Concept of the new Customs Code of Ukraine

Following the adoption of the Customs Code of Ukraine in March 2012, the issue of the need for its modernization and improvement was discussed repeatedly, but the comprehensive solution to these issues hasn’t been achieved.

Today, the key issues in the field of customs affairs are the complexity and excessive bureaucracy of processes, the vulnerability of procedures to corruption for customs control and clearance, the lack of a balance between the security function and services provided to taxpayers (in particular, by simplified customs procedures), the technological backwardness of the customs infrastructure, lack of progress in improving customs IT system. Insufficient measures to automate customs procedures, the impact minimization of the "human factor", excluding of unauthorized interference, impossibility of introducing a better world experience, lack of funding, restrict the processes of introducing simplified trade procedures and ensure compliance with the law, adversely affect the work of legal business.

By ratifying the Association Agreement between Ukraine and the EU, Ukraine has received an instrument and a guide for implementing system reforms. The reform of the state customs affairs and integration into the EU customs union are identified as one of the most priority areas.

In the context of changes in legislation, there is a need to review the processes affecting the implementation of customs procedures.

In particular, this relates the unification of decision-making, the automation of customs formalities, the introduction of simplified declarations, the decision making to issue goods to the customs regime with the use of simplified customs procedures. It is also necessary to provide a one-time and easy provision of information by business entity to the customs authority by electronic means and its use by all participants in the supply chain.

It should be noted that the evolution of the Customs Codes in Ukraine took place with a tendency to increase the detail of customs legal relations at the Code level. Despite the relatively recent adoption of the Customs Code of Ukraine (2012) (further referred to as CCU), it lags far behind international customs standards, advanced technologies and practices. At the same time, in conditions where international trade is rapidly changing and international customs standards are constantly being improved, the excessive elaboration of most of the customs issues at the Code level does not in any way contribute to reforms and rapid adaptation.

This is the main disadvantage of the current CCU, the introduction of changes, as the practice of the last 5 years shows, is a complex and long-term process, which in
the Ukrainian realities is mainly politicized. At the same time, it should be noted that most of the issues regulated at the Code level are not political but, on the contrary, are of a purely technological and procedural nature.

For example, the Ukrainian Classification of Goods of Foreign Economic Activity (UCG FEA) is composed on the basis of the International Harmonized System for the Description and Coding of Goods and is approved by the Law on the Customs Tariff of Ukraine. Transferring the essence of the technical issue to the level of the Law leads to the fact that Ukraine is constantly lagging behind in updating the product nomenclature for 2-3 years. While the world has long used the Harmonized System version 2017, Ukraine is "stuck" in the version of 2012. For comparison in Georgia, the regulation of this issue is within the competence of the Minister of Finance, who approves the product nomenclature by his order.

Thus, the adoption of the New Customs Code (further referred to as NCC) is aimed not only at modernizing the "customs constitution" of Ukraine in accordance with the most modern international customs standards and taking into account Ukraine's customs obligations under the Association Agreement between Ukraine and the EU, but also simplify and rationalize the customs legislation, "remove" excessive detail at the level of the law on technological and procedural issues that should not depend on the political will of the parliament.

The NCC must first of all ensure the regulation of the basic institutions, principles and approaches aimed at full digitalization of customs processes, the transition to a paperless electronic customs environment, the introduction of a system of customs simplifications, the building of customs-business relations on the principles of trust and cooperation.

And more flexible legal regulation at the subordinate level should promptly respond to information, technological and procedural changes in the customs sphere and expand the possibilities for their rapid implementation in the general trend of a large-scale transition to e-communications and the introduction of a comprehensive system of customs simplifications for reliable and integrity enterprises.

Today, international trade has become a truly global phenomenon, and the requirement to improve the efficiency and safety of supply chains is constantly increasing. Therefore, on the one hand, the customs have the task of facilitating international trade for economic operators that meet the criteria of integrity, and on the other hand, the customs have the task of strengthening security and protecting national economic interests.
At the legislative level, the NCC should regulate the basic challenges and tasks in the customs field: simplifying and facilitating trade, reducing costs for business, modernizing customs processes, and ensuring electronic communication between stakeholders. The NCC should provide a framework for a modern system of customs-to-business relations.

From the point of view of the needs and benefits for the legal business environment, the key principles of the NCC should be: simplification, service and speed. All customs decisions and customs procedures should be rational and maximally adjusted, aimed at reducing administrative costs and repetitive actions for the integrity of business, operational by means of automation and transfer of processes into an electronic paperless form.

The NCC must contain provisions (including transitions) that will ensure the clear and gradual introduction of IT solutions for all without exclusion of customs processes. Transitional provisions should contain specific deadlines for the implementation of certain IT solutions, online services, etc. At the same time, procedures based on paper form only apply to the introduction of information technology and / or the moment of failure of the IT system.

Taking into account the above-mentioned approach that the procedural issues of customs regulation should be passed to the level of subordinate regulatory legal acts (resolutions of the Cabinet of Ministers of Ukraine, orders of the Ministry of Finance of Ukraine and the State Customs Service), the following conditional structure of the NCC is proposed:

1. General terms and conditions.
2. Structure and organization of customs authorities.
3. Information on customs matters.
4. Moving and passing goods through the customs border.
5. Customs formalities for different types of transport.
6. International postal and express deliveries.
7. Organization and implementation of customs control.
9. Customs regimes (procedures).
10. Authorized economic operator.
12. Customs value.
13. Classification of goods.
15. Customs payments. Exemption from payment of customs duties.
16. Customs duty.
17. Guarantees.
18. Passage and taxation of goods moved by citizens.
19. Protection of intellectual property rights.

Below is a review of the key institutes and sections of the NCC.

**Declaration Customs clearance.**

Goods declaration procedures should be upgraded and clearly arranged, in particular, providing that customs declarations are filed exclusively in electronic form. It is also necessary to introduce a short import and simplified declaration, as well as the possibility of submitting a customs declaration in the form of a record in the accounting system of the declarant.

The basic elements of the customs clearance system that should be regulated by the NCC should be the automated system of customs clearance, as well as the separation of the place of submission of the customs declaration from the place of physical presence of goods, namely the introduction of centralized customs clearance.

