**Customs Service**

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Chapter I - What is customs?

Customs is an authority or agency in a country responsible for collecting and safeguarding customs duties and for controlling the flow of goods including animals, personal effects and hazardous items in and out of a country. Depending on local legislation and regulations, the import or export of some goods may be restricted or forbidden, and the customs agency enforces these rules. The customs may be different from the immigration authority, which monitors persons who leave or enter the country, checking for appropriate documentation, apprehending people wanted by international arrest warrants, and impeding the entry of others deemed dangerous to the country.

A customs duty is a tariff or tax on the export of goods. In the Kingdom of England, customs duties were typically part of the customary revenue of the king, and therefore did not need parliamentary consent to be levied, unlike excise duty, land tax, or other forms of taxes.

Commercial goods not yet cleared through customs are held in a customs area, often called a bonded store, until processed. All authorized ports are recognized customs area.

Red and Green Channels

Customs procedures for arriving passengers at many international airports, and some road crossings, are separated into Red and Green Channels. Passengers with goods to declare (carrying items above the permitted customs limits and/or carrying prohibited items) should go through the Red Channel. Passengers with nothing to declare (carrying goods within the customs limits only and not carrying prohibited items) can go through the Green Channel. Passengers going through the Green Channel are only subject to spot checks and save time. But, if a passenger going through the Green Channel is found to have goods above the customs limits on them or carrying prohibited items, they may be prosecuted for making a false declaration to customs, by virtue of having gone through the Green Channel.

Canada and the United States do not operate a red and green channel system.

Airports within the EU also have a Blue Channel. As the EU is a customs union, travelers between EU countries do not have to pay customs duties. VAT and Excise duties may be applicable if the goods are subsequently sold, but these are collected when the goods are sold, not at the border. Passengers arriving from other EU countries should go through the Blue Channel, where they may still be subject to checks for prohibited or restricted goods. In addition, limitations exist on various tobacco products being imported from certain newly-joined EU member states and use of the Blue Channel if those limitations are being exceeded would be inappropriate. Luggage tickets for checked in luggage within the EU are green-edged so they may be identified. UK policy is that entry into a particular Channel constitutes a legal declaration.

Privatization of customs

Customs is an important part of the government involved in one of the three basic functions of a government, namely, administration, maintenance of law, order and justice and collection of revenue. However, in a bid to mitigate corruption, many countries have partly privatized its Customs. This has occurred by way of engagement of Pre-shipment Inspection Agencies who examine the cargo and verify the declared value before importation is effected and the nation Customs is obliged to accept the report of the agency for the purpose of assessment of leviable duties and taxes at the port of entry. While engaging a pre-shipment inspection agency may appear justified in a country with an inexperienced or inadequate Customs establishment, the measure has not really been able to plug the loophole and protect revenue. It has been found that evasion of Customs duty escalated when pre-shipment agencies took over. It has also been alleged that such involvement of such agencies has been causing delays in the shipment process. Privatization of Customs has been viewed as a fatal remedy.

Summary of basic custom rules

Canada

No customs for mailed goods below $20 CAD.

No customs for gifts below $60 CAD.

Personal exemption amount is given to all household or personal use items imported from another country. The amount depends on the time spent outside of Canada and only accounts for Federal taxes and duties (provincial taxes may still apply). They cannot be combined with another person nor by multiplying them (i.e. 21 days outside of Canada does not equal to $2250 exemption)

24 hours or less = $0 CAD

24–47 hours = $50 CAD

48–7 days = $400 CAD

7 days or more = $750 CAD

Immigrants, in general, have a one time unlimited import allowance. However, certain articles are restricted from importation (i.e. vehicles not meeting Canadian safety standards, firearms, etc)

EU

Germany

Mail limit 22 EUR for commercial goods.

Romania

Customs may be very strict, especially for mailed goods (from outside the EU). No known lower limit. Taxes may be stiff. There may be an outgoing custom tax too.

Slovakia

Up to 22€ there is no taxes (it's free). From 22€ up to 150€, there is need to pay VAT (DPH in slovak) which is 19%. From 150€ there is need to pay VAT and customs. Customs may be from 0 to 10% and amount depends on type of imported good.

Hong Kong

Hong Kong is a free port and generally do not impose duties on imported or exported goods, with the exception of liquors, tobacco, methyl alcohol and hydrocarbon oil. Residents leaving the territory with a valid Hong Kong Identity Card for 24 hours or more may import up to 1 litre of alcohol and 60 cigarettes or 15 cigars.

Chapter II - World Customs Organization: history, instruments, administration.

