

# The Role of “Digital Customs” In Customs Authority and Improving It.

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**Abstract:** *In today's world, the rapid development of technology has revolutionized almost every aspect of our lives, including the way we conduct business. International trade is no exception, and the digitalization of customs processes is rapidly changing the landscape of global trade. The use of digital customs is becoming increasingly popular, as it streamlines processes, improves efficiency, and reduces costs. In this article, we will explore what digital customs are, how they work, and their impact on international trade.*

**Keywords:** Intellectual Property Protection, Customs Enforcement, Legal Certifications, profits, public safety.

## Introduction

Digital customs refer to the use of digital technologies to facilitate customs procedures and processes. These technologies include electronic data interchange (EDI), radio-frequency identification (RFID), and the internet. The aim of digital customs is to automate and simplify customs procedures, reducing the need for manual intervention and paper-based documentation.

One of the main benefits of digital customs is that it allows for a seamless flow of information between customs authorities and traders. It enables traders to submit documentation and declarations electronically, reducing the need for physical documents and manual processing. This, in turn, speeds up the clearance process and reduces the risk of errors or delays.

## How do Digital Customs Work?

Digital customs systems typically involve the use of a centralized database that contains information about goods, traders, and transporters. This database is accessed by customs authorities, traders, and other stakeholders, who can submit and access information as required. Digital customs systems also use sophisticated risk management techniques to identify high-risk consignments, allowing customs authorities to target inspections more effectively.

One of the key features of digital customs systems is the use of electronic manifests. An electronic manifest is a digital record of the goods being transported.

## Digital Customs: Navigating the New Frontier

In today's globalized world, the internet has become a central hub for the exchange of goods and services. With the rise of e-commerce and digital transactions, customs procedures have had to adapt to keep pace with this new reality. The challenges posed by digital trade have required the creation of new rules and regulations to ensure the safety and security of cross-border transactions. The use of digital customs has revolutionized the customs clearance process, making it more efficient and cost-effective.[1]

Customs authorities around the world are grappling with a number of complex issues related to digital trade. These include the authentication of electronic documents, the detection of counterfeit goods, the protection of intellectual property rights, and the management of risks related to e-commerce transactions. As a result, customs procedures are being transformed to take into account the unique characteristics of digital trade.

## Authentication of Electronic Documents

One of the key challenges of digital trade is ensuring the authenticity and integrity of electronic documents. Customs authorities rely on these documents to determine the origin, value, and classification of goods, as well as to assess duties and taxes. However, electronic documents can be easily manipulated, and it can be difficult to determine whether they have been altered or forged.

To address this issue, customs authorities have implemented a number of measures to ensure the authenticity of electronic documents. These include the use of digital signatures, encryption, and electronic seals. Digital signatures use a cryptographic algorithm to verify the authenticity of a document and ensure that it has not been tampered with. Encryption involves the use of a mathematical algorithm to scramble the contents of a document, making it unreadable without a decryption key. Electronic seals are used to verify the authenticity and integrity of a document by applying a unique identifier to it.

## Detection of Counterfeit Goods

Another challenge of digital trade is the detection of counterfeit goods. The internet has made it easier for counterfeiters to sell their products online, often under the guise of legitimate businesses. Customs authorities must be able to identify and seize counterfeit goods before they enter the country, in order to protect consumers and legitimate businesses.

To address this issue, customs authorities are using a combination of traditional and digital methods to detect counterfeit goods. Traditional methods include physical inspections of goods at ports of entry, as well as investigations and raids on suspected

counterfeiters. Digital methods include the use of data analytics and machine learning algorithms to analyze shipping data and detect patterns of suspicious activity. Customs authorities are also working closely with e-commerce platforms and payment processors to identify and shut down counterfeiters operating online.

### **Protection of Intellectual Property Rights**

Digital trade has also created challenges for the protection of intellectual property rights (IPR). The internet has made it easier for infringers to distribute counterfeit goods and pirated content, which can be difficult to detect and enforce. Customs authorities must be able to identify and seize infringing goods, and work with rights holders to enforce their IPR.

