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INTERNATIONAL AND NATIONAL ECONOMIC AND LEGAL ASPECTS OF INSTITUTIONAL DISCIPLINE OF LAW ENFORCEMENT AND REGULATORY AUTHORITIES IN THE FIELD OF TAX SECURITY

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Abstract. This article examines the international and national economic and legal aspects of institutional discipline within law enforcement agencies in relation to tax security. It substantiates the importance of tax security as a component of a state's economic security, as it directly affects budget revenue stability, business activity transparency, business confidence in state institutions, and a country's investment attractiveness. It has been established that the institutional discipline of law enforcement authorities encompasses not only compliance with service discipline by individual employees, but also legality, integrity, professionalism, responsibility, proper interagency co-operation and the prevention of corruption. At the national level, it has been determined that proper institutional discipline contributes to the effective counteraction of tax evasion, unlawful tax refunds, fictitious entrepreneurship and other tax offences. Its significance at the international level is manifested in its ability to counter transnational tax risks, illegal capital outflows, manipulation of foreign economic activity and investment abuses.

Research methods. The study's methodological basis consists of formal legal, comparative legal, systemic, functional and economic-legal methods. The formal legal method was employed to clarify the content of legal norms that regulate the activities of law enforcement authorities in ensuring tax security. The comparative legal method enabled an examination of international and national approaches to countering tax offences and evasion, and ensuring an appropriate level of institutional discipline. The systemic method was applied to consider tax security as part of the state's economic security and to determine the role of law enforcement authorities in ensuring it. The functional method enabled the analysis of the role of the institutional discipline of law enforcement authorities in preventing tax risks, manifestations of corruption, and abuses in the field of taxation. The economic-legal method was employed to determine the correlation between the effectiveness of law enforcement activities, budget revenue stability, investment attractiveness and the level of tax security. The method of analysing scientific sources and international studies was also employed.

The *purpose* of this article is to identify the international and national economic and legal aspects of the institutional discipline of law enforcement authorities in relation to tax security.

Conclusions. This study summarises the international and national economic and legal aspects of the institutional discipline of law enforcement and regulatory authorities in relation to tax security. It establishes that tax security is a vital part of a state's economic security, as it directly impacts budget revenue stability, the effective operation of the tax system, business confidence in state institutions, investment appeal, and the state's capacity to counter economic and financial threats. It has been proven that the institutional discipline of law enforcement and regulatory authorities cannot be reduced to individual officials' compliance with service regulations alone. The concept encompasses legality, integrity, professionalism, responsibility, impartiality, transparent procedures, anti-corruption resilience, effective interagency co-operation and the capacity of state bodies to respond

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promptly to tax risks. Therefore, institutional discipline has significant internal organisational, economic, and legal implications.
The article substantiates that the effectiveness of ensuring tax security is contingent on the coordinated activity of law enforcement and regulatory authorities, including the Bureau of Economic Security of Ukraine, the State Tax Service of Ukraine, the State Customs Service of Ukraine, the National Anti-Corruption Bureau of Ukraine, the State Bureau of Investigation, the Security Service of Ukraine, the National Police of Ukraine, and the prosecutor's offices. Each of these bodies performs its own function in the system of countering tax offences; however, the effectiveness of their activity is possible only under conditions of clear delimitation of powers, proper coordination, and personal responsibility of officials.
A review of the literature on the subject reveals that, at the national level, the main problems of institutional discipline in the field of tax security include duplication of powers, insufficient coordination between bodies, corruption risks, selectivity of law enforcement, excessive pressure on business, lack of transparency of certain procedures, weak information and analytical capacity, and a formal approach to evaluating performance results. Such problems have a detrimental effect on the state of tax security, as they contribute to budget deficits, reduced trust in the state, distortion of the competitive environment, and weakening of economic stability.
It has been established that international threats to tax security manifest themselves through a number of means, including tax evasion in foreign economic activity, illegal capital outflows, the use of offshore jurisdictions, understatement of the customs value of goods, transfer pricing, fictitious import or export, VAT fraud, money laundering, and concealment of beneficial owners. In order to counter such threats, effective national control is required, as well as continuous international information exchange and co-operation with Europol, Eurojust, the EPPO and OLAF. It is also necessary to use European standards when investigating economic offences.
Of particular importance is the shift from formally assessing the activities of law enforcement and regulatory authorities to assessing their genuine economic outcomes. This encompasses not only the number of criminal proceedings initiated or inspections conducted, but also the actual compensation for damages obtained, the prevention of budget losses, the identification of systemic tax risks, the termination of tax evasion schemes, the reduction of the shadow economy, and the creation of equal conditions for bona fide taxpayers.
It has been determined that the institutional discipline of law enforcement authorities in the field of tax security has a complex economic and legal nature. This is because it affects the effectiveness with which tax offences are detected and terminated, as well as budget revenue stability, business confidence in the state, international investment attractiveness and the state's ability to counter transnational tax risks.

Keywords: tax security, tax legal relations, economic security, institutional discipline, law enforcement authorities, regulatory authorities, tax offenses, tax evasion, corruption risks, international law, international taxation, state regulation, investment attractiveness.

JEL Classification: H26, H30, K34, K42, F38, F53

1. Introduction

In the current state of development, tax security is becoming increasingly important as a key component of economic security. The stability of the tax system, the completeness and timeliness of tax and fee revenues paid into the budget, effective counteraction of tax evasion and minimisation of tax risks all directly affect the state's financial capacity, its ability to implement socio-economic policy, its investment attractiveness and the level of trust that business entities have in state institutions.

Tax security cannot be viewed as simply the result of proper tax legislation or effective tax administration. It is a complex process that depends on the coordinated activity of tax, customs, financial and law enforcement authorities. Law enforcement authorities play a particularly important role in this mechanism, as they are responsible for detecting, terminating and investigating offences relating to taxation, as well as combatting economic crimes, corruption schemes, illegal capital outflows, fictitious entrepreneurship and other activities that pose a threat to the tax and, more broadly, the economic security of the state.

Concurrently, the efficacy of law enforcement authorities in the domain of tax security is contingent not solely on the extent of the powers conferred upon them, but also on the degree of institutional discipline exercised by these authorities. In this context, institutional discipline should be understood more broadly than mere compliance with service regulations by individual employees. It encompasses the following: legality; professionalism; integrity; responsibility; the proper organisation of work; compliance with procedures; interagency co-operation; anti-corruption resilience; and the ability of law enforcement authorities to act impartially and proportionately in protecting the fiscal interests of the state.

The study is relevant because violations of institutional discipline by law enforcement authorities can have negative economic and legal consequences. In particular, corruption, 'selective' law enforcement, unjustified pressure on businesses, a lack of coordination between state bodies and ineffective responses to tax offences can all weaken tax security, reduce budget revenues, worsen the investment climate and lower trust in the state. Therefore, the institutional discipline of law enforcement authorities is not only of internal organisational significance, but also of great economic importance.

