

**CUSTOMS CONTROL COMMITTEE
MINISTRY OF FINANCE OF THE REPUBLIC OF KAZAKHSTAN**



Summary of Kazakhstan Customs Bodies' Activities

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January-June 2007-2008

Simplification of Customs Procedures

- 1. Plan of Measures for Removing Administrative Barriers has been approved (Resolution of the Government of RK of 13.05.2008 No. 455)**
- 2. Reducing number and time for consideration of licensing documents required for export/import (Resolution of the Government of RK of 13 May 2008 No. 454)**
- 3. Interagency working group has been established to develop government authorities interoperability procedure when implementing control involving the Operational Administration Center (OAC) of the Customs Control Committee (CCC)**
- 3. To establish OAC, budget allocation of 699 million tenge was made, and premises refurbishment started**
- 4. New organizational unit was established in CCC by the order of the Ministry of Finance – Customs Procedures Control Department (OAC).**

Role of Customs Administration in Joining WTO by Kazakhstan

One of the conditions for Kazakhstan to join WTO, that was stipulated by the USA, is establishing effective intellectual property rights protection.

It is known that commercial counterfeiting is not developed in Kazakhstan, and infringing goods are imported from other countries.

Therefore, it is now a pressing issue for the country to vest the customs with additional authority (USA recommendation and position).

The protection will need to cover 50,000 intellectual property articles instead of 460 at present.

Customs administration will need additional staffing to fulfill this function.

Основные нововведения в сфере таможенного дела, содержащиеся в законопроекте «О внесении дополнений и изменений в некоторые законодательные акты Республики Казахстан по вопросам таможенного дела»

Совместный контроль

Интегрированный контроль

Внесения изменений в рамках вступления в ВТО

Сокращение лицензируемых видов деятельности

Сокращение предоставляемых документов при таможенном оформлении

Расширение круга лиц выступающих в качестве декларантов

Внедрение порядка перемещения товаров и транспортных средств с использованием сейф-пакетов

Порядок проведения таможенного контроля для каждого вида транспорта

Порядок взимания платежей с автомашин

Нормы, исключаящие предпосылки коррупции

Уточняющие нормы по проведению проверок в сфере таможенного дела

Совершенствование кадровой политики таможенной службы, расширение материальной и социальной защищенности

World Customs Organization and the Republic of Kazakhstan

June 27-28 2008 – 111/112 sessions of WTO Customs Cooperation Council.

In WTO opinion, as of today our service is an ideal model on the “post-Soviet” space. Kazakhstan seriously strengthened its positions in the world customs community, became more active and is working in full compliance with WCO recommendations.

