft the Customs code of completely direct action, as one should not regulate the type of locking device nor the thickness of the customs warehouse in the Customs code. Nevertheless, apparently the supervisor or the inspector of the point should not identify what conforms and what does not to the appropriate normative acts. This most likely relates to the strategically important issues and solutions by the higher-level institution. Therefore, the level of most of the guiding decisions, where it's possible, should be up-brought to the level of the Government of the Ministry, and in the least cases this should be submitted to the managers of the local customs services. Such approach explains by the fact that it is much easier to seek for open and transparent service from the higher-level rather than from the great number of customs points scattered over the Republic;

- the rights and obligations of all the concerned parties, as the participants of foreign-economic activity and the state bodies, should be clearly identified, i.e. there should be a fair compromise between the interests of business and authority. Especially a clear indication of procedures, rights and the powers of customs and the participants of foreign-economic activity should exist therein. Accuracy and clearness must be followed everywhere – in the list of required documents and the periods of customs registration. Therefore such phrases as "... and other conditions" and "... and other documents" shall be abolished in all the negotiated articles/clauses.

- the main issues related to the computation and collection of customs duties shall be regulated not by the agency's deeds, but directly by the adopted law;

- customs modes with economic contents (re-export, customs warehouse, good processing, temporary import (export) etc.) should be registered in details.

The new revision of Tajikistan's Customs code should include extensive powers of the government and the MoR of Tajikistan. However, the problem is that the large numbers of instructions and regulations need be transferred to the law and how to register the actions of the customs agencies in the Code.

Since the adoption of the new code is very close, many people would like to obtain a clear answer to that, sharing their opinion and ideas, which were far not single. The fact that there are alternative options for approaches to various problems can only be welcomed as the different points of views make the specialist to focus on the search of optimal decisions. It is pleasant that gradually common grounds are increasing rather than appearing discrepancies.

There is a need to formulate a comprehensive list of requirement for institutions which are not the participants of the foreign-economic activity. Similar actions relate to the seizure, liquidation of goods. Herein normal and civilised rules are required. As for the control, examination of the economic activity – everything should be done without jeopardising the normal work flow of an enterprise. And such principle also should be clearly addressed in the Customs code.

While understanding how important the paper is, the legal framework must be polished and inasmuch the new codes should correspond to the international standards, the international tax and customs legislation would be taken as a ground.

2. PROPOSED ACTIONS ON THE REGIONAL CUSTOMS COOPERATION WITHIN THE CCC FRAMEWORK

A natural process of integration and internationalisation of the world's economy requires a new level of economic relations. At the present stage of multidimensional world no country is able to develop solitarily. Strengthening of the integration processes is explained by the increased interrelation of individual countries' economy and expressed mainly in entering into multilateral agreements, related to the trade regulation.

The customs policy of Tajikistan is able not only actively influence on the budget, but also implement an effective protection and promotion of domestic manufacturers. The meaning of the active customs policy itself must stand down the fiscal and control functions framework. It will have to, in particular expand the range of mechanisms for customs and tariff regulation and customs statistics, to improve the law-enforcement function and the foreign-economic activity control, as well as to ensure the access of any willing persons to the customs business information.

The main concern for the Republic of Tajikistan is the transit issues. We believe that the potential and the capabilities of the Customs Cooperation Committee should be aimed for resolving regional level and nature problems.

One should highlight herein the necessity of speeding up the development of clear and effective mechanisms in the context of CCC's Action Plan, Section 6 – Development of improved transit systems to establish and introduce a single and unified cargo transit mechanism on the territory of the CCC member countries. If the mentioned issue is not resolved, it will result in inability of transit movements. Such situation cannot improve the efficiency of implementing the intentions aimed at cooperation and simplification of customs procedures.

Our initiatives must be targeted for developing such transit system which would enable maximum simplification of the transit procedures and would become a specific transparency.

An important issue is also the systematic monitoring of transit cargo movements and transit legislation in the CCC member countries, its generalisation and analysis. Preparation of reviews based on the findings of such monitoring and its distribution among all the members would enable to resolve most of the problems related to the transit goods movement and would facilitate minimising the costs of each party. This initiative is brought by due to the fact that the main regional trade problem becomes the high rate for transit and introduction of various barriers, setting various mandatory payments as well as the other dues for insurance etc.

The Republic of Tajikistan, recognising the importance and the political significance of transit trade, irrespectively or current economic constrains undertakes extensive measures to establish new transport items and transport corridors, as well as infrastructure for them, enabling more effectives ways out to other regions and facilitating the trade development. First of all it includes a newly build Murgab to Kulma road having an access to People's Republic of China, completed with border and customs infrastructures. The aforesaid projects will enable to broaden the transportation possibilities and increase the degree of access to other markets.

The Republic of Tajikistan is actively involved in keeping the systematic work on accession of the country to WTO, in order to establish an effective work structure and the harmonisation of the national legislation. In this respect, Memorandum of Trade Mode is almost completed and prepared.

Based on the opinion of the Swiss specialists, who actively assist the Tajikistan in accession to WTO, the trade mode and the national legislation of Tajikistan corresponds to the norms and standards of WTO.

The Government of Tajikistan recognises an important role of customs system in developing market-oriented economy and trade, and adopted the customs services reform and modernisation programme as an integral component of the government's restructuring programme.

In order to achieve the objectives set as well as to establish a customs service which complies with the appropriate international standards and norms, the Republic of Tajikistan signed an MOU with the Asian Development Bank – "Tajikistan: Trade and Customs Cooperation Facilitation Programme". To resolve the stated task the ADB allocates a loan exceeding USD 10M. The Government of Tajikistan, considering the complicated situation in economy, accepts these initiatives, as the establishment of optimal trading and customs system is impossible without a market economy.