The international aspects of tax security require specific consideration. In the context of globalisation, international trade, cross-border capital movements and the activities of transnational companies are increasing the international nature of tax risks. Such behaviour may manifest itself through tax evasion in foreign economic transactions, the understatement of the customs value of goods, the use of offshore jurisdictions, transfer pricing, the illegal shifting of profits, the concealment of beneficial owners, and other complex financial and legal mechanisms. In such circumstances, ensuring tax security requires not only national control, but also international co-operation, the exchange of information, and the disciplined interaction of competent authorities.

At a national level, ensuring the institutional discipline of law enforcement and other regulatory authorities in the field of tax security requires balancing the protection of the state's fiscal interests with preventing excessive interference in the activities of legitimate businesses. The aim of law enforcement activity in the tax sphere should be to identify real threats to economic security, counter tax schemes, protect competition and form a transparent economic environment, rather than to create additional administrative pressure.

Therefore, studying the international and national economic and legal aspects of the institutional discipline of law enforcement authorities in the field of tax security is relevant from both theoretical and practical perspectives. This enables a deeper understanding of the relationship between the effectiveness of law enforcement institutions, the efficiency of tax control, the stability of the budget, the attractiveness of investment, and the state's overall economic security.

1. Research Methodology

1.1. Analysis of Scientific Works on the Research Topic

J. Slemrod notes that the tax system comprises not only tax rates and bases, but also rules for paying taxes, information reporting, control procedures and penalties for failing to fulfil tax obligations. A thorough review of the article's content reveals that tax security encompasses financial, legal and institutional aspects. The author emphasises that improving tax compliance is important not only for increasing budget revenues, but also for building strong and reliable state institutions. A special functional element of these institutions is law enforcement authorities (Slemrod, Tax Compliance and Enforcement, 2019). According to the authors, the service and institutional discipline of law enforcement authorities affects not only the detection of tax offences, but also the trust that businesses and investors have in the state. The risks associated with tax in foreign economic activity are not only manifested in the loss of budget revenues, but also in the distortion of competition, capital movement, the use of offshore jurisdictions and a decrease in the transparency of investment processes. In the context of international trade, this may relate to customs control, the verification of import and export transactions, the exchange of tax and financial information, VAT control, transfer pricing and profit shifting.

J. Slemrod emphasises that when there is little or no third-party information reporting with respect to income, the level of non-compliance with tax obligations is significantly higher. However, where there is tax withholding and substantial information reporting, the level of non-compliance decreases sharply. The article provides the following example: 63% noncompliance for income without third-party reporting versus 1% for wages where both withholding and substantial information reporting are in place (Slemrod, 2019). Therefore, it is clear that high-quality information exchange among tax, customs, financial and law enforcement authorities is of particular importance in the context of complex international transactions.

R. Fisman and S.-J. Wei posit that foreign trade transactions may serve as a conduit for tax evasion, emphasising the significance of effective customs, tax, and law enforcement control in ensuring the tax security of the state. The authors developed a methodology for identifying cases of tax evasion by comparing data from the exporting and importing countries at the level of individual commodity items. The novelty of their approach lies in the fact that evasion can be accurately measured at a disaggregated level by comparing Chinese import data with Hong Kong export data. Their proposed method of determining the so-called 'evasion gap' enables discrepancies between declared exports and imports to be viewed as an indicator of potential tax and customs duty evasion (Fisman, Wei, 2004).

Of particular importance for economic and legal analysis is the authors' conclusion that an increase in the tax burden may stimulate an increase in the scale of tax evasion. According to their study, a onepercentage-point increase in the tax rate is associated with a roughly threefold increase in the evasion indicator (Fisman, Wei, 2004). This highlights the importance of combining tax policy with effective, proportionate and institutionally disciplined control mechanisms.

In addition, the study by R. Fisman and S.-J. Wei shows that tax evasion in international trade can be achieved not only by understating the value of imports, but also by misclassifying goods. For example, products that are subject to higher taxation can be declared as similar products that are subject to lower rates. In this context, ensuring tax security requires an adequate exchange of information, analytical capacity on the part of customs, tax and law enforcement agencies, as well as a high level of institutional discipline amongst officials responsible for overseeing foreign economic activity.

Thus, international trade is a high-risk area for tax evasion. Countering this depends not only on the content of tax and customs rules, but also on the effectiveness of law enforcement, the quality of interagency co-operation, and the discipline of state institutions.

P. Mishra, A. Subramanian and P. Topalova consider international trade to be an area in which budget losses may arise through evasion of customs payments. The authors analyse customs evasion and connect it with the state's tariff policy (Mishra, Subramanian, Topalova, 2008). Based on their analysis of this scientific article, the authors conclude that tax security in international trade encompasses not only taxes in the strict sense, but also customs payments, import controls, accurate goods declarations, customs valuation and product classification. The authors focus on the relationship between tariff policy, customs control and the evasion of customs payments. They demonstrate that there is a positive correlation between tariff levels and the extent of customs evasion. This suggests that international trade should be considered an area of increased tax risk (Mishra, Subramanian, Topalova, 2008).

C. Chalendard, A.M. Fernandes, G. Raballand and B. Rijkers examine corruption in customs, taking Madagascar's main port as an example. They demonstrate how the manipulation of import declaration allocation among inspectors can facilitate tax evasion. This is directly relevant to the research topic since customs payments, import taxes and VAT on imports form part of the state's fiscal security. The article states that declarations deviating from the official allocation procedure were at a higher risk of tax evasion but were less frequently identified as fraudulent by inspectors and cleared more quickly. Therefore, the problem lies not only in 'dishonest inspectors', but also in the possibility of systematically bypassing official rules (Chalendard, Fernandes, Raballand, Rijkers, 2023). In view of this, it can be stated that institutional discipline encompasses not only personal service discipline, but also compliance with procedures, transparent case allocation, internal control and the prevention of manual interference in automated processes.

C. Chalendard, A.M. Fernandes, G. Raballand and B. Rijkers calculated that the tax revenue losses associated with the described corruption scheme amounted to around 3% of the total taxes collected. This supports the argument that the institutional indiscipline of law enforcement or regulatory authorities has concrete economic consequences, such as reduced budget revenues and weakened tax security (Chalendard, Fernandes, Raballand, Rijkers, 2023). Accordingly, the need for personal responsibility, internal audit, monitoring of repeated contacts between officials and business intermediaries, digital monitoring and the anti-corruption resilience of law enforcement and regulatory authorities should be given attention. At an international level, the importance of this issue lies in the fact that the customs clearance of import operations is part of international trade, and corruption in this area directly affects tax security, the competitive environment and the state's fiscal interests.

B. Rijkers, L. Baghdadi, and G. Raballand, using Tunisia as an example, proved that political connections of business entities may create conditions for evasion of import tariffs and violate the principle of equality of participants in foreign economic activity before the law. It is particularly important that the authors connect tax evasion not only with business conduct, but also with how well state institutions function. If certain business entities effectively gain the opportunity to understate the customs value of goods or avoid proper control owing to political connections, this indicates institutional weakness in the law enforcement system. In this context, the institutional discipline of law enforcement and regulatory authorities should be viewed as a guarantee of the impartial, equal and transparent application of tax and customs rules (Rijkers, Baghdadi, Raballand, 2017).