**Preliminary Customs Declaration**

Extend the functional of the application of the preliminary customs declaration (hereinafter - the PD), in particular, by defining such cases of its application:

1. Importation of goods into the customs territory of Ukraine for the PD and ensuring its delivery to the body of revenues and appointment fees; or

2. Issue of goods in accordance with the declared customs regime for the PD after passing through the customs border of Ukraine and without its presentation to customs, which is issued such PD; or
3. Release of goods in accordance with the declared customs regime for the PD after passing through the customs border of Ukraine, delivery to customs, which issued such a PD and presentation it to such a customs; or

4. Release of goods in accordance with the declared customs regime according to the PD after its entry into the customs territory of Ukraine through the point of entry through the customs border of Ukraine in the customs area, which issued such a PD, and the presentation of the customs at such a checkpoint across the state border of Ukraine or the corresponding control point.

Customs formalities according to PD, in addition to completing customs clearance and those that can be carried out only after presentation of customs goods, are carried out prior to import of goods into the customs territory of Ukraine with the use of an automated system of customs clearance.

The decision on the release of goods in accordance with the declared customs regime for the PD shall be taken by the customs office, which issued such PD, based on the results of the analysis of risks in the term not more than four working hours from the moment: the passage of goods through the customs border of Ukraine (in the case provided for in paragraph 2); presentation of goods of the customs, which is issued such a PD (in the cases provided for in paragraphs 3 and 4).

**Advantages:** determining the cases of use of the preliminary declaration, not only the document for controlling the delivery of goods, but also as a full customs declaration, on which the issue of goods in the declared customs regime. This will reduce the time and cost of business for moving and customs clearance of goods.

**Summary Import Declaration**

It is proposed to specify that goods imported into the customs territory of Ukraine shall be accompanied by a Summary Import Declaration.

Upon the arrival of goods into the customs territory of Ukraine, a Summary Import Declaration is submitted to the customs office, in the area of which the checkpoint is located across the state border of Ukraine, through which goods for the first time will cross the customs border of Ukraine.

In cases determined by the Cabinet of Ministers of Ukraine, the Summary Import Declaration may be submitted to another customs office than indicated above.

In this case, the Summary Import Declaration shall be submitted to the customs office by the carrier moving the goods or by another person acting on behalf of such carrier.
The Summary Import Declaration

is submitted in the form of an electronic certificate certified by an electronic digital signature, or through the interface for the submission of such a declaration, located on the official website of the State Customs Service.

In cases determined by the Cabinet of Ministers of Ukraine, commercial ports or transport information systems may be used to submit a Summary Import Declaration, provided such systems support the transfer of Summary Import Declarations to the customs.

The Summary Import Declaration is registered by the automated system of customs clearance in the automatic mode after its receipt. A registration number assigned to the Summary Import Declaration is sent to the person who submitted such a declaration by an automated system of customs clearance in an automatic mode.

The form of a Summary Import Declaration and a list of information which is entered into it depending on the means and method of movement of goods across the customs border of Ukraine is developed taking into account the requirements of EU customs legislation and approved by the Cabinet of Ministers of Ukraine.

By written request, the information specified in the Summary Import Declaration may be amended, except in cases where:

1) the customs authorities have been informed of the intention to carry out customs formalities related to the physical inspection of goods;

2) the customs authorities established the unreliability of the information specified in the short import declaration;

3) the goods have already been presented to the customs.

According to the Summary Import Declaration, the customs authorities carry out risk analysis, mainly for the purpose of implementing measures to protect national security, life and health of people, animals, plants, the environment, consumers' interests, and ensure the implementation of customs formalities determined by the results of such an analysis, upon arrival of goods at the first checkpoint across the state border of Ukraine.

In case of determination by the results of the analysis of the risks of the necessity of performing customs formalities, the customs shall promptly notify such customs formalities to the person, but not earlier than when the goods arrive at the first checkpoint through the state border of Ukraine.

If the goods specified in the Summary Import Declaration are not imported into the customs territory of Ukraine within 200 days from the date of its registration, such
declaration shall be considered invalid by the automated system of customs clearance in the automatic mode.

The absence at the moment of customs formalities at the point of entry through the state border of Ukraine of a Summary Import Declaration for such goods is the reason for the refusal of the passage of goods through the customs border of Ukraine.

Depending on the means and methods of moving goods across the customs border of Ukraine, the Summary Import Declaration is filed with the following terms:

1) in cases of transportation of goods by sea, river vehicle:
   a) in the case of transportation of goods in containers - not later than 24 hours prior to loading of the container on a vessel;
   b) in case of transportation of goods without the use of containers (bulk, bulk goods, etc.) - not later than four hours before the arrival of goods at the first checkpoint in the customs territory of Ukraine;

2) in cases of transportation of goods by air:
   a) for carriage for a period of four hours or more - not later than four hours before arrival of goods at the first checkpoint in the customs territory of Ukraine;
   b) for transportation of less than four hours - no later than the moment of departure of the aircraft;

3) in cases of transportation of goods by a railway vehicle - not later than two hours before the arrival of goods at the first checkpoint in the customs territory of Ukraine;

4) in cases of carriage of goods by road vehicle - not later than one hour before the arrival of goods at the first checkpoint in the customs territory of Ukraine.

Advantages: A Summary Import Declaration is a reliable and efficient mechanism for obtaining prior information about the goods by the customs authorities at the time of its arrival, which allows for the analysis of the risks of a particular operation, primarily in order to ensure customs security. A clear regulation of the terms of a short import declaration, automation of the process of its processing will avoid delays at checkpoints.

Simplified customs declaration

A simplified customs declaration contains a reduced amount of information in comparison to the customs declaration completed in the usual manner, which is sufficient for the identification of the goods.
Along with the simplified customs declaration only an invoice or other document determining the value of the goods, is given to the customs.

The simplified customs declaration is used to declare and release of goods to the declared customs regime, the declarant of which is an authorized economic operator, who has been granted permission to use a special simplified declaration procedure.

An obligatory condition for obtaining a permit for using a special simplified declaration procedure is the existence of authorized economic operator's permits for the use of special simplifications by the general financial guarantee and the release procedure at the location.

Customs clearance of a simplified customs declaration is the release of goods in the declared customs regime.

Customs formalities during the application of the simplified declaration procedure are carried out using an automated system of customs clearance.

The release of goods under the simplified declaration procedure is subject to the provision a customs with the general financial guarantee.

Within five working days from the date of release of goods under the simplified declaration procedure, the enterprise is obliged to submit to the customs, which made such release, an additional declaration (additional declarations) for such goods and to pay customs and other payments, which are subject to payment in accordance with the customs regime.

