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**Diploma Work**

**The role of customs services in trade facilitation in Azerbaijan Republic**

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## 

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**Introduction.**

The concept of trade and general business is important in terms of economics. Trade is the exchange of commodities and services between countries, companies and individuals. Almost one of the basic pillars of the economy is trade and business. Therefore, the process of trade facilitation in modern times is one of the most pressing issues. The main goals of most state and international organizations are to solve important problems related to trade facilitation. The World Trade Organization (WTO) was established to regulate trade processes between the countries. The WTO's main objective is to maximize liberalization of international trade, to facilitate and build solid foundation, and thus, to improve economic growth and people's living standards. There are certain principles adopted by the WTO to achieve all these goals. Every country that wants to become a member of the organization is required to comply with these principles. The following are the principles:

* The principle of "the most favorable regime" (creating the same trade conditions for member countries);
* Principle of "national regime" (between imported goods and services with domestic goods and services
* Non-discrimination
* Preference for tariff methods in regulating trade;
* Eliminating quantitative restrictions on trade;
* Clear and transparent trade policy;
* Protecting domestic markets only on WTO rules;
* Creating favorable conditions for free competition;
* To solve trade disputes with negotiating way

According to WTO decisions, tariff rates among member countries have been reduced to a minimum. The main purpose of this is to encourage trade among member countries. The main source of trading is business. Countries are estimated by Doing Business, a World Bank Group project, on indicators direct impacts to business activities. The goal of the project is to provide an assessment of measures for business activities with the regional and national legal acts of the countries' economics. The Doing Business project, launched in 2002, explores the activities of small and medium-sized enterprises in the countries and evaluates their working mechanisms in several ways. The Doing Business report serves to collect and analyze data on a comprehensive comparison of the business environment among the economies of the countries, to encourage the country's economy to be more efficient, and to offer new standards for reforms.

The role of customs in the trade facilitation is quite high. Customs serves implement necessary processes for import and export operations of each country. Customs service be exercised by customs authorities in each State. Customs authorities carry out control and inspection of imported and exported goods and apply the fees established by the legislation.All these processes are carried out in accordance to the state-specific customs policy. Customs authorities use tariffs and non-tariff methods to regulate trade. Tariff methods mean that fees are applied. Dues have three types according to the method of application. Advalor fees are charged to the percentage of the customs value of the goods. (for example, 15% of customs value); Specific fees are charged in the amount determined in relation to one unit of the commodity (for example, $ 20 per ton); Combined fees are charged at the same time as both of the aforementioned species (for example, 15% of the customs value, not exceeding $ 20 per ton). In addition to governments widely use non-tariff methods to regulate trade.There are 3 non-tariff methods - quantitative, secret and financial.Quantitative restrictions include quotas, licensing, and "voluntary" restrictions on exports. Hidden remedies include state taxes and fees, and technical barriers. Financial remedies include subsidization, lending, damping and anti-damping policies.

The World Customs Organization (WCO) was established in 1952 as an intergovernmental unity of customs organs dedicated to the durable improvement of customs operations worldwide. Its main purpose is to increase productivity of each country’s customs organ in order to facilitate assemble income, compiling commercial statistics, and ensuring safety.

WCO plays a main role in the management of WTO’s consents on customs valuation and regulations of origin. Customs valuation is the operations where customs organs determine a monetary value to a goods being exported or imported. Regulations of origin are rules that specify what canon must be met in order for a country to pretension to become the origin of a product or service. Recently, many state programs and decisions have been adopted in order to increase the efficiency of customs operations and to facilitate the trade. "One window principle", " one inspector one vehicle", "Green Corridor" system and so on. projects have increased efficiency in customs operations. In addition to the above-mentioned projects, the Mandatory Application of the Short İmport Declaration , the use of the Electronic Declaration has substantially reduced the amount of time and money spent at the border checkpoints.As a result of the recent reforms, the number of electronic services provided by customs authorities has reached 13. Successful reforms led by the President of Azerbaijan, in turn, allowed Azerbaijan to sign a new record in the overall rating of Doing Business 2019, and to rise to a higher level of position on most indicators. Thus, in the Doing Business 2019 report released by the World Bank on October 31, 2018, Azerbaijan was included in the list of the 10 most reforming countries in the world and became the most reforming country in the world. As a result of all these processes, according to the Doing Business 2019 report , The Republic of Azerbaijan has been ranked 25th in overall indicators by 32 points compared to the previous year. Along with Azerbaijan, Georgia, Afghanistan, Brazil, Angola, China and others. some countries have succeeded in raising their Doing Business reports on the trade across border indicator a result of reforms in the field of customs.

**The role of international affairs in trade facilitation.**

In a globalized reality where merchandise regularly cross outskirts commonly as both transitional and last items, , trade facilitation helps lower by and large commercial expenses and rise welfare, specifically for improving and rising economies. Trade facilitation benefits organizations and buyers alike, and helps to prevent corruption. In the case of exporting or importing commodities in merchandise, trade facilitation help benefits all states by enabling better access for companies to creation inlets from abroad and supporting more noteworthy interest in worldwide worth chains (GVCs). States where inlets can be exported and imported in a fast and dependable way are likewise increasingly alluring areas for outside firms trying to contribute and offer customers lower costs, higher quality items, and a more noteworthy cluster of products. Trade facilitation also supports to middle and smaller firms take part in commercial. Determined unimportant expenses related to trade operations is essential for firms to get full preference of new market openings. This is especially appropriate for micro-, small- and middle-sized establishments (SMEs), for which the expenses of commercial can be disproportionately great. Moreover, commercial facilitation is important for perishable agricultural goods and for super-tech factory-made elements, both of which are highly sensible to decelerates. In addition, commercial facilitation is becoming more, not less, significant in the digital era. The increasing numbers of bundles crossing international frontiers is both increasing demand, and creation new challenges, for commercial facilitation.

Finally, not only does facilitation of trading operations promote economic productivity, but it also eliminates stimulates and chances for frontier-related corruption, thereby bearing successful governance and completeness. OECD Trade Facilitation Pointers help countries benchmark and develop their frontier operations. To aid governments develop their frontier procedures, decrease commercial expenses, boost commercial flows and reap greater profits from international commercial, we have improved a set of commercial facilitation pointers (TFIs) that identify zones for action and give an opportunity the potential influence of reforms to become assessed. The OECD TFIs cover the full spectrum of frontier operations for more than one hundred and sixty economies across various revenue standards, geographical districts, and levels of improvement. Every TF indicator is consists of several especial, exact and case-based variables related to existing commercial-related politics and rules and their application in practice. Using trade expense evaluates from the ESCAP-World Bank of the UN International Commercial Expenses Dataset, we can estimate the potential influence of carrying out measures included in the WTO Commercial Facilitation Contract. With this method, our analysis finds that the TFA could increase worldwide trade expenses by between 18 % and 10 %, changing across country groupings, however with the biggest profits included to countries in the lower revenue groupings. The OECD TFIs also permit countries to identify their powerful and weaknesses in commercial facilitation, prioritize fields for action, and recruit technical help and potential building in a more targeted road. The TFIs not only issue the actual range to which countries have applied and carried out commercial facilitation issues in undoubted terms, but also their execution compared to others, using a ranks of quantitative issues on main fields of the frontier process.

The information supporting the OECD TFIs are updated each 2 years, which permits countries to monitor their advancement since 2013, when the draft was first started. The TFIs take worth from 0 to two, where 2 designates the best performance that can be attained. They are estimated on the foundation of data in the TFIs database. In an gradually globalized world, international agencies have an significant role in importing and exporting. Their functions involve preserving standards to provide security, supporting developing countries reach economic safety, and establishing norms regarding how countries make commercial consents and settle conflicts.

The World Trade Organization (WTO) was created in 1994 and is the biggest intergovernmental economic agency in the world. In accordance with the formal website, WTO’s main aim is “to provide commercial streams as fluently, predictable, and fluently as feasible.” There are present 164 members countries in WTO. It is central body in Geneva, Switzerland. During its history there have been several World Commercial Consents that are signed by delegates from limbs countries and ratified by their related legislative organs. Main consents involve those designed to create a general approach to handling country-to-country commercial consents and dispute resolution operations. The WTO movements as a forum for conversations among limbs countries. The Consents on the Implement of Sanitary and Phytosanitary Measures, known as the SPS Consent, is an international contract created by WTO in 1995. It sets orders called International Phytosanitary Measures which are intend to preserve security and the surroundings. Among them is International Standards for Phytosanitary legislative enactments No. 15 (ISPM 15), a set of arrangements requesting that wood packaging substances be necessarily treated in order to down the infiltrate of blights and illness.

WTO members completed conversations at the 2013 Bali Ministerial Meeting on the landmark Trade Facilitation Consent (TFC), which entered into force in 2017, 22 February after its confirmation by two-thirds of the WTO fellowship. The TFA express regulations for accelerate the movement, exemption and clearance of commodities, involving commodities in transit. It also sets out actions for profitable cooperation between customs and other suitable organs on commercial facilitation and customs legislation issues. It also covers regulations for technical help and increase potential in this field. Trade facilitation has be an significant topic in the Doha Round conversations. The saving from streamlining operations could be 2%–15% of the worth of the commodities traded, according to evaluates by the agency for Economic Cooperation and Development (OECD). The World Bank says that for every dollar of aid ensured to help commercial facilitation reorganization in developing countries, there is a earn of up to US$ 70 in economic profits. There are high levels of bureaucracy and redundant expenses, due to: large amounts of “red tape” document requests for that shortage limpidity and include raising shortage of cooperation between traders and customs organs shortage of automatic information submission. At some frontier transitions, load can take up to 30 days to be cleaned. The application of easy operations and high transparency could aid to important develop commercial streams. According to some evaluates, the middle customs operations includes 20-30 parties, 40 documents, 200 information elements and the re-keying of 60-70 % of all information at least once. With the decreasing of tariffs, the expenses of implement with customs formalities excel in many situations the expenses of duties to become paid. The OECD evaluates that up to 7 % of the US$ 12,000 billion worth of international commercial every year is spent by the expenses of documentation. The goal of the WTO's commercial facilitation conversations is to explain and develop three articles of the General Consent on Tariffs and Trade (GATT) followings:

• the transit of commodities

• the fairness of laws and rules

• duties and formalities (operations and documentations)

The goal is to simplify frontier operations and to facilitate the motion, clearance and exemption of commodities.

• A fortunate result to the conversations would:

• facilitate commercial for little and middle-amount businesses loaded with unreasonable and bureaucracy

• permit traders to move their commodities across frontier more fast and simply

• decrease bribery and bureaucracy

• decrease transit expenses in landlocked countries

• decrease operations expenses and hence decrease prices for producers and consumers

• permit governments to lead and apply frontier controls more productively

• plus to members' GDP by making commercial less expenses.

