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FOREIGN TRADE TAXES AS AN INSTRUMENT OF CUSTOMS POLICY OF UKRAINE IN THE LIGHT OF MODERN TRENDS AND CHALLENGES

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Abstract
The article raises the issue of the effectiveness of tariff regulation of foreign trade in Ukraine. The author analyses the level of revenues from foreign trade taxes in the state budget of Ukraine over the past ten years. These taxes include, in particular, traditional customs duties and trade defence measures. The author concludes that the impact of these taxes on budget revenues is insignificant. The author analyses the causes and factors of significant fluctuations in revenues from foreign trade taxes, among which the military aggression of the Russian Federation against Ukraine and other political factors are particularly noteworthy. At the same time, it is shown that customs duties contribute to the achievement of other important goals of both the state and the private sector. For example, the imposition of import duties enables companies to predict the economic attractiveness of certain trade operations and to research and model the market. International trade taxes allow the state to respond quickly to consumer demand for certain categories of goods, and to respond promptly to military needs and the needs of ordinary consumers in the face of military aggression. In addition, a balanced policy of applying trade defence measures is intended to promote fair trade practices. The author demonstrates that Ukraine does not make full use of these measures. The author concludes that quantitative indicators of customs performance cannot be the only criteria for its effectiveness and that excessive attention to these indicators will lead to misuse by officials to improve them at any cost. The author suggests that policymakers should focus on studying factors affecting tax revenues to make tariff regulation and tariff measures really effective tools for customs and the international trade of Ukraine as a whole.
Keywords: customs duties, foreign trade taxes, tariffs, customs, customs policy, trade policy.
JEL: F13, O24

Introduction

Customs is a conglomerate of various instruments, tools, regulations, levers with different nature and mechanisms of action aimed at achieving many important functions. Traditionally, customs has been responsible for implementing a wide range of government policies in areas as diverse as collecting taxes and other payments, controlling compliance with foreign trade rules and facilitating its development, combating illegal international trade (including prohibited goods and substances), protecting cultural heritage and enforcing intellectual property rights (Widdowson, 2007).

The priority of certain customs functions varies from country to country, depending in particular on the government agency responsible for managing and coordinating customs matters. In the United States,

for example, Customs is part of US Customs and Border Protection, which reports to the US Department of Homeland Security (US Homeland Security, 2024). As the first unified border agency in the United States, it takes an integrated approach to border management and control, combining customs, immigration, border security and agricultural protection into one coordinated and supportive activity.

The majority of the EU countries have chosen to place their national customs systems (often together with the tax service) under the authority of the Ministry of Finance (examples include Ireland (Revenue, 2021), Poland (ISAP, 2016). The Ukrainian customs has gone through a thorny path of transformations and reforms (being an independent institution, part of a unified fiscal body together with the tax service and even the ministry). Ukraine now has a customs system that is managed by the State Customs Service. Ultimately, it uses the most common European model, as its customs are directed and coordinated by the government through the Minister of Finance. Given that the Ministry of Finance develops and implements financial and budgetary policy, the fiscal function of Ukraine's customs authorities can be considered predominant. In a general sense, it consists of the collection of taxes by the customs authorities and, accordingly, the filling of the state budget. The efficiency and importance of this function depend on many factors of an economic, political and social nature. Moreover, its performance affects not only the budget and finances. It also affects other customs roles. By collecting customs taxes, customs does much more than just fill the treasury. Moreover, paradoxical as it may sound, customs taxes make a larger contribution to the non-fiscal component of customs activities.

Therefore, the purpose of this article is to analyse the performance of fiscal functions of the Customs over the past ten years through the prism of political and socio-economic events in Ukraine; to formulate criteria affecting its effectiveness and manageability, as well as the impact of the effectiveness of such performance on the non-fiscal functions of the Customs.

Materials and Methods

In order to confirm the hypothesis of the greater importance of customs duties for the non-fiscal activity of Ukrainian customs, the share of customs duties in the state budget is examined in dynamic terms. The study used open data on tax revenues from the official state web portal Open Budget (information for 2018-2023) and the financial portal Minfin (information for 2014-2017). The data were based on the revised annual plans for the respective year. The comparison of the relevant data made it possible to analyse the dynamics of tax revenues to the state budget, in particular foreign trade taxes, and to find out the reasons for fluctuations and the factors that catalyse them. This study used data on pure customs taxes levied on international trade transactions. Value added tax (VAT) and excise duties were not taken into account in order to examine more closely the tariff instruments of Ukrainian customs policy.