**Advantages:** simplification of the declaration procedure, reduction of the number of documents submitted for customs clearance, actual delay of customs payments for 5 days.

**Record in the accounting system of the declarant**

At the application of the company, the customs authorities may allow it to submit a customs declaration, including a simplified declaration, in the form of a record in the accounting system of the declarant.

Such data is provided to the customs authorities through the electronic system of the declarant at the moment of submission of the customs declaration as a record in the account of the declarant.

The customs declaration is deemed accepted at the time of recording the information about the goods in such a system of accounting.
At the application of the enterprise, the customs may allow the release of goods without their presentation, in this case the goods are considered to be released at the time of recording of the information about the goods in the accounting system. Such simplification is provided under the following conditions: the declarant is AEO; Customs knows nature of the supply of goods; the controlling customs has access to all information it deems necessary to exercise its right to inspect the goods, if necessary; at the time of entering the information about the goods into the accounting system, they are no longer subject to prohibitions or restrictions. However, in special cases, the control customs may request the presentation of goods.

**Advantages:** the record in the accounting system of the declarant allows enterprises to release goods in the customs regime without the need to provide a complete customs declaration with a simplified set of data through their record in their electronic system of commercial records.

**Automated customs clearance system**

It is proposed to establish that for the implementation of customs formalities during the customs clearance of goods, an automated system of customs clearance is used, which is carried out automatically:

1. Receipt of customs declarations and their registration.
2. Determination of the list of customs formalities required for execution under the customs declaration, depending on the type of customs declaration, customs regime, features, means and methods of movement of goods and taking into account the results of risk analysis.
3. Determination of the need for the official of the customs in the performance of customs formalities under the customs declaration.
4. Appointment of an official of the customs to perform customs formalities under the customs declaration.
5. Providing the declarant with information on the status of processing the customs declaration, the list of customs formalities, determined obligatory for execution on such a declaration, and the customs official appointed for their execution (in case of appointment).

In the case when the automated system of customs clearance does not specify the need for participation in customs formalities for customs officer goods, such customs formalities are carried out by an automated system of customs clearance in an automatic mode.
It is also proposed to introduce the principle of "tacit consent" in the absence of certain formalities within a specified time, which will make it impossible to delay the decision-making process.

**Advantages:**

- Minimizing the influence of the "human factor" on the process of customs control and registration by introducing automatic release of goods into the customs regime (through the IT-system of customs without the participation of its officials) and other modules for the adoption of automated decisions on the implementation of customs formalities regarding "risk-free" declarations and economic operators based on an automated risk management system;
- The introduction of the possibility of automatic completion of customs clearance and release of goods (for example, in cases where the results of automated analysis of the declaration did not reveal significant risks) will significantly reduce the time and cost of business for customs administration;
- "Automated IT solutions" will allow to direct the "saved" personnel resource of the customs to the post-customs control and customs audit and / or dismiss employees who will be replaced by "automated IT solutions" in order to increase the material provision of others;
- A mechanism for fight corruption and minimizing "subjective" decisions while simultaneously transferring responsibility from the customs officer to the declarant.

**Centralized customs clearance**

Simplification, which involves separating the place of submission of the customs declaration (one customs office) and the place of presentation of goods (another customs authority).

For example, a customs declaration is submitted to the Kyiv City Customs, and the goods are actually located in the area of activity of the Volyn customs, where it is presented to the customs authority (if necessary).

The goods is released into free circulation on the basis of the results of the control of two customs, which exchange information between themselves.

To use this simplification, an enterprise must have a certificate from an authorized economic operator to simplify customs procedures.

Advantages: introduction of the technology of customs clearance on the principle of "remote declaration" provides the possibility of registration of goods at the location of the enterprise, regardless of the actual place of presentation of goods to customs. Reducing physical contact between declarant and customs, transferring
all communications between business and customs solely to electronic form, which will minimize corruption risks.

Limitation of participation of law enforcement bodies in the process of customs control and registration

In order to eliminate the pressure on legal business from the part of law enforcement and controlling bodies, it is proposed in NCC:

to limit the grounds and conditions for the participation of law enforcement bodies in the process of customs control and registration, including the initiation of customs control forms (review, re-examination, sampling and samples);

establishment of personal liability of officials of law enforcement bodies in case of non-detection of violations of customs legislation and obligation to reimburse the expenses related to the implementation of the initiation of such operations as unloading goods, their unpacking, weighing, determining other essential characteristics of goods located under customs control, re-sampling and sampling of such goods, etc.;

clear and complete fixation of all "communications" in the "customs authority - declarant - law enforcement" triangle, in order to ensure transparency and prevent any abuses.

Advantages: the impossibility of pressure on good business and delaying the process of customs control and clearance, counteracting corruption and introducing liability for wrongful acts of law enforcement and controlling officials.

Verification of documents after release of goods (post-customs control)

The introduction of verification of documents after the release of goods (post-customs control) will reduce the number of documents submitted at the time of customs clearance.

Such control is carried out on the results of application of the risk management system and may be initiated during customs clearance or within 30 calendar days from the date of release of the goods.

The Customs carries out post-customs control in order to establish the availability of documents, details of which are given in the customs declaration, and their authenticity; as well as the conformity and completeness of the information
specified in the customs declaration, the relevant additional declarations, and the information contained in the documents specified in such customs declarations.

Post-Customs control is exclusively subject to documents not provided to the customs during the customs clearance of goods. Post-customs control is carried out exclusively by the customs, which carried out the customs clearance of goods.

The customs office sends the declarant in written or electronic form with the list of documents that must be provided for the post-customs control, as well as the time period for their provision.

The declarant is required to provide the documents specified in the notice within ten working days from the date of receipt of such notice.

The results of post-customs control of an enterprise are taken into account by the system of risk management applied by customs, and during planning and conducting of documentary checks.

**Advantages:** reducing the number of documents submitted for customs clearance and shifting the focus of documentary control to the stage after customs clearance.

**Customs regimes (procedures)**

It is proposed to leave the current structure of customs regimes - 14 customs regimes:

1) import (release for free circulation);
2) re-import;
3) export (final export);
4) re-export;
5) transit;
6) temporary admission;
7) temporary export;
8) customs warehouse;
9) free customs zone;
10) duty free trade;
11) processing in the customs territory;
12) processing outside the customs territory;
13) destruction or demolition;
14) Abandoning in favour of the state.
The NCC should only contain general key provisions and specifics regarding customs regimes. However, the conditions for the placing of goods in the customs regime, certain provisions for their application should be passed to the subordinate level. In addition, individual customs regimes need to be modernized in terms of providing greater benefits and opportunities for businesses.

