

Tax Control and Tax Monitoring Methods in the Foreign Trade System

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Abstract: In this research paper has been proposed the improvement of the mechanism of regulation of the non-market system by means of taxes, the taxation of importers and the general procedure for the non-use of taxes and fees for their intended purpose, the implementation of an effective system of generally recognized international norms and standards in the area of tax control in export-import operations, and the implementation of scientific research I ask the question, how does the tax liability and the tax liability show that the tax control is a valuable instrument for the economic development of the country.

Keywords: Foreign trade system, tax control, functions of tax control, forms of tax control, tax monitoring, horizontal tax monitoring, foreign trade operations.

Introduction

Currently, Uzbekistan is implementing systematic practical work to regulate the economy through taxes and provide additional tax incentives for business entities. The Concept for Improving the Tax Policy of the Republic of Uzbekistan defines the task of implementing tax monitoring and taxation procedures in the foreign trade system through the use and improvement of forms and mechanisms of tax control using modern information and communication technologies.[1] To ensure the implementation of this task, tax debt in foreign trade transactions, in particular, issues of receivables, further development of export activities, strengthening of tax control in import transactions, regulation of currency transactions, improvement of the procedure for applying financial incentives to expand the production of competitive products among entrepreneurs, foreign It is an important task to substantiate proposals and scientific recommendations for the study of factors affecting tax control in trade.

Today, taxpayers want to pay as little tax as possible, but it is important to remember that this is an important tool in meeting the state's need for financial resources.

In our country, in the context of the transition to a digital economy, tax control can independently analyze and compare data on the fulfillment of tax obligations by taxpayers. At the same time, the widespread introduction and application of various digital information and communication technologies that allow for the collection of additional payments to the budget in the form of additional taxes, fines, and penalties, thereby ensuring the prevention or minimization of violations of tax legislation, is an important lever in the implementation of tax control.

Literature review

Therefore, when implementing tax control, it is first necessary to address the question of "what is tax control?"

Tax control is an activity consisting of monitoring the accounting of subjects and objects subject to taxation, compliance with tax legislation, accurate calculation, full and timely payment of taxes and other mandatory payments to the state budget and other special-purpose funds. The concept of tax control has been extensively studied by domestic economists, and various approaches and definitions have been given.

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In particular, F.A. Akramov writes that tax control is one of the types of financial control, both in global practice and in our country.[2]

According to Professor B.I. Israilov's definition, tax control is understood as the calculation by authorized state bodies, owners or other interested entities of taxes and allocations to the budget and target funds of business entities, the verification of the fulfillment of obligations to fully transfer to the budget within the established deadlines in the manner and terms established by legislative norms.[3]

According to economists B.E. Tashmurodova and S. Elmirzaev, tax control refers to the activities of state tax authorities aimed at studying the activities of taxpayers and their work in this regard.[4] Tax control is also aimed at studying the level of compliance of taxpayers with current tax legislation, combating tax offenses.

Professors A.V. Vakhobov and A. Juraev addressed tax control in different ways, noting that "prevention and elimination of violations of tax legislation requires constant improvement of current measures and methods." The increase in tax crimes leads to the loss of financial resources by negatively impacting the satisfaction of the state's financial needs, and as a result, the state is forced to seek tax-free income, which in turn leads to an increase in the state's domestic and external debt."[5]

According to T. Toshmuradov, tax control is control over the timely payment of taxes and other mandatory payments by legal entities and individuals.

K.A. Yakhyaev, in his works and scientific research, notes that "the control function of taxes is constantly in motion, but alongside this function, he theoretically controls the correct distribution of income, the full and timely receipt of taxes." Tax control is the foundation of the work of tax authorities."[6]

Y.A. Tashmukhamedova, in her research, considered tax control as one of the main elements of tax administration.[8]

Research Methodology

Article 135 of the Tax Code of the Republic of Uzbekistan defines the concept of tax control as follows: "Tax control is the activity of competent authorities to monitor compliance with tax legislation by taxpayers and tax agents."