A thorough analysis of the scientific article under consideration reveals that the tax security of the state is contingent not solely on the formal content of tax and customs legislation, but also on the capacity of state bodies to counter privileged access to law enforcement, political influence, corruption practices, and selective control. In the context of international trade, the manipulation of customs values, tariffs, and import statistics has the potential to result in substantial budgetary deficits and the distortion of competitive market dynamics.

A. T. Mengistu, K. G. Molla, and G. Mascagni observe that, in order to assess tax evasion, it is necessary to consider not only formal rates established in legislation, but also actual effective tax rates that take into account benefits, exemptions, and other exceptions. This provides a foundation for the assertion that tax security is contingent not solely on the content of tax and customs regulations, but also on the efficacy of their practical implementation, the transparency of special regimes, and the effective oversight of the utilisation of tax advantages (Mengistu, Molla, Mascagni, 2022). In international trade, evasion mechanisms include underestimating the value of imports and declaring highly taxed goods as similar goods with a lower tax burden. In this context, the institutional discipline of law enforcement and regulatory authorities is essential for effectively identifying risky transactions, verifying customs value, controlling commodity classification and preventing corruption. Therefore, ensuring tax security in international trade necessitates a combination of robust legal regulations, precise information and analytical accounting, interagency collaboration, and stringent institutional discipline among the entities responsible for control and law enforcement.

1.2. Methodological Features of the Study

The methodological features of studying the international and national economic and legal aspects of the institutional discipline of law enforcement and regulatory authorities in the field of tax security are determined by the complex nature of the issues being researched. Tax security is an important element of the economic security of the state, financial stability, investment attractiveness and the proper functioning of public institutions, as well as being a category of tax law. Therefore, a combination of legal, economic, institutional, comparative and analytical approaches is required to study it.

This study's methodology has a specific feature: institutional discipline of law enforcement and regulatory authorities is considered not only as an internal, service-related characteristic of individual officials' activity, but also as a broader economic and legal phenomenon. This includes aspects such as legality, professionalism, integrity, responsibility, impartiality, proper interagency co-operation, anti-corruption resilience, transparent procedures and the ability of public authorities to respond effectively to tax risks. This approach enables the study of institutional discipline as a factor affecting budget revenue levels, counteracting tax evasion, reducing corruption risks and strengthening business confidence in state institutions.

The methodological basis of the study is the systemic approach, which allows tax security to be considered as a component of the economic security of the state and, concomitantly, as the result of the coordinated activity of tax, customs, law enforcement, anti-corruption, and prosecutorial bodies. Within this approach, the Bureau of Economic Security of Ukraine, the State Tax Service of Ukraine, the State Customs Service of Ukraine, the National Anti-Corruption Bureau of Ukraine, the State Bureau of Investigation, the Security Service of Ukraine, the National Police of Ukraine, and the prosecutor's offices are considered not in isolation, but as elements of a single mechanism for ensuring tax and economic security.

The formal legal method is employed to elucidate the content of normative legal acts that delineate the powers of law enforcement and regulatory authorities in the field of ensuring tax security. The application of this method facilitates the establishment of the legal boundaries of the activities of the relevant bodies, their functional purpose, competence, forms of co-operation, and the responsibility of officials for violations of established procedures.

The comparative legal method is of particular significance in the study of international tax security. The application of the model enables a comparison of the Ukrainian model of institutional support for tax security with the practice of certain European Union states, in particular Italy, the Netherlands, Poland, and Spain. This approach facilitates the identification of the similarities and differences in the modus operandi of financial, tax, customs and economic law enforcement bodies, and the evaluation of the potential utilisation of this experience to enhance the Ukrainian system.

The functional method is used to determine the role of individual bodies in ensuring tax security. This includes the analytical and law enforcement roles of the Ukrainian Bureau of Economic Security, the control functions of the Ukrainian State Tax Service and State Customs Service, the anti-corruption significance of the National Anti-Corruption Bureau of Ukraine (NABU), the external institutional control function performed by the Security Service of Ukraine (SBU) with respect to law enforcement and regulatory authority officials, and the coordinating and procedural role of the prosecutor's office. This methodological approach demonstrates that tax security depends not only on the existence of the relevant bodies, but also on how effectively they perform their functions.

The economic-legal method is one of the key approaches used in this study, as it enables the relationship between the legal organisation of law enforcement and regulatory authorities, and the economic consequences of their activities, to be established. This method examines institutional discipline through its impact on budget revenues, compensation for damages, the de-shadowing of the economy, the prevention of tax losses, the protection of competition and the formation of a favourable investment environment.

The analytical method is also important. It is used to study statistical data on the activities of the Ukrainian

Bureau of Economic Security, the State Bureau of Investigation and other bodies whose work relates to protecting the state's economic interests. Such analysis makes it possible to evaluate the actual economic outcomes of law enforcement agencies, including the establishment and compensation of damages, the referral of criminal proceedings to court, the identification of tax and customs risks, and the prevention of budget losses.

This study employs a method of analysing scientific sources to generalise the approaches of foreign and domestic researchers to issues such as tax compliance, tax evasion, customs control, corruption within regulatory bodies, political influence on law enforcement and anti-corruption policy. Studies in which tax evasion is analysed as both the behaviour of taxpayers and the result of interactions between businesses, state bodies, information systems, customs control and the quality of the institutional environment are of particular importance.

Another methodological feature of this study is its combination of national and international levels of analysis. At the national level, the focus is on the powers and issues surrounding co-operation between Ukrainian law enforcement and regulatory authorities in the area of tax security. At the international level, the study examines cross-border tax risks, international information exchange, co-operation with Europol, Eurojust, EPPO and OLAF, Ukraine's participation in European programmes, and the need to approximate Ukrainian practice to European Union standards.

The application of an interdisciplinary approach facilitates the study of tax security not only as a legal category, but also as a complex mechanism in which legal regulation, the economic interests of the state, institutional capacity of public authorities, anti-corruption policy, international co-operation, and the trust of business entities in the state are combined. It is precisely this methodological approach that facilitates a comprehensive assessment of the issues surrounding institutional discipline within law enforcement and regulatory authorities, in addition to determining directions for its enhancement in the domain of tax security.

The research methodology is thus based on a combination of formal legal, systemic, comparative legal, functional, economic-legal, analytical, and interdisciplinary approaches. The application under scrutiny here is comprehensive in nature, with the potential to reveal the relationship between the quality of the activities of law enforcement and regulatory authorities, the level of institutional discipline, the effectiveness of countering tax offences, and the state of economic security of the state.