It is also proposed to modernize such an institution as "temporary storage", the essence of which is that after entering Ukraine and presenting the customs, all goods are temporarily stored until they are placed in a customs regime or re-exported.

**Temporary storage**

For the goods presented to the customs a temporary storage declaration should be filed. As a temporary storage declaration, customs can also accept the following documents and information:

- a reference to a short import declaration for the relevant goods, supplemented by the data of the declaration of temporary storage;
- a freight manifest or other transport document, provided that it contains data of the declaration of temporary storage, including a reference to a short import declaration for the corresponding goods;
- customs declaration submitted before the presentation of goods to customs.

The customs may allow the submission of a temporary storage declaration using commercial, port or transport information systems, provided that they contain the necessary data for such a declaration and these data are available to the customs authorities.

Temporary storage products must be stored indoors for temporary storage or elsewhere specified or authorized by the customs.

For temporary storage, a permit from the customs authorities for the operation of temporary storage facilities is necessary, except when the customs authority owns such premises.

The maximum period of temporary storage may be up to 90 days.

Temporary storage products are allowed to be moved without the use of the internal transit procedure.

**Advantages:** after the actual movement of goods to the customs territory of Ukraine, the enterprise will have a period of 90 days in order to place such goods in the appropriate customs regime and pay the corresponding customs payments (for example, in case of import). Moving goods between different premises for
temporary storage will be carried out without a transit declaration that will facilitate logistics.

**Export**

1. **Export without a contract at the moment of customs clearance:**

To introduce an opportunity to export goods under a temporary customs declaration in the event when the foreign economic agreement (contract) has not been concluded on the date of customs clearance of goods.

In this case, the obligation to submit an additional declaration in time not later than the first working day after the expiry of the statutory settlement period for this export transaction is granted.

2. **Automatic export release (without arrival to a customs terminal), first of all for exporters, with clear regulation of time of customs clearance:** 30 minutes after registration of export customs declaration; the application of the principle of "tacit consent", the abolition of any mandatory state controls, the introduction of a declarative principle of compliance with non-tariff regulation measures, and imposing responsibility for the passage of controls on the enterprise.

3. **Implementation for export of such simplifications as "centralized customs clearance" and "record in the accounting system of the declarant."**

**Advantages:** simplification for exporters, expansion of opportunities for the sale of goods for export.

**Customs warehouse**

It is proposed to modernize the functional of this customs regime by increasing business opportunities, for example, regarding the list of operations that can be carried out in the warehouse, the possibility of storing goods released for free circulation, and the use of customs warehouses in the processing of goods, etc.

**Major changes that are proposed:**

Authorization (obtaining a permit) is required only for warehouses intended for storage of goods. Authorization is not required when placing goods in a customs warehouse mode.

For the customs regime of the customs warehouse the submission of a standard or simplified customs declaration is provided.

The warranty is provided by the holder of the authorization (holder of the warehouse) during the authorization. When placing goods in the mode the declarant does not provide a guarantee.
In case of breach of obligations, the declarant shall be deemed debtor. If the customs debt has not been paid, payment is provided by the guarantee provided by the holder of the permit (holder of the warehouse).

The restrictions on the duration of stay of goods in the customs warehouse mode are canceled. Only in exceptional circumstances may the customs authorities establish a period of storage, in particular if the type and nature of the goods can, in the case of long-term storage, endanger human health and the environment.

In addition, it is proposed to allow the placing on the customs warehouse of Ukrainian goods that are in free circulation, if there is such an economic need and in the absence of a negative impact on the customs control regime.

It is also proposed to introduce a broader list of operations with goods, which is allowed to perform in the customs warehouse, for example: sifting, filtering; canning by pasteurization, sterilization; irradiation or adding preservatives; dehydration and rehydration of fruits; cleaning fruits, removing fruit stones; desalination, demineralization; dissolving or concentrating liquids; denunciations, etc.

Instead of currently operating 2 types of warehouses (open and closed) to introduce a European system of 4 types of customs warehouses.

Open-type warehouses: 1) public type I warehouse: responsibility is shared between the holder of the permit (storage of goods under customs control) and the declarant (provision of goods storage under customs control and fulfillment of obligations arising from the customs warehouse regime); 2) type II public composition of: all responsibility is assigned to the declarant; 3) type III public warehouse: the warehouse that is in the customs administration; the entire responsibility lies with the declarant.

Closed type warehouse: 4) private warehouse: the holder of the permit and the declarant is one person.

An important advantage for the business will be the consolidation of provisions in the NCC, which, in the customs warehouse, allows the processing of goods or the "end-use" procedure, as well as the introduction of the possibility of carrying out operations with equivalent goods, at the customs clearance.

Advantages: significant expansion of the functionality of the customs regime, in particular, with regard to the conduct of operations with goods, convergence with the processing of goods, ensuring the continuity of the processes of storage of goods for processing and directly the processing itself, which offers new advantages both for holders of customs warehouses and for enterprises conducting industrial and other activities. The introduction of a general guarantee provided by
the holder of the warehouse will guarantee the payment of customs payments in the case of unauthorized transactions with goods and insecurity of the procedure for storing goods.

**Joint transit mode**

This is a kind of transit regime, the introduction of which is aimed at joining Ukraine to the EU /EFTA Joint Transit Procedure.

To declare goods in the joint transit regime, customs declarations of certain types are used, which correspond to the types of customs declarations introduced by the Convention on the common transit procedure of May 20, 1987.

To provide fulfillment of customs formalities and electronic data exchange in the application of the common transit regime an electronic transit system is used.

Electronic transit system is an electronic system used for the electronic data exchange under a common transit mode structured according to the standards of electronic messages which are used in the exchange of data between computer systems in the computerized transit system applied by the contracting parties of the Convention on the common procedure transit as of May 20, 1987.

It is proposed that NCC to define the general provisions for common customs transit and use of EU /EAFT transit procedure. Instead, the detailed regulation of the procedure is proposed to be implemented by a separate special law of Ukraine, the purpose of which is the implementation of the provisions of the Convention on the common transit procedure dated May 20, 1987 and the Convention on Facilitation of Trade-Related Forms of May 20, 1987, in accordance with the obligations of Ukraine, enshrined by the Association Agreement between Ukraine and the EU.

