



Coordinated border management in the Republic Kazakhstan

Bishkek 2016

Key areas of the Action Plan for improving the tax and customs administration

- 1. Unification of customs duties for goods with similar characteristics and related to one commodity group and commodity codes**
- 2. Developing the modern infrastructure of the customs service**
- 3. Introducing the electronic Declaration**
- 4. Streamlining the importation of commercial goods by physical persons**
- 5. Simplifying the customs administration through the maximal reduction of the number of the required documents**
- 6. Improving the institute of Authorized Economic Operators**
- 7. Transferring the functions of customs duties and tax administration from customs unit to the tax unit of the State Revenue Agency of Kazakhstan**

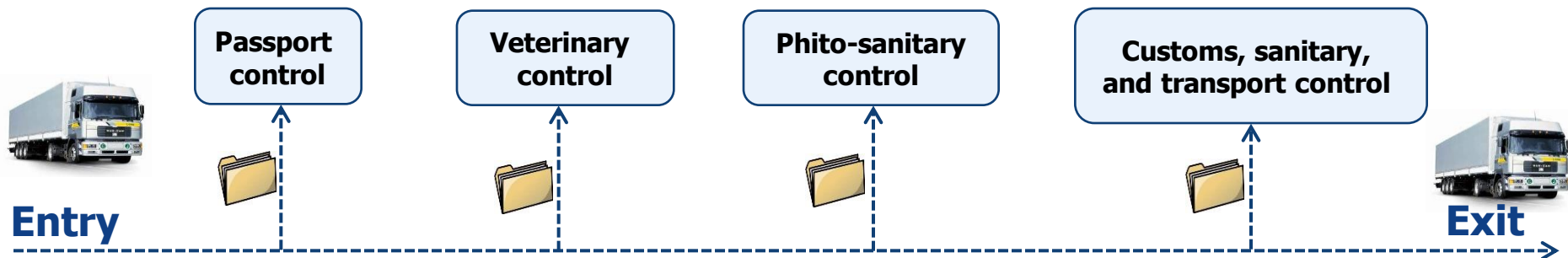
Law "On amendments and additions to some legislative acts of Kazakhstan about transferring the functions of veterinary and sanitary control and plant quarantine at the road customs border crossing points of the Customs Union to the customs authorities"

1. transfer of the veterinary and phytosanitary control functions to the customs authorities can reduce the number of border agencies to two (border control and customs)

2. development of cross-border transport and logistics centers allows to provide the Government with competence of approval of standards for the border TLCs.

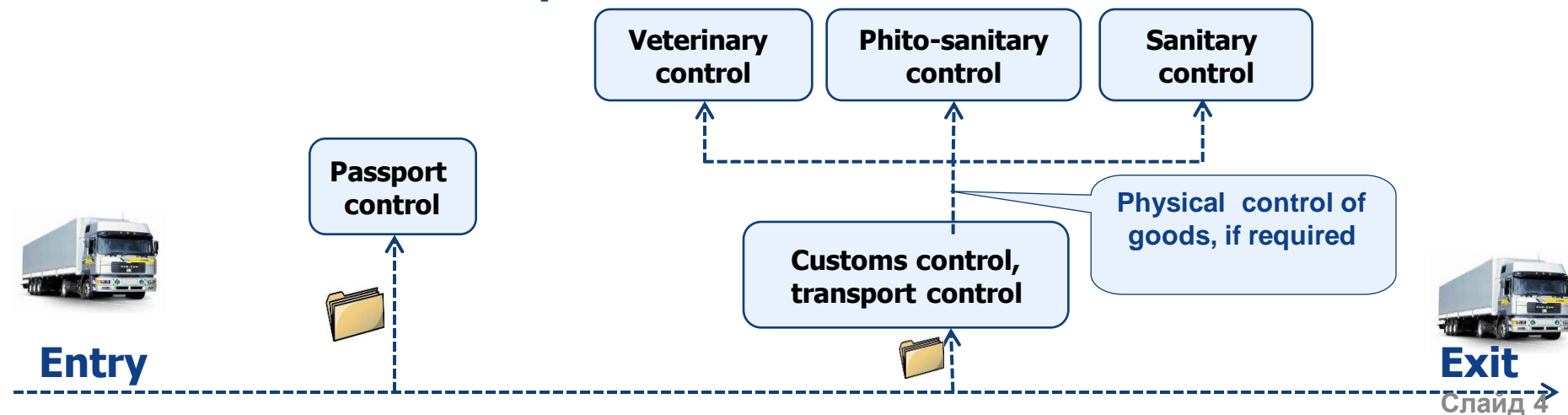
Flowchart of the customs border state control at the road border crossing points