Regarding tax control, Article 2 of the Law "On the State Tax Service" states: "Tax control is carried out by state tax authorities through the registration of subjects and objects subject to taxation, conducting tax audits, questioning taxpayers, other persons, and in other forms provided for by law."[10]

Although tax control is an integral part of financial control, it is carried out by the relevant bodies of the Tax Committee under the Ministry of Economy and Finance of the Republic of Uzbekistan.

Analysis and results

The essence of tax control is reflected in its functions. In our opinion, the functions of tax control can include the following: (Fig. 1).



Figure 1. The functions of tax control.

Legislation of the Republic of Uzbekistan is the main lever in ensuring the full implementation of tax control functions. The legal foundations of tax control are established in a number of legislative acts, for all of which the Constitution of the Republic of Uzbekistan is an important priority legal source. O'zbekiston Respublikasi Konstitutsiyasining 2-moddasi mazmuniga ko'ra, davlat organlari, uning mansabdor shaxslari jamiyat va fuqarolar farovonligini ko'zlab xalq manfaati uchun-xizmat qilishi belgilangan. [11]

In the current digital economy, one of the important issues is the improvement of tax control methods. Tax control The implementation of new forms of tax control based on digital technologies, as well as the formation of a unified database for all taxpayers and objects of taxation, and other similar tasks are becoming a requirement of today. This is also reflected in the emergence of a new tax function. We believe that the tax control system based on digital technologies should be analytical and digital.

The current forms and types of tax control in the Republic of Uzbekistan can be seen in Figure 2 below.



Figure 2. Forms and types of tax control

The forms and types of tax control used in practice in the territory of Uzbekistan are defined in Article 136 of the Tax Code of the Republic of Uzbekistan: "Tax authorities exercise tax control in the form of tax audits and tax monitoring." Also, Article 137 of the Tax Code stipulates that tax authorities conduct tax audits in the form of desk audits, field audits, and tax audits. [9]

The term "tax monitoring" is used in the practical activities of tax authorities in connection with the implementation of pre-audit analysis of the taxpayer. The primary objective of monitoring is to establish cooperative links between tax authorities and large taxpayers by timely addressing and preventing risky operations that may lead to violations of tax, currency, and other legislation controlled by tax authorities. [12] The subject of tax monitoring is the accuracy, completeness and timeliness of the calculation of taxes and fees, the obligation to pay, which is imposed on the taxpayer in accordance with the Tax Code.

Tax monitoring is a form of tax control and is currently carried out in the form of electronic interaction and is used alongside tax audits. The advantages of applying tax monitoring for the Tax Service in Uzbekistan provide confidence in faster and more efficient, rational and, accordingly, better control over compliance with tax legislation, accuracy of calculations and timely payment. "Initial" control allows for the timely registration and consideration of possible complications and problems in the activities of taxpayers, as well as making changes online to eliminate them. (Figure 3)