The law establishes the basic principles of the organization and implementation of the regime of joint transit of goods by the customs territory of Ukraine, the procedure and conditions for the transfer of such goods by enterprises of the customs territory of Ukraine in the mode of joint transit, the implementation of customs formalities, the application of the mechanism for guaranteeing the payment of customs debt, the use of special transit facilitations and other features of operations of common transit regime.

**Advantages:**

clear and predictable for business rules for transit of goods that are simplified by means of special IT solutions: the use of the pan-European electronic transit system (NCTS) and other modern technologies for controlling the delivery of goods, for example, to move goods between Lisbon and Kiev at one customs declaration of type T-1;
strengthening control over the movement of goods and counteracting the "interrupted" transit, substitution of goods by introducing mandatory sealing, guaranteeing the payment of customs payments, etc.;

implementation of the system of special transit simplifications: general financial guarantee; self-imposed seals of a special type; authorized consignor; authorized consignee;

introduction of the exchange of customs information at the moment of customs clearance of goods and its use for expanding the capabilities of the system of risk analysis: analysis of the transaction for their riskiness before the arrival of goods to Ukraine, grounded definition of forms of customs control;

reduction of time and financial expenses of business for moving goods, increasing the level of safety and communication between the participants in the supply chain.

Authorised Economic Operator

It is proposed to determine the basic and main provisions of the institution of the authorized economic operator (hereinafter - AEO) at the NCC level.

The status of the AEO is granted to the enterprise which is a resident and is registered with the customs authorities by issuing the AEO certificate.

The following types of AEO certificates can be issued to the enterprise:

1) to simplify customs procedures;
2) safety and reliability.

The AEO certificate can be obtained from an enterprise that has any role in the international supply chain: a manufacturer, exporter, importer, customs representative, carrier, forwarder, warehouse keeper etc.

To get AEO status, the following criteria apply:

1. Compliance with the provisions of Ukrainian legislation, including on customs affairs.
2. Satisfactory system of commercial and transport documentation.
3. Paying capacity.
4. Provision of practical standards of competence or professional qualification.
5. Compliance with safety and security standards.

For each of the criteria, conditions for their compliance and correspondence are determined.

The AEO certificate is valid indefinitely, issued free of charge on the basis of the order of the State Customs Service.
In certain cases, the operation of the AEO certificate may be suspended or the certificate may be revoked.

Information about the AEO is placed on the official site.

Forms of certificates, applications, questionnaires, conclusions, reports, conformity assessment procedures, self-assessment, monitoring, consideration of applications and granting of the status of the AEO, the termination and cancellation of the AEO certificates, the form of a short entry declaration, etc., are approved at the level of the Cabinet of Ministers and the Ministry of Finances. Methodical recommendations are at the level of the State Customs Service.

After obtaining the status of AEO, the enterprise must adhere to the above criteria, monitoring compliance with which is carried out by the customs.

AEO, which has been granted a certificate for simplification of customs procedures, has the right to obtain permission for such special simplifications:
1) general financial guarantee;
2) self-imposed seals of a special type;
3) simplified declaration procedure;
4) release procedure by location.

The AEO, which has been given a safety and security certificate, has the following benefits:
1) submission of a short import declaration with a reduced list of information;
2) till the moment of movement of goods through the customs border of Ukraine, receipt of a customs message indicating that the goods in question were selected on the basis of the results of the risk analysis by a short import declaration for the purpose of carrying out a customs inspection at the checkpoint.

3. The AEO, which has been granted a certificate for simplification of customs procedures and / or safety and reliability, has the following advantages:
1) the execution of customs formalities in the first priority;
2) reducing the risk of an automated system of customs clearance to determine the list of customs formalities during the customs clearance of goods;
3) the use of a specially defined lane, if there is at the checkpoint for the movement of goods.

Under the terms of international agreements of Ukraine, on the basis of reciprocity, special simplifications and advantages for non-residents that meet the requirements of the legislation of the country of their registration, are equivalent to the requirements for granting the status of AEO in accordance with the Customs Code of Ukraine.
Advantages of AEO status:
The concept of AEO involves the introduction of customs simplifications for authorized individuals who have been evaluated for reliability and safety; advantages of the AEO program for business, first of all, the simplified declaration procedure, customs clearance at the location (without entry to the customs terminal), a warning about the physical inspection of goods, self-imposed seals, the reduction of the risk of an automated system of customs clearance, the use of a specially defined lane of motion at the checkpoint; the transfer of the emphasis for the AEO on physical control during the customs clearance for post-customs documentary control, which is determined by the system of risk management; the prospect of obtaining benefits from international mutual recognition of the status of AEO; AEO will significantly reduce the time and cost of business for customs administration; to provide improvement of the marketing status of the company in case of obtaining the status of AEO.

Custom solutions. Previous solutions
Despite some successes in the implementation of the so-called "electronic customs", many customs processes are carried out in paper form, therefore it is necessary to ensure the presence of provisions at the NCC level:
on submission of all applications to customs and receipt of all types of documents of a customs nature (for example, permissions for processing of goods, for the conduct of transactions with goods and other actions in the customs control zone, etc.) electronically;
the possibility for the declarant to make changes to customs declarations through the mechanism of electronic declaration (and not by filling in the customs clearance sheet as it is done now), etc.; Receiving decisions and extracts of these decisions (both at the level of the customs and the central office) through convenient online services (for example, verification of customs payments, preliminary decisions on classification, registration of intellectual property objects in the customs register, etc.).
It is also proposed to introduce a unified IT system for making decisions on customs issues: issuing permits for certain types of activities, adopting preliminary decisions, including in the customs register of objects of intellectual property rights, granting of corresponding statuses, etc.
All processes and messages related to the adoption of certain decisions must be implemented and recorded in an electronic system using information and software
systems. Also, the decisions made must be made public (with the exception of confidential information) and updated daily.

The two-stage decision-making procedure is proposed: 1) the formal consideration of the application for a decision; 2) considering of the application in practice.

It is suggested to set unified lines:
3 days for the formal consideration of the application;
30 calendar days for making a decision in practice and
if necessary, the possibility of extending the review period by 15 days for the request for additional information and / or documents.

The right to appeal

With a view to striking a balance between the Customs’ task of ensuring compliance with customs legislation on the one hand and the business right to unified clear and transparent rules, procedures and customs relations, on the other hand, customs authorities should be given broad powers for control, while businesses - the right to appeal.