To address this issue, customs authorities have implemented a number of measures to protect IPR in the digital age. These include the use of customs watchlists, which contain information on trademarks, patents, and others. Digital Customs in **Uzbekistan:**

### **Advancements, Challenges and Future Prospects**

Uzbekistan has been implementing a series of economic and trade reforms in recent years, with a focus on digitalization and modernization of customs procedures. The country has made significant strides in improving its customs operations, particularly in the context of cross-border e-commerce and paperless trade. In this article, we will examine the current state of digital customs in Uzbekistan, the challenges faced by the country, and the prospects for further development.

### **Advancements in Digital Customs**

Uzbekistan has implemented a number of digital customs initiatives in recent years. One of the key advancements is the introduction of the "Single Window" system, which allows businesses to submit all necessary documentation online, reducing the need for physical paperwork. This system enables traders to submit and process their customs declarations, and to obtain permits and licenses for customs clearance, without having to visit multiple government agencies. Digital customs systems, such as electronic data interchange (EDI), automated clearance systems, and risk management systems, enable customs administrations to process large volumes of trade data in real-time, reducing processing times and enhancing transparency.[2]

Another significant advancement is the introduction of the "Green Corridor" system, which simplifies customs procedures for certain categories of goods, such as perishable and time-sensitive items. This system enables businesses to expedite the clearance process for their goods, reducing the time and costs associated with customs clearance. The adoption of digital customs systems can improve trade facilitation, promote cross-border e-commerce, and enhance border security by reducing the risk of smuggling and counterfeiting.[3]

Uzbekistan has also implemented a number of measures to facilitate cross-border e-commerce. For instance, the country has established a national e-commerce platform, which provides a centralized platform for businesses to sell their products online. This platform also offers a range of services, such as logistics and payment processing, which can help businesses to streamline their operations and expand their customer base.

In addition, Uzbekistan has implemented a number of measures to improve customs data management. The country has established a centralized database, which allows customs officials to access real-time information on shipments, enabling them to detect and prevent illicit activities such as smuggling and money laundering.

### **Challenges Faced by Uzbekistan**

Despite these advancements, Uzbekistan faces a number of challenges in its efforts to digitalize its customs operations. One of the main challenges is the lack of awareness and understanding of digital customs among businesses and customs officials. Many businesses in Uzbekistan are not aware of the benefits of digital customs, or do not have the technical expertise to implement digital customs solutions.

Digitization in customs refers to the use of digital technologies to streamline and modernize customs processes. This includes the use of electronic data interchange (EDI), electronic payment systems, automated customs clearance systems, and other digital solutions that help to simplify and speed up customs procedures.

Digitization has several benefits for customs operations, including increased efficiency, reduced processing times, improved accuracy, and enhanced security. By automating routine tasks and digitizing data, customs agencies can process goods and shipments more quickly, while also reducing the risk of errors and fraud.

One example of digitization in customs is the use of electronic customs declarations, which allows traders to submit customs declarations electronically, rather than using paper-based processes. This helps to reduce the administrative burden on traders and customs officials, while also enabling faster processing times and greater accuracy.

Overall, digitization is an important tool for modernizing customs operations and improving the flow of goods across borders. As technology continues to advance, it is likely that customs agencies will increasingly rely on digital solutions to streamline their processes and ensure the efficient and secure movement of goods across borders. The implementation of digital customs systems requires capacity-building and cooperation between customs administrations and other stakeholders, including the private sector, government agencies, and international organizations.[4]

Digitization is transforming customs operations around the world, bringing significant benefits in terms of efficiency, accuracy, and security. By using digital technologies, customs agencies can streamline their processes, reduce costs, and enhance their ability to manage risks.

One key area of digitization in customs is the use of electronic data interchange (EDI) to exchange information between traders and customs authorities. This allows customs declarations to be submitted and processed electronically, reducing the need for paper-based processes and improving the speed and accuracy of customs clearance.