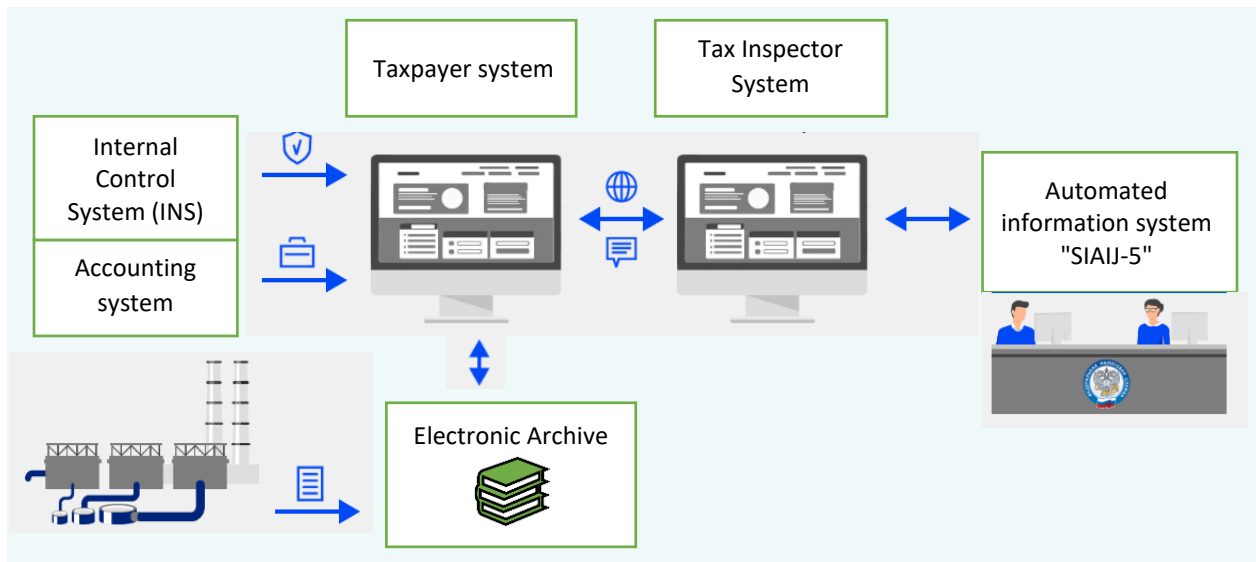


Figure 3. Tax monitoring between taxpayers and tax authorities.

From the figure, we can understand that tax monitoring allows for the establishment of mutual communication and information exchange between taxpayers and tax authorities when transmitting data.

If we look at the world experience, in 2005, for the first time in the Netherlands, a new measurable, horizontal tax monitoring was introduced as a test.

Horizontal monitoring is a model of tax administration that allows taxpayers to minimize risks within the framework of tax control and provides tax authority with access to accounting system data in exchange for exemption from traditional control measures.[13]

This trial, conducted in the Netherlands, involved 20 enterprises in the tax monitoring, which involved the signing of a special control agreement between the taxpayer and the tax authority, the contracts were individual in nature (different from each other), but their meaning was determined to be the same. They dealt with procedural issues, in particular, the intensity of audit and tax control. Most of the experience of horizontal monitoring has brought great success to enterprises registered on stock exchanges. As a result, other firms and enterprises began to connect to horizontal monitoring.

Horizontal monitoring is carried out in countries with specific features of interaction between taxpayers and tax authorities (Netherlands, Sweden, USA, Israel). To date, about 25 countries around the world successfully implement the concept of horizontal monitoring based on the principles of trust, transparency and mutually beneficial cooperation.

The Russian Federation classifies tax monitoring as a form of tax control. This form was developed on the basis of the "horizontal monitoring" project and entered into force in 2015.

