

Information on Tajikistan Customs Bodies' Development within CAREC Program Framework

*** Integration into International Economic System:**

In the context of the Central Asian Regional Economic Cooperation (CAREC), positive experience of multilateral and bilateral cooperation has been gathered, including in the area of customs relations.

The Republic of Tajikistan signed Agreements on Transit with the Kyrgyz Republic and on Cooperation and Mutual Assistance in Customs Affairs with Kazakhstan and Azerbaijan; and there is an intention to enter into similar agreements with the Islamic Republic of Afghanistan and the People's Republic of China.

By its Resolution of March 16, 2011, No. 368, the Parliament of Tajikistan ratified the Cross-Border Transport Agreement, which was signed on December 2, 2010 in the context of CAREC Program.

Integration of Tajikistan into international economic system and building up its external trade potential in the socioeconomic development of the country provides advantageous platform for improving foreign trade procedures and bringing them in line with the international standards.

*** Risk Management System:**

Following the reform of the customs legislation of Tajikistan in 2005, a need arose to restructure customs control institute on the basis of risk management system implementation.

Risks are understood as a probability of incompliance with the customs legislation of Tajikistan. The risk management system is based on efficient use of customs bodies' resources for the purpose of preventing violations of the customs legislation, which:

- 1) have persistent nature;
- 2) are related with avoidance of customs duties and taxes payment to a considerable amount;
- 3) undermine competitiveness of domestic producers; and
- 4) affect other important interests of the state, the protection of which is vested in the customs bodies.

The objectives of risk management introduction include:

- 1) focusing attention on higher risk areas and ensuring more efficient use of available resources;
 - 2) increasing opportunities for the detection of customs-related offences;
- and
- 3) establishing favorable conditions for the traders abiding by the customs legislation to transport goods and vehicles across the customs border of Tajikistan.

Risk categories are assigned to the following objects:

- 1) type of goods;
- 2) code of goods under the Harmonized System;
- 3) country of goods origin;
- 4) country of departure;
- 5) country of destination;
- 6) vehicle;
- 7) customs value;
- 8) route of goods movement;
- 9) trader;
- 10) documents submitted for customs processing.

Customs Activities on Risk Assessment and Management

1. The authorized customs body shall collect, summarize and analyze statistical and intelligence information on customs-related offences, including all factual data on the violations in the process of investigation, and also those on which procedural decisions have already been made.

2. Lists of risk indicators, and criteria of their identification and application shall be established by the authorized customs body.

3. The established lists of risk indicators shall be used by customs bodies while conducting customs control for the purpose of applying differentiated customs control forms, and may not be used as grounds for any limitation of movement of goods across the customs border of Tajikistan. Such lists shall constitute confidential information.

4. As may be proposed by territorial units of the authorized customs body on the basis of the actual operative situation, the lists of risk indicators may be updated throughout the entire period of their validity.

5. Traders may be assigned to minimum or maximum risk category in accordance with the procedure established by the authorized customs body.

The procedure of assigning traders to minimum risk category and applying certain types of customs procedures and customs control to them shall be established on the basis of proposals, developed by territorial units of the authorized customs body jointly with not-for-profit organizations, engaging in customs-related activity.

Late in 2007, with a view to designate a focal point for risk management system development and implementation, the Post-entry Control and Audit Department was established within the Customs Service under the Government of Tajikistan, which includes in its structure a division for risk management organization work and its units in the regional customs administrations.

By its internal order of August 04, 2008, No. 126, the Customs Service approved the Concept of Risk Management System in the Customs Service of the Republic of Tajikistan, which defined main notions used in the risk management

system, and identified main objectives, design concept, management forms and components of risk management system, and the expected outcomes from the implementation of the risk management system.

Lists of risk indicators, and criteria of their identification and classification of goods, foreign trade transaction and persons into risk groups have been developed by the Custom Service and approved by the Customs Service Order No. 1DSP of May 27, 2008. The List identifies 85 risk indicators, provides codification of risk indicators, and also designates organizational units of the Customs Service that are responsible for coordination of risk profiles drafting and consideration.

Additionally, the Rules of Customs Officials Activity in Risk Profiles Drafting and Consideration, Risk Profiles Application in Customs Control, and their Updating and Cancellation have been approved by the Order of the Customs Service of January 5, 2009, No. 2-f.