Fiscal Role of Customs

Ukrainian customs is responsible for collecting customs duties, VAT and excise taxes on imported goods. According to Article 4 (26) of the Customs Code of Ukraine (CCU), these taxes are generally referred to as "customs payments". In fact, not all of them are pure customs taxes, i.e. taxes on foreign trade (Prokopenko & Kozlova, 2013). By foreign trade taxes we mean only taxes paid in connection with crossing the customs border of Ukraine. These are all types of duties provided for by the CCU.

VAT and excise duties are national taxes levied, inter alia, on the import of goods into Ukraine. In other words, transactions involving the importation of goods (in the case of excise tax on excisable goods) into Ukraine are one of many objects of taxation by these taxes. At the same time, customs duty is a tax paid exclusively in connection with the movement of goods across the customs border.

The list of functions of customs duties is not stable and uncontested. Ten years ago, the prevailing view was that the imposition of tariffs was justified by at least two requirements:

• to protect domestic industry against imports;

• to achieve certain levels of close prices between imported and domestic products (Gherghina & Creţan, 2012; Postole & Ciobănaşu, 2013).

Today Ukrainian scholars agree on the following functions of customs duties:

fiscal – contributes to the replenishment of state budget revenues;

regulatory – helps to regulate the structure and geography of imports and exports;

protective – protects the interests of domestic producers, including against unfair actions of foreign economic entities (we are talking about anti-dumping, countervailing and special duties);

stabilising (balancing) – a duty is a way of improving the conditions of access of national goods to foreign markets, or the imposition of a duty may help prevent undesirable exports of goods whose prices on the domestic market are lower than on the world market (Batanova & Kukharuk, 2018; Storozhuk, 2017).

Foreign Trade Taxes as a Source of Revenue for the State Budget of Ukraine

As mentioned above, foreign trade taxes are a general term for customs taxes levied on goods imported into or exported from the customs territory of Ukraine. They include regular customs duties and trade defence measures. Customs duty is a nationwide indirect tax levied on the movement of goods across the customs border of Ukraine, in particular on their import and export. Customs duty is a rather special tax that has many features that are not typical of other national taxes, including VAT or excise duties. As a matter of fact, the calculation, payment and control over the payment of customs duties are regulated by the CCU and not by the Tax Code of Ukraine (TCU). The CCU defines several types of customs duties. Each of them has a specific nature and purpose, as well as the procedure for its establishment and collection.

Table 1 summarises all types of customs duties provided for by the CCU, their purposes and the grounds for their establishment and collection.

Despite this variety of types of customs duties, all of them, as national taxes, go to the state budget of Ukraine. Import duties account for the lion's share of customs revenues. In 2023, they accounted for 97.7% of all foreign trade taxes transferred to the budget. Export duties accounted for 1.38%, while special and seasonal duties accounted for 0.92% (Open Budget, 2024).

It is worth clarifying the nature of the additional import fee. The name may be misleading as it indicates the non-tax nature of this payment. As mentioned above, this fee is set in accordance with Article XII of the GATT 1994 (World Trade Organisation, 1994a) and the Understanding on Balance-of-Payments Provisions of the GATT 1994 (World Trade Organisation, 1994b). The original text of the above document defines balance-of-payments measures as including import surcharges, import deposit requirements or other equivalent trade measures that affect the price of imported goods (World Trade Organisation, 1994b). In other words, it is actually an increased import duty, not an additional payment of a non-tax nature.

Unlike other taxes regulated by the TCU, customs duties do not have one or a few rates, but a large number of rates, which are imposed depending on the type of goods imported or exported. Import duty rates are set by the Law of Ukraine on Customs Tariff and vary from 0 to 50% of the customs value of goods, depending on the product. A significant percentage of goods are taxed at a zero rate, while the 50% rate is more of an exception. Only some types of imported sugar are taxed at this rate. Most goods are taxed at a rate not exceeding 10%. However, a rate of 20% of the customs value is common for agricultural products.