The main task of the Programme is to institute effective and coherent customs system in Tajikistan, which will have a positive effect on trade development and increase in investments, promotion of goods and passenger transit.

The Programme must enforce the following tasks:

- enforce the guidance, transparency and institutional capacity

- strengthen the legislative regulation base in accordance with the international standards and conventions
- improve the operational effectiveness for the trade development and will improve the revenue collection
- set out an effective mechanism for regional cooperation and development

An urgency and concern for the Republic of Tajikistan in the context of the trade development is the smuggling control and other customs offences. The problems of illegal drug trafficking control and other drug substances became the most pressing for the customs services of Tajikistan.

The interaction of our countries in this aspect unfortunately not yet responds to the growth of such crime. It is our view that in the fight with this evil it is needed to involve an assistance from developed countries. Simple means of technical control to be established on the borders create additional possibilities to influence on this problem.

Another important course of interaction within CCC is the improvement of customs officers' skills. Legislation harmonisation and simplification of other customs formalities is impossible without sufficient human resources capacity. In this regard, training and retraining of human resources should be the priority course for our further collaboration.

In the long-term view, the development of our cooperation is impossible to imagine without information support and publication of a certain bulletin. In this view, a suggestion of publishing a special "Bulletin of customs news under the CCC" is relevant.

A regular implementation of the above proposals as well as development of fundamentally new mechanisms of cooperation will enable to improve the qualitative component of our interaction and the efficiency of trade development.

We trust that a constructive cooperation under such forums will facilitate prosperity of our nations, strengthening of mutual trust and further development of our economies and rapprochement for the peace and stability.

Another important customs priority for the future is the ability to use the available information broadly, i.e:

- ensuring the access of all interested to the information on customs rules;
- establishment of open system for reviewing applications related to the customs issues;
- use of preliminary obtained information in application of selective audit

Another course, and is very important is development of computerisation and automation plan and its implementation in practice. An advance submission of electronic information is needed to apply the automated procedures of data processing. However, the efficiency of the tax and customs administrations functioning reduces due to the fact that the customs agencies' employees of all levels have to manually carry out many of tedious operations, consequently, the major information flow is submitted on paper.

Within the target programme these issues shall be resolved at the account of applying a set of initiatives on development and introduction of forming and submission system to the customs agencies in electronic format of declarations, invoices and other documents. To realise the facilities provided by the new ITs, not only the reliable legal framework is needed but also the modification and additions to such operations mechanism, according to which the documents can be submitted in both hard copy and electronic format (magnetic medium or via telecommunication channels). Although the magnetic medium is just an interim stage being the preparation stage to move to electronic document circulation by telecommunication channels using the electronic digital signature when circulated between the tax, customs agencies and the tax-payers, i.e. paper-free and contact-free submissions. The similar programme was developed and pilot tested. However, a specialised communication operator is required, who will be endorsing such digital signature. Similar institution is only being established in Tajikistan.

Nowadays, information and communication technology should include the following tasks solutions:

Firstly, identification and adoption of programme sets related to the automated declaration processing in the customs services of Tajikistan (automated duty station (ADS) declaring person, ADS customs inspector, ADS payments, ADS customs statistics, ADS delivery);

Secondly, procurement of appropriate computers and software to support applications;

Thirdly, establishment of effective and reliable information exchange system, i.e. telecommunication technologies.

However, the proposed Report (Section IV "ICT Development") indicates data transmission medium (on the base of Internet-technology) as the priority course for ICT development as well as computer and software procurement.

The analogue situation can be observed in the telecommunication infrastructure.

Considering the geographic location of Tajikistan (comparatively tight territory and little numbers of customs agencies) shortwave communication system, "Codan", should be introduced to the customs agencies. During the five years such system is used to transmit data from the customs agency in GBAO and Sughd region to the MoR of Tajikistan.

To ensure communication with other Ministries and agencies of Tajikistan it is possible to use different means of data transmittal, e.g. internet technologies.

With regard to the declaration processing system the general names of nine Automated declaration processing systems are given (item 79 of the Report), where a special attention should be paid the new Russian system for the following reasons:

- the Russian customs service is developing automated processing systems of the SCD for more than ten years;
- this system is adopted to the legal framework of the European and Asian Economic Commonwealth members, which includes Tajikistan;
- as seen from the report, the Automated system will be offered free-of-charge to the member states;
- if to consider that the Automated system is to be distributed for some return, the cost for Tajikistan will be minimum (based on the number of licensed copies). In this case the attention is drawn to the number of being used PCs in Russian and Tajikistan, where the licensed software to be installed.

Along with that, I consider as one of the possible alternatives, the development of the national SCD processing system with the means from the Tajik Technical University. The main advantage of which will be low costs.

In light of the above, the implementation of the remaining two tasks is considered as inexpedient and ineffective without resolving the first task, as they are supplementary. Therefore, bank loans attains a no-purpose feature, i.e. with no identification of specific purpose, task and ways to resolve. The advantages for the customs agencies to work with the modern technologies are doubtless: electronic document circulation eases the work of reports receipt, do not require high skills and major efforts from the specialists. This system gives less tangible benefits to the foreign-economic activity units in terms of time saving during the submission of papers.

Nevertheless, the problems and difficulties usually accompanying the introduction of new technologies are unavoidable. We trust that our efforts will be understood and attract an interest from the foreign-economic activity units, which will in the near future to value the advantages of working in the new fashion.

As a conclusion, I hope that we will be able to continue and improve mutually beneficial cooperation.

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