Methodological recommendations for laboratory work

Content module 1

Content and description of customs risks

Topic 1. Essence, classification and sources of customs risks

Laboratory work 1

Use of online customs payment calculators as a tool to mitigate customs risks of a shortfall in tax revenues to the state budget

The aim of the work – to acquire practical skills in using Ukrainian and foreign online customs payment calculators and interpreting the results obtained in the context of minimising customs risks.

Task 1.1

In accordance with the option in the group list (Tab. 1), calculate customs payments in two ways using the online customs payment calculator of the Ukrainian customs broker UKRTRANSAGENT and the online customs payment calculator SimplyDuty developed by the British logistics services company ParcelWorks. Compare the results and draw a conclusion on how automation of customs payments calculation affects the mitigation of customs risks. Based on the results of the assignment, prepare an individual report, which should include: Student's name, general information, description of the stages of work and results, conclusions. Possibility of using the results in the master's thesis, practical work.

Distribution of students by laboratory work options

Table 1

Distribution of students by options

Number in the group list	The first country	The second country
1, 4, 7, 10, 13, 16	Switzerland	Mexico
2, 5, 8, 11, 14	Brazil	Romania
3, 6, 9, 12, 15	India	Canada

Methodological recommendations for task 1.1

Customs in Ukraine is characterised by a variety of risks, in particular, the most significant are those related to the reduction of customs payments as a result of the understatement of the customs value of goods by foreign economic operators during importation or due to incorrect classification, compliance with non-tariff regulation measures, etc. This is why there is a need to improve the customs clearance procedure for risky goods using automated methods, including online customs payment calculators.

In order to access the online calculators that will be used in the lab, please follow the links provided:

1) online customs payment calculator of the Ukrainian customs broker UKRTRANSAGENT: https://ukrtransagent.com.ua/dodatkovo/kalkuljator-mytnyh-platezhiv/;

2) online customs payment calculator by the British company ParcelWorks SimplyDuty: https://www.simplyduty.com/import-calculator/.

1. Online calculator of customs payments of the Ukrainian customs broker UKRTRANSAGENT

Follow the link. The basic page for entering initial data is shown in Fig. 1.