2. Institutional Discipline of Law Enforcement and Regulatory Authorities in the Mechanism for Ensuring Tax Security: International and National Dimensions

2.1. International Aspects of Tax Security and the Role of Law Enforcement Authorities: The Example of EU Countries

In the context of globalisation, active foreign economic development, cross-border capital movements, the digitalisation of financial transactions and increasingly complex tax evasion schemes, international aspects of tax security are becoming particularly important. Modern threats to tax security are no longer confined to a single state. They may involve several jurisdictions and include the use of offshore companies, fictitious imports or exports, the understatement of the customs value of goods, transfer pricing, carousel VAT fraud, illegal profit shifting and money laundering.

In European Union countries, ensuring tax security is based on a combination of administrative tax control, customs control, financial intelligence, criminal prosecution and the exchange of international information. This approach demonstrates that tax security is considered not only to be important for budgetary reasons, but also to be integral to the financial, economic and institutional security of the state.

Specialised bodies with a focus on financial and economic law enforcement play an important role in this field. In Italy, for example, this function is performed by the Guardia di Finanza, a specialised law enforcement agency responsible for economic and financial security. It combats tax evasion, tax fraud, customs violations, money laundering, illegal capital movement and other manifestations of economic crime. This body is important because it combines the functions of financial police, customs control and criminal investigation. This enables it to respond effectively to complex tax and financial offences.

In the Netherlands, the Fiscal Information and Investigation Service (FIOD) is an example of a specialised body. Operating within the Ministry of Finance, this service investigates financial and tax fraud, money laundering, corruption and cybercrime. What makes the FIOD significant is that it not only works with individual cases of tax evasion, but also with professional intermediaries who facilitate tax evasion, the creation of fictitious structures, or the concealment of real financial flows.

In Poland, the National Revenue Administration of Poland (Krajowa Administracja Skarbowa) plays a key role in tax and customs security. It ensures revenues from taxes, customs payments, fees and other budgetary payments, while also protecting the interests of the state budget and the customs territory of the European

Union. The Polish model is illustrative for Ukraine, as it demonstrates the importance of an integrated approach, linking tax, customs and control functions within a single institutional system.

In Spain, the Servicio de Vigilancia Aduanera, which operates within the Spanish Tax Agency, is of great importance. This body is responsible for customs surveillance and combatting smuggling, customs offences and financial crimes. Its officials have the status of fiscal and judicial police, enabling them to exercise administrative control and participate in the criminal-law response to violations in the field of customs and tax security.

In summary, the following aspects of tax security models in Italy, the Netherlands, Poland and Spain should be highlighted for their practical significance specifically for Ukraine, as a result of the comparative analysis. The following section will summarise the findings of the comparative analysis of the tax security models in Italy, the Netherlands, Poland and Spain. The analysis will then highlight the positive aspects of these models and their practical significance for Ukraine. The following section will summarise the findings of the comparative analysis of the tax security models in Italy, the Netherlands, Poland and Spain. The analysis will then highlight the positive aspects of these models and their practical significance for Ukraine.

Supranational EU institutions occupy a special place in the European tax security system. The European Public Prosecutor's Office (EPPO) investigates and prosecutes crimes that affect the financial interests of the European Union. These crimes include fraud involving EU funds, corruption, money laundering and cross-border VAT fraud, provided that the damage exceeds the established threshold. The European Anti-Fraud Office (OLAF) conducts administrative investigations into fraud, corruption and other illegal activities that harm the EU budget. Europol, particularly through the European Financial and Economic Crime Centre (EFECC), provides operational and analytical support to EU Member States in their efforts to combat financial and economic crime. Eurojust coordinates prosecutors and judicial authorities in complex cross-border criminal proceedings.

The international legal framework in this area comprises a number of acts. Of particular importance is Council Directive 2011/16/EU on administrative co-operation in the field of taxation (2011), which establishes rules for administrative co-operation and the exchange of tax information between EU Member States. In the context of VAT, Council Regulation (EU) No 904/2010 on administrative co-operation and combating fraud in the field of value added tax is pivotal. Its objectives are to ensure the correct application of VAT, detect and prevent VAT fraud, and protect budget revenues (Council Regulation (EU) No 904/2010, 2010).

In terms of criminal law and tax security, Directive (EU) 2017/1371, which aims to combat fraud against the EU's financial interests through criminal law, is important. The directive establishes approaches to the criminalisation of fraud, corruption, money laundering and other acts affecting the EU's financial interests (Directive (EU) 2017/1371, 2017). Council Regulation (EU) 2017/1939, which established the European Public Prosecutor's Office, is also of significance (Council Regulation (EU) 2017/1939, 2017). In cross-border criminal proceedings, instruments of international legal assistance are utilised, including the European Investigation Order, the European Arrest Warrant, and the mechanism of Joint Investigation Teams.

In particular, the international OECD standards on the subject of the fight against tax crime. The Ten

EU country	Institutional model	Practical significance for Ukraine
Italy	The Guardia di Finanza is a specialised financial police body that combines law enforcement, customs, tax and analytical functions.	This model may be considered for the purpose of enhancing the specialisation of the Bureau of Economic Security of Ukraine, improving coordination with the State Tax Service and customs authorities, and developing a unified analytical model for combating tax offences.
Netherlands	The Fiscal Information and Investigation Service (FIOD) is a financial investigation service that counteracts tax fraud, corruption, money laundering and cybercrime.	The Dutch model is useful for developing financial analytics and improving collaboration with professional intermediaries involved in tax evasion. It also facilitates the application of risk-oriented digital tools.
Poland	The Krajowa Administracja Skarbowa is an integrated tax, customs and fiscal control administration model.	This model can be used to facilitate the exchange of information between the State Tax Service, the State Customs Service, and the Bureau of Economic Security of Ukraine. It can also be used to compare tax and customs risks within a unified analytical environment.
Spain	The Servicio de Vigilancia Aduanera is a body responsible for customs surveillance, with elements of fiscal and judicial police. It focuses on combating smuggling and offences relating to customs and finances.	This experience should be used to strengthen customs risk analysis and improve co-operation between customs and law enforcement authorities when dealing with cross-border cases.

Global Principles are of particular significance. This document constitutes an approach to the establishment of an effective system for the detection, investigation and prosecution of tax crimes. It emphasises the need for a proper legislative framework, specialised bodies, interagency co-operation, access to information, international co-operation, the protection of taxpayers' rights and the effective use of analytical tools (OECD. Fighting Tax Crime: The Ten Global Principles. 2nd ed. Paris: OECD Publishing, 2021).

The European experience shows that effective tax security is impossible without proper institutional discipline among law enforcement and regulatory authorities. This discipline is evident in the legality of officials' actions, transparent procedures, impartial control, the exchange of proper information, the prevention of corrupt influence, the ability to work with large data sets and participation in international investigations.

For Ukraine, the issue of international co-operation in economic and tax security is of particular relevance. Ukrainian law enforcement and regulatory authorities already engage in various forms of co-operation with foreign partners. Ukraine has mechanisms in place for co-operation with Europol, Eurojust and the EPPO, and participates in the Fiscalis and Customs programmes. The Bureau of Economic Security of Ukraine is also developing co-operation with Europol, and is joining OECD and UNDP programmes in the field of investigating tax crimes.

