



Customs Simplified Procedures

- implementation and application
in Ukraine and Moldova





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Mission of STE in Ukraine and Moldova:

Main objectives/scope of work of STE:

- to assess the current stage of implementation and usage of customs simplified procedures;
- to identify gaps, inconsistencies and obstacles in the implementation of customs simplified procedures
- to assess the usage of customs simplified procedures
- possible recommendations on alignment of procedures/processes with EU and international standards

in Ukraine and Moldova



Description of activities:

Working methods:

- study of UA and MLD legislation/regulations/guidelines;
- questionnaire;
- meetings with UA and MLD customs specialists for SP;
- meetings with economic operators and
- visits of several customs offices



Description of activities:

Focus on:

- legal framework, processes and usage of
 - AEO (generally)
 - Simplified Procedures (SPs), namely
 - Incomplete Declaration Procedure
 - Simplified Declaration Procedure (SDP)
 - Local Clearance Procedure (LCP)
 - guarantees
 - simplifications in transit
- and partly also:
 - audits - pre and post
 - Single Window



Description of activities:

Questionnaire:

- general questions
- professional training
- actual figures about usage of SPs
- SDP application
- LCP application
- pre-audits
- post-clearance audits
- prohibitions and restrictions (P&R)
- guarantees
- specific questions



SP's in Moldova:

Legislation:

- Customs Code nr. 1149-XIV from 20.7.2000
 - basic articles on SP in section 27 and 28;
- Governmental Decision nr. 647 from 7.8.2014 on application of sections 27 and 28 of CC;
 - in annex 1 – regulation on AEO issuance, suspension and withdrawal
 - in annex 2 – regulation on conditions for use of SP
 - in annex 3 – regulation on organization and functioning of one-stop-shop for issuance of AEO certificates and SP authorisations
- DG CSMD Order nr. 483 from 13.11.2014 which
 - in annex 1 order to approve guidelines for checking AEO and SP holders
 - in annex 2 approve self-assessment questionnaire



AEO concept in Moldova:

- 91 AEO authorisations issued (52 AEOC - simplifications)
- the same criteria and conditions as in EU
- the same forms for applications used as in EU, including self-assessment questionnaire
- benefits are in line with EU and international standards:
 - reduction of physical and documentary checks;
 - priority treatment of goods and means of transport;
 - ability to choose the place of controls;
 - easier access to customs simplifications;
 - prior notification;
 - improved relations with the customs authorities;
 - recognition as secure and safe business partner and mutual recognition;



AEO concept in Moldova:

- indirect benefits:
 - reduced theft and losses;
 - fewer delayed shipments;
 - improved planning;
 - increased customer loyalty;
 - increased employee commitment;
 - reduced number of security incidents and security;
 - lower inspection costs of suppliers and increased cooperation;
 - reduced crime and vandalism;
 - preventing problems through recognition of employees;
 - improved security and communication between supply chain partners involved;



SP's in Moldova:

Application process/pre-audit for SPs:

- the same forms for applications used as in EU
- also the self-assessment questionnaire can be used
- checking of applicant is based on the same principles as in EU countries
- control group is composed of several units
- control group checks also the premises of operator, checks his accounting and IT systems, assess his administrative organization and evaluates criteria for granting the status or authorisation,
- authorisation is issued in the form of decision and must be issued within 30 days from receiving of application (can be extended by 30 days)
- according to MD law, applicant can send an appeal to higher authority



SP's in Moldova:

Post-clearance audits:

- methodology regulated in Order 483/2014
- audits will be carried out by Simplified Procedure Department in cooperation with other units
- report is written from each audit
- the interval for post-clearance audits is at least once in two years, so until now, there are no practical experiences in MD

Simplifications in transit:

- no authorised consignors/consignees
- if an operation is in green channel, it is ended by customs office automatically, without presentation to customs office
- documents are sent periodically (weekly) to customs office



SP's in Moldova:

Gaps, inconsistencies and obstacles:

- simplifications in transit procedure
 - a few articles in CC connected with LCP
 - no authorised consignor/consignee in transit
 - obstacles for SPs customs clearance
- incomplete declaration procedure
 - legislation exists but not used
 - due to technical problems with ASYCUDA
- SDP
 - legislation exists but only a few articles in CC
 - not possible to use due to technical problems with ASYCUDA

SP's in Moldova:

Gaps, inconsistencies and obstacles:

- local clearance procedure (LCP)
 - two of main benefits of LCP are missing
 - reduced data set presented initially (or even waiver) and summary declaration presented just later on, and
 - possibility of pay the customs debt later
 - only applicable during business hours (or at the latest 30 minutes before the end of working hours)
- representation in customs clearance
 - no article in customs law about possibility for EO to be represented (directly, indirectly) for SP (holder cannot be a representative)
 - only article that application can be presented by representative



SP's in Moldova:

Gaps, inconsistencies and obstacles:

- guarantees
 - no legal framework for bank guarantees for customs debt available
 - no deferred payment possible
 - only for AEO holders there is some possibility to pay later
 - economic operators have to have a deposit from which the customs debt is automatically withdrawn by customs - so customs debt is paid immediately or even in advance
- Single Window
 - this concept is not yet implemented in MD



SP's in Moldova:

Proposals and recommendations:

- Moldova has implemented UNECE Integrated Customs Information System ASYCUDA Word for automated declaration of goods at customs, however, functionality does not allow full usage of SPs
- While customs laws have generally been regarded as being in line with EU and international standards, problems remain in the implementation and application of rules.
- Incomplete declaration procedure and SDP needs to be implemented into practice, to be possible to use
 - according to information from MDCCS, it should be implemented in a new version, possibly from 1.1.2016



SP's in Moldova:

Proposals and recommendations:

- it is necessary to implement guarantees for customs debt in MD
- from three main benefits for SPs, possibility to present the goods directly to economic operator premises, present just reduced data set in the time of import and possibility to pay the customs debt later on, only the first is fully applied in MD
 - according to information from MDCS, there are proposals in legislation process and it should be implemented





SP's in Ukraine:

Legislation:

- Customs Code of Ukraine nr. No 4915-IV of 07.06.2012
 - AEO matters in articles 12 - 18;
 - no articles on SPs
- Decree of Cabinet of Ministers on implementation of CC;
 - no articles on SPs
- Orders of UASFS are being issued
 - non has been issued for SPs
- simplifications for customs transit are implemented (including guarantees) and used by economic operators, but
 - no authorised consignor/consignee



AEO concept in Ukraine:

- criteria and conditions are slightly different from EU
- the same forms for applications proposed as in EU
- also self-assessment questionnaire proposed to be used
- holders of AEO certificate should enjoy simplifications but no authorisation for AEO has been issued yet

Pre and post-audits:

- no legal framework neither practical implementation yet
- amendments to current legislation are prepared, but not yet adopted



SP's used in Ukraine:

Customs transit procedure:

- there is a legal framework for simplifications for customs transit procedure implemented (including guarantees), but
 - no authorisation for authorised consignor/consignee issued yet

Preliminary declaration procedure (called EA declaration procedure):

- legal background is in article 259 CC
- some similarity with LCP procedure used in EU
- initial controls are carried out at border points
- if criteria and requirements are fulfilled, the goods can be delivered directly to economic operator premises (4 hours for decision)
- the same operator has also the possibility to end also the transit procedure

SP's in Ukraine:

Gaps, inconsistencies and obstacles:

- no AEO authorisation issued - AEO concept needs to be further implemented into practice
- simplified procedures
 - EU and international standards for SPs are not implemented yet
 - no legal framework for incomplete declaration procedure, SDP and LCP
 - EA declaration procedure should be changed to LCP, or EIDR procedure
- simplifications in transit procedure
 - legislation should be further amended to be in line with EU and other international standards
 - concept of authorised consignors/consignees needs to be further developed



SP's in Ukraine:

Gaps, inconsistencies and obstacles:

- guarantees
 - no legal framework for bank guarantees for customs debt available
 - no deferred payment possible
 - every economic operator has to have a deposit from which the customs debt is automatically withdrawn by customs, so customs debt is paid immediately or even in advance
- Single Window
 - this concept is mentioned in art. 319 of CC but not yet implemented



SP's in Ukraine:

Proposals and recommendations:

- even the Customs Code introduces AEO concept and entities should have possibility to enjoy simplifications of customs procedures and processes, there is no authorisation issued yet in UA
- even UASFS declares that the customs clearance is almost fully electronic (96% in 2015), it is necessary to implement full concept for simplified procedures as such (incomplete declaration, SDP and LCP), even there is kind of simplification used as EA declaration procedure
 - according to information from UASFS, there is a proposal for amendment of the law concerning the SP, but not yet adopted
- necessary to further implement and improve the pre and post-clearance audits concept



SP's in Ukraine:

Proposals and recommendations:

- even the Customs Code introduces AEO concept and entities should have possibility to enjoy simplifications of customs procedures and processes, there is no authorisation issued yet
- necessary to implement guarantees for customs debt also for customs procedures other than transit
- necessary to implement Single Window concept



Future changes in EU legislation about SP:

- new legislation is coming from 1.5.2016 (UCC, IA, DA and TDA)
- simplifications are in Title V UCC
- LCP is changing to EIDR
 - obligation to present the goods still exists, except when point 3 of art.182 applies (waiver)
 - holder of authorisation still can be non AEO, but notification waiver can receive only AEO holder
 - split between authorisation holder and declarant
 - waiver of the supplementary declaration is possible
 - setting up a control plan for each authorisation became mandatory under EIDR
- no significant changes in SDP or incomplete declaration procedure
- further developments of AEO concept (more benefits)



Thank you for attention!

Questions?