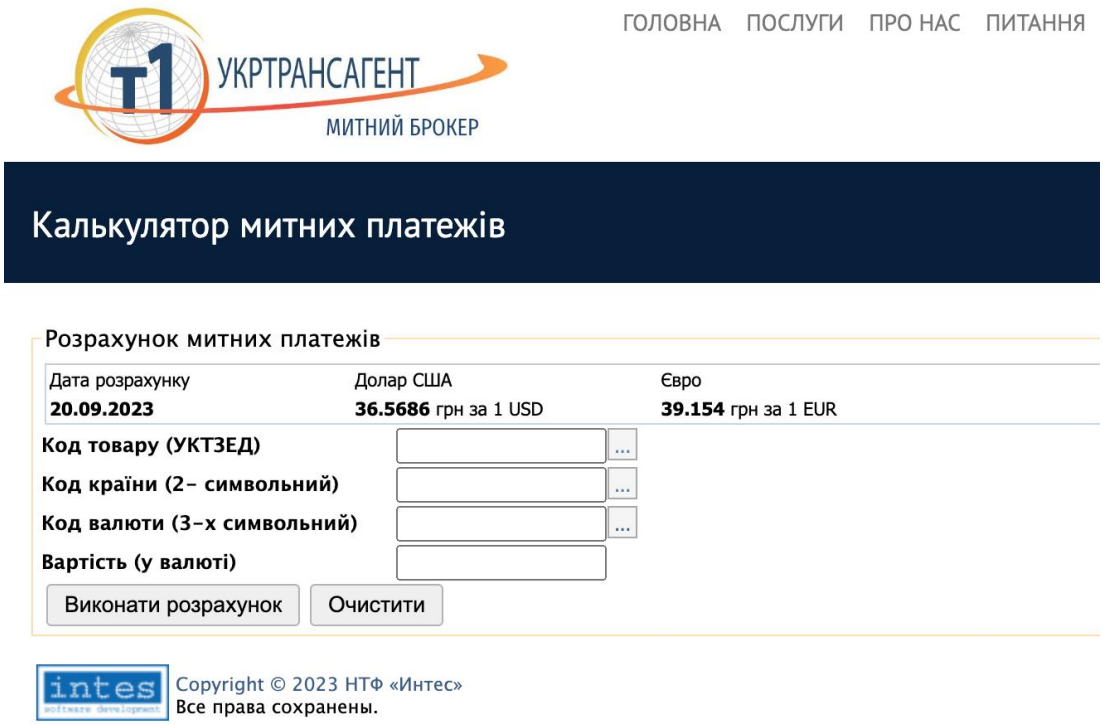


Fig. 1. **Basic page for entering initial data**

To fill in the “Product code UCT ZED (Ukrainian classification of foreighn economics goods)” field, you should either enter the product code according to UCT ZED (Ukrainian classification of foreighn economics goods) or use the UCT ZED (Ukrainian classification of foreighn economics goods) search (Fig. 2). The choice of goods is at your own discretion.