At the same time, the state of such co-operation requires further improvement. The main issues are the fragmentation of information exchange, the insufficient integration of Ukrainian databases with European information systems, the varying levels of digital capacity among bodies, the difficulty of obtaining evidence from foreign jurisdictions, the lengthy periods of international legal assistance and the need to enhance the professional training of staff dealing with international economic and tax offences.

The need to improve co-operation between Ukrainian law enforcement and regulatory authorities, as well as with foreign bodies, is due to the fact that many modern threats to economic security are cross-border in nature. These threats include illegal capital outflows, the use of offshore companies, fictitious exports or imports, the manipulation of customs values, transfer pricing, VAT fraud, money laundering, the use of crypto-assets and the concealment of beneficial owners.

To increase the effectiveness of such co-operation, Ukraine should strengthen institutional coordination between the following bodies: the Bureau of Economic Security, the State Tax Service, the State Customs Service, the National Anti-Corruption Bureau, the State Bureau of Investigation, the Security Service, the National Police, and the prosecutor's offices. It is also important to create unified algorithms for the exchange of international information, make more active use of the channels of Europol and Eurojust, develop joint investigation teams, improve the quality of financial analysis and align national procedures with EU standards.

Consequently, the international dimensions of tax security underscore the necessity of effective countermeasures to tax and economic offences, necessitating not only national control but also continuous international co-operation. The experience of EU countries indicates that the following conditions are essential for such co-operation: the specialisation of law enforcement bodies, digital information exchange, analytical capacity, legal certainty of procedures, trust among competent authorities, and a high level of institutional discipline. For Ukraine, this means not only the need for formal accession to European mechanisms, but also the need to strengthen the capacity of law enforcement and regulatory authorities so that they can act in a coordinated and professional manner in accordance with European Union standards.

2.2. Problems of Institutional Discipline of Law Enforcement and Regulatory Authorities in the Field of Tax Security in Ukraine

In Ukraine, the primary bodies responsible for ensuring tax security are the Bureau of Economic Security of Ukraine. The BES is a specialised body whose activity is aimed at countering offences that encroach upon the functioning of the state economy. The organisation's remit includes the identification of risk zones in the economy, the assessment of risks and threats to economic security, and the prevention, detection, prevention, and investigation of criminal offences that encroach upon the functioning of the state economy (The Law of Ukraine "On the Economic Security Bureau of Ukraine" of January 28, 2021, No. 1150-IX). Consequently, within the domain of tax security, the BES can be regarded as a pivotal law enforcement agency responsible for countering tax and other economic criminal offences. Statistical indicators of the activities of the Bureau of Economic Security of Ukraine for 2024-2025 indicate the strengthening of this body's role in ensuring the tax and economic security of the state. In particular, in 2024, BES detectives referred 681 criminal proceedings to court, and the amount of damages compensated in such proceedings amounted to 5.3 billion UAH. In 2025, the number of criminal proceedings referred to court increased to 904, while the number of persons notified of suspicion rose to 1,182. Simultaneously, in 2025, damages totalling 3.82 billion UAH were compensated in criminal proceedings referred to court (Report on the Activities of the Bureau of Economic Security of Ukraine, 2024;

Report on the Activities of the Bureau of Economic Security of Ukraine, 2025).

These indicators show that the activities of the BES have direct economic significance as well as criminal-law significance, since they aim to return funds to the budget, identify tax risks, counter tax evasion and bring certain sectors of the economy out of the shadows. At the same time, the dynamics of these indicators confirm the importance of proper institutional discipline within the BES. The effectiveness of tax security depends on analytical capacity, the professionalism of detectives, the quality of pre-trial investigations, the legality of procedures and transparent co-operation with other state bodies.

The National Police of Ukraine plays a key role in ensuring tax security as the central executive body responsible for countering crime and maintaining public security and order. Its significance in the field of tax security becomes evident when tax offences are connected with other criminal activities, particularly fraud, forgery, organised crime, the illegal circulation of goods and other acts that encroach upon the economic interests of the state.

The National Anti-Corruption Bureau of Ukraine occupies a separate place. Its task is to counter corruption and other criminal offences committed by senior officials (The Law of Ukraine "On the National Anti-Corruption Bureau of Ukraine" of October 14, 2014, No. 1698-VII). In the context of tax security, NABU plays a key role in cases involving tax or customs risks connected with corruption schemes, abuse of office, unlawful influence on regulatory authorities or officials receiving undue benefits.

The State Bureau of Investigation may also be considered one of the bodies that indirectly ensures tax security (The Law of Ukraine "On the State Bureau of Investigation" of November 12, 2015, No. 794-VIII). The SBI plays a key role in cases where officials, judges, law enforcement officers or other individuals commit crimes relating to tax or customs security, and whose criminal offences fall within the SBI's remit. In this respect, the SBI plays a key role in ensuring the institutional discipline of law enforcement and regulatory authorities.

The State Bureau of Investigation's importance in the field of tax security is primarily evident in its role in providing a criminal law response to offences committed by state apparatus, law enforcement, and regulatory authority representatives whose activities are directly or indirectly connected with protecting the state's fiscal interests. In this respect, the SBI acts as an external institutional control body for entities vested with authoritative, control or law enforcement powers.

The SBI is significant for tax security because corruption, abuse of power, official negligence, exceeding authority or unlawful interference by officials in tax, customs or law enforcement activities may create conditions for tax evasion, unlawful budget refunds, schemes to minimise tax liabilities, smuggling, underestimating the customs value of goods or selectively applying controls to business entities. In such cases, harm is caused not only to individual rights and interests, but also to budget revenue stability, taxpayer equality before the law and business confidence in state institutions. Statistical data on the activities of the State Bureau of Investigation highlights its important, albeit indirect, role in ensuring the state's economic and tax security. Thus, in 2024, the SBI recorded losses and damages totalling 6.145 billion UAH, secured compensation totalling 479 million UAH, and transferred assets totalling 11.753 billion UAH to ARMA. In 2025, the Bureau documented offences through which the state lost more than 17.68 billion UAH. Proceedings involving tax and customs officials are particularly important, as these officials are directly involved in tax and customs control (In 2024 the SBI doubled its performance compared to the previous year, 2025; In 2025 the State Bureau of Investigation uncovered more than UAH 17 billion in damages to the state, 2026).

In this context, the SBI plays a key role in providing external institutional control over law enforcement and regulatory officials. It aims to detect corruption, abuse of office, negligence, the unlawful use of state resources and violations that may result in budget losses. Thus, the SBI's statistics confirm that the institutional discipline of law enforcement and regulatory authorities has a direct economic dimension, as it affects the preservation of state finances, the lawful use of budget funds, and tax security.

