Content module 1
Content and description of customs risks

Topic 2. Customs risks in ensuring the customs security system

Laboratory work 2
Risk profiling as a tool for risk management by customs authorities at the tactical level

The goal of the work -obtaining practical skills in identifying customs risks and compiling an electronic passport of the risk profile.

Task 2.1

On the basis of a real case of violation of the customs legislation of Ukraine by subjects of foreign economic activity or citizens, determine the customs risks during the implementation of the investigated operation.

Compile an electronic passport of the risk profile in the form approved by the Order of the Ministry of Finance of Ukraine “On approval of the Procedure for the analysis and assessment of risks, the development and implementation of risk management measures to determine the forms and scope of customs control” dated 07/31/2015 No. 684.

Draw conclusions about the advantages of using a risk profile in ensuring customs security.

Methodological recommendations for task 2.1

1. On the website of the Supreme Court of Ukraine (https://supreme.court.gov.ua/supreme/) in the subsection “Court practice and statistics” of the section “Activity” or in public access on the Internet, each student must find a real case or attempted violation customs legislation of Ukraine subjects of foreign economic activity or citizens.

For example, let us give an attempt to carry out smuggling by a citizen of Ukraine on August 13, 2023:

“In Zakarpattia Oblast, law enforcement officers seized a batch of contraband equipment, the value of which exceeds UAH 65 million.

At a checkpoint in the village of Uzhok, officers of the police department from Veliko Berezny stopped a truck for inspection, which was on its way to the

exit from the region. The vehicle was branded under the car of one of the delivery services. In the luggage compartment, the driver was carrying dozens of tightly packed boxes. As the police discovered, the waybill had obvious signs of forgery.

The law enforcement officers decided to carry out an inspection of the cargo, during which a large-scale batch of expensive contraband equipment was discovered in the packages. We are talking about more than 4,000 new phones, watches, headsets, laptops and other equipment belonging to companies with world recognition.

According to operational information, when this product was imported from abroad, no duty was paid to the budget of Ukraine. Thus, approximately UAH 13 million in losses were caused to the state.

Currently, all products are withdrawn. Investigators, under the procedural guidance of the Veliko Berezhnya Department of the Uzhhorod District Prosecutor's Office, entered information on this fact into the Unified Register of Pretrial Investigations.

Efforts are underway to identify all persons involved in this scheme."

2. Next, it is necessary to list the customs risks that occur in the studied case.

According to the attempted violation of customs rules presented for consideration, they will be:

1) the risk of smuggling;

2) the risk of non-payment of customs payments;

3) risk of illegal import of foreign goods;

4) risk of illegal export of foreign goods;

5) risk of inaccurate declaration of goods.

3. After that, a risk profile passport is drawn up.

According to clause 3 According to the Order of the Ministry of Finance of Ukraine "On approval of the Procedure for carrying out risk analysis and assessment, development and implementation of risk management measures for determining the forms and scope of customs control" dated 07.31.2015 No. 684, a risk profile is a description of any set of risk indicators, in including defined combinations of risk indicators resulting from the collection, analysis and systematization of information.

A risk profile should be understood not only as a certain set of data. In the case of identifying potential risks as a result of the analysis of documents, information and other information available at the disposal of customs

authorities at various levels, the customs authorities legally approve the risk profile, which is the basis for the application of certain forms of customs control in relation to certain goods or persons. Further, the risk profile is brought to the attention of officials who carry out customs clearance and customs control, and is the basis for applying the specified forms and volumes of customs control to subjects of foreign economic activity.

It can exist in two forms depending on the possibility of automation of its application: documentary (non-automated control with the use of a risk management system) and electronic (automated or combined control with the use of a risk management system). A risk profile can be represented as a risk profile passport and a risk profile software code. At the same time, the passport of the risk profile is formed for documentary and electronic risk profiles and is used for its documentary description.

For the purposes of performing laboratory work, the electronic risk profile passport form will be used (Appendix 1 to Order of the Ministry of Finance of Ukraine “On approval of the Procedure for carrying out risk analysis and assessment, development and implementation of risk management measures to determine the forms and scope of customs control” dated 07/31/2015 No. 684), which is posted on the following pages. It is the electronic risk profiles that fill the automated system of risk analysis and management and make it possible to identify high-risk movements across the customs border.