An APEC research evaluated that commercial facilitation programs would generate earns of approximately 0.26 % of GDP for the 21 APEC member countries. Thrifts in import expenses would be among 1-2 % of such expenses for developing countries.

According to reports of the World Bank, raised productivity at air ports and ports could raise global commercial in manufacturing by up to 377 billion US$ a year and 300% the profits for buyers from tariff reductions. The earnings would be from making effective customs, decreasing corruption and bribery , perfect infrastructure and more productive cross-frontier services, and accelerate trade throughout use of the Internet. All of the members of the WTO have been energetically participated in the conversations since everyone is understood of the significance of commercial facilitation in light of the raise in commercial round the world. Some combinations have been created by members that have general aims. These combinations are especially profitable for countries that have a little participation at the WTO.

In aim to aid developing countries discussion more productively, the WTO Secretariat carried out a technical help programs that aided every member country to identify its special needs and priorities in the commercial facilitation conversations. These programs were applied in cooperation with OECD, the United Nations Conference on Commercial and improvement, the International Monetary Fund, the World Bank and the World Customs Organization, as well as the governments of a lot of members of the WTO. In additional to WTO Secretariat controls a technical help programs that bring technical specialist from the capitals of LDC and African countries to take place in some of the commercial facilitation conversation summits. Once the commercial facilitation conversations have been completed, the WTO Secretariat will carry out technical help programs to help members comprehend and meet their commitments under this modern consent.

World Customs Organization

The World Customs Organization (WCO) was created in 1952 as an intergovernmental unity of customs organs devoted to the incessant development of customs operations worldwide. Its main aim is to increase the productivity and effectiveness of every country’s customs organs in order to facilitate assembling income, compiling commercial statistics, and providing safety. WCO has a big role in the administration of WTO’s consents on customs valuation and regulations of origin. Customs valuation is the operation where customs organs determine a monetary worth to a goods being exported or imported. Regulations of source are rules that specify what canon must be met in order for a country to pretend to be the origin of a commodity or service. Regulations of origin can be applied when identification or preferential duty treatment carries out under the conditions of a loose commercial consent or in a free commercial region. Rules of origin can also be non-preferential in nation, such as for the goal of assembling commercial information appropriate to manage a nature’s economy. The Harmonized System (HS) was created by WCO in 1988 as a standard groups of nomenclature related to goods arrangement that could be utilized by all commercial natures. HS is consists of from 21 divisions, which are divided into 96 sections. The 96 sections are also divided into about 5,000 titles and subtitles. As tariff interest, tariff arrangement represents a main element of the tariff system. National tariff lists are created in the shape of tables that consist of “tariff arrangement numbers” determined to products, and a appropriate tariff per cent. The remedy in which an substance is groups for tariff aims will have an significant and conspicuous impact on the duties loaded. When imported products are classified in an free style, they can efficiently cancel last rate decrements. The GATT has no regulations related to arrangement. In the last time, countries had their private personal systems. As commercial broadened, countries determined the lack for more form classification, which consequences in the drafting in 1988 of the “Harmonized Product Coding and Description System”. Users of the HS Convention are appropriated the records of substances involved in their tariff and statistical schedule into compliance with the records of substances established in the annex to the Convention. In all, approximately 170 regions and countries apply HS schedule in their tariff rates, and 6-digit HS codes ensure form tariff arrangement for the main part of countries round the world. Though the HS nomenclature is organized to express the available situation of international commercial, technological improvements go on to bring out new goods and exchange the national of international commercial. The Harmonized System has been renewed three times to now from 1992. In November 2000, the HS Committee started summits oriented at another inspection to the HS nomenclature in 2007. There are now customs managements at 180 countries members of the WCO. The main administrations locates in Brussels, Belgium. The role of the “Digital Customs” or Communications and information Technology increases in the Customs authorities.

The Application of the Digital Customs is caused to substitute paper-based Customs operations with electronic operations, so creating a more productive and contemporary Customs surroundings appropriate to global developments. Cross-frontier e-commerce is growing at a important rate round the world due to developing Internet technology, economic improvement in developing countries, and increasing of urgent delivery services and number of labor force. Customs organs and other income organs went on to assemble billions of dollars annually in duty on tobacco goods which helps to public and fiscal safety goals. The WCO’s strategic data on anti-bribery issues is being estimated by the G20’s Anti-Bribery Employee Group. The social demand on public section limpidity is raising, involving in the areas of taxation and commercial. In this attitude , the G20 managers consented to full help to the OECD’s Base Erosion and Benefit Shifting (BEPS) initiative to set about strategic tax evasion and, specially, endorsed a modern unit global standard for automatically interchange of data developed by the OECD to expose the tax base that remains secret here.

**The International Organization for Standardization**

The International Organization for Standardization (ISO) was created in 1947 and was organized of delegates of nature standards agencies from countries round the world. Its aim is to establish and keep international standards to provide security, justice, and productivity in international commercial. ISO International Standards provide that goods and services are secure, trusty and of product. They are strategically instruments that decrease expenses by minimizing tailings and mistakes and raising efficiency. They aid corporations to enter new markets, standard the business area for developing countries and facilitate moneyless and just global commercial. ISO is not especial to any one private industry, and has big and significant a role in keeping standards in industries as manufacturing, data technology, energy, financial services, agriculture, healthcare and transportation. Now 162 countries are members of the ISO. The main organ of the ISO locates in Geneva, Switzerland.

## Last researches from the World Trade Organization (WTO) show that developments in frontier management throug the world could raise global commercial 1 trillion US$ every year, this means that commercial facilitation could have a high effect on international commercial than if all the tariff were eliminated in the worlds. The SMEs and globalized world endure from cumber some frontier operations, making them the largest beneficiaries of bigger commercial facilitation. Simpler, faster and cheaper operations permit many companies to commercial at international level for the first time, combine global worth chains. The WTO Commercial Facilitation Consent goals to accelerate customs operations, by doing movements and commissions more clear for companies, wipe out bribery and using preference of modern technologies. Studies by the World Economic Forum recommends TFA application could obtain a 60% to 80% raise in cross-frontier SME revenue in some economies. ICC has long been at the cutting edge of the global action ambitious for commercial facilitation, it has a main role in the TFA conversations and application. Business network of the ICC’s also provides combined mission on other customs arguments, such as documentations and regulations of origin, arrangement and customs valuation, and practical leadership on ICC’s Incoterms regulations. ICC is one of three agencies that contain the Global Alliance for Commercial Facilitation – an modern public-personal cooperation for commercial-led development and properly works with states, business and international agencies as the World Customs Organization to progress the global customs and commercial facilitation succession.

**The Foreign experience on the role of Customs administration in trade facilitation.**

In the previous year, Doing Business watched a peaking of change movement around the world. From June 2, 2017, to May 1, 2018, 128 economies actualized a record 314 reforms changes improving the business atmosphere. Just about 33% of all changes recorded in 2017/18 were actualized in two fields—beginning a business and implementing contracts. The economies of Europe and Central Asia and Sub-Saharan Africa were the most dynamic in changing their economic structures in 2017/18: four of each five economies significantly improved business guidelines in the two locales. With a sum of 107 changes, Sub-Saharan Africa indeed has a record number this year. Since Doing Business 2005 in excess of 3,500 business economic changes have been executed over the 190 economies estimated by Doing Business. Most of these changes have been made in low-and lower-level income economies. View a breakdown of changes since Doing Business 2005. The economies with the most outstanding development in Doing Business 2019 are Turkey, Djibouti, Rwanda, Togo, Azerbaijan, India, Kenya, Afghanistan, Côte d'Ivoire, and China.

Universal trade is a foundation of economic improvement, as access to worldwide markets is emphatically connected with economic growth.(1) Although export and import tariffs have declined in recent years, non-tariff measures have increased.(2) Optimization of time and costs in the trade sector is related to the increase in trade, diversification and economic growth.(3) Therefore, global trade policies have directed their aim from tariffs to trade facilitation, including the elimination of trade-related costs. Doing Business follows worldwide trade approaches and changes that policies of the worldwide trade by executing financially effectively, time-productive and straightforward economic practices. Of the 33 economies that cover reforms making it simpler to trade across borders in 2017/18, 25 developed their electronic systems for operations of the exports or imports, decreasing border compliance and the time of documentary by more than 1500 hours. Electronic systems for processing, moving, filing and interchange information have get significant tools for managing flows of information in complicated trading surroundings. Across economies, regardless of revenue standard, permitting electronic submission and processing of customs-linked documents has been one of the most general and showy ways to decrease delays in the trading operations. The experiment of the Democratic Republic of Congo emphasizes the significant of electronic systems in trans boundary trade. In 2016, a single window for trading (SW) was introduced as a pilot in the country. The subsequent year the state went on the applied of the SW, publishing information on new requests on the SW website and providing training workshops to the individual sector. The government also opened trade facilitation centers equipped with Internet-connected computers to assist and train users. With the introduction of ongoing training and communication, the Demographic Congo has reduced the document preparation period by 122 hours for export and 42 hours for import; the border length was 219 hours for export and 252 hours for imports. Similarly, in July 2017, Uzbekistan introduced a new version of the website of its national trade "one window" and provided origin certificates and phytosanitary certificates such as various certificates for electronic survey and export. With the introduction of these new features, the document adaptation time for export has dropped by 78 hours. At the result of the applied of these new aspects, the overall time of documentary compliance for export reduced by 78 hours.

**Afghanistan Customs**

The Economy of the Afghanistan is one of the notable improvement economies according to Doing Business 2019.

**Ease of Doing Business Score on Doing Business topics - Afghanistan**

Source: Doing Business 2019 report.

The Several reforms carried out during past years in the country. The some of the these reforms related to customs operations. The main aim is that save cost and time at the customs operations, also, decreasing number of the required documents. At the result of the these reforms, Score of the Afghanistan rose to 30.63 on Trade Across Border indicator of the Doing Business. So, Spent time, cost and the number of the required documents were decreased.