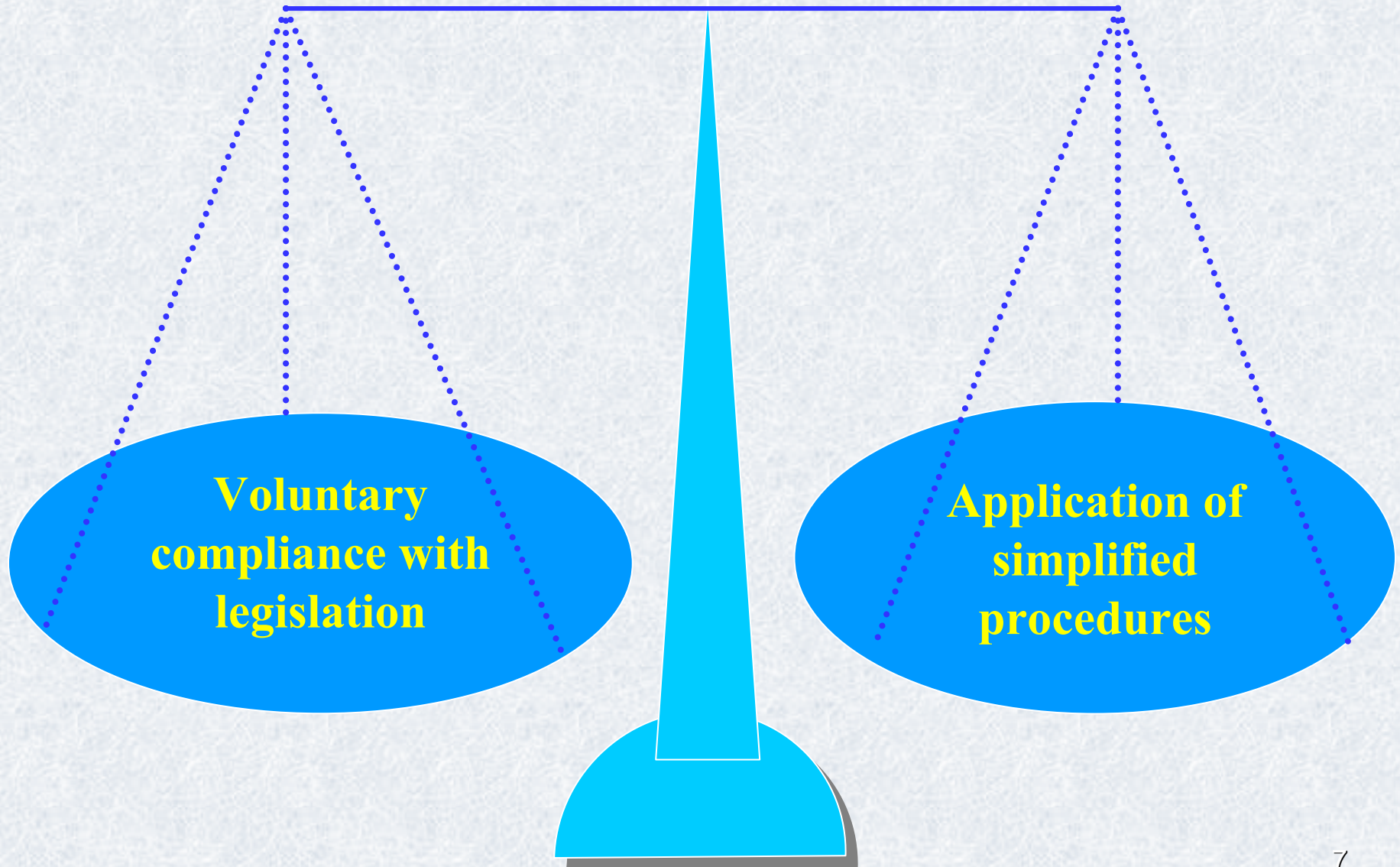
Selection of Kazakhstan for the inclusion in the ten “pilot” countries of the world from the Europe and CIS region as a “model” for the elaboration of the customs administration meeting world standards was based on the analysis of our system diagnostic study and actual achievements of the country in customs modernization area.



International Customs Cooperation Priorities

- **Developing cooperation with customs administrations within the WCO framework.**