ELECTRONIC RISK PROFILE PASSPORT

EXPERT COMMISSION ON THE APPLICATION OF THE RISK MANAGEMENT SYSTEM

STATE CUSTOMS SERVICE OF UKRAINE

PR is valid from: **SRM** Revision of PR is valid from:

Risk profile No. _____

Name of PR: _____

Type of PR: _____

ASRM module, to which PR is implemented: _____

_____

Areas of risk: _____

_____

Risk indicators: indicator name: indicator value:

_____ _____

_____ _____

Assessment of the degree of risk. Description of the calculation algorithm. Notification of customs formalities:

_____

_____

Forms and scope of control:

code and name of the customs formality:	type of customs formality:	risk degree threshold:
_____ _____	_____	_____
_____ _____	_____	_____

The maximum value of the negative PR history: _____

The maximum value of the positive PR history: _____

Reasons for non-completion of customs clearance, which are taken into account when calculating the negative history of PR:

code and name of the reason:	significance coefficient:
_____ _____	_____
_____ _____	_____

Contact person for PR:

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

Phone: _____

Personal mailbox: _____

The unit responsible for filling out PR: _____

Periodicity of filling/updating PR: _____

Head of the unit

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

The unit responsible for monitoring the effectiveness of PR: _____

Periodicity of control of PR effectiveness: _____

Head of the unit

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

Official who developed PR:

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

Head of the unit

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

Filling in the lines of the specified passport is carried out in accordance with the provisions of the Order of the State Customs Service of Ukraine “On approval of the Procedure for developing risk profiles” dated 12.22.2010 No. 1514:

1) the date from which the risk profile should be applied during customs control and customs clearance is indicated in the “PR is valid from” field;

2) the date from which the current version of the risk profile should be applied during customs control and customs clearance is indicated in the field “Revision of PR is valid from”;

3) in the “Risk Profile No” field, enter the number of the risk profile, which has the following structure:

WW/XX/YYYY/ZZZZZ-VV,

where: WW – the alphanumeric code of the group of risk criteria in accordance with Chapter 3 of the Regulations on the System of Analysis and Selection of Risk Factors in the Determination of Individual Forms of Customs Control, approved by the Order of the State Customs Service of Ukraine dated May 27, 2005 No. 435 “On Approval of the Concept of Creation, introduction and development of the system of risk analysis and management and the Regulation on the system of analysis and selection of risk factors when determining individual forms of customs control”;

XX – the code of the structural subdivision that is the initiator of the development of the risk profile, according to the Classifier of structural subdivisions involved in the development of risk profiles (Appendix 4 to this Procedure);

YYYY – year of risk profile approval;

ZZZZZ – the serial number of the risk profile, which is assigned after the decision to apply the risk profile was made (filled in by the students themselves);

VV – the serial number of the revision of the risk profile, which is assigned after a decision was made to apply the risk profile or make changes to the risk profile (filled in by the students themselves);

4) the short unique name of the risk profile is entered in the “Name of PR” field;

5) students indicate the electronic type of risk profile in the “Type of PR” field;

6) in the field “ASARM module, to which the PR is implemented” the corresponding the automated risk analysis and management system module to which the risk profile is implemented is indicated;

7) in the “Areas of risk” field, indicate the areas of risk (code and name) according to the Classifier of areas of risk (Appendix 5 to this Procedure);

8) the field “Risk indicators” is divided into two subfields: “Indicator name” and

“Indicator value”. Each risk indicator can have several values or a certain range of values. In this same field, if there are any exceptions to the risk indicators, specify the circumstances under which these indicators are not taken into account;

9) in the field “Assessment of the degree of risk. Description of the calculation algorithm. Notification of customs formalities” describes the procedure for calculating the degree of risk in the presence of the risk indicators described above. For the electronic risk profile, the text of the message, which will be issued by the automated customs inspection system to the inspector as a notification to the customs formalities in case the risk profile is activated, must be provided.

