

REPORT

The Work Performed by the Republic of Uzbekistan to Accede to the WTO Trade Facilitation Agreement

Currently, Uzbekistan is actively working on accession to the WTO by conducting negotiations with WTO member-countries accompanied by the incremental alignment of its regulatory framework with the WTO requirements, and one of the main objectives in this area is accession to its Trade Facilitation Agreement.

Within the two years since its entry into force, this agreement was ratified by 141 out of 164 countries or 86% of the WTO members. It should be noted that earlier when countries were acceding the WTO, it was not mandatory to accede to the Trade Facilitation Agreement, but once this Agreement has become effective, there is an obligation to accede to the Trade Facilitation Agreement before joining the WTO.

Based on this, the Republic of Uzbekistan purposefully works on this front; so currently, with involvement of relevant ministries and departments, it works on the composition of the TFA Working Party with the SCC being a leading agency, as well as on specifying its competencies, responsibilities, tasks, functional duties, rights, etc.

In general, in recent years, Uzbekistan has done a lot of work to simplify foreign trade procedures. So, in 2018–2019, the costs were significantly reduced and the procedure for export and import operations clearance were considerably simplified.

More specifically:

- 10 types of permits issued by customs authorities when goods are placed under certain customs regimes (re-export, re-import, temporary import and export, etc.) have been canceled;
- registration of foreign trade contracts, as well as the requirement to submit it in case of export about providing it for export have been annulled;
- the requirement of advance payment when exporting goods has been cancelled;
- permits for transit movement of alcohol and tobacco products, as well as ethyl spirits across the territory of the republic by road and rail transport have been cancelled;
- a procedure was introduced, according to which certificates of conformity issued by accredited bodies of OECD member countries are recognized by the competent authority and no certificate of conformity is required from importing countries;
- additional options to make customs payments through electronic payment systems, including through mobile applications "U-Pay", "Click" and "UzCard" have been introduced;
- an opportunity to fill in cargo customs declaration without turning to customs brokers, as well as the service of filling in cargo customs declarations free of charge by staff of the Front Office staff established at customs posts for foreign economic activity have been introduced;
- the norm of issuing a certificate of conformity and a hygienic certificate for identical goods within one foreign trade contract has been adopted, which resulted in reduced time and financial costs incurred earlier to obtain certificates of conformity for each consignment;
- a service has been deployed at the official website of the customs committee enabling in the real time mode to monitor customs clearance flow and the

type of corridor in the RMS assigned to the submitted declaration, and a procedure has been put in place, based on which key statistical information about the time of customs clearance is published monthly;

- an interactive service “Integrated Tariff” have been deployed at the website of the State Customs Committee of the Republic of Uzbekistan enabling obtaining real-time detailed information for carrying out external economic activities.

An important measure was the adoption of the Decree of the President of the Republic of Uzbekistan "On additional measures to improve customs administration and enhance efficiency of the State Customs Service of the Republic of Uzbekistan", according to which a decision was made to introduce a 4-channel risk management system in the customs.

The introduction of the customs risk management system allowed reducing the scope of customs control, improving its quality, optimizing the use of available resources and funds, reducing the time required for customs control and clearance, as well as increasing its efficiency.

Since the time of full implementation of the risk management system in customs agencies (01.03.2019), as a result of selective customs control, about 60% of shipments have been cleared by customs without physical inspection, of which about 82% are export shipments.

As a result, the number of conducted inspections compared to the reporting period decreased 2.5 times, the efficiency of detection of customs offenses increased almost 4 times (from 59 to 234), the amount of additional customs payments accrued totaled 9.7 billion soums.

In 2018, the average time spent on the preparation of export customs declarations (from the moment of filing) was 2 hours 49 minutes; in 2019 this indicator decreased 4.3 times or to 39 minutes.

In 2018, the average time spent on import declaration (from the moment of filing) was 43 hours, and in 2019 this indicator decreased 2 times or to 21 hours.

Besides, since May 1, 2019, the institute of **authorized economic operators** was established in Uzbekistan and at present, **three traders** have been granted the AEO status.

In addition, based on the decree of the President of the Republic of Uzbekistan “On measures to further improve administrative procedures in carrying out external economic activities”, the time spent for the procedure of reviewing permissive documents, as well as the number of documents to be submitted for their issuance, have been significantly reduced.

At present, a bylaw on establishment of a structural unit at the SCC with the power to post-entry audit, as well as the procedure for such auditing has been drafted.

Uzbekistan is reviewing the experience and outcomes of WTO membership in a number of countries. And the key lesson of this process is negative consequences of prompt accession to the WTO in case of the countries, which have not properly prepared for tough conditions in the modern market. Therefore, the country thoroughly reviews the conditions of accession, taking into account the level of development of the country's economy.