Trading across Borders: Time and Cost – Afghanistan

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | **Afghanistan** | **South Asia** | **OECD high income** | **Best Regulatory Performance** |
| Time to export: Border compliance (hours) | 48 | 62.9 | 12.5 | 1 (19 Economies) |
| Cost to export: Border compliance (USD) | 453 | 347.2 | 139.1 | 0 (19 Economies) |
| Time to export: Documentary compliance (hours) | 228 | 74.1 | 2.4 | 1 (26 Economies) |
| Cost to export: Documentary compliance (USD) | 344 | 160.3 | 35.2 | 0 (20 Economies) |
| Time to import: Border compliance (hours) | 96 | 95.8 | 8.5 | 0 (25 Economies) |
| Cost to import: Border compliance (USD) | 750 | 504.6 | 100.2 | 0 (28 Economies) |
| Time to import: Documentary compliance (hours) | 324 | 100.8 | 3.4 | 1 (30 Economies) |
| Cost to import: Documentary compliance (USD) | 900 | 276.7 | 24.9 | 0 (30 Economies) |

Afghanistan has facilitated exports and imports by increasing the use of ASYCUDA World's various modules of customs clearance. Afghanistan needed a number of standardized procedures and mechanisms to automate key parts of the trade sector, some of which would have led to increased revenue. With a hand-to-hand development assistance and the considerable amount of goods used for military purposes, it is important to apply a system that can quickly and accurately control the evaluation process between exception processes and other things. The ASYCUDA World system has been implemented to automate and register both free and commercial customs operations. It was also meant to calculate exact customs values. In general, this has helped to provide a more transparent environment for free freight and commercial goods.The World ASYCUDA System has provided a number of key developments to the Afghan Customs Office, which ensures more transparent and productivity access to customized customs requirements. Especially these developments cover: The application of Integrated Tariff of the European Communions nomenclature in the this system, which than divided in general imported goods for estimation aims; Deployment of ASYCUDA World Exemption module covering all processing stages to impede faked exemption certificates, ensure transparent processing, rise customs income and decrease processing time. On this system, 65169 exemption certificates were processed ın 2017; The configuration and improvement of valuation cover in the ASYCUDA World system which now monitors approximately 90% of international trade in customs value. The Customs annual income of the Afghanistan rise 116 million$ .

**Trading across Borders in Afghanistan – Trade Documents**

**Turkey customs reforms.**

Ease of Doing Business Score on Doing Business topics – Turkey

Turkey – Required documents for export and import.

In recent years, many reforms have been carried out with regard to trade facilitation. Mainly, these reforms are useful for customs operations. So, according to accepted reform at 2008, Turkey customs authorities began to use electronic information interchange system. Also, 25000 customs officers had been trained. At the result, Determination process of the customs value of the goods were facilitated than past times. Also, Some reforms carried out at 2019. The basis aims of these reforms reduce cost and time to export and import. Customs organs expanded functionalities of the national trade single window. This process affect to reduce spent time at the at border checkpoints. Additionally, Customs authorities enhanced their risk management system. The fees of the Customs brokers and other customs payment were lowering with goal of the reduction customs operations` expenses. The number of documents required during the import-export operations has been reduced, the process of collecting documents has been simplified.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Indicator** | **Turkey** | **Europe & Central Asia** | **OECD high income** | **Best Regulatory Performance** |
| Border compliance(Time to export (hours)) | 16 | 22.1 | 12.5 | 1 (19 Economies) |
| Border compliance(Cost to export (USD)) | 358 | 157.5 | 139.1 | 0 (19 Economies) |
| Documentary compliance(Time to export (hours)) | 4 | 24.3 | 2.4 | 1 (26 Economies) |
| Documentary compliance(Cost to export (USD)) | 55 | 97.9 | 35.2 | 0 (20 Economies) |
| Border compliance(Time to import (hours)) | 11 | 21.1 | 8.5 | 0 (25 Economies) |
| Border compliance(Cost to import (USD)) | 46 | 162.3 | 100.2 | 0 (28 Economies) |
| Documentary compliance(Time to import (hours)) | 3 | 24.7 | 3.4 | 1 (30 Economies) |
| Documentary compliance (Cost to import (USD)) | 80 | 93.9 | 24.9 | 0 (30 Economies) |

**Georgia customs reforms.**

Georgia government accepted many customs reforms. These reforms are followings:

* Golden List
* Unified personal tax and customs liability account
* Clearance and registration of transport means in accordance with single window principle
* Creation of Customs Clearance Zones
* Authority of issuing permits related to customs procedures
* Certificate of origin
* Simplified export procedures
* Institutional Reforms

At the past time, Georgian customs adminstration was divided 8 organs. After institutional reform, Customs adminstration consists of only 2 organs:

* Revenue service
* Patrol police

**Control system**

Reconstruction operations at border points were applied. These border checkpoints are followings:

CCP Red Bridge Georgia – Azerbaijan Border(Common land area 27,963 sq.m);

CCP Vale Georgia – Turkey Border(Common land area 52,059 sq.m.);

CCP Sarpi Georgia – Turkey Border(Common land area 15,586 sq.m.);

CCP Kazbegi Georgia – Russia Border ; CCP Kartsakhi Georgia – Turkey Border.

- Buildings were fully reconstructed appropriate contemporary architectural and construction standards.

- High quality and modern building materials were used for reconstruction

- Building was equipped with contemporary furniture, electronic doors and scanners

- Contemporary and convenient atmosphere were established for the people passing the border checkpoints as well as for the GRS and Patrol Police workers who are working on BCP, by creating cafeteria and children terrain zones, relax rooms for our workers.

In the previous periods, ad valorem customs duties were applied to the many-stepped. According to the amendments, the system was simplified and the application of the 3-stepped (12%, 5%, 0%.) ad valorem customs duties was started. After reforms, The number of Required documents was lowering from 54 to 2. According to the legislation economic agent is authorized to submit the bill of lading and invoice either electronically or on paper basis; both forms are equally acceptable.

After Creation Customs Clearance Zones, spending time at separate steps.

Border Crossing Points:

- In order to standard procedures – more than 25 minutes.

- In order to red corridor – approximately one hour.

- Advance Declaration work.

- In order to green corridor - average 10 minutes (passport information registration control and customs operations).

Customs Clearance Zones:

- In order to standard operations – in average 30 minutes.

- In order to red corridor – several hours.

Payment of Customs Tax, Import Excise and Import VAT can be postponed for 5 days. In situation of advance declaration Customs tax, Import VAT and Import Excise can be deferred for 15 days.

Customs Clearance Zone (CCZ) where customs declarations are filled and commodities/load are cleared. CCZ – Centers for commodities Clearance:

• Covered several hectares

• With contemporary infrastructure,

• With especially planned parking area.

The services ensured in this area are as followings:

- Declaration in English for strangers;

- Load Clearance;

- Different choices for load clearance;

- Free Parking;

- X - ray detection;

- The Services of Bank;

- Goods Expertise;

- Barcode instead of stamp.

Customs Clearance Area – Clearance choices:

- Clearance of Good at CCZ;

• Assignment of documents and presentation of means of conveyance at CCZ

• Two documents are request for clearance

• Service duties – 150, 300, 400 GEL

• Opportunity of using 5 days postponed tax payment

- Advance Declaration;

• In situation of advance declaration, commodities are in importer’s order straightly from the checkpoints;

• In situation of advance declaration:

 15 days postponed payment of taxes and service payments is in space;

 Service payments are not doubled in situation of off hours;

3 opportunities of advance declaration:

1. by assignment of documents to CCZ

2. by sending documents via www.rs.ge

3. by assignment of already written declaration.

Remote Declaration;

• Declaration might be cleaned from any place, in spite of the commodities location;

• If goods are located in Tbilisi, and importer is in Batumi, importer can clear goods in Tbilisi via electronic signature.

- Clearance of commodities of an one grafter/consignee.

• Single consignee commodities can be cleaned in the place demonstrated by importer

• Four different ways of declaration:

 Importer subjects documents at CCZ;

 Importer electronically dispatch papers via www.rs.ge;

 Importer subjects declaration with ASYCUDA;

 Clearance in the buildings of importer: Clearance group visits buildings of importer and cleans commodities. No service duty is applied for this additional service.

There are several utilities of CCZ for importers/exporters and these are followings:

• Simplified import/export operations;

• Removed corruption;

• Time saving;

• High class service.

**Finnish Customs.**

At the point when Finland wound up free, the youthful country had numerous challenges, yet one of its favorable circumstances was set up Customs cutoff points and Customs. At first, there were no real redesign in the Customs. Customs was still during the time spent change, when the Finnish government had its spot in another circumstance. The primary obligation was to reestablish with garbs and uniforms. Change of Customs enactment before the Winter War. (Finnish Customs 2018.) Duties and indirect tax collection were advancement during the 1930s. From 1919 until the end 1936, excise tax were additionally incorporated into the obligations of the customs. The Government had the ability to raise duties up to four time without parliaments assent. Tulle assumed a huge job in state accounts. Customs were a significant trade and financial approach instrument for the state.

Customs status as watchman of ocean region finished in 1930 when a shore Guard was Sep up. In 1936, the eastern border unquestionably moved to the Border Guard. Customs never again controlled the western soil frontier, and subject to customs control. The become diminished of the 1930s realized a progressively mind boggling regulation of outside trade. The clean control was likewise the cleaning consent that Finland made during the 1930s with a few nations. The Customs must organize the passage of the money regarding import and fare. Two-sided commercial consent likewise request control of the source. (Finnish Customs 2018.) European incorporation expressed in the in the middle-1980s with novel rigging. At initial, few individuals set out to consider Finland to be individual of the European Union. For quite a while, Finland concentrated on joining the European Economic Area, which was a sort of consumed, adaptation of tree commercial. The participation of the European Economic Zone and the EU request a lot of planning from customs, as the majority of the progressions concerned somehow of the issues dealt with by Customs. Fellowship of the European Union implied control of vernacular assessment left to the customs specialists at domestic frontier. Customs started to apply EU Custom's laws. Customs clearance matters turned into the obligation of the EU Committee. Under its administration Customs programs were started, the first was called Customs 2000. The program requested that the Customs administrations of the part's state operate practically speaking as one general EU Customs administrations. This was incompletely influenced by the increasing speed of cargo transport in the east and south which requested should more consideration than previously. European enrollment likewise connected to the advancement of Finland as a transit nation for Russia's import products traffic Storehouse and customs Storehouse improvement. Customs command over this traffic had a necessary effect in 2000; a strong x-beam gear for vehicle propelled in encouraged. (Finnish Customs 2018.)

**The Finnish Customs toward Trade Facilitation**

The Finnish customs assumed a critical job toward an commercial assistance, they regulate Arrival and Exit, and this just implies electronic wellbeing and security information must submitted to customs workplaces before products imported from A union area. The wellbeing and security information are information material regarding the dealers, merchandise, transports, and goods. At the point when a ship or a plane, landing from a port or airplane terminal outside the Unions, planned to visit more than one port or air terminal inside the Union, at that point a passage short declaration concerning all the moved products must submitted to the primary customs workplaces inside the Union. Merchandise not to be packed in the Union region requested a declaration. An outline announcement for impermanent warehousing are just subjected to next customs workplaces in the association customs area for products that will be emptied there. The Wellbeing and security information on leaving merchandise are been submitted either with a fare announcement or with a ways out outline affirmation. The wellbeing and security information can be gives as a component of a travel declaration. The transport organization is constantly in charge of presenting the landing and leaves declaration, whether it utilizes a delegate to submit them. The exporter or the agent is in charge of presenting a fare revelation. As far as possible for subjecting declaration are base on which method of transports is utilized and transport course.