Assessment of the degree of risk in laboratory work will be carried out by an expert method, where a person with a higher education will act as an expert. The value of the degree of risk must be given in the form of a coefficient according to the following gradation:

1 – 0,71 – a high level of risk has been identified and a list of control forms has been created, which provide for the implementation of measures that require a detailed inspection of cargo or vehicles;

0,70 – 0,51 – an average level of risk was identified and a list of forms of control was formed. It is necessary to carry out a documentary check and inspection of some part of the cargo or means of transport;

0,50 – 0,31 – a low level of risk was identified and a list of forms of control was formed. All forms of control involve the implementation of documentary checks and other measures that do not require inspection of cargo or vehicles;

0,30 – 0,01 –no risk detected. The cargo does not need to be inspected;

10) in the field “Forms and scope of control” the list of customs formalities is indicated and the subfields for each of them are filled: “Code and name of the customs formality” (according to the Classifier of customs formalities that can be determined by the results of the application of the risk management system, which is approved by the Order of the Ministry of Finance of Ukraine dated September 20, 2012 No. 1011), “Type of customs formality” (mandatory, mandatory under conditions, if necessary) and “Risk degree threshold” (minimum value of the degree of risk at which a specific customs formality);

11) the fields “The maximum value of the negative PR history” and “The maximum value of the positive PR history” are not filled in by the student;

12) the field “Reasons for non-completion of customs clearance, which are taken into account when calculating the negative history of PR” is divided into subfields: “Code and name of the reason” (contains the code and name of the reason for the refusal of customs clearance according to the Classifier of reasons

for the non-completion of customs clearance approved by the Order of the Ministry of Finance of Ukraine dated September 20, 2012 No. 1011) and “Significance coefficient” (significance coefficient of this reason for PR is indicated). The latter is filled out by a higher education graduate as an expert.

The following fields are not filled in by the student or are filled in at will.

The following pages present an example of filling out an electronic risk profile passport in accordance with the conditions of the example in the first paragraph.

3. Draw conclusions about the advantages of using a risk profile in ensuring customs security.

An example of filling out an electronic risk profile passport

ELECTRONIC RISK PROFILE PASSPORT

EXPERT COMMISSION ON THE APPLICATION OF THE RISK MANAGEMENT SYSTEM

STATE CUSTOMS SERVICE OF UKRAINE

PR is valid from: 30.08.2023 **SRM** Revision of PR is valid from: 09/15/2023

Risk profile No. G10/03/2023/34587-01

Name of PR: Control to prevent and counter smuggling

Type of PR: electronic

ASRM module, to which PR is implemented: ASARM module for customs clearance of customs declaration (including electronic customs declaration)

Areas of risk:
103 Export
205 Smuggling/evasion from customs control
302 Evasion/reduction of export duty

Risk indicators:	indicator name:	indicator value:
	Direction	Departure
	Cargo	Accompanying documents, packaging
	Vehicle	Appearance of the vehicle

Assessment of the degree of risk. Description of the calculation algorithm. Notification of customs formalities:

If (Indicator 1 = “Departure”), (Indicator 2.1 = “Accompanying documents”), (Indicator 2.2 = “Packaging”) and (Indicator 3 = “External appearance of the vehicle”), then SR = 0.91. Notification: “Conduct a detailed inspection of cargo and vehicles.”

Forms and scope of control:

code and name of the customs formality:	type of customs formality:	risk degree threshold:
103-1 Verification of the submitted goods accompanying and freight transport documents	Mandatory	0,71
203-1 Carrying out a full customs inspection - with the disclosure of up to 100 percent of the packaging spaces and an in-depth examination of the vehicle	Mandatory	0,71
904-1 Involvement of a canine team	If necessary	0,71

The maximum value of the negative PR history: _____

The maximum value of the positive PR history: _____

Reasons for non-completion of customs clearance, which are taken into account when calculating the negative history of PR:

code and name of the reason:	significance coefficient:
0504 A protocol was drawn up on the violation of customs rules in connection with the submission to the customs authority as a basis for the movement of goods of forged documents or documents obtained illegally, or those containing false data regarding the description of the goods	1

Contact person for PR:

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

Phone: _____

Personal mailbox: _____

The unit responsible for filling out PR: _____

Periodicity of filling/updating PR: _____

Head of the unit

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

The unit responsible for monitoring the effectiveness of PR: _____

Periodicity of control of PR effectiveness: _____

Head of the unit

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

Official who developed PR:

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))

Head of the unit

_____	_____	_____
(position)	(signature)	(surname, first name, patronymic (if available))