Benefits	Challenges
Increased efficiency and speed of clearance procedures	Need for significant investment in infrastructure and technology
Improved accuracy and consistency of data	Security and privacy concerns with electronic data exchange
Reduced administrative burden and costs	Resistance to change from traditional paper-based processes
Enhanced risk management and fraud detection	Limited interoperability between different digital customs systems
Facilitated cross-border trade and supply chain integration	Skill gaps and training needs for customs officials and trade stakeholders

**Digital transformation of customs. [6] picture-1**

Electronic payment systems are also playing an increasingly important role in customs digitization, allowing traders to pay customs duties and fees electronically, rather than using traditional paper-based methods. This improves the speed and accuracy of payment processing, while also reducing the risk of fraud and error.

In addition to these specific technologies, digitization is also driving broader changes in customs operations, such as the use of digital signatures and electronic seals to verify the authenticity of documents and shipments. This helps to reduce the risk of fraud and ensure the integrity of the supply chain.

Despite the many benefits of digitization, there are also challenges that must be addressed. One of the biggest challenges is ensuring that all stakeholders are able to use and access digital systems, particularly in developing countries where digital infrastructure may be less developed.

Another challenge is ensuring the security of digital systems, particularly in light of the increasing risk of cyberattacks and data breaches. Customs agencies must invest in robust cybersecurity measures and ensure that their staff are trained to identify and respond to potential security threats.

Overall, digitization is transforming customs operations around the world, bringing significant benefits in terms of efficiency, accuracy, and security. As technology continues to advance, it is likely that customs agencies will increasingly rely on digital solutions to streamline their processes and ensure the efficient and secure movement of goods across borders.

Benefit	Description
Increased Efficiency	Digital customs systems can enable faster and more efficient processing of customs declarations and clearances, reducing delays and costs for businesses and individuals.
Improved Transparency	Digital customs systems can provide greater transparency into the customs process, allowing for better tracking and monitoring of goods and improving compliance.
Enhanced Security	Digital customs systems can improve security by providing more accurate and up-to-date information on goods entering or leaving a country, and by enabling the identification of potential security threats.
Reduced Paperwork	Digital customs systems can reduce the amount of paperwork required for customs declarations, simplifying the process for businesses and individuals and reducing administrative burdens.
Increased Revenue	Digital customs systems can improve revenue collection by reducing opportunities for fraud and ensuring that tariffs and taxes are correctly applied and collected.

**Benefits and description of Digital customs. Picture-2 [7]**

Digitization has transformed the way that customs operates, with new technologies and digital solutions improving efficiency, accuracy, and security. From electronic data interchange (EDI) to automated customs clearance systems, digitization has streamlined customs processes, reduced processing times, and improved the overall flow of goods across borders.

One of the key benefits of digitization in customs is improved efficiency. By automating routine tasks and digitizing data, customs agencies can process goods and shipments more quickly, while also reducing the risk of errors and fraud. For example, electronic customs declarations allow traders to submit declarations electronically, eliminating the need for paper-based processes and reducing the administrative burden on traders and customs officials.

Digitization also offers increased accuracy, with digital systems able to cross-check and verify data in real-time, reducing the risk of errors and ensuring that shipments comply with customs regulations. This can help to prevent delays and reduce the cost of compliance for traders.

In addition to improving efficiency and accuracy, digitization has also enhanced security in customs operations. With advanced digital solutions such as risk management systems and electronic seals, customs agencies can better monitor and control the movement of goods across borders. This can help to reduce the risk of smuggling, fraud, and other security threats.

However, there are challenges associated with digitization in customs. For example, the implementation of new systems and technologies can be complex and time-consuming, requiring significant investment in infrastructure and training. Additionally, not all traders may have access to the necessary technology or be able to afford the associated costs, potentially creating barriers to trade. Despite these challenges, digitization is an essential tool for modernizing customs operations and improving the flow of goods across borders. As technology continues to advance, it is likely that customs agencies will increasingly rely on digital solutions to streamline their processes and ensure the efficient and secure movement of goods across borders.