In addition, import duty rates are differentiated according to the country of origin of the imported goods. Thus there are full, reduced and preferential duty rates. The vast majority of countries, including WTO members, benefit from reduced rates. These are also known as MFN duties because they apply to countries that enjoy Most Favoured Nation treatment. There are currently 166 WTO members, including Comoros and Timor-Leste (World Trade Organisation, 2024a). These countries account for over 98% of all international trade (Grieger, 2024, p. 2). The reduced (MFN) rate is usually much lower than the full rate applied to goods originating in the rest of the world. For example, the MFN duty rate for knitted gloves impregnated, coated or tanned with rubber is 5% whereas the full rate is 40%. Therefore, in 98% of cases, the 5% rate applies. For agricultural products, the full and reduced (MFN) rates are usually the same. For example, fresh chicken is subject to a 15% rate regardless of the country of origin (Verkhovna Rada of Ukraine, 2022).

Table 1

Types of duties and peculiarities of their application in Ukraine

Duty type	Goal	Taxation peculiarities	Features of accruals
Import	Increasing the cost of imported goods, promoting the competitiveness of Ukrainian goods	Every single import transaction	At the rates laid down in the Customs Tariff' of Ukraine
Export	Export restrictions to prevent domestic market shortages of certain types of goods	Every single export transaction of sertain goods	At the rates fixed by the individual laws on the rates of export duty on certain goods
Seasonal	Creation of equal conditions of competition between domestic and foreign products, as well as some methods of price support for agricultural producers in Ukraine.	Established for a period of 60 to 120 days; specific time periods are set by the Cabinet of Ministers of Ukraine	Imposed annually at twice the most favoured nation (MFN) import duty rates on agricultural products in accordance with the Law on state regulation of imports of agricultural products" of 17 July 1997.
Special types of duties (trade defense measures), in particular:	Protection of national producers against unfair practices by foreign economic operators	Established by decisions of the Interdepartmental Commission on International Trade on the application of anti-dumping, countervailing or safeguard measures, following the relevant investigation.	At the rates established by decisions of the Interdepartmental Commission on International Trade in each case preceded by an anti-dumping, countervailing or safeguard investigation.
Antidumping	Protection of national producers against dumping import		
Countervailing	Protection of national producers against subsidy imports, i.e. illegal use of state subsidies		
Safeguard	Protecting national producers from threatening imports as well as responding to discriminatory and/or unfriendly actions by other States.		
Additional import fee	Safeguarding the balance of payments and increasing foreign exchange reserves	Established by law in accordance with Article XII of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and the Agreement on Balance of Payments Provisions of the GATT 1994, in the event of a significant deterioration in the balance-of-payments or a substantial reduction in foreign exchange reserves.	A specific law sets out the rates, the list of goods subject to the tax and the exemptions [1]

Source: developed by the author

[1] The additional import fee was applied only in 2015 on the basis of the Law of Ukraine on measures to stabilise the balance of payments of Ukraine in accordance with Article XII of the General Agreement on Tariffs and Trade of 1994 of 28 December 2014 (expired on 1 January 2016).

If preferential treatment is established between Ukraine and the country of origin of the imported goods, preferential (often zero) duty rates apply. Preferential treatment is usually introduced bilaterally on the basis of an international agreement, usually called a free trade agreement (FTA). However, unilateral preferential treatment is also possible, such as the Generalised System of Preferences (GSP), which aims to create favourable trade conditions for developing countries. As Ukraine does not grant preferences under the GSP to any country, this case is not considered. Examples of bilateral preferential treatment are the EU-Ukraine Association Agreement, the Ukraine-Canada Free Trade Agreement and others. In such cases, customs duties, if any, are applied on the basis of the rules laid down in such agreements. As a rule, countries grant each other tariff exemptions on imports of goods originating in the countries party to the agreement, or at least set quotas for duty-free trade.