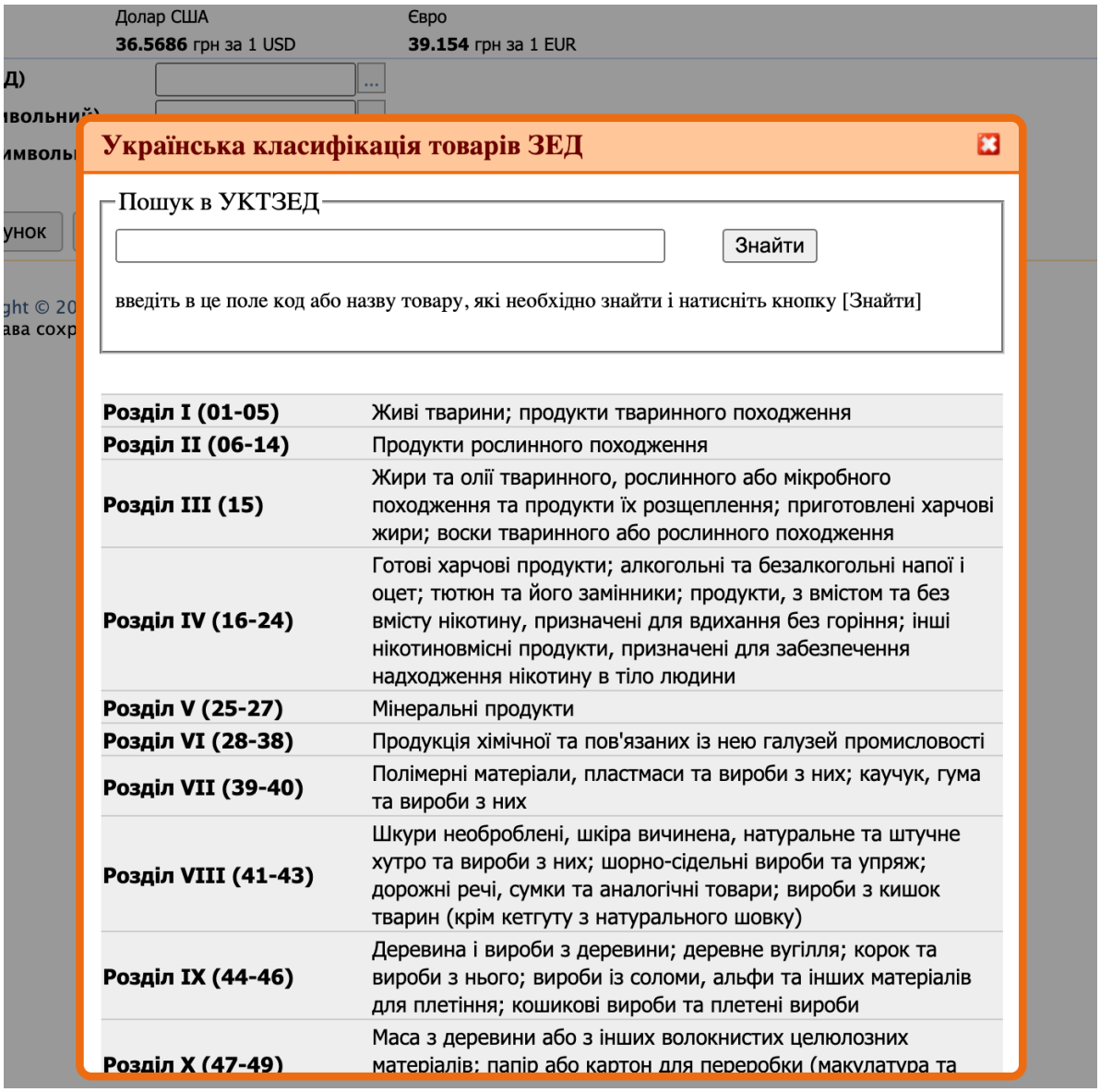
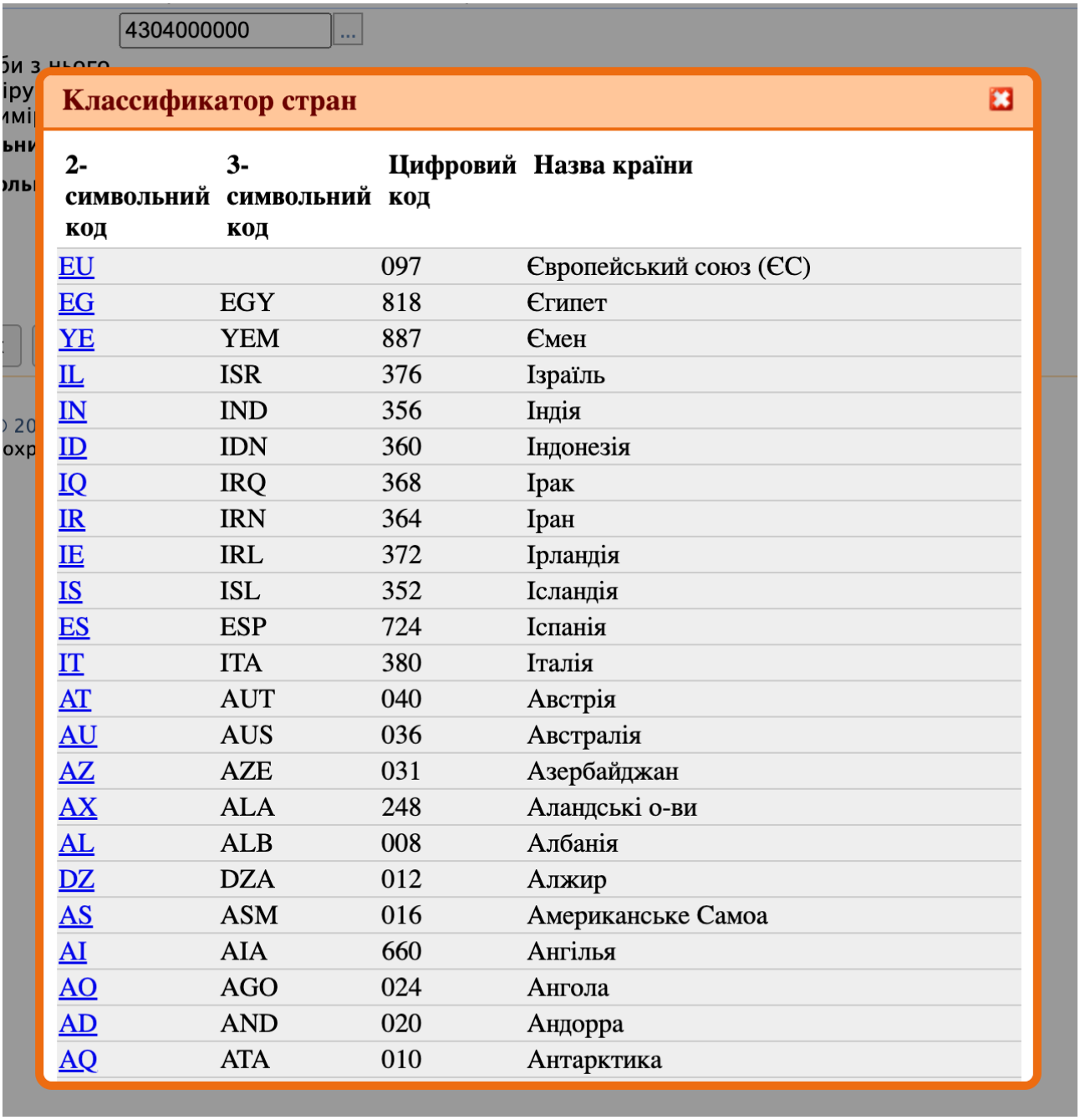