Therefore, in addition to the "classical" right of appeal of any decision taken by the customs authorities, it is necessary to provide each person with a "right to be heard" in a clearly defined timeframe before making any decision that may have a negative impact to such person.

Preliminary decisions

It is an important institution in the decision-making system adopted by the customs authorities.

Thus, before the customs control and customs clearance of goods the company has the right to receive from the customs a preliminary decision, which is further mandatory.

Preliminary decisions can be made on the following issues:
1) the classification of goods in accordance with UCG Foreign Economic Activities;
2) determining the country of origin of goods;
3) determination of the customs value;
4) granting permission to place goods in separate customs regimes.

Preliminary decisions are issued by the customs authorities for 3 years (regarding classification and country of origin) or for a specific transaction (regarding the customs value, in particular, the method of its determination or its components); operate on the entire customs territory, regardless of what authority has made the
decision; are obligatory for any customs and enterprise that has received such a preliminary decision; published etc.

In order to make preliminary decisions, "competence centers" (subdivisions with the most professional and experienced officials on the issues of determining the product code, country of origin and customs value) are being established, which consider and adopt previous solutions using the appropriate software and information systems.

Applications are filed in paper or electronic form. The decision-making period is 30 days (with the possibility of extending the deadline to 15 days).

If necessary, the customs sends samples of the goods to laboratory analysis, for example, to determine or check the composition of goods on which the definition of the product code (for example, textiles, fuel and lubricants, foodstuffs, etc.) depends.

In the event that a previous decision is revoked or invalidated (unless the decision was revoked due to inaccurate or incomplete information provided by the applicant), the enterprise that received such a decision has the right to demand the "extended use" period of such a decision from the customs. That is, for a period of time (up to six months) to continue to use such a previous solution, despite the loss of its validity.

Thus, the period of "expanded use" makes it impossible for a business to become a "victim" of unexpected changes, for example, with regard to approaches to the classification of a product, and is a peculiar element of ensuring the stability and predictability of doing business. In this case, the period of "extended use" can be provided only under certain conditions and in specific situations, as well as for a certain number of goods.

Advantages:

for example, the implementation of a European system for the provision of binding tariff information to the company - Binding Tariff Information (BTI) will provide legal certainty as to the correct use of the classification code of the product by the enterprise, which influences, in particular, the rate of duty and the amount of the tax liability for customs payments, will allow to avoid unjustified inspections on the classification of goods and the additional charge of customs duties;

the introduction of a procedure for the provision of preliminary decisions on the determination of the customs value, in particular regarding the method of determining the customs value or its components, supporting documents, etc., will ensure predictability and forecastability of doing business, will allow to calculate in advance the amount of customs payments that are laid down in the cost price of the imported goods and avoid unforeseen expenses; delays in customs clearance;
the introduction of prior decisions will minimize the emergence of disputes between the customs and business.

**Customs value**

Along with the introduction of preliminary decisions on the determination of customs value, in the first place with regard to the method of determining the customs value and its components, it is proposed:

1. To introduce the order of delayed definition of customs value of goods. Enterprises have the right to use a deferral (up to 15 months) to determine the exact customs value of goods, if, at the time of customs clearance, the numerical values of the customs value of goods for objective reasons are not known.

For example, in the case when at the time of customs clearance there is no precise information regarding the amounts of licensed and other similar payments for the use of intellectual property. This also applies to cases when, at the time of registration, the exact amount of the part of the proceeds from the sale or use of imported goods, which is directly or indirectly owned by the seller, is unknown. Simplification applies to goods price on which depends on stock quotes and which are not known at the time of customs clearance.

The procedure for applying such simplification is that at the time of customs clearance, the company must determine the preliminary customs value based on the forecast data, and for example, within 15 months, specify the exact value of the customs value and make changes to the customs declaration. At the same time, if the exact amount of the customs value is higher than the previous one, to pay additional customs duties without charging a fine.

2. To cancel the customs value declaration and transfer its basic elements (data) to the electronic customs declaration.

3. Increase the value threshold when the customs value declaration (customs value data) is submitted up to 20,000 euros (now 5,000 euros).

4. Allow the definition of individual components of the customs value (for example, commission fee) on the basis of certain criteria, if they are not computed on the date of the customs declaration.

**Advantages:**

the application of the delay to determine the exact customs value allows the declarants to determine the customs value of the goods based on the value of the transaction and not switch to other "valuation methods", which entail additional financial costs for verification;

simplification of the declaration of customs value.
**Customs duty**

It is proposed to introduce a new Customs duty institute for customs legislation in Ukraine.

Customs debt may arise in the following cases:

1) observance of customs legislation, namely, when importing goods subject to taxation and payment of customs duties when placed in a customs regime (release of goods for import or temporary admission with partial exemption),

2) non-compliance with customs legislation (non-fulfillment of conditions for placing goods in the customs regime; violation of requirements for the movement of goods; the removal of goods under customs control).

If in the first case the customs debt arises at the time of acceptance of the customs declaration, then in the second case, at the moment of detection, that the obligation which leads to the customs debt is not fulfilled or ceases to be fulfilled.

Not a reason for the emergence of a customs debt:

1) the non-declaration of goods transiting through the customs border of Ukraine, that is, the failure to declare, in the established form, accurate and reliable information about the goods subject to mandatory declaration in case of their movement across the customs border of Ukraine;

2) storage, transportation, purchase or use of goods transported through the customs border of Ukraine outside customs control or with concealment from customs control and without execution of customs formalities;

3) submission to the customs authority as the basis for the transfer of goods of forged documents or documents obtained illegally or containing false information about the name of the goods, their weight (taking into account allowable losses under the appropriate conditions of storage and transportation), quantity, country of origin, the sender, the recipient, the number of cargo places, their markings and numbers, the false information necessary for the determination of the code of goods according to the UTT FEA and their customs value;

4) movements or actions aimed at the movement of goods across the customs border of Ukraine outside customs control, that is, outside the place of the customs office or outside the working hours established for it, and without the execution of customs formalities, or with the illegal dismissal of customs control due to abuse of power or authority by officials of the customs authority.

In the case of the above-mentioned violations, guilty persons are prosecuted in the manner prescribed by law.
Guarantee

The large-scale introduction of a guarantee system for the movement of goods, the application of certain customs regimes and procedures, obtaining permits, etc. is one of the most important innovations of the NCC.