Digitization is transforming customs operations, improving efficiency, accuracy, and security. While there are challenges associated with the implementation of new systems and technologies, the benefits of digitization in customs are clear. By embracing digital solutions, customs agencies can reduce processing times, enhance accuracy and security, and ensure the efficient and smooth movement of goods across borders. In recent years, there has been a growing trend towards digitization in customs. This trend has been driven by a range of factors, including the need to streamline processes, reduce costs, and enhance security. In this article, we will explore the benefits of digitization in customs and examine some of the key technologies and tools that are driving this trend.

One of the key benefits of digitization in customs is increased efficiency. By automating routine tasks and digitizing data, customs agencies can process goods and shipments more quickly, while also reducing the risk of errors and fraud. This can help to reduce processing times and enhance the overall speed and efficiency of the customs clearance process.

Another benefit of digitization in customs is improved accuracy. By using digital tools to capture and store data, customs agencies can ensure that all relevant information is captured accurately and consistently. This can help to reduce the risk of errors and inconsistencies, which can lead to delays and other problems in the clearance process.[8]

In addition to these benefits, digitization in customs can also enhance security. By using digital tools to track and monitor shipments, customs agencies can better identify potential risks and threats. This can help to prevent the entry of illicit or dangerous goods, while also ensuring the safety and security of legitimate trade.

There are several key technologies and tools that are driving the trend towards digitization in customs. One of the most important of these is electronic data interchange (EDI). EDI allows for the electronic exchange of data between different parties, including customs agencies, traders, and other stakeholders. This can help to simplify and streamline the clearance process, while also reducing the need for paper-based documentation.

The adoption of digital customs systems can improve the efficiency of customs procedures, reducing delays and costs for businesses and individuals. Another important technology is automated customs clearance systems. These systems use advanced algorithms and machine learning to analyze data and identify potential risks and threats. This can help to speed up the clearance process, while also ensuring that only legitimate goods are allowed to enter the country.

Other important tools for digitization in customs include electronic payment systems, which allow for faster and more efficient payment of customs duties and fees, and electronic customs declarations, which allow traders to submit customs declarations electronically.

### **Digitization in Customs: Streamlining and Modernizing Border Operations**

Customs agencies play a crucial role in facilitating the movement of goods across borders. However, the traditional paper-based customs processes can be time-consuming, error-prone, and costly. To address these challenges, many countries are turning to digitization as a way to streamline and modernize their customs operations.

Digitization in customs refers to the use of digital technologies to automate routine tasks and digitize data, with the goal of simplifying and speeding up customs procedures. The use of digital solutions such as electronic data interchange (EDI), electronic payment systems, and automated customs clearance systems can help to enhance efficiency, accuracy, and security.[9]

One of the key benefits of digitization in customs is increased efficiency. By automating routine tasks and digitizing data, customs agencies can process goods and shipments more quickly, reducing processing times and freeing up staff time to focus on more complex tasks. Electronic customs declarations, for example, allow traders to submit customs declarations electronically, rather than using paper-based processes, reducing the administrative burden on traders and customs officials.

Another benefit of digitization in customs is improved accuracy. Digital solutions help to reduce the risk of errors and fraud, as they enable real-time data validation and provide greater visibility into the movement of goods. This can help to prevent mistakes and reduce the need for manual interventions.

Digitization in customs also enhances security. With digital solutions, customs agencies can implement more advanced risk assessment and targeting systems to identify and mitigate potential security risks. Electronic payment systems can also help to reduce the risk of corruption and ensure that customs duties and taxes are paid on time.



Furthermore, digitization can help to facilitate trade and promote economic growth. By simplifying and speeding up customs procedures, digitization can help to reduce trade costs and enable businesses to access new markets. This can help to boost economic growth, create jobs, and increase competitiveness.

To achieve the benefits of digitization, countries need to invest in modernizing their customs infrastructure, building the necessary digital capabilities, and adopting international standards and best practices. This requires a strong commitment from governments and customs agencies, as well as collaboration with the private sector, to develop and implement effective digitization strategies.

