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### **PROSPECTS FOR THE DEVELOPMENT OF THE AUTHORIZED ECONOMIC OPERATOR INSTITUTE IN FOREIGN ECONOMIC ACTIVITIES OF THE REPUBLIC OF BELARUS**

*Research Field:  
Safe Business Environment for Economic Development*

The gradual formation of integration processes and the increase in the volume of foreign trade impact directly on the competence of customs authorities involved in ensuring the security of the supply chain of goods. In this regard, a significant direction of the activity of customs service is cooperation with the participants of foreign economic activities (hereinafter referred to as the FEA). Understanding the need for improvement in the legislation regulating foreign trade activities for the participating countries of the Eurasian Economic Union (hereinafter referred to as the EAEU) has reached a new level. The Authorized Economic Operator Institute (hereinafter referred to as the AEO) has also not been left behind. Studying the further development of this institute within the framework of the EAEU is an important step to improve customs regulation and provide convenient opportunities for foreign economic activities.

According to the legislation, authorized economic operators are trusted by customs authorities. AEO represent a certain class of legal entities included in special registries and enjoying the trust of customs authorities. They have the right to use special simplifications while complying with specific requirements and conditions set by customs legislation<sup>1</sup>.

However, the constantly evolving process of foreign economic activities requires continuous improvement from its participants. The AEO institute is no exception. Currently, there are several issues that need consideration and further resolution.

One of the problems of the AEO institute is the insufficient information exchange between the customs authorities of the Republic of Belarus and the AEO.

This is manifested in the lack of an effective channel for receiving information from authorized economic operators regarding emerging issues in the application of AEO technologies, as well as the absence of an entity that would review and resolve these issues.

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<sup>1</sup> Customs Code of the Eurasian Economic Union of 01 January 2018 // ConsultantPlus [Electronic resource]. – 2004. – Access mode: <http://www.consultant.ru/document/>. – Date of access: 26.04.2024.

Specialization is crucial, meaning that each employee of this entity will be assigned a specific group of AEO. This will enhance understanding and cooperation between customs authorities and AEO, as well as other participants in foreign economic activities, facilitating the resolution of emerging problems and reducing the time required for their solutions. Moreover, creating a platform for international discussion and exchanging the views on the issues of AEO activities and development is important.

Another issue is the abuse of AEO privileges, leading to violations. This problem could possibly be solved by the categorization of operators. Giving the relatively lenient conditions for obtaining AEO status will always lead to the situations where such operators consciously seek to use unlawful methods in conducting business. Merely tightening the inclusion criteria in the AEO registry may not solve the problem. However, imposing stricter requirements will help to strengthen the reputation of conscientious participants. Although, categorizing FEA participants already exists today, additional criteria for distinguishing between reputable and non-reputable companies should be considered. For example:

1. Presence and staffing of AEO with necessary specialists, their certification with periodic confirmation of their qualifications.
2. Availability of certified software tools for customs operations digitalization.
3. Internal audit of customs operation processing and conduct.
4. Absence of violations and errors in conducting customs operations while providing information to customs authorities.
5. Time-regulated customs operation processing for each AEO category.

The AEO category should be assigned for a specific duration and confirmed by providing necessary data on the presence of specialists, their certification, certified software, the number of conducted customs operations, and the presence or absence of remarks, among other criteria.

Developing an effective mechanism for timely control of AEO privileges utilization is necessary. Implementation of a sanction and penalty system may be considered in this control mechanism. For instance, in cases of repeated violations by AEO, automatic revocation of status could be possible. Reinstating status post-violations should only be allowed under specific conditions or be entirely unavailable. Such an approach will help reduce violations in the AEO sphere and set an example for all participants of foreign economic activities. AEOs aim to maintain their status considering the complexities and costs involved in obtaining it. Implementing a special control system with incentives, along with a sanction system, will help to prevent customs and economic violations, and to improve the process of AEO crossing the customs border. The crucial point is that FEA participants have to understand the information

that an honest and responsible approach to work plays a key role in the successful execution of their activities<sup>1</sup>.

Significant potential for enhancing cargo processing processes by authorized economic operators is outlined in the EAEU Customs Code. For example, providing benefits to authorized operators regarding the route of cargo movement choices and utilizing their own seals recognized by customs agencies encourage the active adoption of electronic tracking seals.