The World Customs Organization (WCO) is an intergovernmental organization headquartered in Brussels, Belgium. With its worldwide membership, the WCO is recognized as the voice of the global customs community. It is particularly noted for its work in areas covering the development of international conventions, instruments, and tools on topics such as commodity classification, valuation, rules of origin, collection of customs revenue, supply chain security, international trade facilitation, customs enforcement activities, combating counterfeiting in support of Intellectual Property Rights (IPR), integrity promotion, and delivering sustainable capacity building to assist with customs reforms and modernization. The WCO maintains the international Harmonized System (HS) goods nomenclature, and administers the technical aspects of the World Trade Organization (WTO) Agreements on Customs Valuation and Rules of Origin.

History

In 1947, thirteen European countries established a Study Group to examine customs issues identified by the General Agreement on Tariffs and Trade (GATT). This work led to the adoption in 1950 of the Convention Establishing the Customs Co-operation Council (CCC), which was signed in Brussels. On January 26, 1953 the CCC’s inaugural session took place with the participation of 17 founding members. WCO membership subsequently expanded to cover all regions of the globe. In 1994, the organization adopted its current name, the World Customs Organization. Today, WCO members are responsible for customs controls on more than 98% of all international trade.

The WCO is internationally acknowledged as the global centre of customs expertise and plays a leading role in the discussion, development, promotion and implementation of modern customs systems and procedures. It is responsive to the needs of its members and its strategic environment, and its instruments and best-practice approaches are recognized as the basis for sound customs administration throughout the world.

The WCO’s primary objective is to enhance the efficiency and effectiveness of member customs administrations, thereby assisting them to contribute successfully to national development goals, particularly revenue collection, national security, trade facilitation, community protection, and collection of trade statistics.

Instruments

In order to achieve its objectives, the WCO has adopted a number of customs instruments, including but not limited to the following:

1) The International Convention on the Harmonized Commodity Description and Coding System (HS Convention) was adopted in 1983 and came into force in 1988. The HS multipurpose goods nomenclature is used as the basis for customs tariffs and for the compilation of international trade statistics. It comprises about 5000 commodity groups, each identified by a six digit code arranged in a legal and logical structure with well-defined rules to achieve uniform classification. The HS is also used for many other purposes involving trade policy, rules of origin, monitoring of controlled goods, internal taxes, freight tariffs, transport statistics, quota controls, price monitoring, compilation of national accounts, and economic research and analysis.

2) The International Convention on the Simplification and Harmonization of Customs procedures (revised Kyoto Convention or RKC) was originally adopted in 1974 and was subsequently revised in 1999; the revised Kyoto Convention came into force in 2006. The RKC comprises several key governing principles: transparency and predictability of customs controls; standardization and simplification of the goods declaration and supporting documents; simplified procedures for authorized persons; maximum use of information technology; minimum necessary customs control to ensure compliance with regulations; use of risk management and audit based controls; coordinated interventions with other border agencies; and a partnership with the trade. It promotes trade facilitation and effective controls through its legal provisions that detail the application of simple yet efficient procedures and also contains new and obligatory rules for its application. The WCO revised Kyoto Convention is sometimes confused with the Kyoto Protocol, which is a protocol to the United Nations Framework Convention on Climate Change (UNFCCC or FCCC).

3) ATA Convention and the Convention on Temporary Admission (Istanbul Convention). Both the ATA Convention and the Istanbul Convention are WCO instruments governing temporary admission of goods. The ATA system, which is integral to both Conventions, allows the free movement of goods across frontiers and their temporary admission into a customs territory with relief from duties and taxes. The goods are covered by a single document known as the ATA carnet that is secured by an international guarantee system.

4) The Arusha Declaration on Customs Integrity was adopted in 1993 and revised in 2003. The Arusha Declaration is a non-binding instrument which provides a number of basic principles to promote integrity and combat corruption within customs administrations.

5) The SAFE Framework of Standards to Secure and Facilitate Global Trade was adopted in 2003. The SAFE Framework is a non-binding instrument that contains supply chain security and facilitation standards for goods being traded internationally, enables integrated supply chain management for all modes of transport, strengthens networking arrangements between customs administrations to improve their capability to detect high-risk consignments, promotes cooperation between customs and the business community through the Authorized Economic Operator (AEO) concept, and champions the seamless movement of goods through secure international trade supply chains.