In conclusion, digitization in customs is an important tool for modernizing customs operations and improving the flow of goods across borders. With the increasing adoption of digital solutions, customs agencies can enhance efficiency, accuracy, and security, while also promoting trade and economic growth. The benefits of digitization are clear, and it is up to governments and customs agencies to embrace this transformational change and reap its rewards.

However, there are also challenges associated with digitization in customs. One of the key challenges is ensuring that customs agencies have the necessary infrastructure and expertise to implement these solutions. This can be particularly challenging in developing countries, where resources may be limited.

Another challenge is ensuring that digital solutions are secure and reliable. Cybersecurity threats pose a significant risk to customs agencies, as they handle sensitive data related to global trade. Customs agencies must ensure that their digital solutions are secure and that they have the necessary protocols in place to prevent cyber attacks.[10]

Finally, there is the challenge of ensuring that digitization in customs is inclusive. This means ensuring that all traders, including small and medium-sized enterprises (SMEs), have access to digital customs solutions. Customs agencies must ensure that their digital solutions are user-friendly and accessible, so that SMEs can benefit from the efficiencies and cost savings that digitization offers.

In conclusion, digitization in customs is an important tool for modernizing customs operations and improving the flow of goods across borders. By leveraging digital technologies, customs agencies can increase efficiency, accuracy, and transparency, while also reducing costs and enhancing security. While there are challenges associated with digitization in customs, these can be overcome with careful planning and implementation. As technology continues to evolve, it is likely that digitization will become an increasingly important tool for customs agencies around the world.

Digitization is transforming the way customs operates, enabling a more streamlined and efficient approach to processing goods and facilitating trade across borders. By adopting digital technologies, customs agencies can improve the speed, accuracy, and security of their operations, while also reducing costs and enhancing customer satisfaction.

One of the key benefits of digitization in customs is the ability to automate routine tasks and simplify complex procedures. This can include the use of electronic data interchange (EDI), which allows traders to submit customs declarations electronically, rather than relying on paper-based processes. By automating these tasks, customs agencies can reduce processing times and improve the accuracy of data, while also minimizing the risk of errors and fraud.

Another important area of digitization in customs is the use of automated customs clearance systems. These systems use advanced algorithms and machine learning to process shipments and identify potential risks, allowing customs agencies to focus their resources on high-risk shipments while expediting the clearance of low-risk goods. By leveraging these systems, customs agencies can improve their risk management capabilities and better protect their borders, while also reducing the burden on traders and logistics companies. In addition to these two areas, digitization is also enabling customs agencies to better engage with stakeholders and partners across the supply chain. This can include the use of digital platforms to share data and collaborate on key issues, such as trade facilitation, customs harmonization, and supply chain security. By fostering greater collaboration and communication, digitization is helping to build more efficient and effective supply chains, while also strengthening relationships between customs agencies and their partners.

Of course, there are also challenges associated with digitization in customs, including the need for robust cybersecurity measures to protect sensitive data, the potential for technological disruptions or failures, and the need for ongoing training and education for customs officials and traders. However, these challenges are outweighed by the benefits of digitization, which include increased efficiency, improved security, and greater transparency.

Digitization is transforming the way customs operates, enabling a more streamlined and efficient approach to processing goods and facilitating trade across borders. By adopting digital technologies, customs agencies can improve their operations, better manage risks, and foster stronger relationships with their partners across the supply chain. While there are challenges associated with digitization, the benefits are clear, and customs agencies that embrace this technology are well positioned to succeed in an increasingly complex and interconnected global trade environment. Digitization in customs is an important trend that is helping to modernize and streamline customs operations around the world. By using digital tools and technologies to simplify and automate routine tasks, customs agencies can improve efficiency, accuracy, and security, while also reducing costs and enhancing the overall speed and efficiency of the clearance process. As technology continues to advance, it is likely that we will see further innovations in this area, which will further enhance the benefits of digitization in customs.

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