The Rules consist of 9 sections and 17 annexes, which include: Procedure of Risk Profiles Drafting by Customs Officials; Procedure of Draft Risk Profile Consideration and Approval by the Customs Service; Activities of Customs Officials Exercising Customs Clearance and Customs Control Involving Risk Minimization Measures Consistently with Risk Profiles; Procedure of Risk Profiles Updating and Cancellation Based on Customs Service Departments and Regional Administrations Proposals; Procedure of Drafting, Approval and Distribution to Customs Bodies of Urgent Risk Profiles; Procedure of Drafting, Approval and Distribution to Customs Bodies of Intelligence Reports; Actions of Customs Bodies Officials upon Detection of Special Software Malfunction.

Along with these, information and technical support was provided to the risk management system, which is operated within the **RISK MANAGEMENT SUBSYSTEM** of the Single Automated Information System of the Customs Service.

The main purpose of this subsystem is to provide information support to efficient customs control following principles of selectivity and targeting, based on optimal distribution of resources of the customs bodies among most important areas of prevention and interdiction of customs legislation violation.

Areas of subsystem application include:

- Customs clearance and control;
- Post-entry audit.

The subsystem fulfills the following functions:

- Risk assessment in customs processing;
- Risk assessment in post-entry audit;
- Supporting decision-making on customs control operations in customs clearance;

- Supporting decision-making on customs control operations in post-entry audits;
- Maintaining [records] of customs control operations results in customs clearance;
- Maintaining [records] of customs control operations results in in post-entry audits;
- Management of risk assessment models in customs clearance;
- Management of risk assessment models in post-entry audit;
- Interaction with customs clearance subsystems;
- Users and access permissions (roles) administration;
- Configuring subsystem parameters;
- User activities logging.

*** Customs Automation:**

Currently, automation of the customs system of Tajikistan is in its practical implementation phase. As part of the customs automation project, initiated by ADB and the Government of the Republic of Tajikistan, on January 1, 2011, a pilot project was launched on implementation of the Single Automated Information System, and, starting from January 1, 2012, SAIS will be fully implemented in the customs bodies.

Along with this, Temporary Rules of Electronic Declaration Provision and Acceptance, and of Other Types of Electronic Information Exchange in Relation to Export, Import and Transit Procedures Execution have been approved by the Order of the Customs Service of August 12, 2011, No.151-f.

Up to date, under the Asian Development Bank project, 8 customs stations have been rehabilitated, and 5 new stations have been built.

This project will enable us to significantly accelerate and simplify internal document turnover, and to shift to electronic declaration form.

*** Unification of Basic Customs Documents:**

Starting from January 1, 2010, a new form of customs cargo declaration and transit declaration has been introduced in Tajikistan, which is consistent with the EU Single Administrative Document (SAD).

Expected effect: The new basic customs document is used as a single set of Cargo Customs Declaration/Transit Declaration as opposed to the previously used separate forms of CCD and TD, which significantly simplified customs formalities.

The Tajik equivalent of SAD accompanies goods both from the point of entry into the customs territory of Tajikistan to the customs at the point of destination, and from the issue of permit for exportation of goods by the customs at

the point of departure until their physical departure from the customs territory of Tajikistan.

***Single Window System Development:**

Along with this, ADB is an active participant in the implementation of the Single Window system for export/import and transit procedures. The Government of Tajikistan approved the Single Window Implementation Program.

The Single Window Implementation Program outlined the main areas of activity of the Government of the Republic of Tajikistan for the nearest five years on simplification and improving efficiency of foreign trade administrative procedures by means of implementation and application of electronic systems for information processing and transmission between the government stakeholders and traders.

The process of Single Window development and implementation envisages three phases:

- the first 2-year phase includes preparatory measures for the implementation of SW system;
- the second 1.5-year phase envisages the actual implementation of SW system;
- the third 2-year phase covers SW integration into the Customs SAIS and establishing interoperability with other information systems, including regional information systems.

In order to support the implementation of the SW Program, and to ensure purposefulness and transparency, a Coordination Committee has been established under the Ministry of Economic Development and Trade of the Republic of Tajikistan.

Coordination Committee composition includes senior executives of all government authorities exercising activities related to export/import and transit procedures, and representatives of business community and international organizations.

The SW System is managed by the state unitary enterprise SW Center. The Center is attached to the Customs Service under the Government of Tajikistan. These arrangements will allow the Center to function on the basis of general principles of the industry, and create conditions for further integration of the Customs SAIS into the SW System.

The SW system is based on international standards, including WTO and WCO requirements to reduce non-tariff barriers to foreign trade.