**Finnish Customs International Trade Statistics**

As indicated by the starter insights of global exchange products given by Finnish customs, the worth of Finnish exports expanded by four percent and the esteem imports stayed at the dimension of the earlier years in December. The worth of Finnish exports in December was 4.7 billion Euros and the worth was somewhat more than five billion Euros. Determined from the earliest starting point of the year. Exports expanded by 15 percent and imports by 13 percent year-on- year. The commercial balance demonstrated a shortfall of 335 million Euros in December. Determined from January to December there was a shortage of 2.5 billion Euros. Under a similar period, year 2016.The equalization of commercial demonstrated a deficiency of over 3.1 billion Euros. In 2016, the commercial equalization of December demonstrated a shortfall of 537 million Euros. Exports to EU part state expanded by nine percent in December while fares to non-EU nations diminished by one percent. Imports from EU-nations expanded by four percent while imports from non-EU-nations fell by seven percent in December. Count from the earliest starting point of the years. Exports to EU nations expanded by 17 percent and non-EU nations by 12 percent. Amid a similar period, imports from EU part state expanded by 10% and from different nations by 17 percent.

**Innovative projects a implemented in customs services in the Republic of Azerbaijan.**

The territory of the Republic of Azerbaijan lies on the Silk Road and is an important part of the North-South transport corridor. These important factors make it necessary to carry out many reforms and innovation projects to increase the capacity of the Azerbaijani border crossing points. In recent years, many decrees have been signed by the President of the Republic of Azerbaijan in order to improve efficiency and to eliminate artificial obstacles during the inspection of goods and means of transport in border crossing points in recent years. A new Customs Code was adopted in 2011 as a result of the implementation of the state program for the development of customs authorities. This was the beginning of reforms in the legislative framework, resulting in 60 legal acts. The new Customs Code and adopted normative-legal acts are based on the requirements of the Kyoto Convention, the Modernized Customs Code of the European Union. The new Customs Code incorporates the Authorized Economic Operator, Electronic Information Transmission, Electronic Declaration, Risk Management, and other such concepts. In 2016, the President of the Republic of Azerbaijan made a number of decisions, in which by the Azerbaijani Customs Service was entrusted with the implementation of measures aimed at simplifying customs procedures. I would like to note some of them:

• To ensure giving customs declaration at electronic form;

• To carry out exchange of information in mutual electronic form with government agencies in the field of electronic services;

• Creation of conditions for pre-submission documents of goods (short import declarations on goods and permits from other state authorities);

• minimizing the number of documents and processes required for customs clearance;

• improvement of the automated risk management system, risk assessment based on the previously submitted short import declaration and selection of the corridor;

Implementation of the given tasks has resulted in the application of electronic declaration in the customs authorities, which have been defined as absolute requirement for the pre-submission implementation of the short import declaration during foreign trade operations, which in turn provides for the selection of the appropriate corridor for crossing border and risk assessment based on the data analysis.

In order to increase productivity during the import and export of goods at border crossings, the President of the Republic of Azerbaijan signed No12 Decree dated 11 November 2008 "On application of the principle of" one window "for the inspection of goods and means of transport crossing the state border checkpoints of the Republic of Azerbaijan. The "**One-window**" principle has been began to apply based on the signed decree since January 1, 2009. The main objective of the "One Window Principle" is to create favorable conditions for carrying out import-export operations in line with modern requirements, to eliminate artificial barriers that arise during the inspection of goods and vehicles. As we know, the factor that directly contributes to the development of trade and economic relations is the optimization of trade procedures. Simplification and improvement of border crossing procedures in the development and expansion of foreign trade relations play a major role. Implementation of the "One Window Principle" will improve the quality of functional tasks. It creates opportunities for foreign trade participants to provide new services. It also accelerates customs operations, ensures the reliability and security of data. As a unified state agency on the principle of "One Window" for inspection of veterinary, phytosanitary, hygienic and other certification of goods and means of transport passed from the checkpoints of the State Border of the Republic of Azerbaijan fulfillment of duties has been entrusted to the State Customs Committee of the Republic of Azerbaijan. The complex of works on the project involved analysis of processes at border checkpoints.

The State Customs Committee of the Republic of Azerbaijan, as a single state body on the principle of "one stop shop" in inspection of goods and means of transport crossing the checkpoints of the Azerbaijan Republic, performs the following duties:

- compulsory disinfection in the manner and time specified by veterinary legislation of vehicles crossing the territory of the Republic of Azerbaijan from the neighboring countries where are registered special hazardous diseases;

 - Providing information to the relevant regional branch of the Food Safety Agency of the Republic of Azerbaijan to ensure the detention of animals brought from other countries in isolation to determine their health;

- Issuance of "Permitted" forms on the border to the vehicles carrying international carriage of passengers and, deduction of the state duties accordingly, in the amounts determined by the Law of the Republic of Azerbaijan "On State Duty".

After the transfer of all these powers to the State Customs Committee, were abolished the stations established at the border for the issuance of "Permitted" forms of vehicles for the implementation of veterinary, phytosanitary, sanitary control of relevant executive authorities, as well as for international carriage of vehicles. The Ministry of Health of the Republic of Azerbaijan, the Ministry of Transport, Communication and High Technologies of the Republic of Azerbaijan and the Food Safety Agency of the Republic of Azerbaijan have started to exchange mutual information with the State Customs Committee of the Republic of Azerbaijan. Until the signing of the aforementioned Decree, various types of control (veterinary, phytosanitary, sanitary control) are applied by different government agencies on the cargo at border crossing points. This, in turn, in some cases prolongs the period of border crossing procedures by rebounding, affects the effectiveness of the controlling types, causing loose stopping of the vehicle, and ultimately leads to increased transportation costs. Until now, recycling in the implementation of controls in the area, weakness of coordination of these types of controls, as well as uncertain division of powers remained a serious problem. In addition to the fact that the control services were separately allocated, due to the large number of documents required and the formal verification of the documents, there were delays in the transportation of goods, which would also lead to a loss of time.

Verification of veterinary, phytosanitary, hygienic and other certificates (certificates) of goods passed through checkpoints of the state border, veterinary, phytosanitary control over the goods on the border, giving "Permission" form transport vehicles carrying international carriage and other process were carried by State Veterinary and Phytosanitary Surveillance Services, Ministry of Health and Ministry of Transport . By implementing the principle of "single window" in the checkpoints of the state border, simplifying the border crossing procedures, eliminating the problems in the border crossing points, creating favorable conditions for transportation and goods flow, minimizing time loss and as well as achieving the minimum time limit. Now, In addition to customs control in the customs border, the mentioned services are also implemented by one body - the State Customs Committee. If all these controls are spent 2-3 hours before, then those works are done for 20 minutes.

Within the "One window" system are carried out "**one inspector one a vehicle**" in the territory of customs border checkpoints and "**one inspector one declaration**" in the destination customs authorities. Inside the scope of the aforementioned projects, an inspector will be fully responsible for completing clearance process a vehicle or a declaration. This will also enable several inspectors to serve the customs clearance process of several vehicles or declarations simultaneously. This pilot project ensures that vehicles arriving in and out of the country cross the customs checkpoints without they are waiting for a queue: The project, based on the principle of "one inspector - one vehicle" is realized within the framework of the system of the " an one window" . The essence of the project is that a citizen is in contact with an inspector. Thus, if a few inspectors in the "one-window" system may served a citizen on their own fields, the "One Inspector-One Vehicle" principle implies that one inspector may serves a citizen for all fields (document, road tax, permit form, registration, transport registration etc.) so that if only one driver was served in the previous system within 10 to 15 minutes, depending on the number of inspectors in that system, 4-5 drivers were served for the customs territory during this time. The customs procedures expire within 5 minutes, then driver pays off the payment terminal at the checkpoints and confirms the commitment to comply with the rules of the electronic customs office, and the completion of the registration procedure within the new project is confirmed by the electronic signature of the driver.

The introduction of **Electronic customs declarations** has been started in order to ensure the highest level of transparency and efficiency in the process of customs clearance of goods and means of transport and minimize the citizen with civil servant's contact in this area. Thus, within the framework of the pilot project, the Electronic Government Portal has an electronic service for declaration of goods and means of transport on the customs border. Using "Asan Signature" mobile electronic signature, citizens can import goods and means of transport from abroad, online through customs clearance within the framework of their customs office.

To do that, the declarant must enter the E-Government portal (authentication) with the “Asan Signature" and electronically fill out the customs declaration by selecting the appropriate electronic service, and then sign the Declaration with Asan Signature. Application of the electronic customs declaration system simplifies procedures for declaring goods and means of transport crossing the customs border, ensuring transparency in the provision of customs services, creating favorable business environment for entrepreneurs and further stimulation of foreign trade operations. It should be noted that the most important point in the declaration of goods and means of transport crossing the customs border is the signing of the declaration by the citizen. Until the new electronic declaration system was introduced, the owner presented the customs declaration to the customs authorities in a written form. This, in turn, caused additional loss of time for the importer.

The use of the "Asan Signature" service during the e-declaration of goods and means of transport imported to the country is of great importance in terms of execution and user satisfaction. So, owners can handle this operation from the beginning to the end by simply using the mobile phone (cell phone, tablet, etc.) with the "Asan Signature" service, and at this time, any additional devices (smart card, USB card reader and so on).

The Risk Management System shall also apply in the Customs Authorities of the Republic of Azerbaijan . The main purpose of the implementation of this system is to reduce the risks during customs control and inspection of goods and means of transport at border crossings as well as to minimize the risk. The Risk Management System also provides a great help to Customs bodies in selecting risk analysis mechanisms, control forms. Risk Management System (RIS) identifies risks by collecting data, updating the database, risk analysis, risk management through appropriate processes and their monitoring, risk assessment, risk assessment of possible hazards and economic, social and other interests of the state; includes the rules for systematically developed and regularly implemented measures by customs authorities for the purpose of reducing and preventing exposure.

