

Yanochkina T. I. Post-clearance audit as a tool to reduce time-consuming controls at the border

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Border controls still play an essential role in a modern Customs service; however time-consuming checks at the customs point can be counterproductive. Customs controls are migrated in stages from the border to the post-importation environment. By means of application of a post-clearance audit, Customs authorities are able to target their resources more efficiently and work in partnership with the business community.

The post-clearance audit (PCA) is defined by the Revised Kyoto Convention as the structured examination of a business' relevant commercial systems, sales contracts, financial and non-financial records, physical stock and other assets. PCA should not be confused with «internal audit», conducted by a company to review its own internal procedures. Internal audits may be useful for management purposes but are quite distinct from the concept of PCA. The main objectives of PCA can be summarized as follows:

- 1) to enhance trade facilitation;
- 2) to insure that Customs declarations have been completed in compliance with Customs rules and regulations;
- 3) to verify that the amount of revenue legally due has been paid;
- 4) to ensure goods liable to specific controls are properly declared¹⁰³.

Selection for audit is carried out by a risk analysis team of the Customs service. It is based on risk assessment and takes into account the human resources available to conduct audits. Risk analysis team proposes a plan to the PCA team which is in charge of carrying out the audits. Depending on the circumstances, PCA may take place at either Customs or the auditee's premises. The frequency for auditing a particular business entity varies depending on the perceived risk. The PCA process consists of the following stages:

1. *Pre-audit research*: it is a preliminary examination which is aimed at drafting an audit plan that includes the audit objectives.

2. *Initial interview with the auditee*: customs auditor team contacts the auditee to arrange for an interview with relevant personnel of the company (director, manager, etc.). This

¹⁰³ World Customs Organization - Guidelines for post-clearance audit. [Electronic resource] – Mode of access: www.wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/-/media/0A6E3DCDE47E41F2A71B757596ABAA97.ashx – Date of access: 02.03.2018.

person should be asked to confirm that the information concerning the business held in official records is correct.

3. *Customs audit procedures*: inspection of books and records, verification of the Customs value, examination of accounting records, physical inspection of the goods and premises, inspection of computer-based accounts systems.

4. *Recording, review of findings and conclusions*: after the examination of the trader's books and records, the auditor should summarize the findings, considering all aspects of the audit, including results of the premises inspection, etc.

5. *Reporting*: the audit team should prepare a final report and present a copy to the auditee. Besides a copy should be sent to the Customs office, which is responsible for carrying out PCA.

6. *Evaluation and follow-up*: the customs authorities verify whether the recommendations established by the audit report are implemented or not¹⁰⁴.

As far as the statutory terms for completing customs clearance in the Eurasian Economic Union is concerned, the Customs Code of the EAEU sets a time frame of 4 hours from the moment of submitting the customs declaration. To expedite customs operations the Customs Code of the Customs Union set a time frame of 1 working day. On the base of the data, it is obvious that the state-members of the EAEU are focused on implementation of post-clearance control.

By application of a PCA in the Eurasian Economic Union, Customs services are able to derive such benefits as:

- 1) decline in the time taken for customs clearance;
- 2) resources of the Customs administrations are more effectively deployed;
- 3) risk levels can be more easily assessed and reviewed;
- 4) Customs promotes the concept of voluntary compliance.

In order to facilitate PCA in the Eurasian Economic Union, Customs administrations of the state-members have to develop laws and regulations based on supranational legislation. National Customs laws and regulations should provide the following:

1) business entities involved in the import/export of goods or in the storage, manufacture and delivery of goods may be audited by customs officials;

¹⁰⁴ World Bank Group - Post Clearance Audit: Implementation Guide. [Electronic resource] – Mode of access: https://siteresources.worldbank.org/INTRANETTRADE/Resources/239054-1305664393028/PostClearanceAudit_web.pdf – Date of access: 02.03.2018.

2) customs officers have the authority to carry out an audit at the premises of the auditee;

3) rights and obligations of business entities or declaring agents involved in external trade;

4) penalty scheme;

5) right of appeal.

The Customs service of the Republic of Belarus has to improve its PCA programme that plays an important role in further facilitating trade, detecting Customs irregularities, securing revenue and supporting business activities. The Customs service has to put an emphasis on auditor training and human resource management relating to PCA. Since the concept of PCA entails a significant shift from traditional customs practice and requires staff to acquire the necessary skills to undertake effective auditing. Besides, for practical understanding of PCA, case studies and group exercises have to be undertaken by the Customs authorities.

To conclude, PCA is the most efficient means of ensuring compliance with Customs rules and regulations. Effective verification, particularly in such areas as Customs valuation, requires access to the entrepreneur's records and accounting system which is impossible at the time of clearance. Customs administrations of the Eurasian Economic Union shall strive to implement PCA to the greatest extent possible.

Яночкина Т. И. Пост-таможенный аудит как инструмент сокращения времени проведения таможенного контроля на границе
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Таможенный контроль, осуществляемый непосредственно на таможенной границе, до сих пор является неотъемлемым элементом работы таможенных органов, вместе с тем, осуществление таможенного контроля до выпуска товаров может занимать много времени, что делает его проведение контрпродуктивным. Совершение операций таможенного контроля постепенно переходит на этап после выпуска товаров. Путем внедрения пост-таможенного аудита, таможенные органы могут более эффективно распределить свои ресурсы и работать в партнерстве с бизнес-сообществом.

В соответствии с положениями Киотской конвенции, пост-таможенный аудит (ПТА) представляет собой структурированное изучение соответствующих