Administration

The WCO Secretariat is headed by a Secretary General, who is elected by the WCO membership to a five year term. The current WCO Secretary General is Kunio Mikuriya from Japan, who took office on 1 January 2009. Secretary General Mikuriya has made enhanced communication, capacity building, and research his top priorities. The WCO is governed by the Council, which brings together all Members of the Organization once a year, in a meeting chaired by an elected Chairperson. Additional strategic and management guidance is provided by the Policy Commission and the Finance Committee. Several WCO committees provide a platform for developing instruments and best practices on customs competencies.

Chapter III - Regulations for the Federal Customs Service of Russia: organization, management.

I. General Provisions

The Federal Customs Service (FCS) of Russia is a Federal executive authority, performing in accordance with the legislation of the Russian Federation the functions of control and supervision in the field of customs and the functions of a currency control agent and special functions of contraband control, abatement of other crimes and administrative violations.

The Federal Customs Service (FCS) is under the jurisdiction of the Ministry of Economic Development and Trade of the Russian Federation.

The FCS in its activity is guided by the Constitution of the Russian Federation, federal laws, decrees and regulations of the President of the Russian Federation, international agreements of the Russian Federation, regulatory legal acts of the Ministry of Economic Development and Trade of the Russian Federation, the Ministry of Finance of the Russian Federation and the Central Bank of the Russian Federation, and also by present Regulations.

The FCS operates directly, through customs houses and representative offices of the Service abroad, in cooperation with other federal executive authorities, executive authorities of the subjects of the Russian Federation, municipal authorities, the Central Bank of the Russian Federation, public associations and other organizations.

II. Authority Conferred by Office

The FCS has the following authority conferred to by the office in the established area of focus:

5.1. to perform levying of customs fees, taxes, antidumping, special and compensatory countervailing duties, customs dues, control accuracy for calculation and timely payment of such fees, taxes and duties, take measures for their recovery by enforcement;

5.2. to provide for compliance with the established prohibitions and limitations with respect to goods transferred across the customs border of the Russian Federation in accordance with the legislations of the Russian Federation on state regulation of foreign trade activity and international agreements of the Russian Federation;

5.3. to provide for uniform application by customs authorities of the customs legislation of the Russian Federation;

5.4.to perform customs processing and customs control;

5.5. to make decisions on classification of goods in accordance with the Nomenclature of Goods subject to Foreign Trade and provide for publication of such decisions;

5.6. to provide within its competence for the protection of intellectual property;

5.7. to make in accordance with established procedure preliminary decisions on classification of commodity in accordance with the Nomenclature of Goods subject to Foreign Trade, on the origin of goods from a specific country (country of goods' origin);

5.8. is responsible for:

5.8.1. keeping register of entities engaged in the activities in the field of customs;

5.8.2. keeping register of banks and other credit organizations, authorized to provide bank guaranties for payment of customs charges;

5.8.3. keeping customs register of intellectual property objects;

5.8.4. annulling customs processing specialists’ qualification certificates;

5.8.5. issuing licenses for setting up of free warehouses;

5.9. to keep foreign trade customs statistics and special customs statistics;

5.10. to inform and provide advice free of charge on the issues of customs for participants of foreign trade activity;

5.11. to perform within its competence control of currency operations, related to transfer of goods and transport vehicles across the customs border of the Russian Federation;

5.12. to carry out proceedings on administrative violations and consideration of such cases in accordance with the legislation of the Russian Federation on administrative violations;

5.13. to carry out investigations and immediate investigation proceedings in accordance with procedural criminal legislation of the Russian Federation;

5.14. to carry out in accordance with the legislation of the Russian Federation operational search actions;

5.15. to develop and create in accordance with established procedure information technologies, IT hardware and information systems used by customs authorities;

5.16. to perform the functions of main manager and recipient of Federal budget funds, allocated for maintenance of the Service and performance of the imposed functions;

5.17. to provide within its competence protection of state secret information;

5.18. to consider complaints to decisions, actions or inaction of customs bodies and customs officers;

5.19. to arrange for public function, provide for timely and thorough consideration of appeals of public, to make decisions on such appeals and respond to applicants in the term established in accordance with the legislation of the Russian Federation;

5.20. to provide for mobilization training of the Service, as well as control and coordination of activity of the organizations under its jurisdiction in terms of mobilization training;

5.21. to set up professional training of executive officers of customs authorities, refresher courses, advance training and training on probation;

5.22. to accomplish in accordance with the legislation of the Russian Federation work on acquisition, safekeeping, accounting and using of archive documents generated in the process of the Service operation;

5.23. to interact in accordance with established procedure with the bodies of foreign governments and international organizations in the established area of activity, including that of representation on behalf of the Government of the Russian Federation the interests of the RF in the World Customs Organization (Council for Customs Cooperation) and other international organizations;