The guarantee in the form of a financial guarantee is applied to the existing or potential customs debt.

The provision of a customs debt is carried out in the following forms:

1) the provision of a financial guarantee issued by the guarantor;
2) the transfer of funds to the customs account (money deposit);
3) another form of guarantee, which guarantees the payment of a customs debt.

If the provision of the guarantee is mandatory, the customs authorities shall determine the amount of such a guarantee at the level of the exact amount of customs duties (customs duty), if this amount can be determined at the time when the guarantee is required. If it is impossible to establish the exact amount, the guarantee shall, according to the assessment of the customs authorities, be fixed at the level of the maximum amount of customs duties (customs duty) that are payable or may be subject to payment.

The acceptance of financial guarantees, their registration, accounting, cancellation, withdrawal and release, accounting for the reservation and release of the basic amount of the general financial guarantee is carried out using the electronic guarantee management system.

The financial guarantee of ensuring the payment of customs debt may be of the following types: 1) an individual guarantee covering the entire amount of customs payments for goods subject to customs clearance under one customs declaration; 2) a general financial guarantee covering the amount of customs payments for products subject to customs clearance under several customs declarations.

An individual guarantee may be provided in the form of a cash deposit or a document of the financial guarantor. The general financial guarantee is provided in the form of a document of the financial guarantor.

If the guarantor is a credit, financial or insurance company accredited in accordance with the law, in this case authorization (granting of a permit) from the customs authorities is not required.

Customs monitors the use of guarantees through an electronic guarantee management system.

For all procedures and formalities it is proposed to introduce the possibility of using a single guarantee, which may be general and apply to a certain number of
transactions. The general declaration is simplified and can be provided upon the permission of the customs authority.

The general financial guarantee is the obligation of the financial guarantor to pay, at the request of the customs authority, funds within the specified basic amount of such a financial guarantee in the event of non-fulfillment of obligations secured by this guarantee of obligations on payment of customs debt.

At the request of the company, the customs may grant permission to apply a special simplification:

- general financial guarantee,
- a general financial guarantee with a reduction in the amount of the basic amount of 50 per cent,
- a general financial guarantee with a reduction of the amount of the basic amount of 70 per cent,
- exemption from warranty.

Reducing the size of the provision of the basic amount of the general financial guarantee by 50 percent or 70 percent means the use of the specified basic amount of the general financial guarantee, but with the actual provision of this basic amount by 50 percent or 30 percent of its size, respectively.

At the same time, it is proposed in the case of increased risk of violations by the enterprise concerned to foresee the customs authority's right to apply a temporary ban on the use of the general guarantee.

**Moving international mail and express shipments**

Taking into account the world trends and specifics of the administration of international parcels in NСC, it is proposed:

1. Strengthen control over the movement of international postal and express mail from the border crossing point to the sorting station or place of international postal exchange through the introduction of:
   - submission of the electronic document of delivery control;
   - introduction of mandatory guarantee of delivery;
   - sealing of vehicles.

2. To introduce the following additional criteria (conditions) for obtaining the status of express carrier and postal operator as:
   - provision of customs preliminary information on parcels (name, quantity, cost of goods, information about the recipient, etc.);
automation of the processes of data accumulation of parcels (registers, identification, online access to information), the transfer of all processes exclusively to the electronic form.

3. To confirm the basic provisions introducing the use of exclusively electronic registers of international postal and express mail, recipients identification, simplification of customs declaration and payment procedures, including using web services, providing express agents and postal operators with status of tax agents.

4. To foresee a gradual reduction of tax free in the NCC from EUR within 2019-2020 and implementation of VAT taxation of all mail and express deliveries not depending to their value since 2022.

5. Creation of the software and information complex at the central level, which uses the administration of parcels and the accumulation of relevant information, as well as automated payment and customs payments, etc.

**Advantages:** Comprehensive and clear regulation of the provisions in the NCC on controlling parcel transfers, the transfer of their administration to the electronic plane will effectively counteract "mail smuggling", which destroys legal business and distorts competition, as well as reducing budget revenues due to the increasing volume of manipulation of goods, breaking up parcels, substitution of invoices, understatement of customs value of goods, etc.

**Passage and taxation of goods moved by citizens**

One is proposed in NCC:

the introduction of the provisions of Directive 2007/74 / EC of December 20, 2007 on the establishment of thresholds for the importation of goods by citizens without taxation in the amount of EUR 430 (aviation and maritime checkpoints) and EUR 300 (other checkpoints);

keeping norms according to which, if an individual was absent in Ukraine for less than 24 hours or arrives in Ukraine more often once during 72 hours, the non-taxable minimum is 50 euros;

then the basic provisions on the organization and the peculiarities of the exchange of information between the databases of the State Border Guard Service and the State Customs Service regarding the control of the frequency of the movement of citizens in order to ensure the effective implementation of the above norms.

**Advantages:** the introduction of restrictions on the periodicity of goods imported by citizens with the use of privileges and tightening of control will reduce the schemes of "gray import", which consist of transporting goods by citizens to non-
taxable goods through the breaking up of such parties and used by the shadow business to avoid taxation and gain an uncompetitive advantage.

**Protection of intellectual property rights**

In the context of the fight against counterfeit goods and other goods suspected of infringing intellectual property rights, it is proposed in the NCC:

1. To expand the list of cases of application of measures related to the suspension of customs clearance of goods suspected of infringing intellectual property rights, including at the initiative of the customs authority. The actual import of goods at checkpoints across the customs border (even without prior submission of customs declaration) is sufficient to apply the measures of intellectual property rights protection in case of suspicion of violation.

2. To expand the list of objects of intellectual property right, the promotion of which is protected during the movement of goods across the customs border of Ukraine.

3. To bring the terminology into conformity with the EU legislation, in particular regarding the definition of the terms "counterfeit goods", "pirated goods", "goods suspected of infringing intellectual property rights".

4. To introduce a special simplified procedure for the destruction of small consignments of goods suspected of infringing intellectual property rights and forwarded through the customs border at international postal and express shipments.

5. Introduction of the possibility of early release of goods, customs clearance suspended on suspicion of violation of intellectual property rights.

**Advantages:** The proposed changes will allow to strengthen the countering the import of counterfeit goods and other goods which are suspected in intellectual property infringement. Introduction of simplified procedures of counterfeit goods destruction including small batches which are being sending by express deliveries will allow to create effective mechanism of prejudicial protection of intellectual property rights.

