

# **WORLD ECONOMY: NEW CHALLENGES AND INNOVATIVE FORMS OF INTERNATIONAL ECONOMIC RELATIONS**

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## **IINNOVATIVE APPROACH IN THE WORK OF THE CUSTOMS FOR TRADE FACILITATION AND NATIONAL ECONOMY DEVELOPMENT**

The full-scale invasion of Russian Federation caused significant damage to many enterprises, forcing them to urgently rebuild the established production system, without the possibility of attracting additional funds support, often due to the destruction of production facilities and labor force outflow due to forced resettlement. At the same time, the necessity to support the national economy, encourage production and contribute to new jobs creation, search for new opportunities important for our state, designates the need to optimize business processes not only of the enterprises themselves, but also regarding the interactions of all participants in the field of international trade. Customs is an important link that plays an essential role in the processes of cross-border cooperation, providing the necessary assistance and, at the same time, implementing effective control measures that guarantee compliance with national legislation, appropriate revenues of the state budget, as well as public safety and protection [1]. Today, it is very important that the Ukrainian customs has a possibility to ensure both the maximum simplification of customs clearance and control procedures, as well as legal compliance, to guarantee the economic and financial security of the state. Cases of tax avoidance or improper use of preferential treatments, illegal obtaining of competitive advantages at this time especially harm honest entrepreneurs and manufacturers, and thereby become an obstacle to the support of the Ukrainian economy. Preventing violations leading to decrease of state budget income is considered currently to be the most pressing issue. At the same time, a fundamental restructuring of the processes, even aimed to improve them, cannot be implemented at the moment, given the

impossibility of financing during the martial law period. Along with this, there is no doubt that the need to strengthen control over the tax compliance and all due payments filling the state budget is of primary importance.

Therefore, it is relevant now to talk about the improvement of certain elements of the customs control system, which does not require a large-scale reorganization or the involvement of significant funds. Prevention of misdeclaring and misinvoicing, namely understating the customs value which is the basis for calculating the corresponding payments, is one of the priority tasks for the Ukrainian customs today. The most appropriate way to implement this is to improve the analytical work, in particular by transforming the elements of the analysis. The experience of other countries of the world has shown that application of mathematical methods of analysis and enhancing the data transparency for economic operators engaged in the foreign trade, effectively contribute to the improvement of their virtuous tax behavior [10].

In recent years, even more studies have been conducted exploring the influence of psychological factors on the financial behavior of economic agents [4; 6; 9]. The behavioral approach has already been successfully applied in many countries, for example Australia, Canada, Denmark, France, Germany, Netherlands, Lithuania, Singapore, the U.S. and the UK. [10]. In studies of the reasons and prerequisites for non-payment of taxes, the behavioral aspect was thoroughly studied [3; 6]. Scientific discoveries in psychology and behavioral economics of the last two decades have shown that the organization of the decision-making process is a key factor in the effectiveness of any human activity. One of the greatest achievements of behavioral economics is not only the determination of the causes and factors influencing behavior, but also the development of technologies for its modeling, for example, by changing the choice architecture or according to the theory of planned behavior [2; 3].

The economic context of the difficulties currently faced by business in Ukraine is, in its own way, one of the stress factors that significantly affects the behavior of economic agents, namely the decision-making process. Emotions, socially acceptable ethical standards, level of trust in state authorities, subjective attitude to profit gaining, awareness of punishment are just some of the factors that influence the decision-making process by the taxpayer, as a result of which the due taxes will be paid comprehensively, or, on the contrary, legal norms could be violated in order to increase personal income or the profit of the company [8; 11].

Information support, a clear understanding of processes, availability of knowledge, transparency of information, and trust in its sources are crucial

to prevent the unwanted influence of such factors. Changing the form of the information unit of the analysis system can improve this process both for business and customs. Reliable information sources, on the one hand, ensure the perception and acceptance by the public, on the other hand, due to accessibility and certainty, they will not leave the possibility of using unreliable data [5; 9]. The creation of a reliable and understandable information unit allows to reduce cognitive biases, automatic thinking and ready-made patterns of decision-making. It will also contribute to the formation of a higher level of trust, which allows business, involved in foreign trade, to feel more confident, plan and develop different projects. Precautionary measures are more effective in application, since the prevention of negative consequences requires fewer resources and is more appropriate than taking special measures to eliminate them [7; 9].

The development and application of a mechanism for the use of price information, in accordance with the current norms of international customs law, is implemented into the practice of customs services of many countries of the world and is a key element of the modern revenue protecting strategy of the World Customs Organization (hereinafter referred to as the WCO), aimed at simplifying legal trade and preventing fraud. It is possible to improve customs control in the field of customs valuation and by creating an information bank of data on goods and their value provided that both business and customs can use it for customs clearance purposes. An example of the development of such a database is, for example, the methodology of the Joint Research Center of the European Commission. The proposed method involves the detection of price deviations in the data declared during customs clearance, using the methods of mathematical statistics.

As a result of such work, two key problems are solved: cases that may be fraudulent are detected clearly, and reference values of the goods prices' levels are formed which can be used in the risk analysis system. Herewith, among the advantages of the information data bank the most important ones should be named:

- impartiality due to the automated formation of a statistical sampling from the data entering the system;
- transparency and availability of information for the participants of the FEE, functioning in accordance with the recommendations of the WMO and international customs legislation.

The role of such an informational unit is to change the architecture of the choice in the direction of a rational, well-informed decision from the position of integrity.

In the context of the declaration of goods, this format makes it possible to eliminate negative psychological factors and biases influencing the decision-making process, to promote a conscious and honest attitude to the declaration process, to use modern behavioral technologies – nudging towards the optimal decision, which will help avoid negative consequences in the future.

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