5.24. to conduct in accordance with established procedure and enter into government contracts for placing goods supply orders, performance of works, rendering of services for the own needs of the Service, and for R&D works for government needs in established area of activity;

5.25. to perform functions of customer in erection of customs houses, customs check-points and other objects required for development of customs infrastructure;

5.26. to perform functions of customer in working out sketches and printing of excise stamps for marking alcohol production, tobacco and tobacco goods, imported to the customs territory of the Russian Federation;

5.27. to implement programs of customs procedures in the Russian Federation;

5.28. to perform other functions in established area of activity, if such functions are envisaged by federal laws, regulatory legal acts of the President of the Russian Federation.

The Federal Customs Service with the purpose of realizing its authority in the established area of activity is authorized to:

6.1. with the concurrence of the Ministry of Economic Development of the Russian Federation:

to set up, restructure and liquidate customs terminals, specialized customs bodies with their competence limited by several warrants for performance of certain functions, imposed on customs authorities, or for carrying out of customs operations in relation to the specific types of goods;

to define the region of activity of customs bodies;

approve general or individual provisions on customs bodies;

6.2. to organize necessary investigations, tests, experts’ examinations, analyses and evaluations, as well as scientific research in established area of activity;

6.3. to request the information required for making decisions on the issues, related to established area of activity;

6.4. to provide to legal entities and physical persons explanations on the issues relating to established area of activity;

6.5. to provide control, including financial control, over activity of customs authorities and representative offices of the FCS abroad;

6.6. to attract in accordance with established procedure for processing the issues, referred to the established area of activity, scientific and other organizations, and also scientists and experts;

6.7. to apply the measures envisaged by the legislation of the Russian Federation of restrictive, warning or preventive character, directed for prevention and/or suppression of violations by legal entities or physical persons and citizens of compulsory requirements in established area of activity, and also to apply the measures to liquidate the effects of the above violations;

6.8. to set up advisory and experts’ bodies (councils, commissions, groups, boards) in established area of activity;

6.9. to develop and approve samples of service certificates and the order of wearing uniforms.

The FCS is not entitled to perform in established area of activity regulatory legal regulation, except for the cases, established by federal laws, decrees of the President of the Russian Federation and regulations of the Government of the Russian Federation, as well as the functions of governmental estate administration and rendering of charged services.

The limitations specified in the first paragraph of present article are not applied to the authority of the Head of Service of estate administration, assigned to the Service as per the right of operational control, resolving of staffing issues and the issues of organization of the activities of the Service.

III. Activity Arrangement

The Federal Customs Service is headed by the senior executive officer to be appointed and dismissed from office by the Government of the Russian Federation on proposal of the Minister of Economic Development and Trade of the Russian Federation.

The Head of the FCS is personally responsible for implementation of authority imposed on the Service.

The Head of the FCS has deputies, commissioned and dismissed from office by the Minister of Economic Development and Trade of the Russian Federation on proposal of the Head of the Service.

The number of deputies of the Head of the Federal Customs Service is defined by the Government of the Russian Federation.

The Head of the FCS:

9.1. distributes responsibilities between the deputies;

9.2. recommends to the Minister of Economic Development and Trade of the Russian Federation:

9.2.1. draft Regulations for the Service;

9.2.2. proposals on maximum number of executives and customs officers and their salary budget;

9.2.3. recommendations of appointment and dismissal from office of Deputy Heads of the Sevice;

9.2.4. recommendations of appointment and dismissal from office Heads of Regional Customs Administrations and customs houses;

9.2.5. propositions of the draft annual plan and estimated parameters of activity of the Service, and also report of their fulfillment;

9.2.6. proposals on forming draft Federal budget in terms of financial provision of the activity of the Service;

9.3. appoints and dismisses from office executive officers of the central office of the Service, Deputy Heads of Regional Customs Administrations, custom houses, Heads of customs terminals, as well as Heads, other executives and officers of the Service representative offices abroad;

9.4. resolves in accordance with the legislation of the Russian Federation on state service the issues related to service in the Federal Customs Service;

9.5. approves the structure and personnel arrangements of the central office of the Service within the limits of labor compensation and personnel numbers established by the Government of the Russian Federation for the FCS and the estimate of costs for maintenance of the Service within the limits of the allocations approved for relevant period by the Federal budget;

9.6. approves the number and labor compensation funds of employees of Regional Customs Administrations, customs houses and customs terminals, organizations under the jurisdiction of the Service, and representative offices of the Service abroad within the indices established by the Government of the Russian Federation, as well as estimate of costs for their maintenance within the limits of the allocations approved for relevant period by the Federal budget;