Fig. 1 shows the dynamics of fluctuations in state budget revenues from customs duties (import and export as well as trade defense measures) in 2014-2023. The highest percentage was recorded in 2015, at 7.54%. This was the only year when Ukraine imposed an additional import fee to improve its balance of payments. It is interesting to note that in 2015 there was a noticeable decline in overall tax revenue. This means that foreign trade taxes, even in turbo mode, are not able to drastically affect the country's financial situation. This suggests that the fiscal function of duties is not fateful, but rather subsidiary.

Anyway, 2015 is not indicative, unlike the rest of the pre-war years when the rate was relatively stable at around 3%. In 2020, the year of the Covid-19 pandemic, we may see a slight decline in revenues. There has also been a slight decline in revenue since 2016. This trend can be attributed to the entry into force of the EU-Ukraine Association Agreement (Ministry of Foreign Affairs, 2015), which provides for the exemption of customs duties on goods within the established quotas. The most significant drop in revenues in 2022-2023 is due to the full-scale invasion of Ukraine by the Russian Federation.

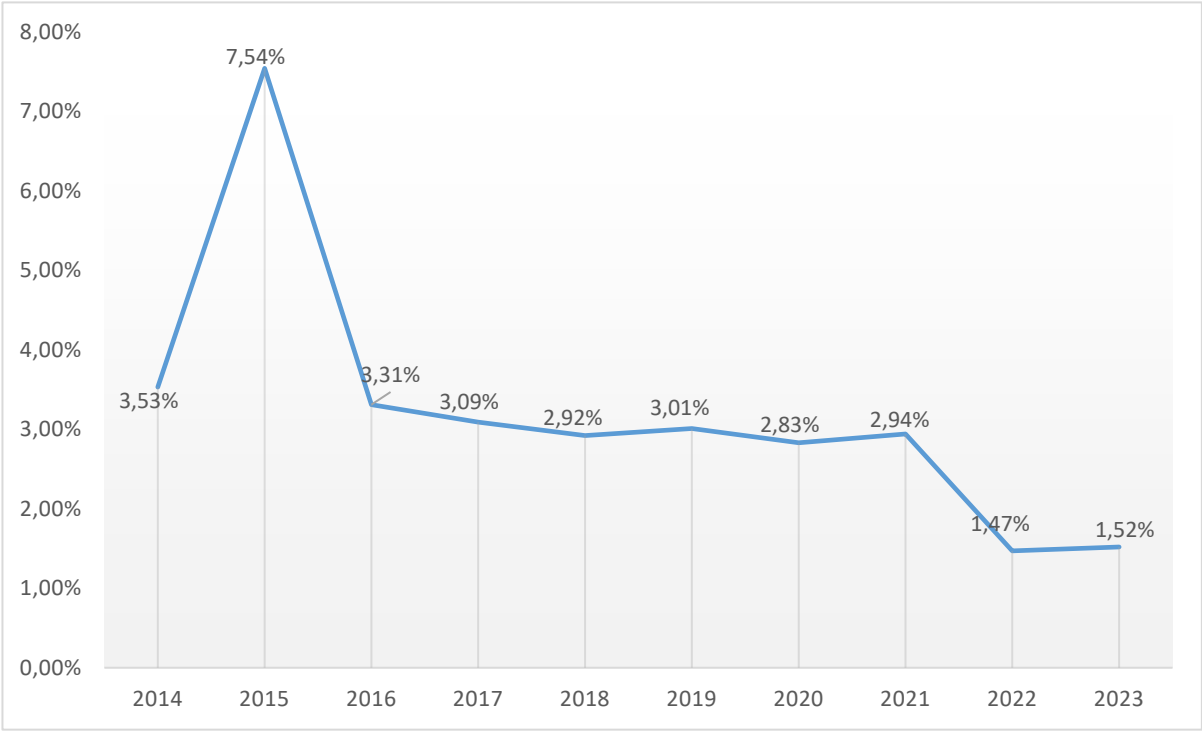

Fig. 1. Share of taxes on foreign trade in total revenues of the state budget of Ukraine, 2014-2023

Source: Authors' compilation based on statistical data (Open budget, 2024; Minfin, 2024).

Factors Influencing the Amount of Customs Revenues to the State Budget of Ukraine

A large number of factors, both organic and artificial, influence the amount of international trade taxes collected by the customs authorities each year. Let us consider the most important ones.