Flowchart of current control



Flowchart of the control after the law has been adopted

Effect - time reduction up to 25%



Issues of the border transport-and-logistics centers

TLC is a logistics center designed for provision of complex transport-forwarding services for goods transportation and related services to the transport and logistics operators



Advantages of TLC

Social, economic development of border regions

Raising the capacity of customs infrastructure

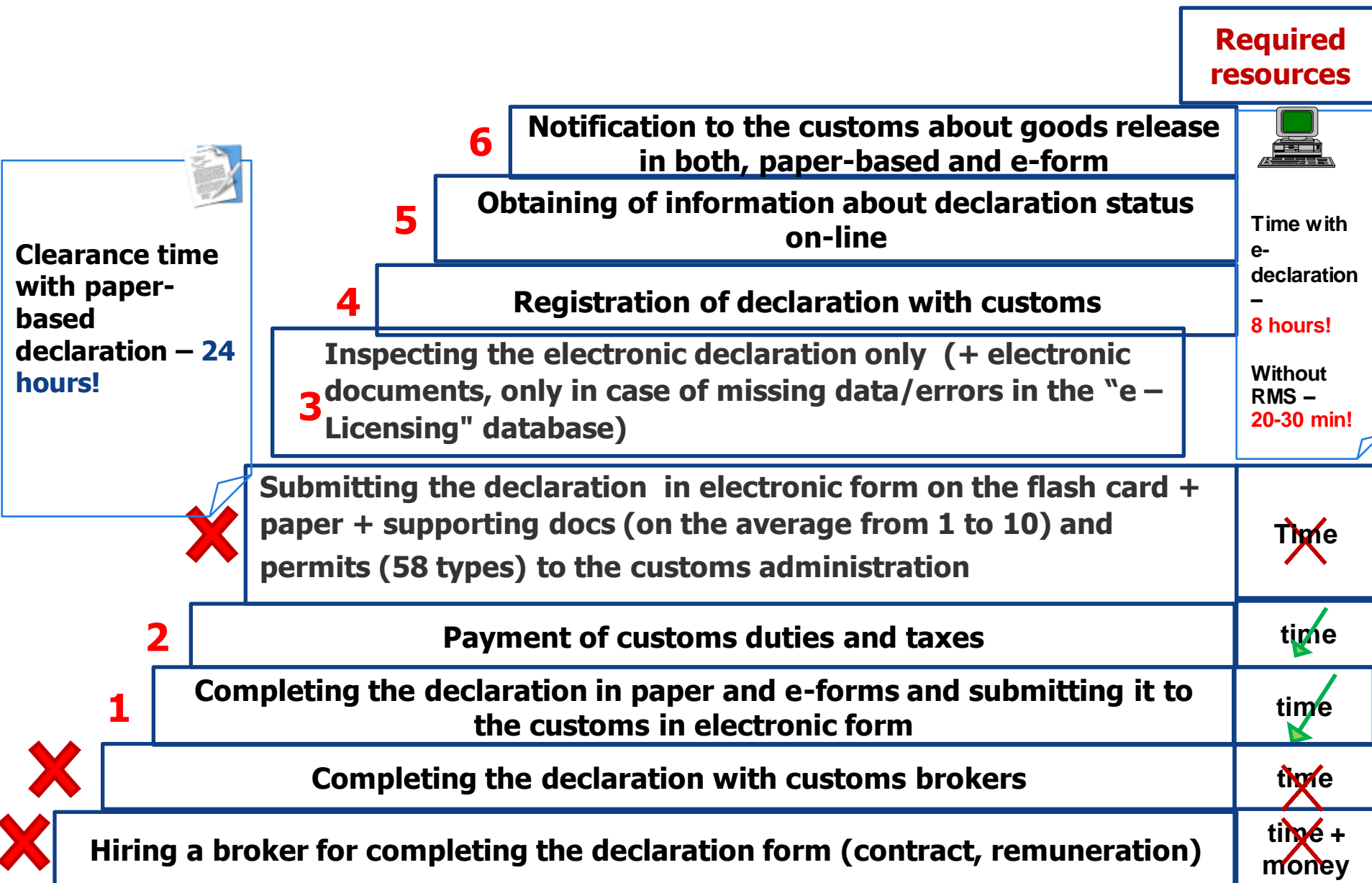
Range of logistic services

Range of customs services on the territory of TLC

Draft Law *On amendments and additions to some legislative acts of the Republic of Kazakhstan on customs administration issues*