9.7. defines the procedure of spending the funds allocated for measures, related to performing by customs authorities of operational search actions;

9.8. arranges in customs bodies in accordance with established order for handling of hand-held weapons and other weapons, ammunition, as well as cold arms;

9.9. approves regulations on breastplates and medals of the Service and regulations on Certificates of Merit of the Federal Customs Service;

9.10. decorates, in accordance with procedure established by the legislation of the Russian Federation, with personal fire arms, as well as valuable presents or monies;

9.11. defines warrants of customs authorities and officials in resolving of organizational, personnel, financial and other issues;

9.12. on the basis and in pursuance of the Constitution of the Russian Federation, federal constitutional laws, federal laws, decrees of the President of the Russian Federation, Government of the Russian Federation, the Ministry of Economic Development and Trade, the Ministry of Finance of the Russian Federation and the Central Bank of the Russian Federation, issues orders on the issues referred to competence of the Service.

The costs for maintenance of the Federal Customs Service are financed out of the funds envisaged by the federal budget, as well as from other sources specified by the legislation of the Russian Federation.

The Federal Customs Service is a legal entity, it has a seal with the image of the State Coat of Arms of the Russian Federation and its name, other seals, stamps and forms of established pattern, as well as accounts opened in accordance with the legislation of the Russian Federation.

The Federal Customs Service has its blazonry: emblem, flag and pennant, approved in accordance with established procedure.

The Federal Customs Service is based in Moscow.

Organization

The structure of the Federal Customs Service (FCS) of Russia

Main Inspectorial Organizational Directorate (staff of the Head of the FCS of Russia)

Human Resources Directorate

Main Directorate for Organization of Customs Control

Main Directorate for Contraband Control

Main Directorate for Commodity Items and Trade Limitations

Main Directorate of Logistics

Main Directorate of Federal Customs Revenues

Main Financial-Economic Directorate

Currency Control Directorate

Customs Cooperation Directorate

Directorate and General Services

Auditing Directorate

Main Directorate for Information Technologies (IT)

Legal Directorate

Internal Security Directorate

Customs Inspection Directorate

Customs Statistics and Analysis Directorate

Customs Investigations Directorate

Law Enforcement Directorate

Management

Management of the Federal Customs Service of Russia

Head of Federal Customs Service of Russia - Andrey Belyaninov

First Deputy Head of Federal Customs Service of Russia - Vladimir Shamakhov

Deputy Head of Federal Customs Service of Russia - Nikolai Volobuev

Deputy Head of Federal Customs Service of Russia - Tatyana Golendeeva

Chapter IV - The Concept of Development of Customs Service up to 2010

I. General Provisions

The concept of development of customs authorities of the Russian Federation (hereinafter – the Concept) defines major goals, tasks and trends of customs authorities.

The Concept is the basis for working out of programs and plans for development of customs authorities of the Russian Federation for medium-term and long-term perspective.

The Concept has been worked out in accordance with the fundamental law of the Russian Federation, Federal laws and other regulations of the Russian Federation, as well as on the basis of the international legal acts in the field of customs.

Currently, the influence of customs regulation has increased as an element of state regulation of foreign trade activities for the processes of international integration of the Russian economics in the international economic territory.

The expansion of cooperation with the international economical and financial institutions, the common interests of Russia and other states in solving of many problems in the field of international security, such as counteraction to the spread of weapons of mass annihilation, fighting with the international terrorism and drugs trafficking, acute environmental problems, in particular in the field of provisions of nuclear and radiation security, conditioned appearance of new tasks, which are to be resolved with the active participation of customs authorities of the Russian Federation and which predetermine their further development.

In development of customs of the Russian Federation, which is taking place in view of domestic economical transformations and international practice of regulation in the field of customs, it is necessary to take into account the specifics of the geographical situation of the Russian Federation, such as considerable dimensions of the state borders, and also insufficient equipment status of customs check-points, and the necessity of promoting cooperation in the sphere of border and customs control with the neighboring states of the Russian Federation.

The administrative reform has resulted with forming of a new structure of the state authorities, engaged in regulation of foreign trade activities, which are to use a complex approach to interagency cooperation and provision of the balance of interests in the field of customs tariffs, taxation, prohibitions and limitations, established by the legislation of the Russian Federation.