**Information on customs matters**

Transparency in the activities of the customs, availability of information and ensuring its relevance are among the basic principles that are proposed to be defined in the NCC.

One of the vivid examples of the lack of transparency of customs and subjectivity in decision-making is the direction of determining and controlling the correctness of the determination of customs value.
The origin of this problem is the regulation of the level of customs value of goods in virtually manual mode, contrary to the requirements of the law, including the General Agreement on Tariffs and Trade (GATT/WTO).

This situation has led to the fact that companies operating in Ukraine, which, using their illegal connections with the customs authorities, provide services for minimizing customs payments that are due to pay when importing goods for a certain consideration. At the same time, information on customs clearance at low value remains inaccessible even for entire customs units and does not enter the price data database for the purpose of determining the customs value.

It is possible to solve this situation by providing public control and monitoring of the implementation of customs clearance of goods, for which it is necessary to ensure the disclosure of information on the customs clearance of goods in impersonal form by the bodies of incomes and collections.

Thus, in the NCC it is proposed to provide provisions that establish the duty of the State Customs Service to ensure the regular disclosure of information on customs clearance of goods, including information concerning the customs value of goods transiting through the customs border of Ukraine without specifying specific subjects of foreign economic activity.

In the context of informing on customs issues, it is proposed to consolidate the provisions in the NCC when:

- the enterprise is given the right to apply for and receive consultations in electronic mode using online services;
- on typical questions, answers to which are contained in the relevant information resource of the State Customs Service, the term of such a reply is a maximum 10 days;
- providing clear and understandable explanations of the customs legislation with the necessarily binding to the consideration of a concrete situation of the enterprise;
- provides for the creation and operation of on-line systematic directories (taxation, non-tariff measures, rules of origin, customs value, classification) for goods under the codes of UKT FEA (similar to the EU Commerce Helpdesk brochure product information and information resource);
- ensuring the relevance of information, its periodic updating, user-friendliness, as well as systematization, simplicity of disclosure of such information.

**Advantages:**

- creation of opportunities for the implementation of public control and monitoring of the implementation of customs clearance of goods in order to prevent the
avoidance of unfair businessmen of foreign economic activity taxation in full by customs payments;

ensuring the transparency of customs clearance, in particular, the determination of the customs value of goods, should create effective incentives for customs to properly perform their functions and avoid tax evasion when imported;

availability and ease of use of up-to-date customs information, which will increase the level of legal culture and compliance with the requirements of the legislation.

**Responsibility for violation of customs rules**

It is proposed to introduce two types of liability for offenses in the area of customs:

1. Financial Liability (Penalties).
2. Administrative liability (fines and confiscation).

Financial liability should occur in the following cases:
- unlawful operations with goods;
- violation of the functioning of duty-free shops;
- violation of the procedure for the processing of goods;
- non-declarations of goods and the like.

The subject of the offense is the enterprise and, accordingly, it is financially liable in the form of fines.

Regarding administrative liability, for the purpose of determining a fair sanction for violation of customs rules, the following criteria are proposed for the criterion:
- movement of goods with concealment from customs control (repository, forged documents, documents containing knowingly false data);
- movement of goods outside customs control (out of place, time, or with illegal dismissal);
- the movement of prohibited or counterfeit goods;

Such breaches entail compulsory confiscation.

All other violations involve imposition of a penalty in the form of a fine. The said procedure should simplify the procedure for reviewing cases, since fines will be imposed directly by the customs authorities.

The size of the fines is proposed to be reduced to the extent that they contribute to their voluntary payment (for example, 30% of the value of the subject of offenses).
It is allowed to introduce an alternative sanction (fine or confiscation) for certain offenses related to personal transport vehicles (violation of the obligation to return or transit).

Violation of the rules of passing the "green corridor" may lead to a fine or confiscation. However, a compromise may be provided - a fine on the place in the form of 30% of the value of the goods/currency without confiscation (the currency is passed only in the amount set by the NBU). The charge is imposed by the head of operational change.

This will help to resolve things quickly and will not create conflicts related to flight delays.

For such offenses as violation of the regime of the customs control zone, etc., a fine may be imposed on the spot by an official of the customs authority immediately after the detection of such a misdemeanor.

Changing by the customs of essential indicators that affect the completeness of payment of taxes, after applying the procedures for control of classification, customs value, country of origin, etc. (in the absence of signs of concealment), is not financially responsible.

It is invited in NVC to identify the following concepts and institutions: financial responsibility; the enterprise as a subject of financial responsibility; customs fraud; compromise; imposition of a penalty at the place of commission of the offense; clear criteria for the differentiation of sanctions; reduction of fines

\textbf{Advantages:} the above-mentioned will promote uninterrupted work on customs clearance and collection of payments; encouraging the voluntary payment of fines; prevention from committing offenses in the future; removal of discretionary powers and corruption-related factors.

\textbf{Responsibility of customs officials}

An important institution in the relationship between business and government is the responsibility of the customs officer for wrongful decisions / actions (actions or inactivity) and compensation for damage caused by such decisions / acts.

However, in order to avoid false interpretations and blurring of responsibilities, formalization of customs procedures is required, as well as the development and approval of job descriptions of customs officers with a clear set of rights, responsibilities and grounds for prosecution.

Inflicting material damage on the subjects of foreign economic activity by:

- conducting additional types of control not provided for the results of the automated system of risk analysis if they did not lead to the establishment of a violation of customs rules or the change in essential indicators affecting the
completeness of payment of taxes after the application of control procedures for classification, customs value, country of origin, etc.;
- unreasonable delay of the time of carrying out of control procedures;
- making decisions on significant indicators affecting the completeness of payment of taxes, after applying the procedures for control of classification, customs value, country of origin, etc. within the statutory time limits, but with irrational use of such terms.

For taking unreasonable decisions and / or committing unlawful acts or omissions, an official of the customs office shall bear:
- financial responsibility (system of fines and deprivation of premiums and other bonuses to wages, reduction of the amount of allowances for qualifications);
- disciplinary (in the form of disciplinary penalties: reprimand, dismissal, etc.);
- material (compensation of damage caused to foreign economic entities and their business activities)

An option for quick and effective compensation for pecuniary damage may be the introduction of compulsory insurance of professional liability of customs officers whose activities may cause harm to third parties. Accordingly, the damage will be reimbursed from the insurance fund.