***The structure of imports and exports*.** In the case of exports, everything is simple - only a few types of goods are subject to customs duties (ferrous and non-ferrous metal scrap (Verkhovna Rada of Ukraine, 2006), flax, sunflower and camelina seeds (Verkhovna Rada of Ukraine, 2012) and natural gas (Verkhovna Rada of Ukraine, 2008)).

In the case of imports, revenues increase when goods with a high duty rate are imported into Ukraine. At the same time, a high rate of duty indicates that similar domestic goods are sufficient on the internal market and that there is no urgent need to import them. Therefore, the volume of such imports is usually low. The season of importation also has little effect on the volume of import duties collected. As mentioned above, certain agricultural products are subject to seasonal duties that are significantly higher than the MFN duty. For example, apples are subject to a zero duty between 1 December and 31 March and a 10% duty between 1 April and 30 November. Other goods subject to seasonal tariffs include fresh cut flowers (some types), pears, watermelons, melons and others. As we can see, in this case the seasonal duty rate is not doubled compared to the MFN duty rate, as required by the Law on state regulation of imports of agricultural products. This law does not take into account the fact that the duty rate can in principle be 0% and therefore cannot be doubled. We believe that the provision on double seasonal rate should be removed from this law to allow for more flexible regulation of taxation of certain seasonal goods.

***Geography of imports and exports*.** It should be clarified that in the case of imports, the country of origin, as defined in Section 2 of the CCU, is relevant for the correct calculation of customs duties, and not the country from which the goods enter Ukraine. If the majority of imports are from countries with which Ukraine has free trade agreements, it is most likely that no duty will be charged (provided that the origin of the goods is proven). For example, Ukraine has agreements with the European Union (EU), European Free Trade Association (includes Iceland, Liechtenstein, Norway and Switzerland), Canada, Montenegro, North Macedonia and several other countries. Therefore, customs revenues from imports of goods originating in these countries are close to zero.

It should be remembered that by concluding FTAs, Ukraine opens its market to goods from the partner country and gains free access to its market. It is important to assess the ability of Ukrainian goods to compete in foreign markets and, accordingly, their demand there. FTAs should be mutually beneficial from an economic point of view for all signatories and should not be a political gesture, a forced measure taken as a result of pressure from a stronger country.

At the same time, the geographical factor for exports is only important for natural gas exports. Exports to the Member States of the Energy Community Member States are not subject to export duties (Energy Community, 2005).

Correct determination of customs value, country of origin and classification of imported goods. These three factors ultimately determine the amount of customs duty paid by a particular importer to the Ukrainian state budget. Simple mistakes as well as deliberate misrepresentation of data (e.g. under-declaration of customs value) are a major problem in Ukraine. For example, in 2023 the customs authorities increased the tax base by UAH 49.3 billion as a result of their control over the accuracy of the customs value of goods (State Customs Service of Ukraine, 2024a). At the same time, 3,070 cases of appeals against customs authorities' decisions on the adjustment of the customs value of goods worth UAH 810 million were considered by Ukrainian courts in the 11 months of 2023. Out of these, 2,728 cases were ruled in favour of the importers to the total value of almost UAH 690 million (State Customs Service of Ukraine, 2024b). So we can see that the problem exists on both sides. On the one hand, there are many cases of undervaluation by importers. On the other hand, in almost 89% of cases, the customs authorities make unjustified adjustments

to the customs value declared by the declarants. This situation is very peculiar. In an effort to fill the state budget, the customs service is only harming it with its unreasonable actions, by incurring additional costs for legal proceedings.

The problem with customs performance criteria is obvious. Unfortunately, they are directly linked to quantitative indicators - how much tax was paid to the budget, how much the tax base was increased, how many fines were imposed, and so on. And customs is trying to increase these indicators at all costs, causing significant damage to other public interests, suffering image losses and devaluing other performance criteria in terms of supply chain security, protection of Ukrainian consumers, etc. Systemic changes are needed in the approaches to assessing customs performance, which would take into account the complexity and multidimensional nature of its methods.