The SBI plays a key role in ensuring the institutional discipline of law enforcement and regulatory authorities, as its activities are aimed at preventing officials from acting contrary to the interests of the state with impunity. The existence of an independent body authorised to investigate criminal offences committed by law enforcement officers is significant in itself, as it provides an additional mechanism to prevent corruption, abuse of power and selective law enforcement.

The SBI's special significance is evident in cases where tax or customs security violations are not only connected with taxpayers' actions, but also with officials from state bodies acting unlawfully. For example, if an employee of a law enforcement or regulatory authority facilitates the avoidance of liability, covers up illegal schemes, puts pressure on businesses, demands undue benefits or unjustifiably interferes with business activities, such actions undermine the very foundations of tax security. They reduce the effectiveness of state control, create unequal conditions for businesses, and generate distrust of the state.

In this context, the SBI is responsible for investigating specific criminal offences and maintaining an appropriate level of institutional discipline within the public authority system. It identifies and stops violations by officials that distort the functioning of tax, customs and law enforcement mechanisms. Consequently, the SBI is a key element in ensuring legality, integrity, personal accountability, and impartiality in tax security.

Thus, while the State Bureau of Investigation's role in tax security is indirect, it is still substantial. Rather than being involved in the direct administration of taxes or customs payments, its role is to ensure the accountability of officials whose actions determine the effectiveness of tax control, the integrity of law enforcement activities, the prevention of corrupt cover-ups of tax schemes and the maintenance of public trust in state institutions.

The Security Service of Ukraine is involved in ensuring tax security when tax or economic offences pose a threat to Ukraine's vital interests, national security, financial stability or are connected to terrorist financing, the illegal movement of funds, threats to state sovereignty or the state's economic potential.

The prosecutor's office plays a special role. Although it does not directly administer taxes, it provides procedural guidance for pre-trial investigations, supports public prosecution in court and supervises compliance with legality during criminal proceedings. In the field of tax security, the office ensures the legality of the actions of pre-trial investigation bodies and the correct application of the criminal law mechanism for safeguarding the state's fiscal interests.

The State Tax Service and the State Customs Service of Ukraine are of great importance alongside law enforcement authorities. While they are not law enforcement agencies in the strict sense, they directly impact tax security. The State Tax Service implements state tax policy and exercises control over the collection of taxes, fees and payments to the budget. The State Customs Service is responsible for implementing state customs policy and ensuring customs security. It also protects Ukraine's customs interests and combats smuggling and violations of customs rules.

Thus, Ukraine's tax security is primarily ensured by the Bureau of Economic Security of Ukraine, the National Police of Ukraine, the National Anti-Corruption Bureau of Ukraine, the State Bureau of Investigation, the Security Service of Ukraine, and the prosecutor's offices. At the same time, the State Tax Service of Ukraine and the State Customs Service of Ukraine are functionally important for its provision, since they conduct tax and customs administration, control budget revenues, and identify risks in the field of taxation and foreign economic activity.

Taking the above into account, it should be noted that the institutional discipline problems faced by law enforcement and regulatory authorities in the field of tax security are complex. These problems are not only manifested in violations of service discipline by individual officials, but also in shortcomings in the organisation of state institutions, inconsistent powers, insufficient transparency of procedures, corruption risks and low levels of interagency co-operation.

One of the main issues is the duplication of powers and the lack of coordination between law enforcement and regulatory authorities. In the field of tax security, the Bureau of Economic Security of Ukraine, the State Tax Service of Ukraine, the State Customs Service of Ukraine, the National Police of Ukraine, the State Bureau of Investigation, the National Anti-Corruption Bureau of Ukraine, the Security Service of Ukraine, and the prosecutor's offices interact. In the absence of adequate coordination among the relevant parties, there is a risk of parallel inspections, uncoordinated responses to tax risks, duplication of investigative and control actions, and dispersion of responsibility for the final result.

Corruption and the potential for informal influence over officials' activities are significant issues. In the fields of taxation and customs control, corruption can manifest as tax evasion, unlawful budget refunds, understating the customs value of goods, the opaque application of tax benefits, covering up fictitious entrepreneurship or the selective application of control measures. Such phenomena directly undermine tax security, leading to budget losses, inequality among taxpayers and reduced trust in state institutions.

Another problem is the selective enforcement of the law. This is evident when strict control or law enforcement measures are applied to certain business entities, while others effectively avoid proper inspection due to political, administrative, corrupt or other informal connections. This practice violates the principle of equality before the law for taxpayers, distorts the competitive environment and creates risks for the state's investment attractiveness.

Problems of institutional discipline can also lead to excessive pressure being placed on businesses. Law enforcement activity in the field of tax security should focus on identifying genuine tax offences and evasion schemes rather than creating unnecessary obstacles for legitimate business entities. Excessive searches, the blocking of enterprises' activities, the unjustified seizure of documents or property, and delays in procedural actions can have a negative impact on economic activity and business confidence in the state.

A significant problem is the insufficient level of information and analytical capacity among the bodies responsible for tax security. Modern tax offences are often complex, involving financial, international or digital elements. These offences may involve fictitious enterprises, transfer pricing, offshore jurisdictions, understatement of customs value, unlawful VAT refunds, cryptocurrencies, or complex chains of financial transactions. A formal approach to control is insufficient under such conditions. What is necessary is high-quality risk analysis, data exchange, digital tools, access to international information and proper professional training for officials.

Another problem is the lack of transparency surrounding procedures and decision-making criteria. If taxpayers do not understand the criteria by which their activities are recognised as risky, the reasons for certain control measures being applied, or the grounds for a law enforcement response, this creates room for abuse and subjectivity. Transparent procedures are an important condition of institutional discipline, as they limit officials' ability to interpret their powers arbitrarily.

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Insufficient interagency co-operation and information exchange are also important problems that should be considered. Effective tax security requires coordinated work between tax, customs, law enforcement, anti-corruption and prosecutorial bodies. Without effective information exchange, the detection of complex tax evasion schemes, the illegal movement of funds, fictitious imports or exports, the understatement of customs value, and the use of related companies to minimise tax liabilities may be more difficult.

The issue of formally assessing the performance of bodies should be addressed separately. If the effectiveness of law enforcement and regulatory authorities is mainly assessed by the number of proceedings opened, inspections conducted or materials prepared rather than by real economic effects such as compensation for damages, prevention of tax losses and reduction of the shadow economy, this may encourage a formal approach to work. In the field of tax security, both quantitative and qualitative assessment of bodies' activities should be important.

The main problems with the institutional discipline of law enforcement and regulatory authorities in the field of tax security include duplication of powers, insufficient coordination, corruption risks, selective law enforcement, excessive pressure on businesses, weak information and analytical capacity, a lack of transparency in procedures, insufficient personal responsibility among officials, and a formal approach to assessing performance results. Overcoming these issues is essential to improving the effectiveness of tax security, strengthening the economic security of the state and fostering trust in law enforcement and regulatory institutions.