Coming into effect from January 1rst, 2004 of the Customs Code of the Russian Federation has created the necessary background for forming of practically new customs legal base, compliant with the international standards, and the conditions for defining the priorities of development of customs authorities of the Russian Federation. However, certain problems, related to the activity of customs authorities of the Russian Federation, remain still unresolved.

The potential of customs administration, which is a combination of means and methods of provision of customs legislation compliance by physical and legal persons, when they are conveying their goods and transport means across the customs border of the Russian Federation, is not realized with due efficiency, which is not allowing to provide for the compliance with the legislation of the Russian Federation in full and to set up a favorable competitive environment in the sphere of foreign trade. The issue of diminishing customs value of goods and their unauthentic declaring by the participants of foreign trade activities remains an acute problem for customs authorities of the Russian Federation.

The international standards promoting the implementation of trade logistics technologies are not used in full.

The system of informing the customs authorities of the Russian Federation of pricing, trade and industrial specialization in foreign countries and world tendencies in specialization of labor is not yet fully developed.

The customs of the Russian Federation are not efficient in exercising control over the goods allowed for circulation in the customs territory of the Russian Federation (post audit control).

Information-analytical support of law enforcement activities, including operational search actions of customs authorities of the Russian Federation, is not sufficient.

The interaction of operative divisions of customs authorities of the Russian Federation with other law enforcing and control authorities of Russia remains low.

The system of training and refresher training of personnel for customs authorities of the Russian Federation, especially of the specialists in the field of management and control, is not yet adequate.

Job remuneration of senior officers of customs authorities of the Russian Federation is not compatible with the economical significance of the decisions they take.

The level of corruption of customs authorities of the Russian Federation is still high.

These problems bring about decreasing of the efficiency of customs administration, unfair competition, penetration of law quality import goods into the Russian market and other negative phenomena.

There is a necessity of forming new attitudes to customs administration, which may allow customs of the Russian Federation react efficiently to the changes taking place in accordance with the international practice and the requirements of the state and society.

II. The Goal, Tasks and Principles of Development of Customs Authorities

The goal of the Concept is the definition of the most efficient methods of implementation of the tasks in the field of customs in accordance with the international standards and legislation of the Russian Federation.

This goal may be achieved through resolving of the following tasks:

increasing of customs regulation quality, promoting creation of the conditions for the attraction of investments into the Russian economy, growth of revenues into the Federal budget, protection of domestic manufacturers of goods, protection of the objects of intellectual property, and maximum assistance to the foreign trade;

upgrading of customs administration, including the development of the system of risks management on the basis of the implementation of customs procedures in accordance with the international standards, based on the latest achievements in the field of information and management technologies;

strengthening of cooperation with the Russian, foreign and international authorities in fighting terrorism, contraband of weapons, drugs and counterfeit products, and also in provision of economical, environmental and radiation security.

The realization of the tasks above, presupposes the provision in all the territory of the Russian Federation of stable legal regime for foreign trade, based on the approved by the World Customs Organization the following universal principles:

standartization, modernization of customs legislation, development of the norms, regulations and procedures taking into account the international standards;

transparency and predictability. The customs legislation, the norms, regulations and procedures are to be applied consistently; they are unified, known to the public and are to be advised to all the interested parties in the acceptable form;

minimum interference. Customs authorities are to comply with the principles of selective approach to and sufficiency of customs control, as much as possible, and are to apply the system of risks management;

customer orientation. Customs administration is targeted to increase quality of customs procedures in relation to legal and physical persons as participants of foreign trade activities;

cooperation and partnership. The activity of customs authorities presupposes the development of cooperation with all the participants of foreign trade, including the state authorities, business community, and customs authorities of other states;

balanced approach in relationship between customs control in the field of security and measures assisting the development of trade.

The new principles defined in the framework standards for the provision of security and alleviation of world trade, adopted by the World Customs Organization and approved by the Federal Customs Service are going to be the basis for the activity of customs authorities of the Russian Federation.

On the one hand, there will be formed new approaches to customs administration, which presuppose the provision of its high efficiency with outward simplicity and quick customs clearance of goods and transport means, conveyed by physical and legal persons, while on the other hand, such approaches shall help resolve the problems, related to decreasing of customs value of goods and their unauthentic declaring by the participants of foreign trade activities.

The efficiency of achieving the goal of development of customs authorities of the Russian Federation, shall be evaluated as per following parameters:

The level of control of the compliance with the customs legislation by the participants of foreign trade activities;

Time required for passing customs formalities during customs clearance of goods and transport means conveyed across the border by physical and legal entities, provided efficient customs control is carried out;

Law enforcing activity.

The priority of separate trends of customs authorities’ activity may be changed in accordance with the tasks set by the state.