Fig. 2. **Search window in the UCT ZED (Ukrainian classification of foreighn economics goods)**

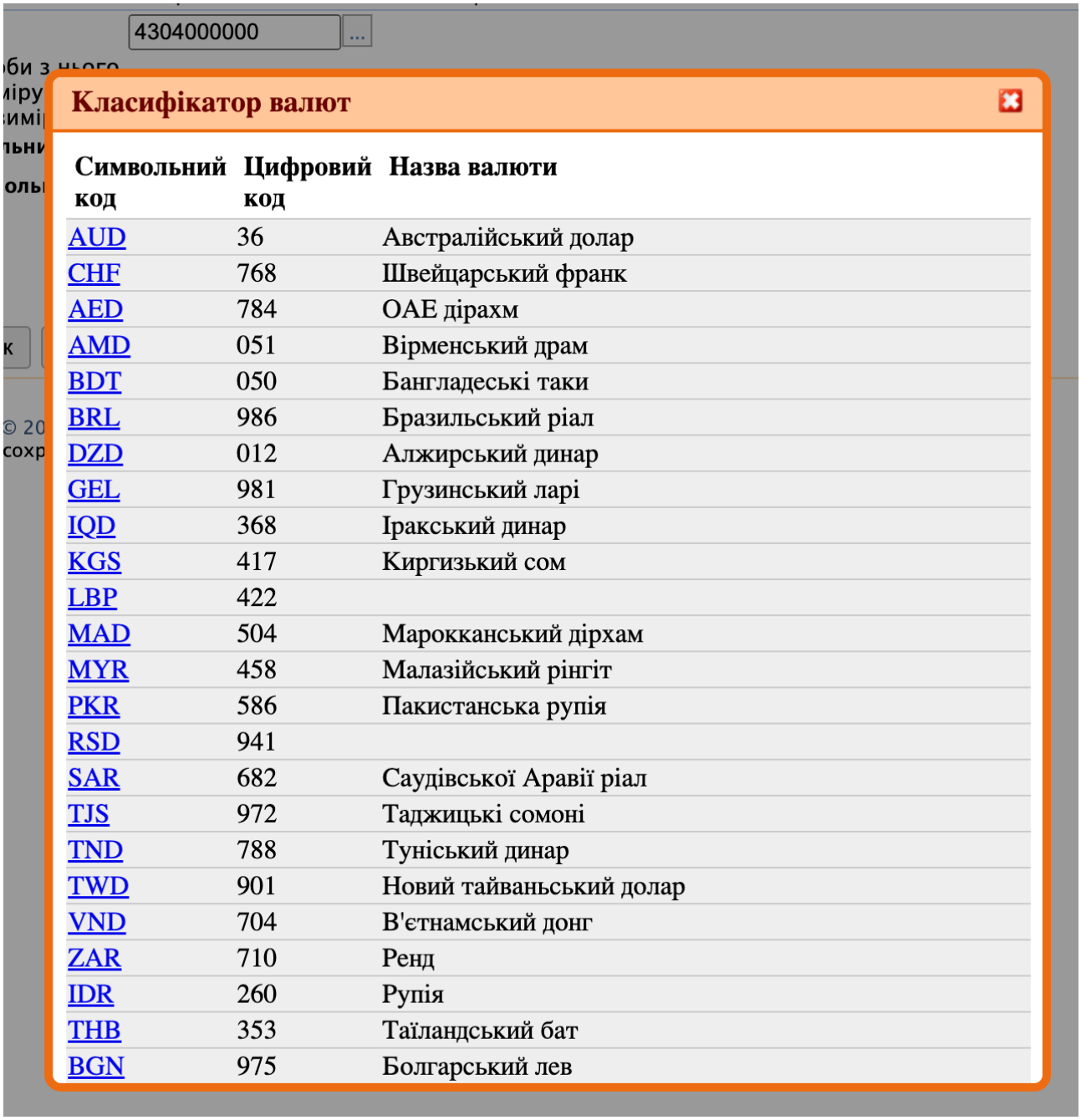
Enter the 2-digit country code either independently or using the country classifier (Fig. 3).