- **Implementing the decision of country leaders on establishing the Customs Union between the republic of Kazakhstan, Russian Federation and Republic of Belarus.**
- **Developing cooperation within the Shanghai Cooperation Organization (SCO)**
- **Further strengthening cooperation in implementing joint customs control:**
 - **- Kazakhstan-Russian border;**
 - **- Kazakhstan-Kyrgyz border;**
 - **- Kazakhstan-Chinese border.**
- **Cooperating with World Customs Organization on implementing WCO SAFE framework o Standards**

Goal of customs bodies

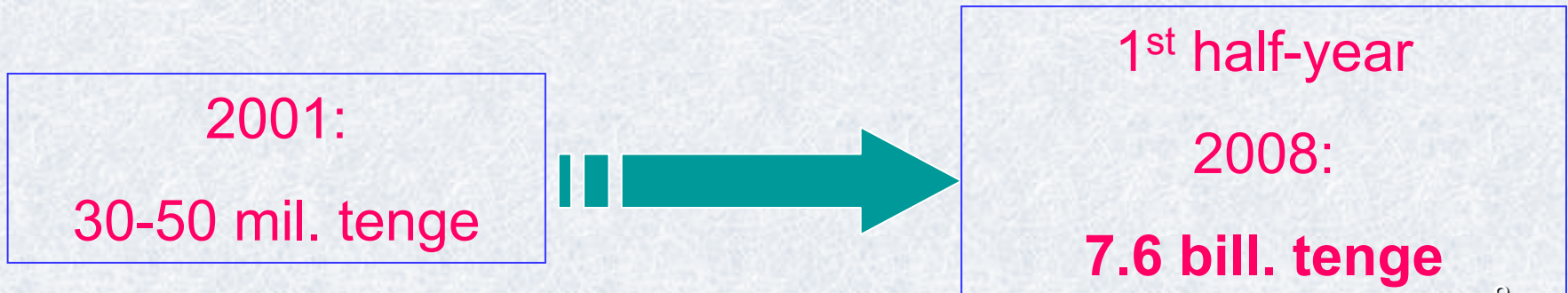


Post-entry Audit

Goal:

Priority enforcement objective:
offence prevention,
systematization and streamlining of all types of inspections
aiming at reducing administrative burden on business

**Punishment and strengthening of control do not
result in reduced offence**



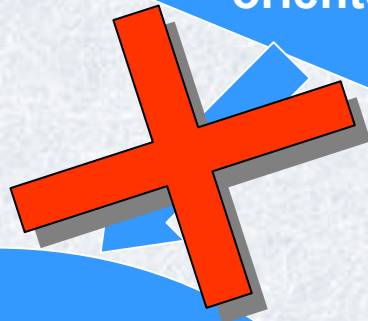
Post-entry Audit

SOLUTION:
Building customs audit system, that is

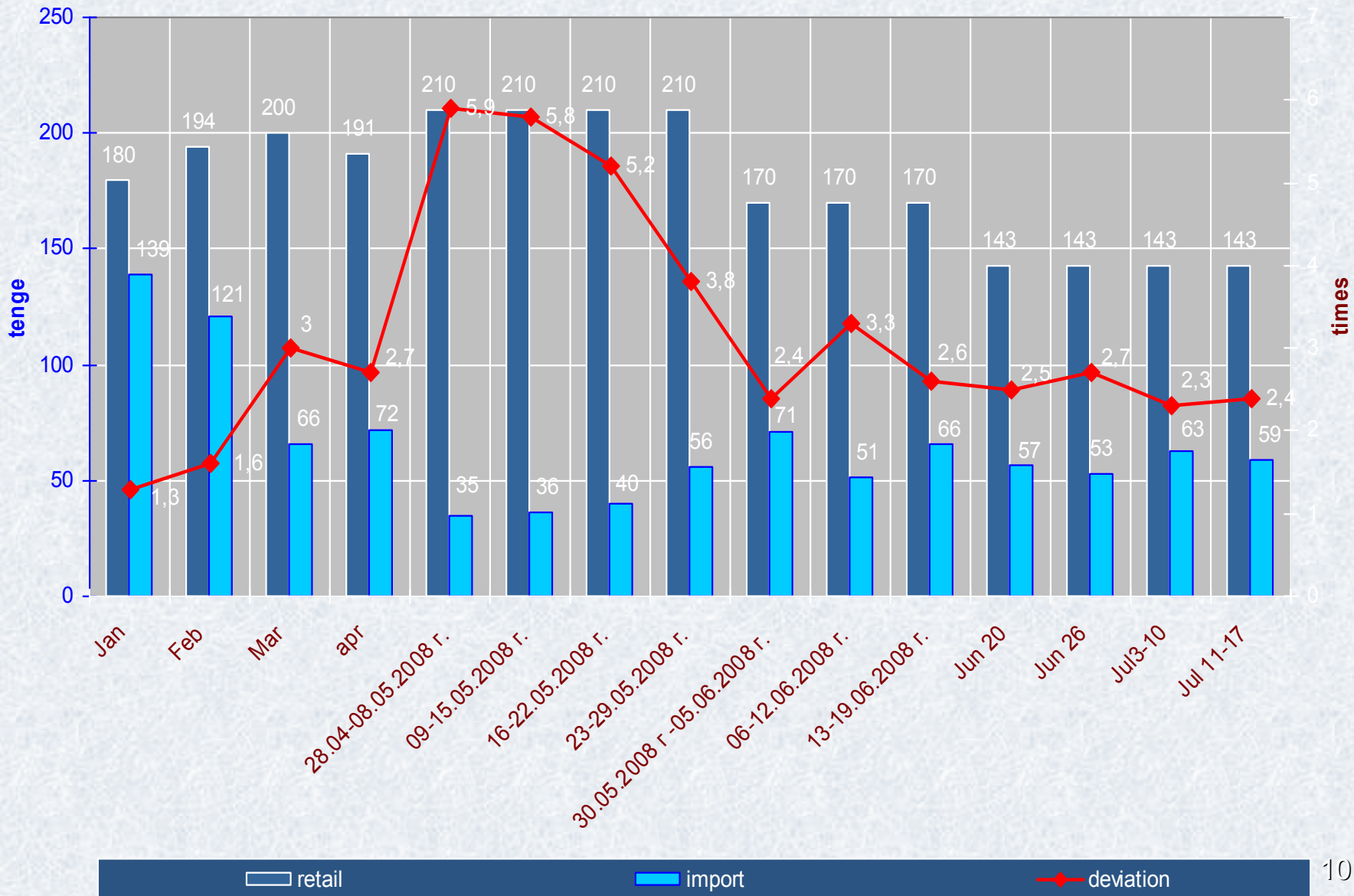
oriented towards

punitive force
(holding accountable,
recovery by
enforcement, etc.)

prevention of offence
in customs area



Time history of average vegetables import and export retail prices



Strategic directions, goals, tasks and performance indicators of Kazakhstan customs for 2009-2011

Item	Unit	Reporting period		Planned period		
		2007 (report)	2008 (current year plan)	2009	2010	2011
Strategic direction. <i>Improving customs efficiency</i>						
Goal 1. Establishing a stable, efficiently functioning customs system, meeting international standards and oriented towards the quality of services						
Target Satisfaction level of traders and other stakeholders with customs services will achieve: in 2007– 38.%, in 2008 – 45.8%, in 2009 - 53.2%, in 2010 – 58.4%, in 2011 – 63.3%						
Objective 1.1. Reducing processing time for traders						
Modernization of core automated business processes requisite for customs control and clearing	%	-	37,5	62,5	75	87,5
Reducing average customs procedures completion time	working days	2 to 10	2 to 8	2 to 6	2 to 4	≤ 2
Improving professional skills of customs officers	persons	2546	3525	4000	4000	4000

Strategic directions, goals, tasks and performance indicators of Kazakhstan customs for 2009-2011

Objective 1.2. Harmonization and unification of customs procedures as per international standards to the benefit of traders						
Number of documents required for customs clearance (within customs competence)	units	≤ 14 /3	14 – 13/3	12/1	11/1	10/1
Standardization of customs procedures in conformity with international standards	units	1	1	1	1	1
Reducing percentage of goods and vehicles physical inspection	%	-	70	55	40	35