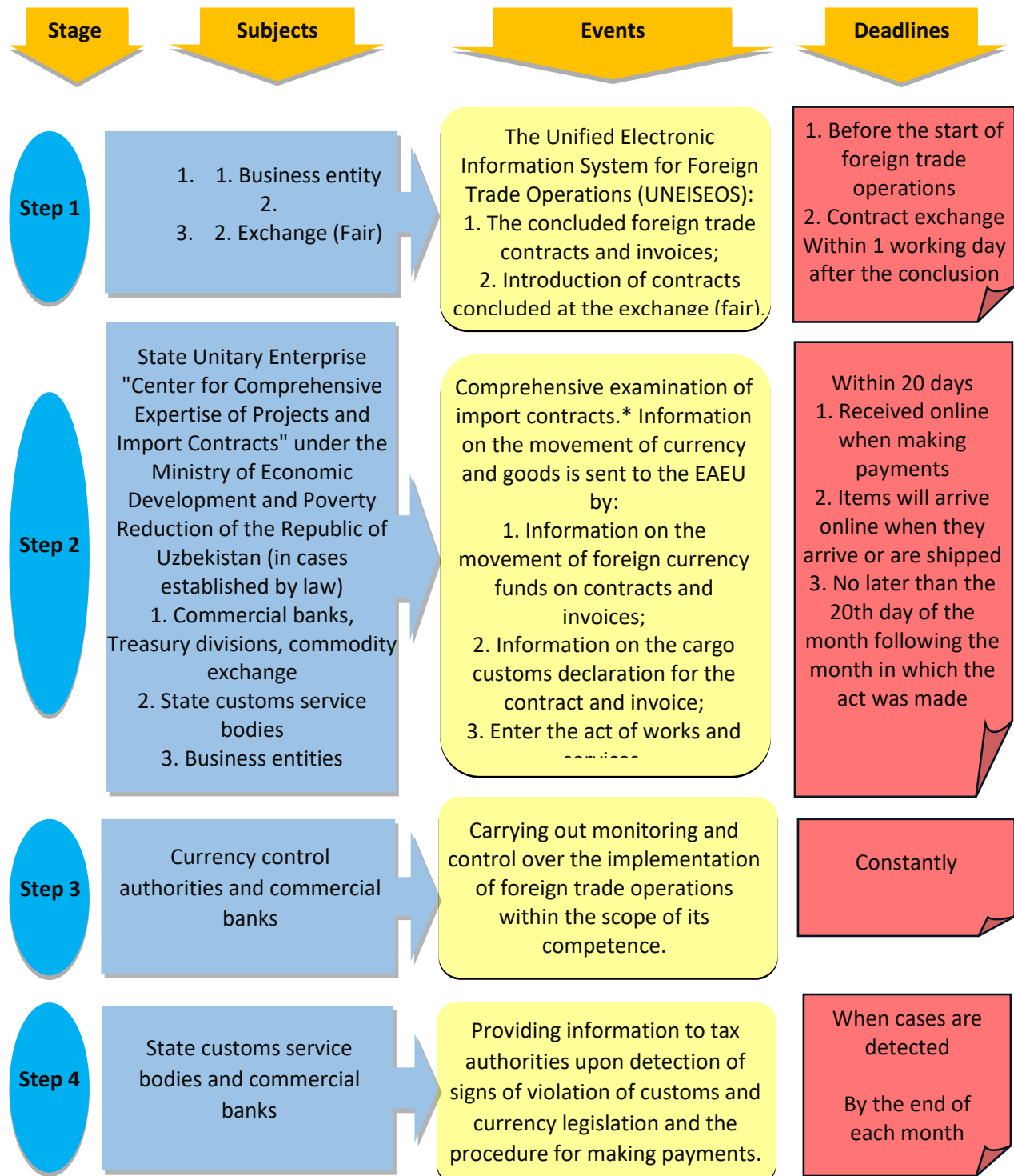
In Uzbekistan, according to the Tax Code, tax monitoring is carried out in order to introduce a modern digital form of interaction with taxpayers, improve electronic data exchange between the tax authority and the banking system when collecting (paying) taxes and fees, and further improve the use of cash registers and virtual cash registers, as well as to establish a unified procedure for collecting state duties and other fees.[14]

In accordance with the decision of the Cabinet of Ministers of the Republic of Uzbekistan No. 283 "On measures to further improve the monitoring of foreign trade operations" [15], to further improve the system of monitoring foreign trade operations in the Republic of Uzbekistan and increase its efficiency, as well as attention is paid to the issues of simplifying the procedures for entering information on foreign trade contracts and invoices into the unified electronic information system of foreign trade operations by economic entities.



The procedure for monitoring foreign trade operations shall ensure the necessary control over the execution of foreign trade contracts and invoices concluded by business entities and shall be carried out between business entities, currency control bodies, commodity and raw materials exchanges, treasury divisions and commercial banks. The order of this monitoring can be seen in Figure 1.

Figure 1. The procedure for monitoring and controlling foreign trade operations.[15]



Monitoring and control over foreign trade operations shall be carried out on the basis of mutual information exchange with the state tax and customs service bodies and commercial banks and through the Unified Electronic Information System of Foreign Trade Operations.



Conclusions

In summary, it should be noted that the establishment of tax monitoring in Uzbekistan, on the one hand, will help to establish a completely different level of relations between large enterprises and fiscal authorities in the implementation of tax control and improvement of tax quality. This, in turn, serves to increase the level of collection of taxes and fees, the formation of a high tax culture, and the strengthening of the state's economic security.

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