The application of the risk management system in the customs authorities is determined by the following stages:

* Phase of Pre-Info: At this stage, RIS's automated software analyzes data from sources of information, including information provided in the short import / export declaration and determines the customs control forms on the risk profile for goods and vehicles as a result of the analysis.
* Customs border stage: At this stage, After goods and vehicles are entered into the country and registered by the customs authorities in the United Automated Control System, RIS automated software analyzes and determines customs control forms on risk profile for goods and vehicles fitted to the RIS application .
* The Department of Audit and Risk Analysis of the Committee, the Headquarters for Combating Corruption in the Customs Territory, and the customs control bodies in the customs clearance areas shall ensure the customs control forms established by the RIS on the risk profile.
* Delivery stage: At this stage, the Committee's Audit and Risk Analysis Department, Headquarters for Combating Fraud in Customs, or RIS Automated Software, based on information or operational information received from technical controls related to the trace of goods or vehicles in the country. and ensures the implementation of customs control forms on the risk profile.
* The stage of customs clearance: at this stage, the customs clearance of goods and means of transport determines the customs control forms defined by the RIS and risk profile for goods and means of transport in accordance with the RIS application form.
* Post-release stage: At this stage, measures are taken in accordance with the Law of the Republic of Azerbaijan "On regulation of inspections in the field of entrepreneurship and protecting the interests of entrepreneurs".

The RIS application in the customs authorities is based on the following four (four) corridor systems (forms):

* "**Green Corridor**" is the issuance system for the release of goods and means of transport to the customs territory in accordance with the customs procedure without physical examination in accordance with the customs control and the results of the risk assessment carried out on the basis of a short import declaration submitted electronically in advance.
* "**Blue Corridor**" a customs issuance system which are carried out the forms of the customs control after the release of goods and means of transport crossing the customs border; in accordance with the results of the customs control and the risk assessment carried out on the basis of a short import declaration submitted electronically in advance.
* "**Yellow corridor**" means a document issued by a customs clearance and assessment of the goods and means of transport, data, electronic or paper carriers, including the Republic of Azerbaijan, in accordance with the customs control and risk assessment results carried out on the basis of a short import declaration, in accordance with the principle of equivalence established by international treaties, the exemption of veterinary, phytosanitary, hygienic and other certificates (certificates) issued by the exporting country, verification of the existence of special permits for the circulation of goods with limited circulation and other legal documents, and the application of customs control forms system;
* “**Red Corridor**" means a system of verification of the information and documents required for customs purposes, as well as goods and vehicles, also persons in case of necessity, in accordance with the customs control and risk assessment results made on the basis of a short electronic import declaration;

In case of non-fulfillment of requirements of customs legislation as a result of customs control applied on the basis of yellow and red corridors, the release of goods and means of transport is carried out. RIS automated software can redirect to the red corridor by random selection of goods and vehicles intended for green or blue corridors. Implementation of the Green Corridor in one of the major projects implemented in recent years in order to facilitate trade and increase productivity during the issue of goods and means of transport at border crossing points. According to the recommendations of the World Customs Organization, in the international practice, the customs service successfully uses a variety of programs, and those who gain confidence from customs authorities benefit from simplified customs clearance and other privileges. The essence of such programs is the partnership with the public-private sector (mutual relations between customs authorities and business). In order to implement such programs, the Decree of the President of the Republic of Azerbaijan dated December 21, 2018 "On the right of the foreign trade participants to acquire permanent right of use of the "Green Corridor", suspension and restoration of this right was approved". "Green Corridor" system - ensures that granting preferences established by simplified forms of customs control are given to people who collaborate with the customs authorities of the Republic of Azerbaijan and follow to the customs legislation of the Republic of Azerbaijan for ensuring the security of the supply chain. This program has the following objectives:

- Creating favorable conditions for foreign economic activity participants;

- Strengthening the export potential of the country through acceleration of goods turnover from the customs border

- Forming culture of a voluntary follow in foreign trade participants in line with the recommendations of the World Customs Organization and advanced international practice

- application of customs control forms based on risk assessment, more flexible and transparent implementation of customs clearance of goods and means of transport and customs control;

- Setting official-entrepreneur relations in import-export operations on the basis of modern management principles in order to facilitate international trade.

People entitled to the right of permanent use of the Green Corridor in accordance with Article 3 of the Decree of the President of the Republic of Azerbaijan on "Approval of the Procedure for the Right to Permanent Resource of the Foreign Trade Participants, Termination, Liquidation and Restoration of the Right to the Green Corridor" have the following advantages:

- Ensuring faster passage of goods and means of transport from customs border crossing points;

- Carrying out priority services of customs authorities in customs border checkpoints, trade facilitation centers and other places for customs clearance;

- minimizing physical customs inspections by application of custom audits;

- Carrying out customs examination of goods on a priority basis;

- customs clearance of goods imported into the customs territory and imported from this territory on the basis of consent of customs authorities is carried out by customs officers outside the workplace and outside the working hours;

- participation in trainings on innovations, best practices in the field of customs, as well as recommendations and standards of international organizations.

**Import Time:**

- Direct send of imported goods to warehouses;

- unauthorized removal of customs identification means from vehicles transported on the basis of consent of customs authorities, if the customs declaration is submitted, and evacuation of goods;

**Exports Time:**

- Direct delivery of the customs declaration reflecting the goods and means of transport exported to the customs body covering the zone of activity of the "Green Corridor" issuance system, by sending them to the customs authorities electronically, at the customs border point of origin;

- Independent application of the means of identification (seals, stamps, stamps, etc.) recognized by the customs authorities of the permanent user of the Green Corridor.

- Issuance of the privileges provided by this Regulation to the permanent users of the Green Corridor shall not relieve persons of other obligations and obligations established by customs legislation.

The Green Corridor system creates many opportunities for foreign trade participants to take priority over border crossing points, avoid customs clearance, and take part in foreign trade trainings. In addition, foreign trade participants entitled to use the Green Corridor are entitled to take their imported goods directly in their warehouses and to obtain goods without having to return to the customs, and to carry goods directly from their own warehouse without having to enter the customs.

To obtain the right to use the Green Corridor issuance system, foreign trade partners must meet the following requirements:

For the import process:

1. Non-payment of customs duties, smuggling, etc. such crimes should not be condemned.

2. Electronic customs services should be able to use.

3. Vehicles used must meet international standards.

4. Warehouses must meet the requirements of Decision 73.

5. Have at least 1 year of experience in the import process.

During the export process, the first one must meet the above requirements.

In order to obtain the right to use the Green Corridor License, foreign trade participants should apply to the Customs authorities by completing the "Application Form for the Right to Use the Green Vaulting System". In order to obtain the right to use the Green Corridor License, foreign trade participants should apply to the Customs authorities by completing the "Application Form for the Right to Use the Green Corridor System".

The rules for completing the application form for obtain the right to use the Green Vault system:

- The personal data (name, surname, address, telephone number, etc.) of the applying foreign trade participant (or the person designated by his / her own place of appointment).

- To select the type of foreign trade operation (import, export) and the type of entrepreneurship (micro, small, medium, large).

- Electronic services of the customs authorities are used by the person himself or by the representative.

- Carry out the "self" or "lease" half of the carriageway according to the information provided with the transport vehicle, which is in the order of the issuance certificate, which meets the requirements of international transport standards or is used by the contractor.

- It specifies its own or leasehold part by choosing a customs warehouse registered in the temporary storage warehouse, customs warehouse and the Ministry of Taxes of the Republic of Azerbaijan, which meet the requirements set by the Cabinet of Ministers of the Republic of Azerbaijan. The next section lists the legal address and name of the warehouse. An electronic registration and registration of people registres to use, suspended, terminated or restored by the Green Corridor will be made by the Committee. Relevant information is posted on the website of the Committee. The The people that have the right to use the Green Corridor apply import and export processes as follows.

**Export process**:

The information about export process is sent to the customs authorities by the owner. Within 1 hour, the customs authority responds.The goods are placed in the vehicle and the fills issued by the Customs Authority are injected into the vehicle.The electronic customs declaration by the exporter is sent to the customs authority. The customs declaration is approved by the customs authority and the declarant implements the payment of customs duties through the Government Payment Portal. The vehicle arrives at the border crossing point and the seals on the vehicle are checked by the representative of the customs authority. Finally, the vehicle leaves the border crossing point.

**Import process**:

The short import declaration by the imported shall be forwarded to the Customs Authority and the Customs Authority shall confirm the relevant Declaration. (The short import declaration must be sent to the customs authorities at least 1 hour before the importer arrives at the border crossing point of the vehicle).When the vehicle reaches the border crossing point, the importer is informed.The Consignor draws up the Electronic Declaration and sends it to the Customs. Declaration is approved by the customs body. The vehicle goes off to the warehouse.Warehouses must set appropriate to Decision of the Cabinet of Ministers on approval of "Requirements for types, structures, supplies, operations related to the goods, accounting and reporting, carring out of the customs control of the temporary storage warehouses and customs warehouses " . When the vehicle reaches the warehouse, the importer sends the information to the customs . The representative of the customs authority cames a warehouse and implements an audit of imported goods. The exporter is responsible for damage to seals of the vehicle . Fillers may be only opened by the representative of the customs authority. In the aforementioned processes the exchange of information between the customs body and foreign trade participants is carried out electronically. All processes are carried out directly from the office. Payment of customs duties is carried out through the Electronic Government portal. Information about fees paid in this way is quickly recognized by the system.

The Republic of Azerbaijan plays an important role in the trade routes of East-West and North-South. At the intersection of such important transport routes there is a need to improve transit procedures, infrastructure development and transit security. In order to achieve these goals, the state customs bodies were instructed to join the General Transit Convention, as well as to take the necessary measures for the development of the customs transit system based on the New Computerized Transit System.

To increase transit potential of the country is particular importance through the widespread expansion of information technology and digitizing transit procedures. In this direction, the customs authorities are active. One of the priorities is the digitization of the International Cargo Transportation (BDD) procedure in the Republic of Azerbaijan. At the beginning of this year, a TIR EPD system has been introduced that will allow the customs authorities to obtain pre-electronically information on goods and vehicles using the BYD guidelines.

**E-customs as the main leverage to reduce costs and improve efficiencies in cross-border supply chains.**

As the growth of foreign trade and the burden of the customs authorities are increasing, the issue of their use of information technology becomes more important. Modern customs services themselves apply to modern information systems and, if necessary, allocate a large amount of money. The importance of using information technology is evident: first of all, there is an excessive acceleration of customs formalization, in addition to enhancing control over foreign economic activity participants. In addition, it leads to increased turnover, which in turn leads to economic growth. Documentary exchange of electronic commerce and electronic trade should be in line with information systems of customs authorities. Integration of automated information systems has led to standardization of document exchange between customs bodies. At the same time, document circulation has accelerated in foreign trade. For this purpose, ATLAS uses the Automated and Local Customs Declaration System in the EU. This system allows electronic declaration and customization of cargo information and documents.