This requires coordinated actions among all EAEU participants and digitization of cargo processing processes. Additionally, ensuring data protection from external interference is crucial. Simplified (compared to standard) and agreement-fixed conditions for self-registration and self-clearance of customs declarations by AEO could not only attract numerous companies to participate in AEO technologies but also enable Belarusian customs authorities to transition to automatic technologies in a secure and budget-friendly manner, without additional expenses. These matters have already seen progress when the Agreement on the use of navigation seals for tracking shipments was adopted in the EAEU in April 2023<sup>2</sup>.

One important aspect of improving the legal status of authorized economic operators is the mutual recognition of their status by customs authorities of other countries. Within the EAEU, a program on mutual recognition of AEO status among member countries has been initiated, with the possibility of recognizing this status by third countries. However, this initiative has not yet been implemented in practice. Mutual recognition of AEO status aids in simplifying procedures between customs agencies through the recognition of each other's standards. This contributes to increasing economic efficiency by reducing time and financial costs, as well as enhancing security through the formation of bilateral supply chains. For the successful operation of the AEO status mutual recognition system, it should adhere to the principles and standards approved in the Framework Standards for Safety and Facilitation of Global Trade. Moreover, legislation should contain provisions regulating the mutual recognition system of AEO status. Implementing this mutual recognition program requires the conclusion of bilateral agreements between countries specifying lists of mutual simplifications.

However, the implementation of the mutual recognition program for AEO status should be accompanied by the creation of a unified information system for interaction between customs authorities and economic operators, providing complete and necessary information about AEO activities.

So, the process of establishing a system of authorized economic operators liberalizes customs operations by providing a range of benefits to them. This accelerates the export and import processes in trade turnover, reduces the burden on customs authorities. However, excessive increases in the number of AEOs may lead to the decrease in the quality of customs

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<sup>1</sup> Volynets, B.V. The concept of development of the institution of the authorised economic operator in the Eurasian Economic Union - Text: neposrdnicheskiy// Collection of the Belarusian Trade and Economic University of Consumer Cooperation. – Gomel, 2019. – c 49.

<sup>2</sup> Agreement on the application in the Eurasian Economic Union of navigation seals for tracking transport from 19.04.2022// National Legal Internet Portal of the Republic of Belarus [Electronic resource]. – 2014. – Access mode: <http://www.pravo.by>. – Date of access: 26.04.2024.

operation processing and the decrease in the amount of customs payments, as well as the timeliness of their remittance. Thus, with the development of the AEO institution, the mandatory audit system of their economic activities needs to be developed, providing systematic transparent reporting on conducted operations for monitoring by customs authorities.

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## **AREAS OF IMPROVEMENT OF CUSTOMS OPERATIONS WITH REGARD TO GOODS FOR PERSONAL USE TRANSPORTED ACROSS THE CUSTOMS BORDER OF THE EURASIAN ECONOMIC UNION**

*Research Field:  
Current issues of border protection*

Customs declaration is a mandatory condition for the movement of goods across the customs border of the EAEU.

During customs declaration of goods for personal use, various difficulties and problems may arise due to incorrect completion of the Customs Declaration Document, errors in documents, non-compliance of goods with the declared characteristics, etc. Therefore, the EAEU applies the double corridor system<sup>1</sup>.

The dual corridor system is used in the EAEU to simplify and speed up customs procedures. It includes "green" and "red" corridors for different categories of goods and passengers.

"Green corridor" is intended for goods that are not subject to declaration or for which an electronic customs declaration has been successfully completed. Passengers passing through the "green corridor" confirm that they do not have goods to be declared and do not plan to import or export them.

The "red corridor" is for all other goods, including those that require declaration and payment of customs duties and taxes.

With the increase in international migration and tourism, the burden on Customs is constantly growing. The use of the "green" and "red" dual corridor system for simplified customs declaration complicates border control. In this regard, it is necessary to introduce a "blue"

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<sup>1</sup> Bobrova K. S., Nazarenko A. A. Directions for improving the customs declaration of goods for personal use in the EAEU // K.S. Borkova, A.A. Nazarenko / In the collection "International tourism. Customs business" [Electronic resource]. – 2024. – <https://elib.bsu.by> – Access date: 04.28.2024.