- 1. Introducing the electronic Declaration;**
- 2. Implementing the principle of shifting the emphasis of customs control from the stage of customs clearance to the stage of post-release of goods;**
- 3. Eliminating the need to provide customs authorities with confirming documents, except for CBM implementation;**
- 4. Introducing the principle of self-elimination of violations (errors) by traders (*allows to exempt the declarant from administrative liability, provided that the errors were self-identified and corrected prior to customs inspections*);**
- 5. Improving the institute of Authorized Economic Operators;**
- 6. Determining the competence of the Government to streamline the "shuttle trade".**
- 7. Determining the competence of the Government to approve the way of cooperation between the governmental agencies with regards to exemptions for goods imported under international treaties.**

Expected effect of the introduction of electronic Declaration Слайд 7



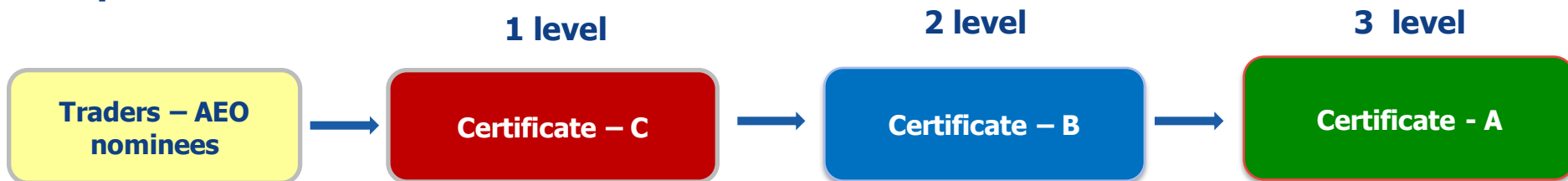
Development of AEO institute in RK

1. Professionalization:

- AEO Association of Kazakhstan was set up
- The Association joined the National Chamber of Entrepreneurs

2. Improving the AEO institute in Kazakhstan:

Harmonization of the legislation in compliance with international standards: categorization of AEOs, making the requirements stricter, expanding the social simplifications



3. Mutual recognition of AEO by countries:

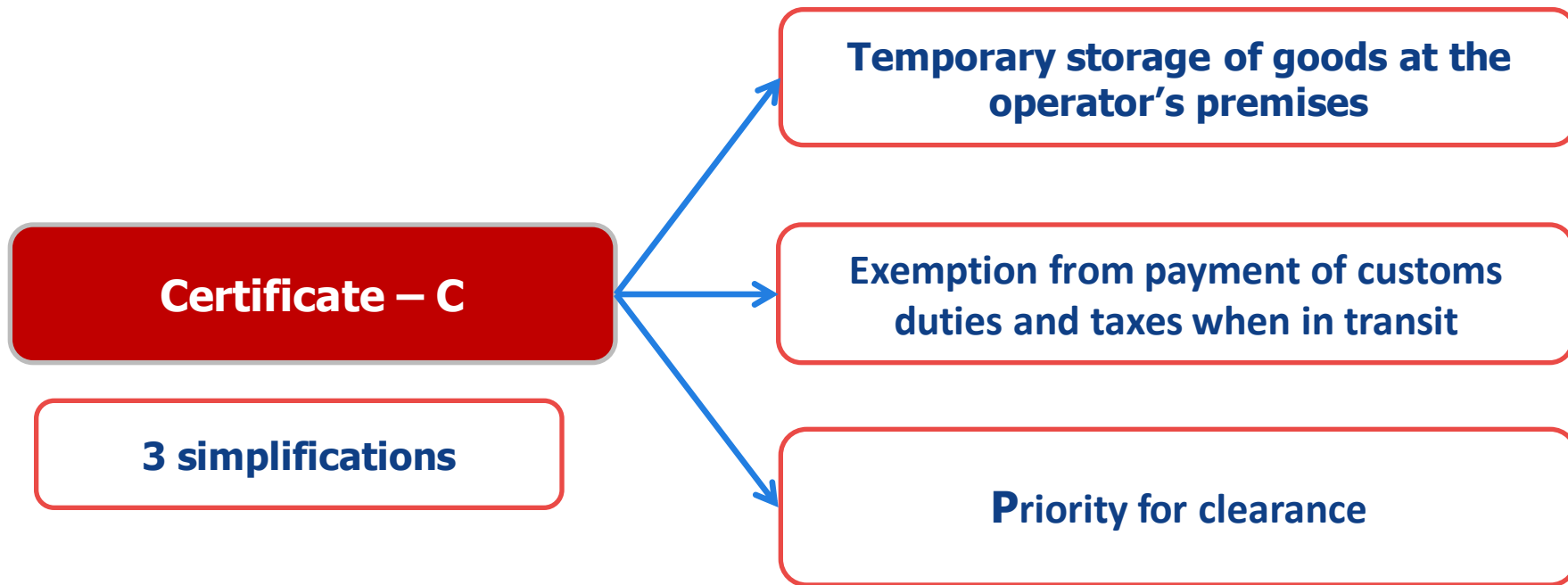
Coordinating with other countries the issues of mutual recognition of AEOs, currently the issue is being developed with:

- Customs Service of the Turkish Republic
- Customs Service of the of PRC

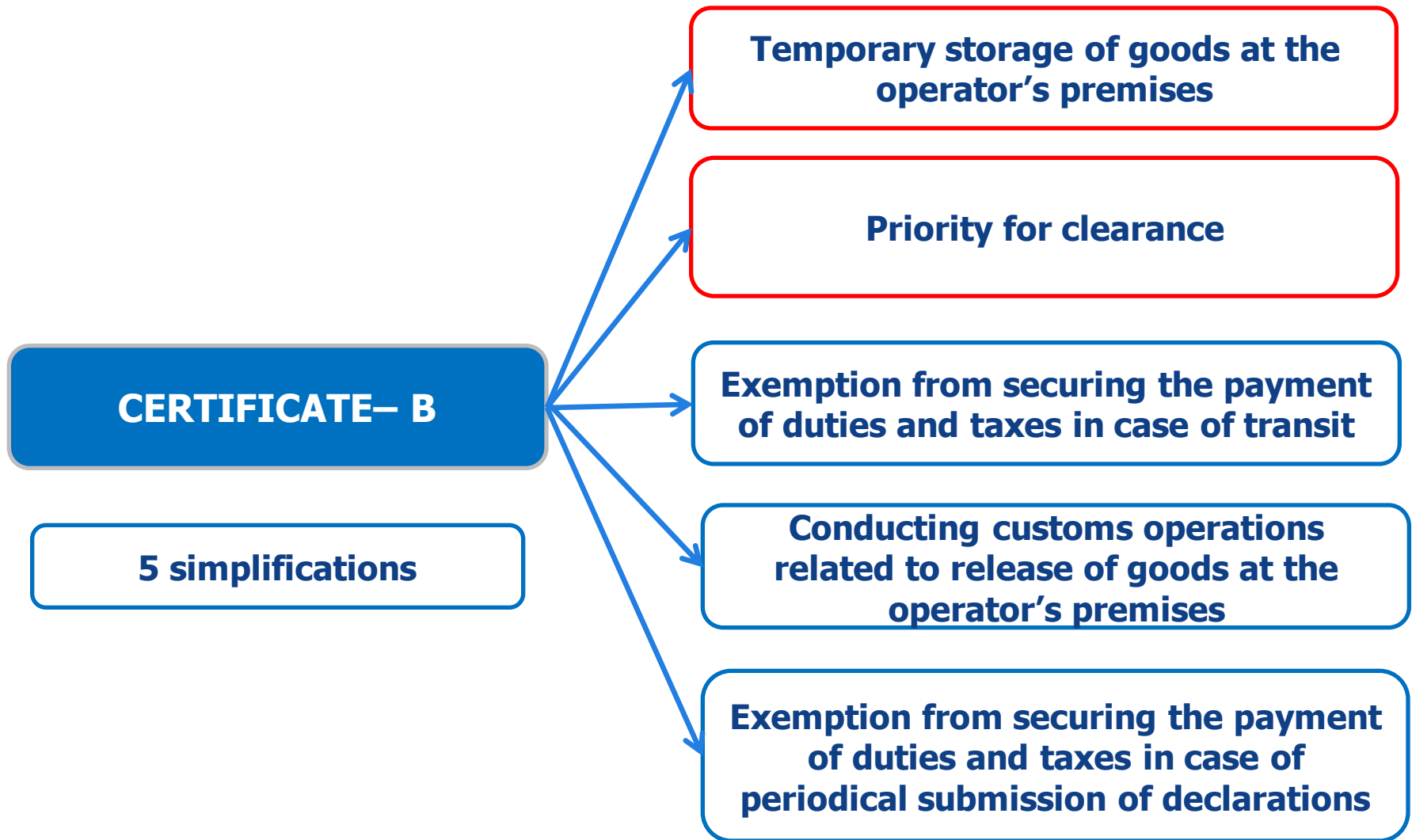
Mutual recognition will enable smooth movement of the AEO's goods in the countries that have recognized the AEO status, as well as trade expansion