The ATLAS system can be quickly and easily processed, without the use of paper carriers, regardless of the customs procedures of goods under the customs control of the EU, as well as the customs regulations. At the Atlas system, currently the following subsystem development processes organized :

1. Electronic customs tariff (EGT / EZT - Elektronischer Zolltarif).

2. The marked "free movement" of the load (Freier Verkehr).

3. calculation of the massages (SS / SumA - Summarische Anmeldung).

4. The Carriage possibility of the NCTS Software products (New Computerized Transit System) (Verstand NCTS).

Rapid development of information technology helps to solve complicated issues and integrate into different processes ensuring foreign trade regulation and security. This, in turn, is one of the important factors in the overall development of the country's economy, and serves the country's rapid integration into global information processes and enables the formation of information society. The constant growth of foreign trade and increasing the work of the customs authorities has become more important situation for the customs services to use of information systems and technologies.

It should be noted that in the sphere of foreign economic activity the priorities of application of information technologies are also reflected. It is inevitable to use information technology to ensure the safety of the information system in the customs authorities. If it is did not take this into account, it is impossible to say anything about the sustainability of the system. If it is did not take into account the security of the information system and technology in the first step, then can not say anything about the secured system. Here, it is intended that the security of the simplest data be transferred or deleted without permission. However, it is also a part of the problem. It is important to protect information systems in computer viruses, called the "scandal of the 21st century." Such software (viruses) are able to transfer unauthorized and confidential information from infected computers. Alone viruses can be so safe, but there are some in them that can track the processes in the information system, others can physically crash the system.

The use of information systems and technologies in the functioning of the customs authorities will allow solving many tasks related to the effective implementation of the customs business. These assignments include:

* the application of experimental technologies for customs clearance through simplification and acceleration of customs clearance, including ,the electronic declaration form;
* risk management system;
* gathering information about those involved in foreign trade activities and other persons, if the gather is given in form is determined by law;
* maintaining a database, registering individuals operated in customs and foreign trade;
* operative implementation of information exchange with other state bodies and foreign organizations in the manner and terms are determined by law.

It should be noted that the application of ICT in customs (customs) system began in 1995 and in 1999 the ICT strategy of the Customs has already been set up at international standards. Thus, the projects implemented between the United Nations Development Program and the Government of Azerbaijan have had a positive impact on the development of customs services in the field of automated management system creation. Most modern information technologies are used in the activities of the State Customs Committee. The single corporate network of customs services, which unites all the customs bodies and other subordinate bodies of the Committee, has been put into operation since 2006. At present, this network operates through optical fiber communication channels. In order to ensure the continuity of the relationship, the work on providing the corporate network with alternative communication channels is continued.

"Electronic Customs" (e-Customs) project, one of the main components of the "e-Azerbaijan" program, covers one of the main directions of the "State Program for the Development of the Customs System of the Republic of Azerbaijan (2007-2011)". Therefore, the "e-Customs" project is being developed and implemented on the basis of legal and normative documents on the implementation of the "e-Azerbaijan" program. Therefore, the completion of the e-Customs project is closely linked to the implementation of the e-Azerbaijan program.

Establishment of "e-Customs" system is one of the main goals of the Information and Communication Technology Development Strategy of the State Customs Committee of the Republic of Azerbaijan and consists mainly of three subsystems:

1. Automated Management System in the Customs Service.

2. Internet Information Resources Management System.

3. The Customs Committee's internal portal - Intranet system.

"e-Customs" is set up on the "Single Automated Management System in the Customs Service" (VAS) project, which is implemented by the SCC. VAIS consists of the following modules:

- Electronicization of customs control systems;

- automation of customs clearance procedures;

- Automated control systems for smuggling and offenses and a computerized operating center;

- Financial activity automation;

- Automated registration system of currency reserves;

- Resource management system;

- Automation of document circulation;

- risk management system;

- Electronic order system on technical equipment;

- One Window automated management system for goods and means of transport crossing the state border checkpoints.

The Customs Authority is the executive power that has a centralized information system today. As a result of the Committee's own initiative and capabilities in the customs system, the "Single Automated Management System of Customs Service - VAIS" was established. This system has been registered as a state information resource, has received a certificate and is considered a state information resource. The system is composed of several key components. First, automation of customs operations, namely the VAIS system. The second component is the provision of electronic document circulation. At present, the State Customs Committee has implemented a unified clerical system. Through this system, all document circulation within the SCC is set up on full without paper technology. That is, inside the document circulation, paper is not used. It should be noted that the Electronic Signature has already been applied in the Customs Committee for the last 5 years, as a result of this the documents are compiled by customs officers and certified by electronic signatures by foreign trade participants, thus giving a legal status to electronic document . This system is already working, it also gives its results and can be used as an essential factor in electronic document circulation. The third component is staffing program. A database of all customs officers has been created, a complete database has been created, and all personnel issues are automated. That is, all reports are received through this system. The fourth is a technical resource management system. This is a very complicated task, and in order to manage technical resources in all customs authorities, such a system needs to be created, and as a result, technical resources in the entire customs system are managed through this program.

The State Customs Committee has created the VAIS system as mentioned above five years ago and is used in 14 other public bodies in connection with the issuance of permits for the import and export of goods and vehicles. In other words, the procedures for issuing certificates, licenses and permits of 14 government agencies have been established or integrated into our system. If it is possible to say, all the procedures related to the customs of the other public bodies are based on the SCC's VAIS system. These institutions include certificates issued by the Ministry of Agriculture and Health, certificates of the State Agency for Standardization, Metrology and Patents, permission documents of the Ministry of Internal Affairs and its IAMAS system, State Border Service, Ministry of Transport permit forms, information on Central Bank's exchange rate, The database on the permit labels of the Central Laboratory, the Ministry of Emergency Situations of the ION and the Radioactive Materials Institute and other similar institutions has been integrated into the SCS system. It should be noted that everyone who has received an electronic signature card from the National Center for Certification Services of the Ministry of Communications and High Technologies has the opportunity to use electronic customs services within the framework of their e-government portal.

According to Article 16 of the Customs Code of the Republic of Azerbaijan, the information provided by the state authorities, legal entities and individuals to the customs authorities may be used exclusively for customs purposes. Customs officials may not disclose secrets protected by law, confidential information, or use for personal purposes. These secrets and confidential information are provided to third parties only in the cases and in the manner prescribed by law. Additional measures are being taken to implement this requirement of the Customs Code during the integration of services into a single portal.

In accordance with the requirements of the Decree of 12 November 2008 of the President of the Republic of Azerbaijan "On the application of the principle of "one Window" for the inspection of goods and means of transport crossing the state border checkpoints of the Republic of Azerbaijan" , in 2009 a single automated system of customs services electronic control system has been developed for the verification of the goods and means of transportation from the initial stage of the state border checkpoints and delivery to customs offices of destination, and industrial operation in all customs bodies of the system. In 2008, the first version of the "Customs Clearance and Control Automation System" (CCCAS), and a new version of the CCCAS and GMO software was launched in 2010. In 2011, CCCAS and GMO systems were upgraded and their integration into the UAIS was ensured. As a result, customs clearance and customs control of goods and means of transport crossing the border were possible to carry out as a single system. A new version of the automated system of customs clearance and control, which is implemented in the customs authorities in 2011, is based on Web technologies, which allows declaring goods and means of transport from distance . In 2016, UAIS's customs clearance and control subsystem (UAIS-GB) has been revised based on paperless technology, ensuring information exchange, technological processes and payments based on paperless technology.

In 2011, Target Center was set up to prevent trafficking of goods and vehicles across the border and across the country via GPS, smuggling and customs violations. Video surveillance of all border crossing points is carried out with cameras connected to the center. In 2006, have been prepared, through mobile phone sending to VAIS of the system of initial information about goods and vehicles which will be crossed from border by foreign trade participants , to provide more comfortable transport. To ensure transparency and prevent corruption, a subsystem of customs duties has been developed and put into operation in the border-customs bodies and exchanged information with relevant post offices. "UAIS-offline" subsystem has been developed and applied at all border checkpoints to prevent leakage and loss of data due to possible errors in the corporate network. It should be noted that in order to control the goods transported by motor roads, the Border Crossing Time Measurement (BCTM) project was implemented at all customs checkpoints of the Republic of Azerbaijan, and UAIS was adapted to this system. The application of the project prepared on the basis of the methodology set out in the World Customs Organization's Guidelines for the Measurement of Goods, allows the determination of the time elapsed between the transit of goods and means of transport through the border crossing, transit and crossing. Based on the analysis of the collected statistical data, better quality control of the border crossing of goods and vehicles is ensured.

Thus, taking into account the present situation of the customs service and tendencies of its development, the main directions of improving the information provision of the customs system in the Republic of Azerbaijan can be summarized as follows:

1. studying modern problems and development trends of the customs system,

2. studying the place, role and evolution of information support in the customs system,

3. Systematic transitions in the analysis of legislative and legal bases of information support, management functions and duties in the customs system, information flows and hierarchies,

4. information support macro- and micro-product development in the customs system,

5. Development of the methodology for the establishment of an automated information system,

6. development of information and customs administration technology,

7. Creation of effective automated work places for customs officers,

8. Development of bases for information support of single customs systems.

By implementing the above-mentioned tasks it is possible to make the information system developed for the customs authorities even better. With regard to the security of information systems, information security at the SCC has been set up in line with the requirements for information protection in state bodies of the Republic of Azerbaijan. In the information system modern protective software and technical means have been applied. In addition, access to information resources is made only by electronic signature.

A lot of innovations have been made in the customs system of our country in order to facilitate trade, accelerate the process of import and export of goods and vehicles. As a result, the number of electronic services provided by the Customs Committee has been increased to 13. These services are available through the official website of the State Customs Committee and the Electronic Government Portal (e-gov.az). As a result of the increase and development of e-services, have been decreased large amounts of time and money are spent on the import and export process. Also through these services, foreign trade participants can directly manage the process of crossing goods through their offices without going to the station.

As noted, the customs system provides 13 types of electronic services. These types of services are as follows:

- **Obtaining information about the Electronic Customs Declaration** - By means of this service, the declarant may obtain information about the declaration submitted to the Customs Authorities (in which inspection phase). Also, through this service, individuals and legal entities may receive electronic information on tariff classification of goods and customs payments applicable to those goods.

- **An application for obtain a certificate of exemption from export-import tax** - In cases specified by international agreements to which the Republic of Azerbaijan is a party, the parties involved in the production sharing agreement have the right to obtain a certificate confirming exemption from tax and duty on import-export operations. Committee, and receive a certificate if the appeal is substantiated. The appeal is investigated and, if necessary, a certificate of exemption from export-import tax is sent to the person's e-mail address, otherwise a letter of rejection with reason is sent to the person's e-mail address.

- **Providing information on goods registered at customs border checkpoints** - Foreign trade participants obtain information on goods registered on their behalf at the border customs points, but whose registration is not completed.