3. Directions for Improving the Institutional Discipline of Law Enforcement and Regulatory Authorities in the Field of Tax Security

Strengthening the economic security of the state, increasing the effectiveness of countering tax offences, reducing corruption risks and building business confidence in state institutions requires improving the institutional discipline of law enforcement and regulatory authorities in the field of tax security. Given the complex nature of tax security, relevant improvement measures should cover not only internal service discipline among officials, but also the organisation of interagency co-operation, transparent procedures, digitalisation, analytical capacity, international information exchange and the assessment of real economic results of activities by bodies.

One of the key areas of focus is the clear delineation of the powers of law enforcement and regulatory authorities in the field of tax security. In this area, the Bureau of Economic Security of Ukraine, the State Tax Service of Ukraine, the State Customs Service of Ukraine, the National Anti-Corruption Bureau of Ukraine, the State Bureau of Investigation, the Security Service of Ukraine, the National Police of Ukraine, and the prosecutor's offices interact. Without proper delineation of responsibilities, there is a risk of overlapping powers, duplicate inspections, uncoordinated procedural actions and diffuse responsibility. Therefore, it is advisable to improve the regulatory and organisational mechanisms for co-operation between these bodies. This should be done by defining clear algorithms for the exchange of information, the response to tax risks and the transfer of materials according to jurisdiction.

It is important to strengthen coordination between law enforcement, tax, customs, anti-corruption and prosecutorial bodies. Tax offences are often complex and may involve several offences simultaneously, such as tax evasion, fictitious entrepreneurship, unlawful VAT refunds, understatement of the customs value of goods, smuggling, money laundering or the corrupt cover-up of illegal activity. Effective counteraction is only possible under such conditions where stable interagency co-operation exists. Therefore, it is advisable to establish or enhance joint coordination mechanisms, interagency working groups, analytical centres and digital platforms to ensure the timely exchange of data between the relevant tax security bodies.

It is particularly important to develop a risk-based approach to the activities of law enforcement and regulatory authorities. Rather than focusing on a formal increase in the number of inspections or criminal proceedings, such an approach involves directing control and law enforcement measures towards identifying real threats to tax and economic security. The focus is on high-risk transactions, such as fictitious exports or imports, understatement of customs value, VAT manipulation, use of offshore jurisdictions, transfer pricing, illegal capital outflows, fictitious entrepreneurship and schemes for minimising tax liabilities. A risk-based approach enables pressure to be reduced on bona fide businesses while simultaneously increasing the effectiveness of tackling genuine tax offences.

A significant area for improvement is the digitalisation of law enforcement and regulatory activities. Modern tax risks are often associated with complex financial transactions, large data sets, cross-border payments, e-commerce, cryptocurrencies, and digital financial instruments. Therefore, these authorities must have the right digital tools to analyse tax, customs, financial and banking information. The development of automated risk-detection systems, electronic data exchange, analytical platforms, digital monitoring of foreign economic transactions, and mechanisms for comparing information from various state registers is of paramount importance.

At the same time, digitalisation should not be viewed as a means in itself of ensuring tax security. For electronic systems to be effective, there must be proper institutional discipline among officials, transparency of access to data, protection of information, prevention of manual interference in automated processes and personal responsibility for abuses. Therefore, digital development should be accompanied by stronger internal controls, audits of officials' actions within digital systems and mechanisms for recording all interference in the information processing process.

A key area is to strengthen the anti-corruption resilience of law enforcement and regulatory authorities. Corruption in tax and customs control poses a direct threat to tax security, as it can enable tax evasion, illegal budget refunds, the understatement of the customs value of goods, the concealment of schemes to minimise tax liabilities, and the selective application of controls. In order to minimise such risks, it is necessary to improve internal controls, service inspections, anti-corruption monitoring, the declaration of conflicts of interest, the rotation of employees in high-risk areas, the integrity checks of officials and the imposition of real responsibility for violations of service discipline.

The importance of ensuring transparency in decision-making procedures cannot be overstated. Transparency is a key aspect of institutional discipline as it restricts officials' ability to exercise power arbitrarily. Taxpayers should understand the criteria by which their activities may be classified as risky, the grounds on which control measures may be applied, the circumstances in which materials are transferred to law enforcement authorities, and the legal protections available to business entities. Clear procedures reduce the risk of abuse, selective law enforcement and unjustified pressure on businesses.

At the same time, improving institutional discipline requires ensuring a balance between protecting the state's fiscal interests and preventing excessive interference in the activities of legitimate businesses. Law enforcement and regulatory authorities must act reasonably and proportionately within the limits of their powers. Restrictive measures such as searches, seizure of property, blocking of enterprises' activities and arrest of assets should only be applied where there are sufficient legal grounds and real necessity. Preventing unjustified pressure on businesses is crucial for attracting investment and fostering trust in the law enforcement system.

It is important to increase the personal responsibility of law enforcement and regulatory officials. Institutional discipline cannot be effective unless violations of official duties, unlawful pressure on businesses, inaction, manifestations of corruption, or abuse of power entail real legal consequences. Consequently, there is a necessity to enhance disciplinary procedures, fortify internal audit, guarantee the autonomy of internal investigations, and institute efficacious mechanisms for evaluating the integrity of officials.

It is also advisable to improve the criteria used to assess the effectiveness of law enforcement and regulatory authorities in the field of tax security. Assessments should not be based solely on the number of criminal proceedings opened, inspections conducted, acts drawn up or notices of suspicion issued. More justified indicators should include real economic impact, compensation for losses, prevention of budget shortfalls, reduction of the shadow economy, the effectiveness of court proceedings, the quality of analytical materials, reduction of corruption risks and the level of business confidence in state institutions.

A statistical analysis of the activities of the Ukrainian Bureau of Economic Security and customs authorities from 2022 to 2025 indicates a gradual increase in the role of law enforcement and regulatory bodies in ensuring the state's tax and economic security. According to the Accounting Chamber, detectives of the Bureau of Economic Security of Ukraine had 961 criminal proceedings under investigation in 2022, 4,558 in 2023, and 6,805 in 2024. The number of criminal proceedings referred to court increased from 29 in 2022 to 342 in 2023, reaching 681 in 2024. The value of damages in criminal cases referred to court was 154.2 million UAH in 2022, 937.5 million UAH in 2023 and 16,612.4 million UAH in 2024. Of this, 33.3 million UAH, 544.3 million UAH and 5,342.3 million UAH were actually reimbursed, respectively.

In 2025, positive trends were observed in certain areas. As a result of pre-trial investigations, detectives from Ukraine's Bureau of Economic Security referred 904 criminal proceedings to court. In 890 of these proceedings, 1,182 individuals were issued with notices of suspicion. At the same time, damages totalling 3.82 billion UAH were reimbursed in criminal proceedings referred to court. Compared with 2024, the number of criminal proceedings referred to court increased by approximately one third, from 681 to 904. This indicates an increase in the procedural activity of the Bureau of Economic Security of Ukraine. However, the decrease in the amount of damages actually reimbursed, from 5.342 billion UAH in 2024 to 3.82 billion UAH in 2025, shows that the Bureau's effectiveness cannot be judged by the number of proceedings or notices of suspicion alone. Instead, it should be analysed in terms of its real economic impact, the level of damage recovery and its ability to prevent tax losses.