4. Statistics: in EU countries, the AEOs account for 61% of total import and 38% of total export

Suggested AEC simplifications according to Certificate C “a medium level of trust”:



Proposed simplifications for AEOs for Certificate B “a high level of trust”:



Proposed simplifications for AEOs for Certificate A “the highest level of trust”

CERTIFICATE – A

8 simplifications

Temporary storage of goods at the operator’s premises

Priority for clearance

Exemption from securing the payment of duties and taxes in case of transit

Conducting customs operations related to release of goods at the operator’s premises

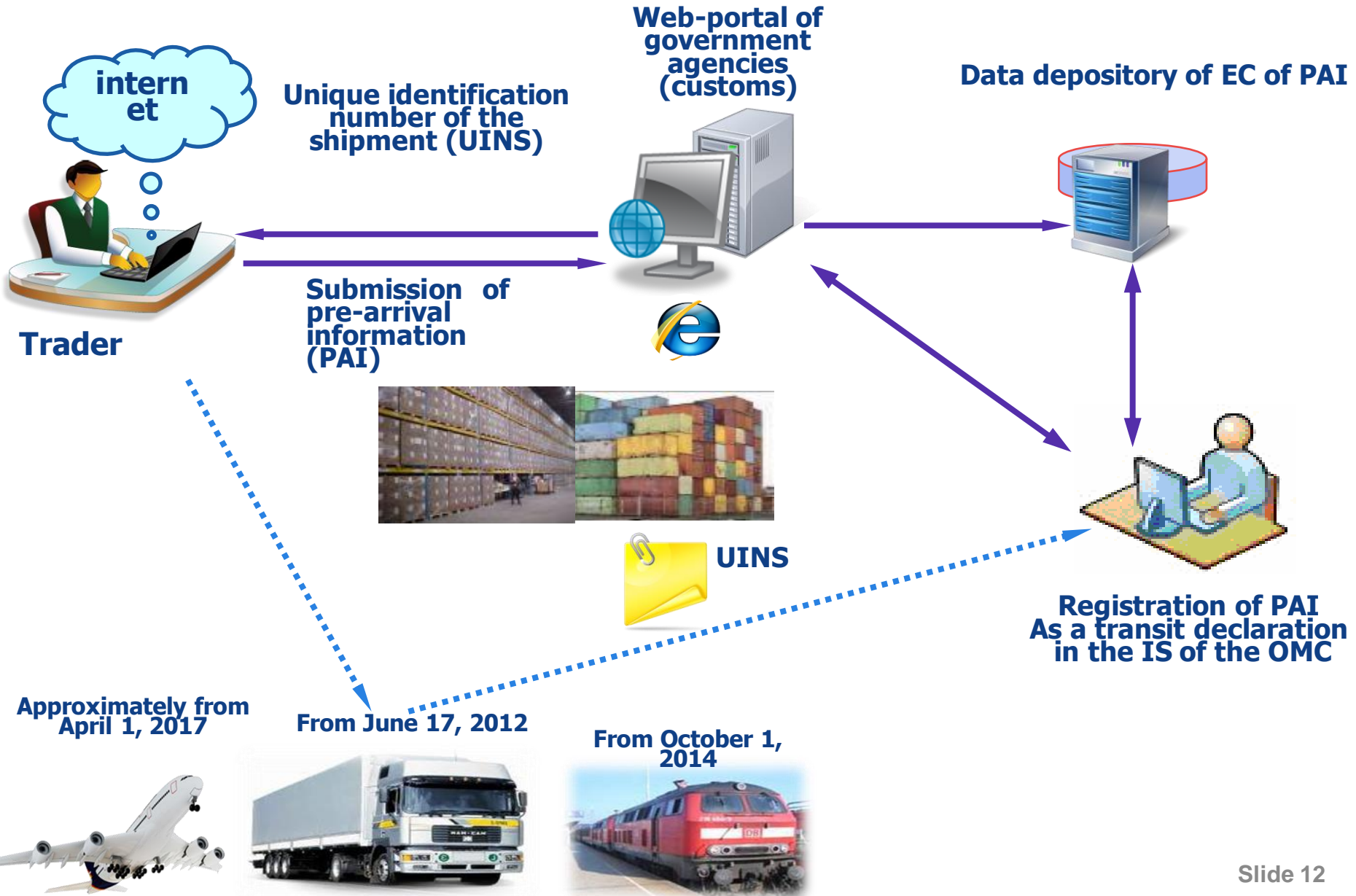
Exemption from securing the payment of duties and taxes in case of periodical submission of declarations