2-символьний код	3-символьний код	Цифровий код	Назва країни
EU		097	Європейський союз (ЄС)
EG	EGY	818	Єгипет
YE	YEM	887	Ємен
IL	ISR	376	Ізраїль
IN	IND	356	Індія
ID	IDN	360	Індонезія
IQ	IRQ	368	Ірак
IR	IRN	364	Іран
IE	IRL	372	Ірландія
IS	ISL	352	Ісландія
ES	ESP	724	Іспанія
IT	ITA	380	Італія
AT	AUT	040	Австрія
AU	AUS	036	Австралія
AZ	AZE	031	Азербайджан
AX	ALA	248	Аландські о-ви
AL	ALB	008	Албанія
DZ	DZA	012	Алжир
AS	ASM	016	Американське Самоа
AI	AIA	660	Ангілья
AO	AGO	024	Ангола
AD	AND	020	Андорра
AQ	ATA	010	Антарктика

Figure 3. **Classification of countries**

Similarly, fill in the “Currency code (3-digit)” field either independently or using the currency classifier (Fig. 4).



Символьний код	Цифровий код	Назва валюти
AUD	36	Австралійський долар
CHF	768	Швейцарський франк
AED	784	ОАЕ дірахм
AMD	051	Вірменський драм
BDT	050	Бангладеські таки
BRL	986	Бразильський ріал
DZD	012	Алжирський динар
GEL	981	Грузинський ларі
IQD	368	Іракський динар
KGS	417	Киргизький сом
LBP	422	
MAD	504	Марокканський дірхам
MYR	458	Малазійський рінгіт
PKR	586	Пакистанська рупія
RSD	941	
SAR	682	Саудівської Аравії ріал
TJS	972	Таджицькі сомоні
TND	788	Туніський динар
TWD	901	Новий тайваньський долар
VND	704	В'єтнамський донг
ZAR	710	Ренд
IDR	260	Рупія
THB	353	Таїландський бат
BGN	975	Болгарський лев

Fig. 4. **Currency classifier**

After that, you should enter the value of the selected goods in foreign currency in the “Value (in currency)” line. Then click “Perform calculation” (Fig. 5).

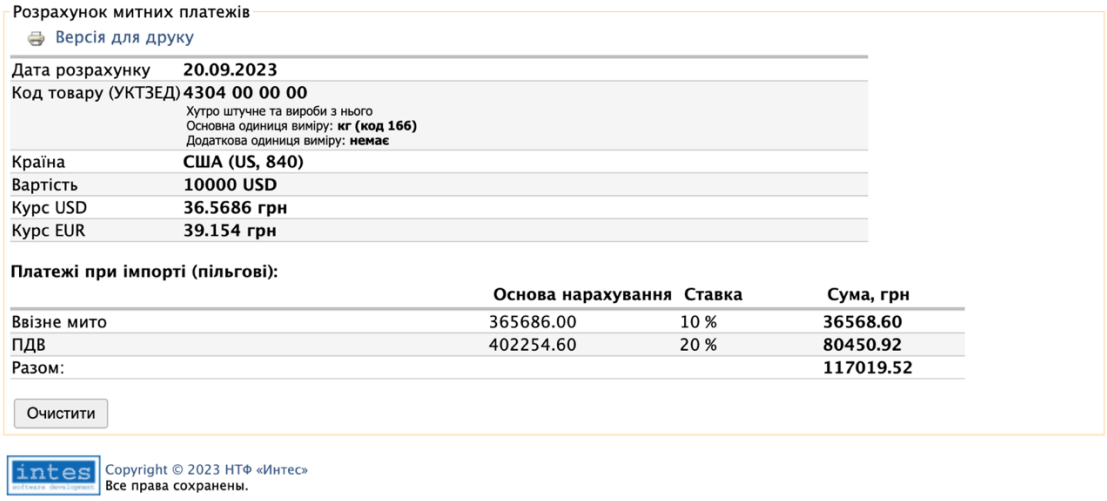


Fig. 5. **The window with the calculation results**

Use the same sequence of actions for the second country in the laboratory activity. Compare the data obtained as a result of the calculations.

2. SimplyDuty

Follow the link. The basic page for entering initial data is shown in Fig. 6.