***Political factors*.** Political tensions in international relations have an impact on economic relations between countries. For example, Russia began using foreign trade as a tool of political pressure on Ukraine long before the full-scale invasion. In 2016, for example, Russia imposed a de facto food embargo on Ukraine (Government of Russian Federation, 2015). In 2019, the Russian government banned the import of a range of non-food products from Ukraine. The ban applied to imports of paper, cardboard, certain types of pipe products, certain types of clothing, including suits, jackets, blazers, dresses, skirts, trousers, overalls, underwear and footwear (Government of Russian Federation, 2018). Moreover, exports of goods important for Ukraine (oil and oil products, ethylene, propylene, butylene and butadiene, etc.) were also banned. Such measures obviously have an impact on the amount of customs duties paid and transferred to the budget.

At the same time, countries with good political relations often conclude free trade agreements or even form customs unions (such as Switzerland and Liechtenstein). This also has a downward effect on the level of customs duties, which are usually set at zero.

Political and economic relations are inextricably linked. Tariff regulations should not be a tool for resolving political disagreements or issues between countries, just as political decisions should not be a consequence (retaliation) of certain economic (tariff) measures taken by a country to protect its economy, business entities, etc. At the same time, there is currently no leverage that would prevent or at least minimise trade and political wars between countries using customs instruments. This, in turn, only discredits the customs and tariff policies not only of the countries involved in the conflict, but also in general, thus offsetting their positive contribution to the regulation of international trade.

***Russia's military aggression in Ukraine*.** Today, this criterion is the most obvious and significant. The indicators shown in Fig. 1 eloquently confirm this. Here the trend is the same as for all taxes in general – they are significantly reduced. The activity of companies, their number and their capacity have decreased significantly due to the destruction, legal termination or relocation to other jurisdictions of many tax-paying companies. Thus, in 2022 alone, 85% of business entities ceased operations or switched to partial operations (Polukhina, 2023, p. 34). At the same time, the need of manufacturing companies for foreign raw materials, components, etc. has decreased. In addition, the hostilities have led to a decline in Ukraine's population, including emigration abroad, and thus to a reduced consumer demand for food and non-food imports. In addition, logistical solutions for importing and exporting goods to Ukraine are becoming increasingly difficult due to the limited availability of maritime transport and the unavailability of air connections to the rest of the world. Much of the state border is located in the temporarily occupied territories or borders the aggressor state, making it impossible to use it for international trade. In addition, some customs offices have been forced to temporarily suspend their operations. This is not an exhaustive list of the negative effects of armed aggression on international trade and, consequently, on tax revenues to the budget. It should be added that Ukraine deliberately suspended customs duties on a large number of goods that were urgently needed during the period of martial law (for example, unmanned aircraft and their components used for military purposes, power generation and storage equipment, etc.).

Covid-19 pandemic. Restrictive measures to combat the pandemic have had a significant impact on world trade, including customs duties. However, it should be noted that the relationship between the two is not direct, but rather inverse. The WTO study on the impact of the pandemic on trade costs shows that international transport costs have increased the most. In manufacturing, they rose by 31%, or almost a third. Information and transaction costs also rose by up to 20% (World Trade Organisation, 2020, p. 2). This increase was reflected in the customs value of goods (these costs are included in the customs value), which is the basis for the duty on 90% of imports (in cases where the customs tariff sets an ad valorem rate calculated as a percentage of the customs value of goods). An increase in the tax base obviously leads to an increase in the amount of duty payable. The graph in Fig. 1 shows no major fluctuations during the pandemic, so it can be argued that the decrease in trade was almost offset by the increase in the amount of duty payable. Therefore, the indicator remained almost at the same level as the previous year, with a loss of around 0.2%.

Trade defence measures. Trade defence measures are ways of protecting domestic manufacturers against international trade distortions. In Ukraine, these are special duties such as antidumping, countervailing (antisubsidy), safeguard duties and additional import fee. These additional duties can be imposed in response to unfair actions by other countries or in case of a significant deterioration of the Ukrainian economy. An immediate result of such measures, in particular the application of an additional import duty (more than doubling the figures), is illustrated by the example of 2015 (see Fig. 1). However, such measures must be duly justified at the time of their implementation so as not to contradict the principle of facilitating and liberalising world trade.