III. The System of Measures for Implementation of the Concept

The following measures on modernization of customs administration are to be implemented for the purposes of realizing new approaches in the work of customs authorities of the Russian Federation:

developing of the state border of the Russian Federation;

setting up of modern warehousing customs logistical terminals;

allocating of customs authorities of the Russian Federation only in the federally owned premises;

allocating of the chain of stationary and mobile inspectorial supervision complexes;

amending the Customs Code of the Russian Federation and other regulations taking into account the law enforcement practice and amendments to the international standards;

implementing of new IT means for the support of the activities of customs authorities of the Russian Federation;

setting up of the interagency automated system of collection, storing and processing of information in realizing of all types of state control, including interfacing of the data bases of the tax service and customs authorities of the Russian Federation;

setting up of an operation centre for processing the information and taking decisions;

modernization of the technology of forming and keeping customs statistics in accordance with the international standards;

reinforcing of customs control after issuing of goods in circulation in the territory of the Russian Federation (post audit control).

The evaluation of the activity of customs authorities of the Russian Federation shall be carried out quarterly on the criteria of efficiency targeted to the final result.

It is planned to work out a complex strategy of staffing for customs authorities of the Russian Federation. Within this direction major attention is to be paid to raising of quality of professional training of customs officers, upgrading of their knowledge and skills, management practice, raising of efficiency of remuneration system, increasing of the prestige of customs officer occupation, and also to setting up of the branches of the Russian Customs Academy in the Federal Regions.

Realizing of the information technologies in the activity of customs authorities of the Russian Federation shall take place in view of the provisions of the Concept on using of information technologies in the activities of the Federal authorities up to the year of 2010. Such technologies shall allow improving the parameters of efficiency of activity of customs authorities of the Russian Federation, setting up the system of complex accounting and analysis of the participants of foreign trade activity, decreasing the subjectivity in taking decisions by the officials of customs authorities of the Russian Federation. The information-analytical support of law enforcement activity in the field of customs will be performed with the assistance of information technologies.

It is also envisaged to implement new information-engineering facilities and software, to modernize the existing facilities, to develop the departmental integrated system of telecommunications of customs authorities of the Russian Federation, to upgrade the automated systems of customs clearance and customs control, to implement the single information system of control over exportation of goods from the territory of the Russian Federation, to implement everywhere electronic means of information exchange with other control authorities and customs of other states, with the participants of foreign trade activities.

Further development of law enforcement activities of customs authorities of the Russian Federation in counteraction to terrorism and international drugs trafficking shall be carried out taking into account the necessity of provision the security immediately at the state border of the Russian Federation.

IV. The Directions of Customs Authorities Development

The benchmarks selected for the development of customs authorities of the Russian Federation, based on information technologies and compliant on the whole with the principles of development of customs authorities of the leading countries of the world, definition of clear-cut and understandable regulations of customs clearance, based on the international conventions and recommendations, have allowed setting up of legal and organizational basis of the activity of customs authorities of the Russian Federation in recent years.

However, currently, customs authorities of the Russian Federation are still at the stage of active institutional development, which is taking place in view of the forthcoming joining of the Russian Federation of the World Trade Organization, changing of the volumes of flows of passengers and goods, increasing of the intensity of foreign economic activities of the regions of the country, growth of the needs of transportation companies, exporters and importers.

It is planned that realization of the functions of customs authorities of the Russian Federation during customs clearance is to be fulfilled in accordance with the norms of the international agreements on customs issues and on the basis of the international standards of quality (such as ISO series standards), which serve as international basic reference standard for setting up and evaluation of quality systems, as well as with the attraction of the foreign trade activity participants into the process of preparation draft laws and other regulatory documents in customs sphere, on setting up of the transfer of a part of non specific operations, carried out by customs authorities now, to self regulatory organizations.

For realization of these approaches it is planned to primarily use the possibilities of customs regimes, preliminary informing and electronic declaring, the system of risks management, based on multifactor analysis of the information about foreign trade transactions and which is a complex mechanism of influencing the processes of customs control be means of minimization of risks, as well as the single interagency automated system of collection, storing and processing of information during implementation of all types of state control in combination with the control on the basis of audit methods, as well as systematic interaction with tax authorities and other control authorities. The implementation of electronic exchange of information with other control agencies shall allow realizing the principles of "one window" (when information on passengers and goods is presented only once) and "one stop" (integrated state control).

Another important direction is the measures which when realized may allow the inclusion of customs statistics into a single information statistical resource of the Russian Federation.