Release prior to submission of the declaration

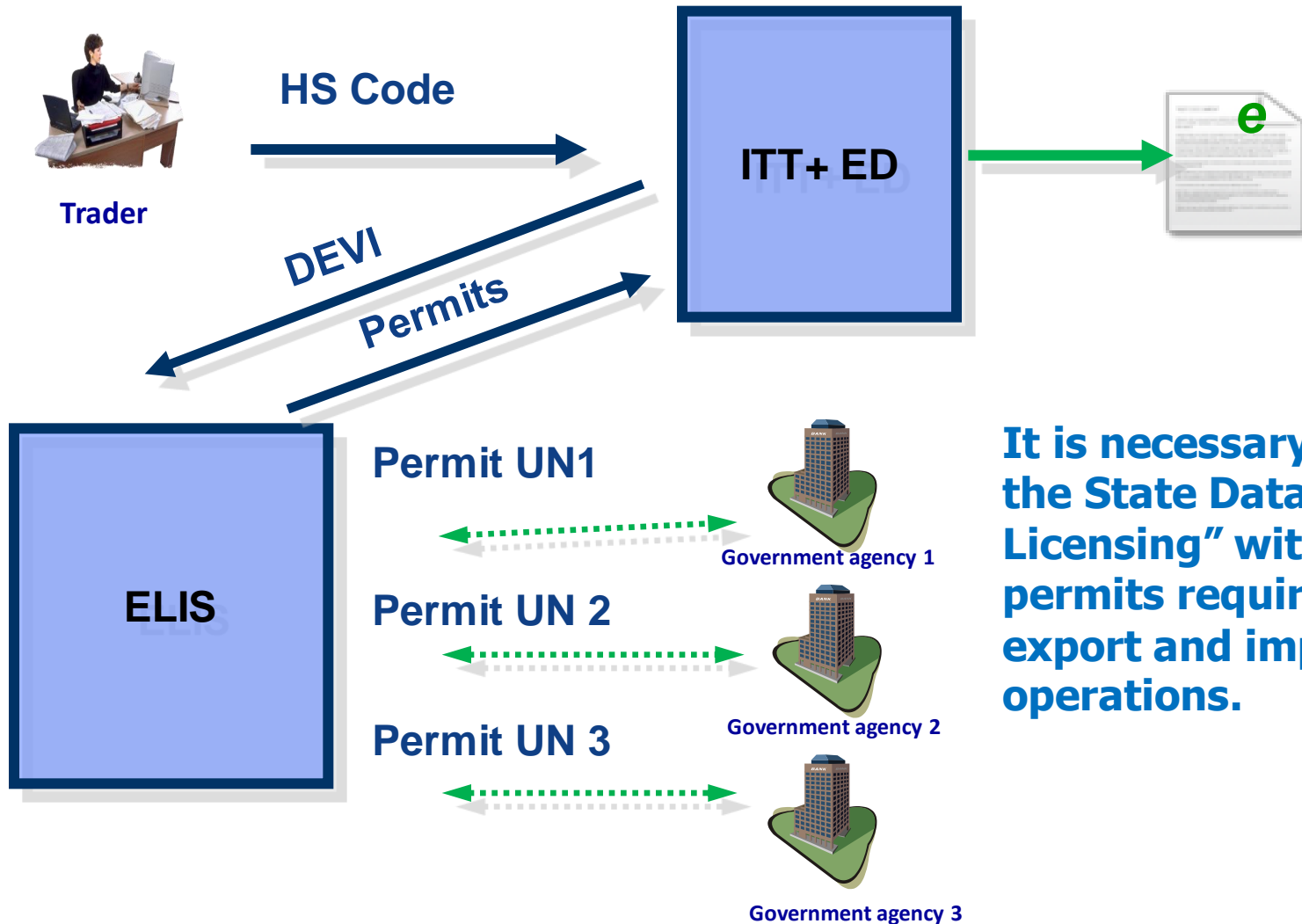
Exemption from submission of documents in case of submitting an electronic declaration