Other types of special duties (anti-dumping, countervailing and safeguard) are applied in response to duly investigated unfair practices by foreign companies or countries. It is quite difficult to predict the revenues from these types of duties, as much depends on third countries. At the same time, we can say that Ukraine does not fully use the instruments to protect its economic interests against unfair actions of other countries and their economic operators. The Russian Federation, Belarus and Turkey are among the leading countries against which Ukraine has imposed trade measures (Ministry of Economics of Ukraine, 2024). China is the most investigated country in EU trade defence investigations (European Commission, 2024), but not in Ukraine. The share of Chinese imports to Ukraine is significant (e.g. 10% of all imports to Ukraine in 2023) and it is unlikely that China engages in unfair trade practices only with the EU.

The Non-Fiscal Value of Foreign Trade Taxes in Today's Trade and Customs Policy of Ukraine

As mentioned at the beginning, taxes on foreign trade have not only and not so much a fiscal function but also have a significant impact on the use of other public policy instruments. The increase in budget revenues in general, and through customs duties in particular, is clearly a success and an achievement of customs. However, the above analysis suggests that this should not be an end in itself.

The very fact that import duties are set allows to understand the market supply of domestic products of a similar nature and to predict the profitability and, in general, the economic feasibility of producing and importing a particular product. The duty rates allow to adjust the volume and seasonality of imports and exports of goods by adjusting the duty rates on certain goods. This could be a way to respond promptly to changes in demand on the Ukrainian market and to protect the rights and interests of domestic producers. This is the core of the regulatory role of customs.

Trade defense measures – anti-dumping, countervailing and safeguard duties – peform stabilising function. Although they do not make a large contribution to the state budget (usually 1-2% of the total amount of all foreign trade taxes goes to the budget (State Customs Service…, 2024), their role is precisely to protect the interests of Ukrainian producers, restore justice and promote fair competition in international trade. Therefore, this instrument should not be neglected at the moment.

Often, measures that reduce customs revenues are more beneficial than raising tariffs. Reducing tariffs on climate-friendly goods (e.g. electric cars) is a powerful contribution to sustainable development. The same applies to goods of critical importance, which is particularly relevant in times of martial law or pandemics.

The fact that Ukraine is entering into FTAs even at the cost of reduced budget revenues from customs duties suggests that the primary objective is not to increase tax revenues. Rather, it is to establish trade relations, increase the volume of trade, facilitate access to foreign markets for its own goods, and simplify the supply of foreign components and raw materials to Ukrainian producers.

The application of tariff measures therefore requires a balanced approach. An increase in tax revenue does not always indicate a high level of performance in the customs sector, especially in times of war and in the context of sustainable development and globalisation. Effective management of modern socio-economic processes requires comprehensive short- and long-term characteristics of the processes being managed (Polovyi, 2024, p. 19).

Conclusions

The implementation of an effective customs and tariff policy appropriate to socio-economic and political realities is complicated by the number of factors that ultimately affect the amount of foreign trade taxes paid to the state budget. It is necessary to make maximum efforts in the following areas in order to ensure effective customs and tariff management, i.e. the work of establishing, canceling and suspending all types of customs duties in such a way that all, and not only fiscal, functions of customs duties are properly fulfilled. Particularly, the focus should be on the following:

1) Analysis of customs statistics and fluctuations in their indicators in relation to the structure of imports and exports;

2) Examination of the state of the internal market by main groups of goods for existing and potential deficits and surpluses;

3) Monitoring the fulfilment of obligations arising from Ukraine's free trade agreements by all parties; a cautious and prudent approach to potential free trade agreements;

4) Improvement of the customs risk management system (in particular according to indicators of customs value of goods as well as classification and origin of goods);

5) Reconsidering approaches to the application of types of duty rates in favour of combined rates. These rates, which combine the customs value and the quantity of goods as a basis for taxation, can be a way out of the situation with regard to the manipulation of the customs value of goods;

6) Intensify work on the application of trade policy measures (anti-dumping, special and countervailing duties) against all countries that engage in discriminatory and unfair trade practices.

Measures to minimise the impact of military aggression on tax revenues, particularly customs duties, to the national budget are not presented here, as they deserve to be the subject of separate scientific research.

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