- **Reception of electronic customs declaration on customs clearance of goods and means of transport, online monitoring of customs clearance process** - Through this service, individuals submit their declarations to the customs authorities in electronic form for the goods they carry through the customs border of the Republic of Azerbaijan. The information contained in the Declaration and the documents attached thereto is checked interactively and the user is informed about the outcome. As a result of the use of electronic services, individuals carry out customs clearance of export and import, as well as the transit of goods and inform them about the results of the formalization. The User may submit an electronic signature certified by an electronic signature of an officer of a customs body to any organization, including its clients. In this case, the electronic document is equal to the document in the paper carrier and has the same legal effect.

- **Online monitoring of applicants ' requests and letters to the State Customs Committee by the applicants** - The person applying to the State Customs Committee electronically is informed about the receipt of the application and the registration number of the application. Applications applying with written letter to the Committee may obtain this information by contacting the Committee's Call Center, who will be able to obtain information on the request and the execution of the letter and the execution status of the registration number at any time by the persons who, at any time, receive information about the requests and letters executed and their execution status electronically.

- **Acceptance of electronic Passenger Declaration of goods and means of transport transported by physical persons by the customs border of the Republic of Azerbaijan** - Through this service, individuals submit to the customs authorities online information on goods and vehicles they carry to the Republic of Azerbaijan, as well as currency valuables. This service allows you to avoid delays in border crossing. As a result of using the service, individuals acquire customs declaration.

- **Carry out customs duties related to procedures and operations of the customs** - This service provides to pay customs duties related to operations of the customs for electronic payments by legal entities and natural people, using modern payment mechanisms. As a result of the service, the funds are transferred from the cardholder's bank account to the budget account in the relevant Treasury. In each real-time operation, information is transmitted electronically to the Committee.

- **Receiving the identification number of customs payments** - Using the service "e-GÖÖEN" individuals who do not have a taxpayer can obtain a taxpayer identification number for carrying out customs operations. Electronic signatures, easy signatures, or any password procedures are not required to use the service, you just need to perform some essential operations.

- **Looking for a description of the goods in the name of the goods** - Through this service, you can obtain a 10-digit code for goods description and commodity nomenclature of foreign economic activity. Also, it is possible to obtain information on the customs fees applied after determining the goods code

- **Providing information on goods nomenclature and applicable customs payments for goods and means of transport** - Through this service, individuals and legal entities may receive electronic information on tariff classification of goods and customs payments applicable to goods in accordance with the nomenclature of foreign economic activity. As a result of using the service, individuals and legal entities receive information on the tariff classification of goods and customs payments applicable to those goods in accordance with the nomenclature of foreign economic activity.

-**Calculation of customs duties for imports of transport** - This service is used by importers. These people can determine beforehand the amount of duties they will pay by using this service before arriving at the border crossing point.

- **Copies of required documents for officialization** - It is possible to provide copies of additional documents required for customs clearance of goods and vehicles through this service in electronic form to customs authorities.

- **Providing statistical information on import-export operations carried out by foreign economic activity participants** - Through this service, foreign economic activity participants can obtain statistical information on import transactions performed by electronic means. As a result of the use of the service, physical and legal persons are provided with statistical information on import transactions receive information.

**Electronic Government Portal** - this electronic service has been widely spread recently. Through this portal, users have access to Community Payments, Various Duties, Penalties, Insurance, Credit, etc. may electronically make payments. There is also a process of electronic payment of customs payments via the Electronic Government Portal. The main advantage of this portal is to place payments quickly in the system. At the time of payment of duties by other means, the relevant payments were placed in the system at a later date, which led to delays in border checkpoints. However, these delays were eliminated after the launch of the portal.

In addition to the above-mentioned electronic services, many enlightenment activities have been undertaken to facilitate the work of foreign trade participants. Preparing enlightenment videos and presentations about new decisions on customs issues are posted on the internet and YouTube page of the customs committee. Relevant videos are strictly prevented from making mistakes that can be avoided by foreign trade participants. Foreign trade participants will be able to carry out their duties better by using these videos and presentations, and will save time spent on expenses.

**The Factors adversely affected on cost and time of crossing the border.**

There are some factors that increase the time and costs spent to customs operations in importing and exporting operations of the goods at border checkpoints. This, in turn, has a negative impact on trading operations. As Examples, We can show the application of 7 steps advalorem duties at customs checkpoints in advance recent reforms. Application of 7 steps advalor fees creates difficulties in determining the level of duty applicable to the goods. As a result, the relevant process will result in more loss of time. It also happen the evasion situations from payment of customs duties. At the same time, some problems create when determining the customs value of goods in border checkpoints. These problems are the occurrence of certain difficulties in obtaining the information needed to determine the customs value of commodities. Because there is not enough resources to get accurate information.

Rates of customs duties on import and export operations in the Republic of Azerbaijan have been found reflected in the Decision of the Cabinet of Ministers of the Republic of Azerbaijan dated November 17, 2017 “On Approval of the Commodity Nomenclature of Foreign Economic Activity of the Republic of Azerbaijan, Rates of Import Customs Duties and Rates of Export Customs Duties”. That decision came into force on January 1, 2018.

 Import and export customs duties of the Azerbaijan Republic are regulated by this decision. In the previous periods, ad valorem customs duties were applied to the 7-steps (0%, 0.5%, 1%, 3%, 5%, 10%, 15%). According to the amendments, the system was simplified and the application of the 3-steps ad valorem customs duties was started. The main purpose of the application of 3-steps ad valorem customs duties is to eliminate shortcomings in the 7-step duties. There were more cases of customs evasion in 7-steps customs duties. But the new system has prevented these situations. Also, the application of 7-steps ad valorem customs duties to goods and vehicles during import-export operations was a complex process and created some difficulties. Since the difference in duty rates in the 7-steps system was small, the establishment of the appropriate level of goods was a complicated process and, therefore, the importers or exporters of commodities were easily able to evade paying their taxes properly. However, the 3-steps (0%; 5%; 15%) advalor the application of customs duties facilitated this process. As a result, the application of this system facilitated the process of determining the appropriate rate of duty for the goods by the customs authorities and prevented created situations of the evasion in the previous system. Also, the 3-level system was built on the principle of escalation of custom tariffs.

Tariff escalation means an increase in the level of customs taxation applied to them as commodity processing levels increase. The higher the rate of duty when rising from the raw material to the finished product, the higher the level of defense against finished product producers’ external competition.

T 1 & lt; t 2 & lt; t 3 – the structure of import duties based on tariff escalation principle

Here’s an example:

1st stage of processing – 2503 00 100 0 raw sulfur 0%

2nd stage of processing – 3601 00 000 9 gunpowder 5%

3rd stage of processing – 3604 10 000 0 fireworks 15%

Rules of exchange of information on import, export and transit of goods and means of transport crossing the customs border with customs and other competent state bodies of other countries, approved by Decree № 95 of the Cabinet of Ministers of the Republic of Azerbaijan dated May 7, 2012 .

Exchange of information about goods and means of transport crossing the customs border is carried out between Azerbaijan and Russia, Georgia, Ukraine, Turkey, Iran and GUAM countries. But the exchange of information is carried out in a more intensive and developed format between Russia and Azerbaijan. The Protocol on Mutual Recognition of the Results of Customs Control over Specific Goods has also been signed between these countries. Information on goods and vehicles transported between the countries by customs authorities shall be included in the relevant protocol. Information about imported and exported goods, vehicles is compared to verify the accuracy of information provided by both countries. Customs authorities carry out exchange of information on import, export and transit of goods and means of transport crossing the customs border in accordance with relevant international agreements with customs and other competent state authorities of other countries. The main purpose of this decision is to:

- Customs authorities are responsible for risk reduction,

- ensuring the security of the international trade-supply chain,

- protection of economic interests,

- development of foreign and mutual trade relations,

- Creating conditions for facilitating foreign trade.

Exchange of information between other countries According to Article 1.2 of the decision of the Cabinet of Ministers of the Republic of Azerbaijan “On the exchange of information on import, exit and transit of goods and means of transport crossing the customs border with customs and other competent state authorities of other countries" are carried out following directions:

- investigation, judicial or administrative investigation of a case related to violation of customs legislation;

- Carrying out inspections by customs or other competent authorities;

- The need to approve or refute the information contained in the submitted documents;

- Carrying out inspections related to import, export, transit and declaration of goods;

- Reducing the time spent on entry and exit of goods and means of transport into the customs territory and ensuring a fast passage through the customs border.

According to Article 113.1 of the Customs Code of the Republic of Azerbaijan and basically the Law of the Republic of Azerbaijan "On Amendments to the Customs Code of the Republic of Azerbaijan" dated December 28, 2018, 1431-VQD, from February 1, 2019, except for the cases, which are not intended for commercial purposes, to the customs authorities before the goods are delivered to the customs territory of the Republic of Azerbaijan, a short electronic import declaration. Request of the short import declaration have several main aims. Customs authorities include information ,which collecting from the short import declaration, to the Automated Risk Management and Auditing System (ARAMS). The system groups vehicles and goods by four types of corridors based on the Risk Management System. Also, the customs authorities set up their plans for work and inspections through a short import declaration. As a result, the check of goods and vehicles at frontier checkpoints is carried out faster.

Failure to submit a short import declaration will cause the declarant's administrative responsibility. Notwithstanding the administrative liability for non-submission of a declaration, it does not prevent customs clearance and release of goods. According to the proposed draft law, the short import declaration does not provide for electronic delivery of goods before the goods are imported into the customs territory under Article 485 of the Code of Administrative Offenses and the failure to provide information to the relevant executive authority (when bringing or carrying out the vehicles or issuing distorted information or not giving a short import declaration), officials will be fined AZN 1,000, legal entities - 1500 manats. Appropriate penalties are not fiscal. The main objective is that foreign trade participants fulfill the appropriate requirements . Despite the demand for a short-term import declaration were accepted at the previous time, the relevant request was not met. However, cases of non-compliance with the application of administrative penalties have decreased dramatically. If the short import declaration is not submitted by the importer electronically before the goods are imported into the customs territory, the subsequent process shall consist of two parts. The first part is carried out at the customs border post. The vehicle is registered and is forwarded to TAM (Trade Facilitation Centers). In the Trade Facilitation Center a customs declaration is drawn up. Customs control is followed by:

- checking of documents;

- inspection of goods and vehicles;

- Application of technical controls.

Customs clearance is carried out after the customs control process. The declarant shall pay the fees. Finally, penalties are imposed.

**The Ways to facilitated trade and maintained efficiency of customs control**

It is a high assessment given by the international community to the policy of complex economic reform, which is being promoted in the prestigious world rankings of the Republic of Azerbaijan.