Exception from internal transit

Flowchart for organization of submitting per-arrival information

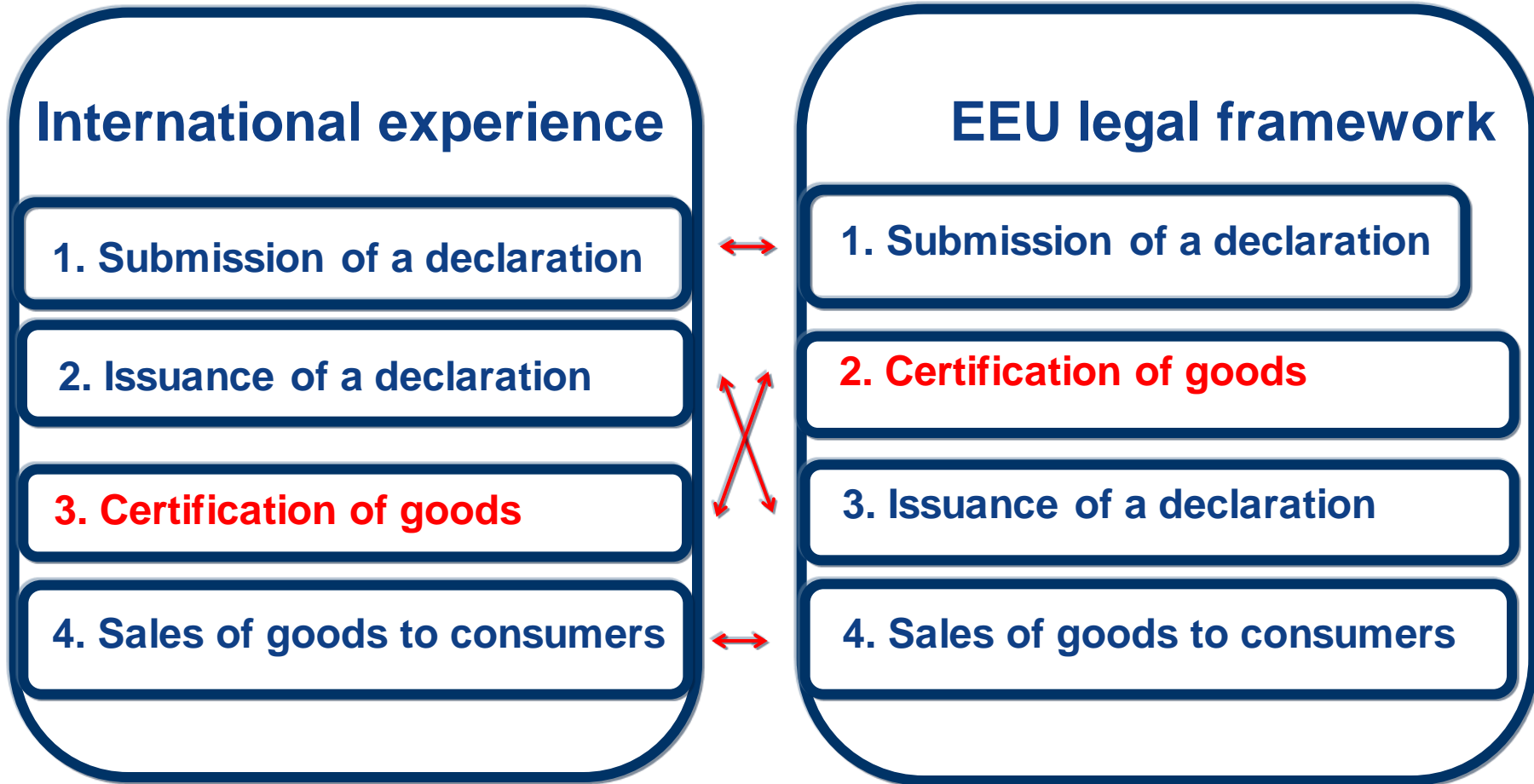


Required interface between e-declaration and e-licensing to submit paperless declarations and establishment of the Single Communication Channel