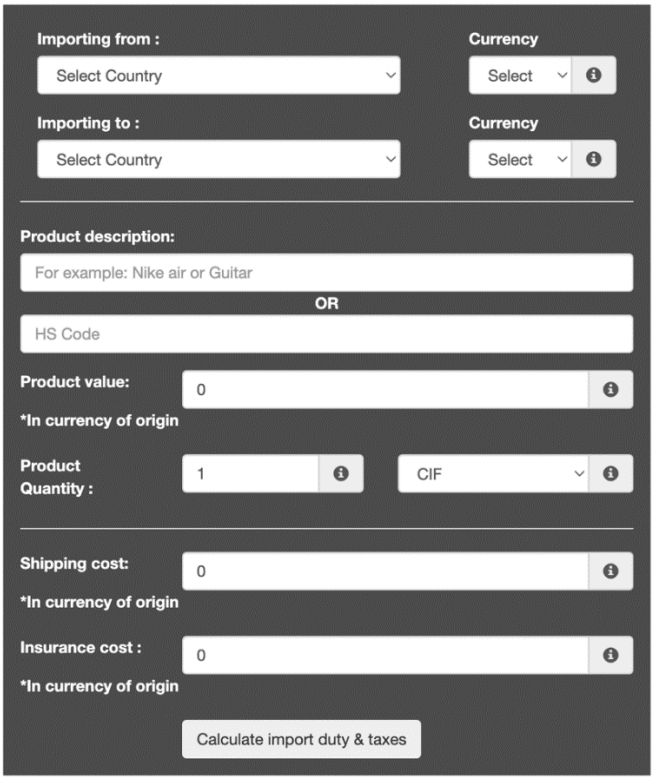


Fig. 6. **Basic page for entering initial data**

In the “Importing from” field, you need to select the country according to the task option provided (Tab. 1). After that, you need to define its currency by filling in the “Currency” field. In both cases, select Ukraine in the “Importing to” field. After that, find the national currency of Ukraine in the list of currencies by filling in the “Currency” section.

You can choose to leave these unselected and the system will automatically use the default currency of the selected countries.

After completing the previous steps, enter the product description or the HS code. The product is selected independently. Add the value of the items. Select the number of items if you wish to use a unit cost as product value. Select whether the products are being shipped free on board (FOB) or cost insurance & freight (CIF). CIF takes into account the insurance and shipping costs. These can be left as zero. If it is necessary, specify the values in the boxes "Shipping cost" and "Insurance cost".

An example of filling in is shown in Fig. 7.

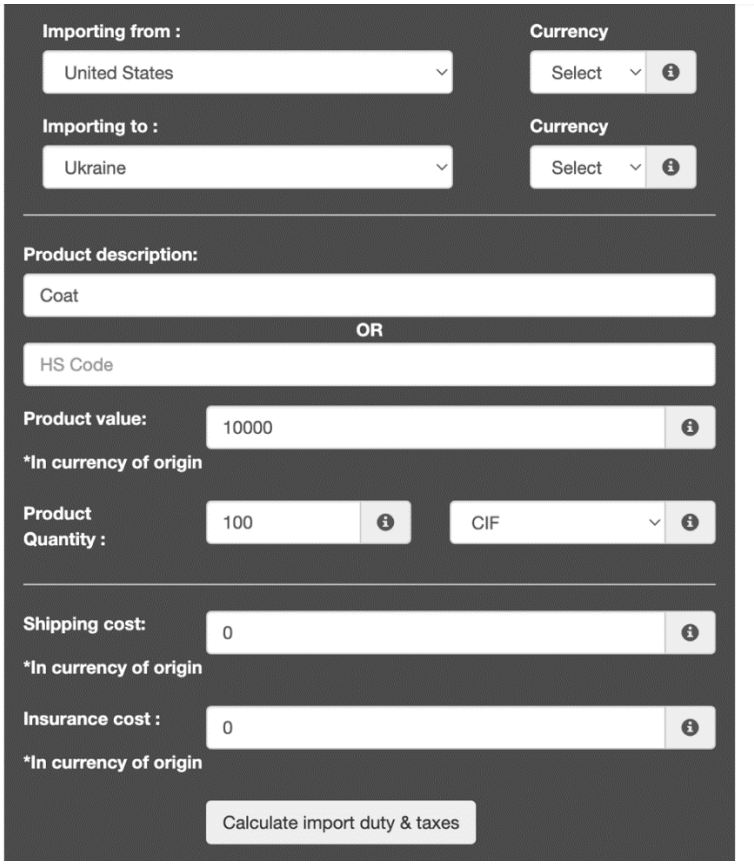


Figure 7. **Window with filled in fields of the online calculator for calculating customs payments**

Finally, click “Calculate import duty & taxes” (Fig. 8).