On Approval of the Action Plan on Implementation of the Order of 21st of July, 2016 "On Additional Measures to Increase the Applicability of Business Environment in the Republic of Azerbaijan and Further Improvement of Our Position in International Ratings" of the President of the Republic of Azerbaijan dated June 2, 2017 yearly, 2947, and economic reforms carried out within the framework of the Decree No.1138 of the President of the Republic of Azerbaijan of December 6, 2016 "On Approval of Strategic Roadmap for Major Sectors of the National Economy and Economy", our country's position in the international reports has led to the rise.

It should be noted that the complex economic reforms carried out in Azerbaijan, along with other influential international ratings, covered all the indicators of the Doing Business 2019 report. As a result, over the past year and the first 4 months of this year, more than 70 reform measures have been implemented and submitted to Doing Business for up to 30 normative legal acts. At the same time, reports of Doing Business in 2014-2019 included optimization of internal customs procedures, introduction of electronic customs declaration system, simplification and electronicization of customs procedures, as well as "green" corridor ", and noted that these reforms played an important role in simplifying and accelerating international trade processes. According to the report, the data on the " Trading Across Borders " Indicator includes information on documentary operations, border operations and foreign exchange participants, customs brokers, port administrators, etc., of the time and costs spent during the domestic carriage based on surveys conducted through individuals. The above-mentioned data has been prepared on the basis of certain standards for commodities and operations to establish comparable quantities of economies of the countries, and, in turn, the customs authorities are making reforms to change these indicators to more positive trends in the near future.

Further improvement of the principle of "One-Window" for the inspection of goods and vehicles within the execution of Order No. 1853 of the President of the Republic of Azerbaijan dated March 4, 2016 "On Additional Measures to Continuous Reforms in the Customs System", further improvement of import-export operations in trade- simplification of customs clearance, compliance with international standards in all directions, continuation of work on improvement of the normative legal base, simplification of trade, acceleration of trade turnover from customs border, creation of favorable conditions for entrepreneurship development and business environment formation in the country. The results of these events are expected to reflect higher business performance indicators in the stages of the next Doing Business report. In order to ensure the fast passage of goods and vehicles through customs border crossings, bilateral information exchange is being carried out in bilateral format with Turkey, Georgia, Iran, Russia, Kazakhstan, Uzbekistan and a number of countries. Despite the application of the electronic declaration system in the "Doing Business 2019" report, the Border and Documentation process and related costs remain unchanged, and each time a customs broker is needed during import and export operations. This is mentioned as a problematic factor. In this regard, it is possible to say that the introduction of a pre-emptive system based on the short import / export declaration and the risk management based on the processing of these data, as well as the improvement of the institute of customs representative and mandatory decision-making, will increase import / exporter satisfaction in the following years, is expected to result in significant improvements.

It is considered reasonable to implement the following proposals in order to ensure that the main components of the "Trading Across Borders" indicator, the documentary operations, border operations and the results of domestic transit, time, expense and time and expense factors are:

Time factor analysis and planned targets:

- It is advisable to set up an “Electronic queue system “ to regulate the passage of vehicles from the customs border checkpoints. The main purpose of this system is to eliminate density in the border crossing points. It also aims to create opportunities for foreign trade participants to save time by ensuring operational efficiency in customs procedures. "Electronic queue system" will save time on border checkpoints, as well as increase the number of customs services and facilitate appropriate procedures.

-Implementation of construction and reconstruction works of major road junctions used in transit corridors through the territory of the country will enable the "Doing Business" report to achieve positive results on the "internal transshipment" component of the Trade Mark on the " Trading Across Borders" indicator; and will be delivered to the destination points without being subject to loss. Construction and restoration works will have an impact on the more effective management of international transit flows across the country. This can be illustrated by a reduction of 2 (two) times the time spent for transporting the Baku-Astara road in 2017 and adapting to the modern infrastructure.

- Implementation of the process of electronicization of customs payments in general should be one of the priorities of the Customs authorities. Electronic payment of customs payments will allow the foreign trade participants to properly plan their business plans and conduct healthy analysis in accordance with their field of activity. Thus, in the current situation the customs duty is paid to the customs body only through the bank, post or plastic card. Wide dissemination of information and communication technologies services in the world practice and being part of the globalization process create favorable conditions for secure and real-time operation of electronic commerce transactions. In this regard, ensuring the possibility of making customs payments via e-portals will prevent additional costs and interest payments for entrepreneurs.

- Facilitating the process of paying the road tax and systematizing the rate calculation mechanism will play an important role in preventing the loss of time spent on the payment of this tax. Thus, non-residents, who are owners of motor vehicles of foreign states, were subject to road tax when entering and leaving the territory of the Republic of Azerbaijan. The fact that this process consists of two separate processes will cause longer time and density in border crossing points. However, payment of the Road tax by appropriate payment terminals installed throughout the country will be important in eliminating density and saving time at the border crossing point.

- Getting information about the current status of the imported or exported goods to the foreign trade participants through on personal cabinet the electronic customs service allows real time calculations. The further improvement of the system, which allows the tracking of actions taken from the time of entry into the customs border checkpoint through the personal cabinet, was included in the targets. As a result of this improvement, foreign traders will get more detailed information about the current status of the commodity chain and will immediately be notified of any suspension that may occur in the chain. Improvement of this system, in turn, will allow for more detailed and accurate answers provided by respondents during surveys.

Expenditure analysis and planned targets:

- Foreign trade participants are provided customized services related to filling in customs declarations, as well as organizing trainings for them, providing detailed and complete information to the public via video and advertising, correcting customs clearance and minimizing the possibility of mistakes during formalization will affect. Practical explanation of the electronic customs declaration, video tutorials, and holding seminars will also serve to create a favorable business environment for entrepreneurs and further stimulate foreign trade operations. Thus, explaining the filling and submission of customs declarations through instructional or video formats at each stage will minimize the dependence on customs representation services, while eliminating additional costs for those entrepreneurs. Foreign trade participants will have the opportunity to complete the submission of the declaration free of charge by using these instructions or video clips.

- A support group of competent staff of the Committee should be established to correctly fill out the "Survey" questionnaire "Doing Business" by respondents (business entities, carriers and customs representatives), respond promptly to questions that may arise and generally objectively approach those in this area . This will also provide answers to questions that may arise, and will promptly clarify the points in areas where the business sector is facing difficulties and prevent misleading information. It will also benefit from more accurate results in the next calculation of the indicators

-Continuous meetings should be organized with the representatives of international consulting and law enforcement organizations operating in the Republic of Azerbaijan, as well as respondents in the World Bank surveys on Doing Business reports. Consultations with them should be conducted. Conducting awareness-raising activities and regular submission of extensive information on the impacts on the components on the indicators will have a positive impact on the further improvement of our country's position in the international rankings.

Thus, in order to achieve more successful results in the Doing Business rating, it is necessary to implement the above-mentioned measures in a complex manner. In this regard, the issue of support by other state agencies in the direction of implementation of the measures is important.

**Conclusion and suggestions**

Based on my researches and explorations on the Diploma I have come to the following conclusions. In general, works on trade facilitation plays a major role in establishing economic and trade relations between countries. For this reason, many agreements have been signed by international organizations and individual associations. In modern times, the growing demand for people and limited resources directs the attention of the international organizations and countries to increasing the effectiveness of relevant processes in operations of the production and sale of products. One of the factors that are directly related to trade facilitation and has a major role is customs services. According to the Doing Business 2019 Report, almost many countries have recently implemented reforms in the customs area. Majority of these reforms have been successful. The main purpose of these reformers is to reduce the costs, time and risks that may occur during customs operations. Also, the high rates of customs duties imposed on customs authorities have a negative impact on trade operations and is reason an increase evasion situations at the payment of fees. Therefore, the current situation of the trading environment should be taken into consideration when determining customs duties. The rates applicable to the import and export of goods between the European Union member countries are minimal or equal to 0. This has led to the development of trade relations among member states. As I mentioned in the diploma work, many reforms have been carried out in Azerbaijan in recent years. The complex economic reforms carried out in Azerbaijan, cover all the indicators of the Doing Business 2019 report and other influential international ratings. As a result, over the past year and the first 4 months of this year, over same report 30 normative legal acts and more than 70 reform measures have been implemented and submitted to Doing Business for register. Luck reforms led by the President of Azerbaijan, in turn, permitted Azerbaijan to sign a new record in the overall rating of Doing Business 2019, and to rise to a higher level of position on most indicators. So, in the Doing Business 2019 report released by the World Bank on October 31, 2018, Azerbaijan was included in the list of the 10 most reforming countries in the world and became the most reforming country in the world. In the new report, Azerbaijan's position moved up to 32 positions in 2017 and ranks 25th out of 190 countries, leaving behind many countries in the world and is leading positions among the Commonwealth of Independent States. As a result of all these reforms, customs operations have been simplified, which, in turn, have been reason to decrease several times the amount of time and costs spent on customs procedures. As you know, business environment is studied and explored before establishing business in the country or investing to any country. One of the key factors in the business environment is the level of development of customs services. That`s why, work on simplification and transparency of customs services must continued. Also, the recently launched to use information exchange system should be developed and must increase the number of countries who with exchange process carry out. According to the Rules, when Business Reports are be preparing, foreign trade participants of each country are be using as data sources. Survey sending by them is one of the major sources of the resource which are used during the country's assessment. In order to correctly answer and understand the questionnaire, it should are created communication between representatives of customs bodies and foreign trade participants. The establishment of this relationship should be simple. My suggestion is that, as in the tax field, telephone line must are created function in the Customs field so that users can easily contact the customs authorities through this line whenever problems or questions arise. In recent years, video clips and presentations about the new procedures used as a result of some changes and reforms have been prepared and posted on the official website of the Customs Committee and YouTube. This enlightenment step has resulted in a great positive impact that foreign trade participants will better understand these changes and reforms and will not face any problems when applying those procedures. It is advisable to continue the enlightenment steps and prepare video roles and presentations that are relevant to each new change and reform process. The number of documents required for import and export operations has a great impact on the simplification of these operations. After the last changes, the number of documents required during the import operations at the customs border checkpoints of the Republic of Azerbaijan was reduced to 5(Contract with supplier, Certificate of origin, Commercial invoice, Customs Import Declaration, CMR waybill) and the number of documents required for export operations was reduced to 6(Certificate of origin, CMR waybill, Phytosanitary certificate, Customs Export Declaration, Contract, Commercial invoice). This led to a reduction in the time and cost of paperwork during import and export operations. The continuation of the reforms will further increase the level of Azerbaijan in international ratings. This will attract investors and international companies. It also contributes to the development of foreign, domestic business and trade relations in Azerbaijan.

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