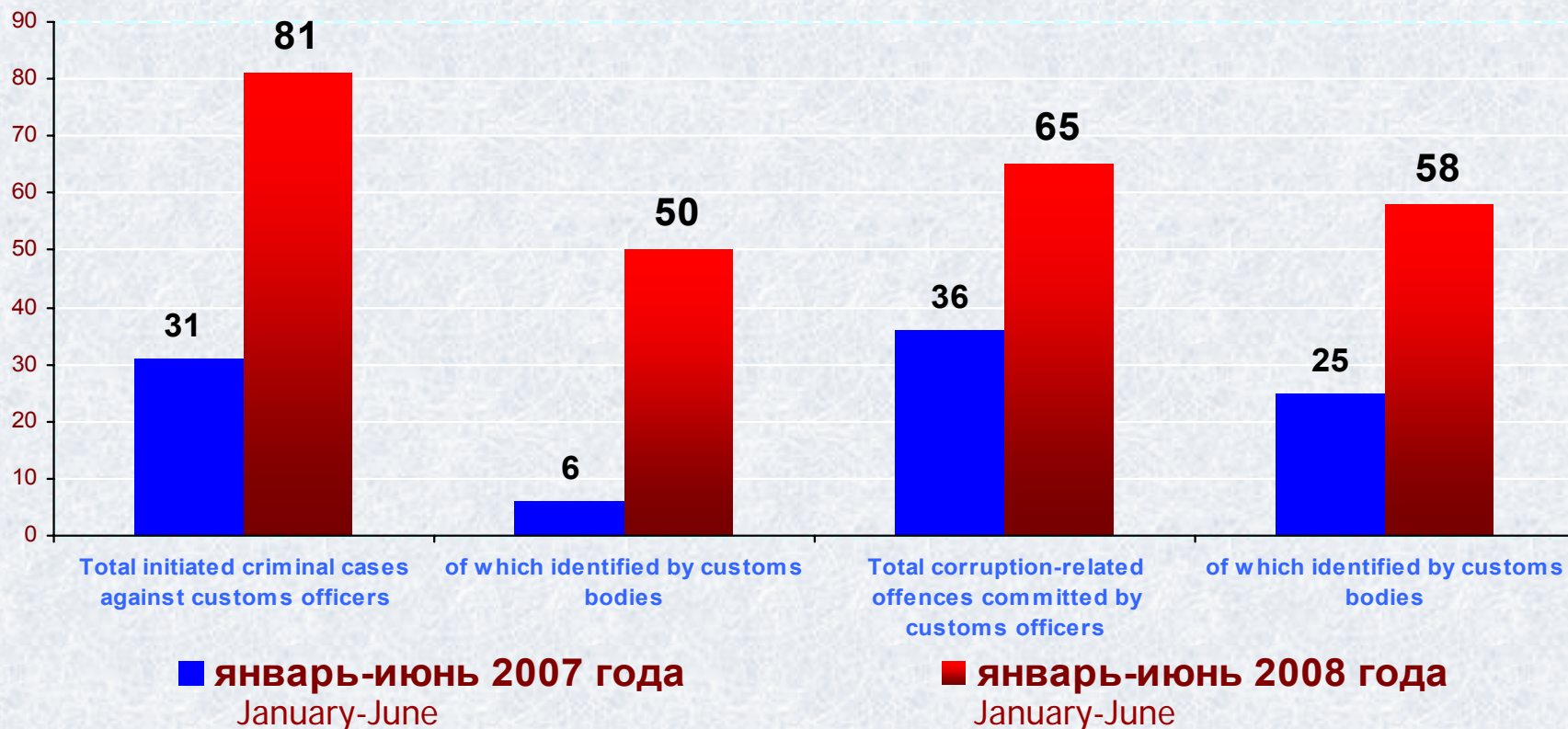
Strategic directions, goals, objectives and indicators of activities of customs bodies of the RK for 2009-2011

Goal 2. Establishment of an effective system for prevention of offences, identification of goods illegally moved across the customs border						
Targets: An increase in the volume of recovery for damage caused to the state will be, against 2008: in 2009 – by 15%, in 2010 – by 25%, in 2011 – by 33%. A reduction in the difference of “mirror statistics” data on mutual trade with the countries – key trade partners – the People Republic of China and the Russian Federation will be: 2008 - 28% and 1.5%, in 2009 - 24% and 1.1%, in 2010 - 18% and 0.8%, in 2011 - 12% and 0.5% accordingly.						
Objective 2.1. Ensuring prevention of offences						
Number of introduced amendments and addenda to laws and bylaws to eliminate the reasons and conditions providing opportunities for offences	Units	-	-	1	1	1
Increased share of honest traders	%	-	10	20	30	40
Review and identification of measures of control over strategic objects of external economic activities of the state	Units	-	5	5	5	5

Strategic directions, goals, objectives and indicators of activities of customs bodies of the RK for 2009-2011

Objective 2.2. Increased quality of criminal and administrative proceedings						
Decreased share of pending criminal cases as compared to 2007	%	72	60	55	50	45
Decreased share of pending administrative materials as compared to 2007	%	42	40	35	30	25
Objective 2.3. Fighting smuggling and corruption						
Number of large-scale operations on prevention of smuggling and pirate movement of goods and vehicles across the customs border	Ед.	2	2	3	4	5
Number of large-scale operations on prevention of drugs trafficking	Ед.	1	1	2	3	4