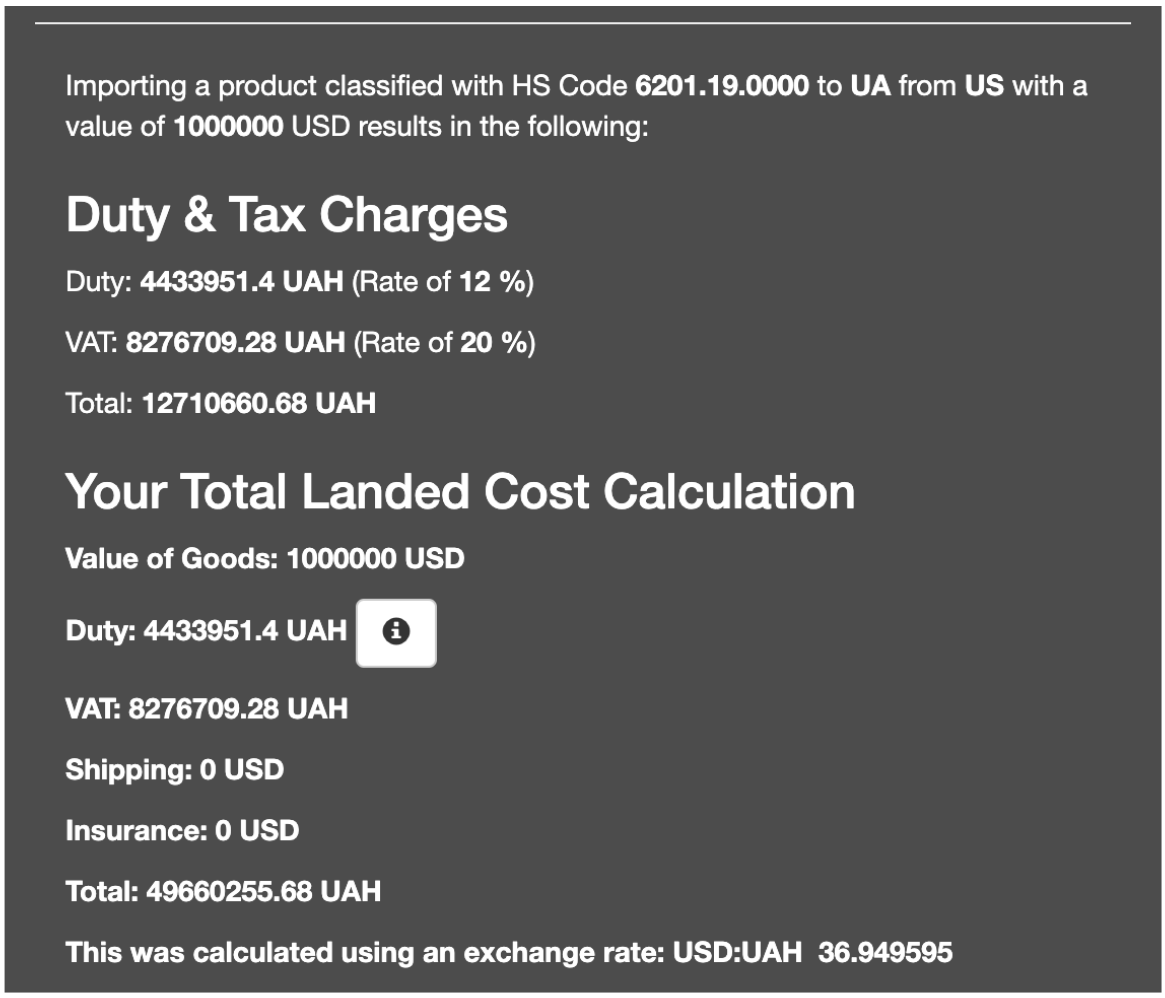


Fig. 8. **The window with the calculation results**

Use the same sequence of actions for the second country in the laboratory activity. Compare the data obtained as a result of the calculations.

Thus, the advantages of using online customs payment calculators are as follows:

1) accuracy and reliability of calculations;
2) ease of use;
3) computing speed;
4) automatic updating of exchange rates.

The importance and practical value of using this automated tool is that it helps to minimise the customs risks of underpayment of customs duties due to incorrect determination of the code, customs value and country of origin of goods.