Particular attention should be paid to the statistics of the customs authorities, since the customs sphere is one of the key areas of tax security, especially during martial law and periods of active foreign economic activity when there is a risk of undervaluing the customs value of goods. In 2022, customs offices in Ukraine detected 11,098 violations of customs rules, resulting in losses of 2.9 billion UAH. In 2023, the number of detected violations increased to 11,935, while the total value of these violations rose to 8.9 billion UAH. The following year, the number of violations decreased to 9,409, but their total value increased to 18 billion UAH. In 2025, customs authorities detected over 9,500 violations of customs rules, with a total value exceeding 11 billion UAH. In almost 3,500 cases, items with a total value of over 1 billion UAH were seized, and 5,505 cases concerning violations of customs rules were referred to court.

The statistical data presented above suggests that the financial significance of detected tax and customs offences increased between 2022 and 2025. While the total value of violations of customs rules amounted to 2.9 billion UAH in 2022, this figure increased to 18 billion in 2024 – more than six times higher. At the same time, the decrease in the number of customs violations detected in 2024 compared to 2023, combined with an increase in their total value, suggests that larger-scale, financially significant offences are being detected. This confirms the need to shift the focus of evaluating the activities of control bodies from the number of inspections, protocols, or proceedings to their actual economic impact.

Therefore, statistics on the activities of Ukraine's Bureau of Economic Security and customs authorities from 2022 to 2025 confirm that institutional discipline among law enforcement and control bodies has a direct economic impact. The level of this discipline affects not only the number of offences detected, but also the amount of damages established and reimbursed, the effectiveness of judicial review, the prevention of budget losses, the extent to which the economy is brought out of the shadows, and business confidence in state institutions. Therefore, statistical analysis should be a mandatory element when assessing the effectiveness of bodies responsible for ensuring tax security. The key criteria for such an assessment should be the real fiscal, economic and preventive results of their activities, rather than formal quantitative indicators.

A significant area for improvement is enhancing the information and analytical capabilities of the bodies responsible for tax security. The complexity of modern tax offences requires a combination of traditional investigative and control tools and in-depth financial analysis. This analysis requires knowledge of international taxation, customs law, accounting, banking operations, digital assets and transnational capital movement schemes. Therefore, the systematic training of law enforcement and regulatory authority employees, the development of specialised analytical

Year	BES criminal proceedings referred to court	Established damages in proceedings referred to court	Actually reimbursed damages
2022	29	154.2 million UAH	33.3 million UAH
2023	342	937.5 million UAH	544.3 million UAH
2024	681	16,612.4 million UAH	5,342.3 million UAH
2025	904	The data require separate clarification in the report.	3.82 billion UAH

Sources: (Report on the Activities of the Bureau of Economic Security of Ukraine for 2024; Report on the Activities of the Bureau of Economic Security of Ukraine for 2025; Report of the Accounting Chamber dated 09/23/2025)

Year	Number of detected violations of customs rules	Total value of detected violations	Seized items of offences
2022	11,098	2.9 billion UAH	over 697.5 million UAH
2023	11,935	8.9 billion UAH	over 938 million UAH
2024	9,409	18 billion UAH	567 million UAH
2025	over 9.5 thousand	over 11 billion UAH	over 1 billion UAH

Sources: (Report on the Activities of the Bureau of Economic Security of Ukraine for 2024; Report on the Activities of the Bureau of Economic Security of Ukraine for 2025; How the SBI works; In 2025, the State Bureau of Investigation…; During 2024, the SBI investigated almost 156 thousand criminal proceedings; In 2024, the SBI doubled its performance compared to the previous year) units, the involvement of financial analytics specialists and the use of modern methodologies for identifying tax risks are all necessary.

It is becoming particularly important to improve international co-operation between Ukrainian law enforcement and regulatory authorities, and their foreign counterparts. Many modern threats to tax and economic security have a cross-border nature. This concerns illegal capital outflows, the use of offshore companies, transfer pricing, fictitious imports or exports, the manipulation of customs values, VAT fraud, money laundering and the concealment of beneficial owners. Effective counteraction under such conditions is impossible without international information exchange, the use of Europol, Eurojust, EPPO and OLAF channels, joint investigation teams and approximation of Ukrainian procedures to European Union standards.

In this context, it is important to strengthen Ukraine's co-operation with European institutions and to apply international standards when it comes to combatting tax crimes. The law enforcement and regulatory authorities responsible for ensuring tax security in Ukraine should apply the mechanisms of international legal assistance, joint investigations, financial information exchange, professional training programmes and technical assistance programmes more actively. It is imperative to emphasise the necessity for the enhancement of the capacity of the Bureau of Economic Security of Ukraine, the State Tax Service of Ukraine, the State Customs Service of Ukraine, and the prosecutor's offices to effectively engage with foreign evidence, international financial flows, and intricate cross-border tax evasion schemes.

A separate direction should be the harmonisation of national procedures with the approaches of the European Union in the fields of tax, customs, and financial security. European experience demonstrates that effective tax security is predicated on specialisation of bodies, digital information exchange, risk-based control, independence of investigations, anti-corruption resilience, and close interaction between administrative and criminal-law mechanisms. For Ukraine, this necessitates not only the formal adoption of European standards, but also their practical implementation in the activities of national law enforcement and regulatory authorities.

A key area for improvement is developing a professional culture and ethical standards among officials. Institutional discipline should not be limited to the mere execution of service instructions. Officials should be aware of the economic significance of their activity and responsible for protecting public finances. They should also respect taxpayers' rights, be impartial and act with integrity, with an orientation towards the public interest. Therefore, systematic training in professional ethics, anti-corruption conduct, the protection of business rights and good governance standards is necessary.

Strengthening parliamentary, public and expert control over bodies responsible for ensuring tax security is also advisable. This should not involve interfering in operational or procedural activity, but rather assessing the effectiveness of institutional policy, the transparency of procedures, the observance of taxpayers' rights, the prevention of corruption and the achievement of real economic results. The openness of bodies, regular publication of reports, availability of statistics, and independent assessment of activities have the potential to engender public and business confidence in the tax security system.

Thus, the main areas for improving the institutional discipline of law enforcement and regulatory authorities in the field of tax security are: clear delineation of responsibilities; enhanced interagency coordination; a risk-based approach; digitalisation; improved analytical capacity; strengthened anti-corruption resilience; transparent procedures; prevention of excessive pressure on businesses; increased personal responsibility of officials; improved effectiveness assessment criteria; international co-operation development; and approximation of national practice to European Union standards. Implementing these instructions will increase the effectiveness of tax security, strengthen the state's economic security, reduce budget losses and build trust in law enforcement and regulatory institutions.

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