Indicators on anti-corruption measures



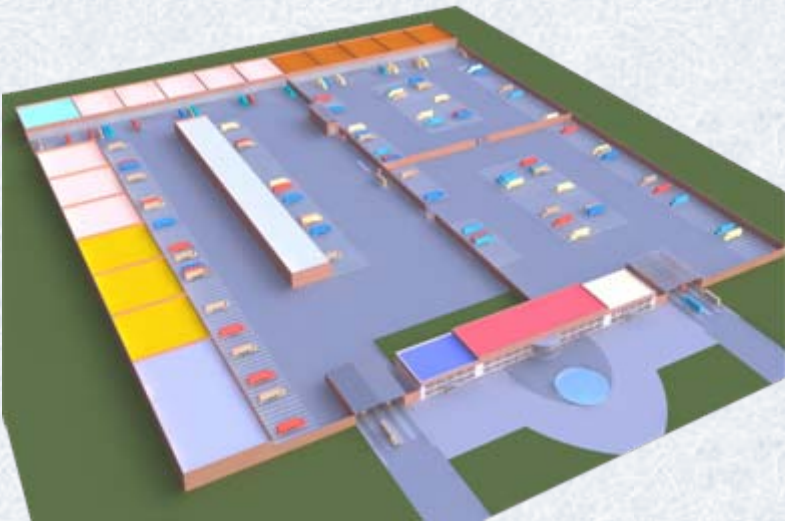
There is an improvement in identifying corruption crimes and offences by customs bodies (in-house security subdivisions).

For 6 months of 2008 out of 81 crimes 50 have been identified by the customs, for 6 months of 2007 out of 31 – 6.

For 6 months of 2008 customs officers committed 65 corruption-related offences, of which 58 have been identified through own efforts. For 6 months of 2007, out of 36 corruption-related offences 25 have been identified through own efforts.

Establishment of single customs terminals

Goal: provide a complex of services for imported goods



placement of necessary services, agencies and bodies of certification for clearance of goods

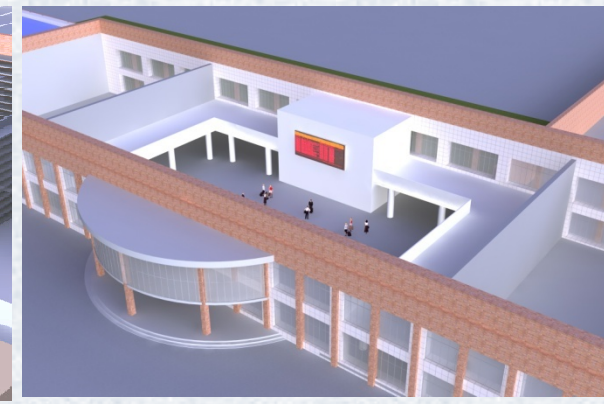
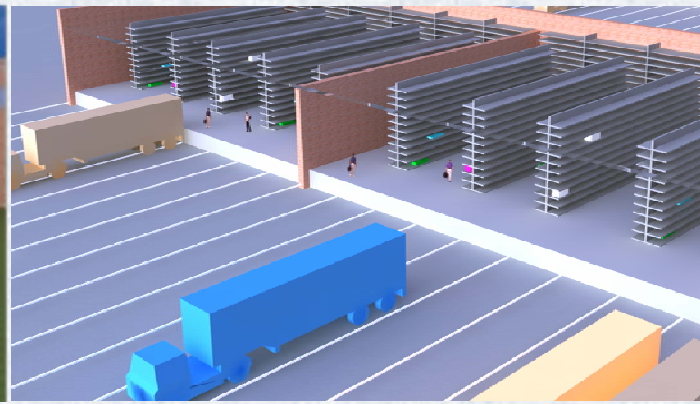
conducting laboratory tests by various services службами

logistic services for cargo handling

banking and brokers' services

qualitative control by government agencies

customs clearance and control of goods and vehicles



Operational and preventive measures

“Shuttlers” operation

July – September, 2007
Engaged 18 officers.

- Initiated 13 criminal cases and 57 cases on administrative offences.
- Identified non-paid customs duties for the amount of – 715 mln. 971 thous. tenges

“Dordoi” operation

October 25, 2007 – May 12, 2008
Engaged 201 officers.

- Detained 79 vehicles with goods for the amount of 511 mln. tenges, weight of 800 tons.
- Initiated 20 criminal cases and 53 traders were subject to administrative liability.

“Borderline” operation

January 15, 2008 – February 15, 2008
Engaged 16 officers.

- Detained 3 vehicles with goods for the amount of 449 thous. tengers.
- Identified 3 facts of illegal RK border crossing, pre-investigation is in progress.