It is planned to set up in the structure of the customs authorities of the Russian Federation the operational center for processing the information and taking decisions, with main task to conduct continuous monitoring of all incoming information, its analysis using the system of risks management and issue of operational target for the customs offices of the Russian Federation for their selective customs control, providing timely reactance to the threats related to the violation of the customs legislation of the Russian Federation.

Within the framework of the above directions of development of customs authorities of the Russian Federation it is planned to carry out the division of work with flows of documents and flows of goods on the basis of the international practice in combination with preliminary and electronic declaring, which are to accelerate customs procedures, and also to provide control over the information about goods in the required and sufficient volume. This direction presupposes using of electronic (paperless) flow of documents, which shall provide for the conditions for the implementation of the simplified customs procedures, to be used on the basis of the reputation of the participants of foreign trade activity.

It is planned to use the technologies used in a number of mature market countries of the type of integrated management and control on the borders (two services at the border), based on single information system of law enforcing and control authorities, which shall enable combining documentary control at the check-points over the goods conveyed across the customs border of the Russian Federation, and to improve the quality of the inspection of these goods. As result it will allow to create favorable conditions for the passengers crossing the border and goods conveyed across the border, reduce the time needed for passing the border, decrease the expenses, increase the volume of the flow of goods, facilitate realization of trade logistical technologies, such as "house-house", "when due" and "turn key". The high level of quality of the above procedures shall be achieved by means of using the system of quality control over each particular customs operation.

V. The Implementation of the Concept

It is planned to implement the concept in 2 stages.

Stage I (2005 - 2007) – it is envisaged to carry out further harmonization of the legislation of the Russian Federation with the accepted norms in the field of customs. In view of the planned joining of the Russian Federation to the World Trade Organization, it is planned to bring the Law of the Russian Federation dated 21.05.1993, № 5003-1 "On customs tariff" in compliance with Clause VII of General Agreement on Tariffs and Trade. In 2005 – 2006 there will be completed work on forming the position of the Russian Federation on the issue of joining the International Convention on Simplification and Harmonization of Customs Procedures (Kyoto, 1973, in legal wording of Brussels Protocol of 1999). Law enforcement practice will be implemented on the level of the international standards.

Starting from 2006 it is planned to use in the customs territory of the Russian Federation of customs documents, used by other member states of the European Union in accordance with the Convention on Simplification of Formalities in Trade of Goods (Brussels, 1987). In view of this, in 2006 - 2007 are to be changed the rules of declaring and the forms of cargo and transit customs declarations taking into account the requirements, envisaged for the Single Administrative Document of the European Union in using of the Convention on Single Transit Procedure (1987).

Stage II (2008 - 2010 and the forthcoming years), on the whole, the construction and equipping of the objects of customs infrastructure, will be over. Using of interagency information resources will allow organize the work of customs authorities on “one window” and “one stop” principles. Financial support shall be at the expense of the Federal budget, as well as other facilities in accordance with the legislation of the Russian Federation. It is planned to work out interdepartmental plans for realization of the Concept, including the interagency plan of fighting corruption.

The implementation of the Concept shall require relevant resources within the framework of the Federal target programs and departmental plans of purpose oriented measures, for setting up favorable conditions for legal and physical persons going through customs formalities and allowing reducing expenses by means of using universal international principles.

The implementation of the measures, envisaged by Federal target programs and departmental plans of purpose oriented measures, shall facilitate:

reducing of time spent by the foreign trade activities participants on customs formalities;

increasing of throughput capacity of check-points at the border of the Russian Federation due to putting into operation of new and modernized current check-points;

implementing of single standards and customs administration regulations, increasing of quality of support of the activities of foreign trade participants, using of unified customs documents and electronic declaring, which, in result, is going to reduce administrative expenses;

facilitating implementation of trade policies taking into account the social and economical and investment tasks.

The complex implementation of the Concept shall allow forming of a modern system of provision for the interests of the state in the field of customs, rendering of efficient counteraction to the threats of security of the Russian Federation, resolving social and economical tasks, creating favorable conditions for the activities of trade community, physical and legal persons.

Conclusion

In conclusion it should be noticed that customs is a highly complicated and highly developed institution. It plays an important role in the system of international relations. Customs is an authority or agency in a country responsible for collecting and safeguarding customs duties and for controlling the flow of goods including animals, personal effects and hazardous items in and out of a country. Customs is an important part of the government involved in one of the three basic functions of a government, namely, administration, maintenance of law, order and justice and collection of revenue. This system faces many problems but it is constantly developing seeking new opportunities for better service.