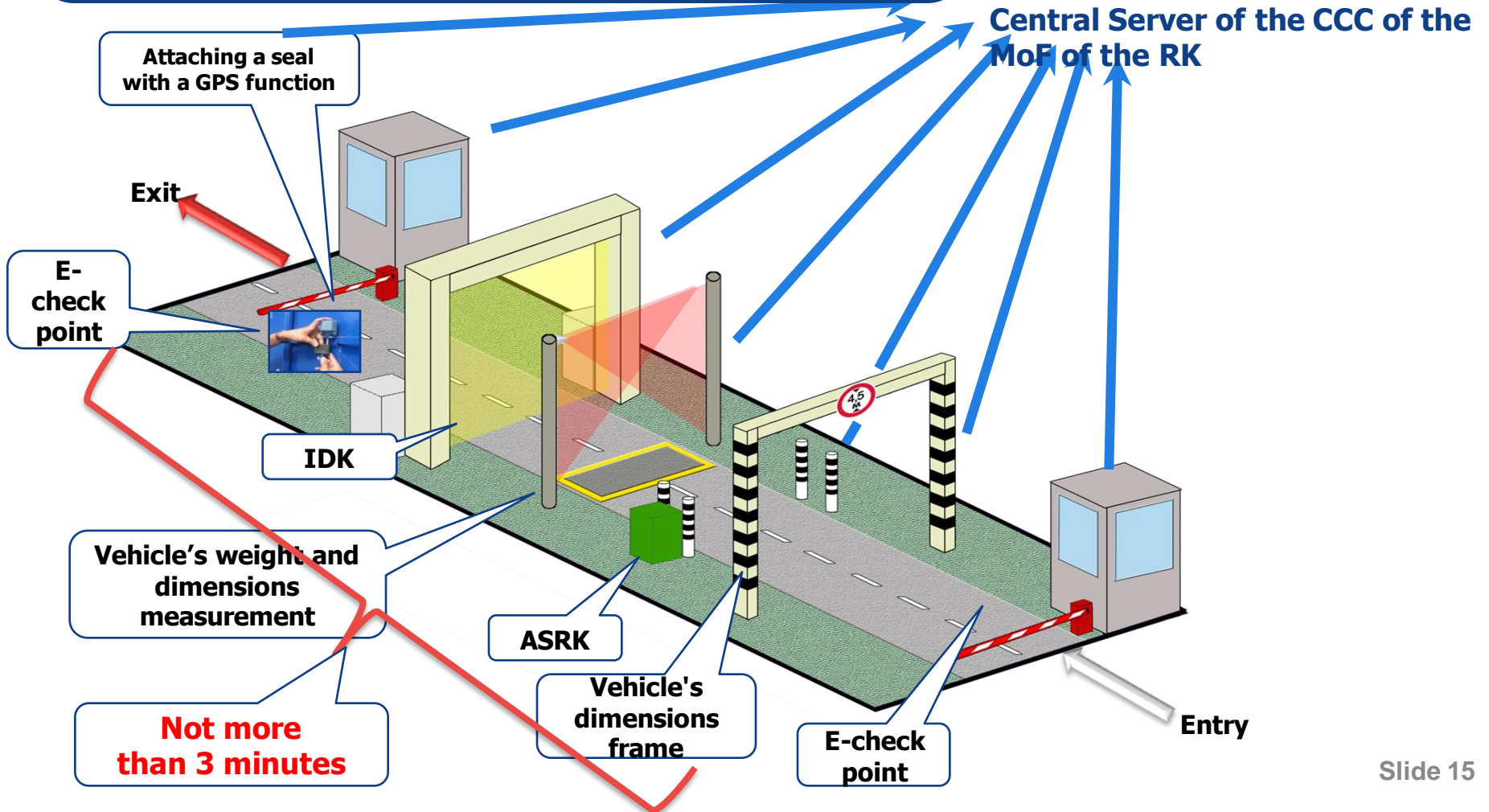
It is necessary to fill up the State Data Base "E-Licensing" with unified permits required for export and import operations.

Introduction of post-release certification of goods



Proposed flowchart for traffic flow through the integrated complex

The national initiative of Kazakhstan was supported by a large Chinese company "NUCTECH" – a developer of an integrated complex, which seamlessly implements and combines security and simplification principles!!!



Customs Development Project

Objective: to form a sustainable, effective customs system promoting economic development and enhancing competitiveness of the economy of the Republic of Kazakhstan

Key components:

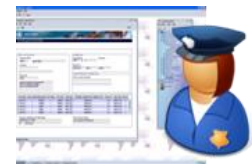
**Institutional development and
HR management
Customs operations**



**Information and communication
technologies**



Project management



Таможня

Outcome: improvement, reform and restructuring of all key customs operational areas and their business processes.



Map of border crossing points and customs check points

- Автомобильные (приграничные)
- цто
- Аэропорт
- Ж/Д
- СЭЗ
- Морские



Interaction between the risk management systems (RMS) of tax and customs blocks

Benefits for business entities and government agencies:

- *Reduced administrative burden on business entities;*
- *Comprehensive inspections of taxpayers - traders;*
- *Joint use of RMSs of two government agencies when selecting entities for inspection;*
- *Reduction in the total number of inspections;*
- *Reduced labor input by government agencies.*