

DEVELOPMENT OF NEW TECHNOLOGIES IN LITHUANIAN CUSTOMS

Aldona Jarasuniene

*Vilnius Gediminas Technical University
Transport Research Institute
Plytines Str. 27, LT-2040, Vilnius, Lithuania
E-mail: ajarasuniene@yahoo.com*

This paper presents development of advance technologies in Lithuanian customs. There are described general provisions, the vision, the mission of the customs of the Republic of Lithuania for 2005–2010. Development of technologies support modernization of customs activities is showed in the paper. In this article described management and evaluation of customs information system, information system of duties accounting and control, development of national control transit systems, customs declaration processing system, use of information system mutual with abroad.

Keywords: *the business Strategy of the customs of the Lithuania, computerization, advance technologies, information system, customs declaration*

1. INTRODUCTION

This paper presents development of advance technologies in Lithuanian customs. There are described general provisions, the vision, the mission of the customs of the Republic of Lithuania for 2005–2010. Development of technologies support modernization of customs activities is showed here.

These are described using of advance technologies, common use of information systems with aboard.

2. BUSINESS STRATEGY OF THE LITHUANIAN CUSTOMS FOR 2005–2010

Integration into the EU and NATO, the growing threat of international terrorism and organized crime, the ongoing processes of globalisation and development of information technologies determine rapid changes in political, economic, social and cultural life in Lithuania. All these factors increase the significance of strategic administration of the state in all the fields of administration. Changes in external and internal environment of the Customs of the Republic of Lithuania (hereinafter referred to as the Lithuanian Customs) significantly influence its strategic and tactical activities. Therefore, there is a need to prepare a new strategy for activities of the Customs of the Republic of Lithuania.

The Business Strategy of the Customs of the Republic of Lithuania for 2005–2010 (hereinafter referred to as the Strategy) was prepared in accordance with the documents of the European Commission and the World Customs Organization and taking into account some national documents.

This Strategy provides the activity guidelines of the Lithuanian Customs for the period till 2010 – a road towards modern Lithuanian Customs, appreciated by the public and a reliable partner of the customs of other countries.

In the Strategy, a lot of attention is granted to improvement of business environment and enhancement of Lithuania's competitiveness in the EU, protection of market and society, and efficient administration of taxes.

The vision. The Lithuanian Customs as a flexible, transparent, effective and reliable public institution, oriented towards the best experience of the customs of EU countries, protecting society from damage done by illegal international trafficking and establishing favourable conditions for business development.

The mission. The mission of the Lithuanian Customs includes the following:

- to ensure safety and security of market and society by applying efficient customs supervision and by developing domestic and international cooperation;
- to ensure collection of taxes that are administered by the Customs;
- to establish favourable conditions for business development by implementing modern working methods and creating electronic customs environment.

3. DEVELOPMENT OF TECHNOLOGIES SUPPORTS MODERNIZATION OF LITHUANIAN CUSTOMS ACTIVITIES

Technological factor

1. Possibilities
 - 1.1. Development of technologies supports modernization and simplification of the Lithuanian Customs activities and application of modern checking means and methods.
 - 1.2. Information technologies and telecommunications (ITT) increase efficiency of control (usage of documents in electronic formats, installation of risk management process etc.).
2. Threats
 - 2.1. New and unfamiliar goods may emerge in the market, which may be of dual purpose.
 - 2.2. The development of e-trade increases the risk of violations related with intellectual property rights and with the laws on protection of natural fauna and flora, regulating trade in species of natural fauna and flora.
 - 2.3. Inadequate protection of information.
 - 2.4. Due to insufficient usage of ITT, modern activities and managing technologies, the Lithuanian Customs may fall behind from customs institutions of other EU Member States.
 - 2.5. Unequal development of ITT technologies in the public administration sector and in the business sector slows down the development of the Lithuanian Customs and decreases efficiency of it activities.

Computerization of the Lithuanian Customs factor

1. The strengths
 - 1.1. A nucleus for integrated information system in the Lithuanian Customs is created.
 - 1.2. Modern information technologies and telecommunications (ITT) are being used.
 - 1.3. An up-to-date architecture of the Lithuanian Customs information system is created.
 - 1.4. Significant information projects are being implemented (e.g., integrated tariffs management system, automated office information system, a processing system for electronically submitted declarations, Intrastat data processing system, Tax Accounting and Control Information System (TACIS) etc.).
 - 1.5. Information system of the Lithuanian Customs is linked with information systems of the European Commission.
 - 1.6. Via ITT the data of the Lithuanian Customs are transmitted to public authorities and businesses.
 - 1.7. Possibilities are established for businesses to perform some customs procedures via public networks.
 - 1.8. Information announced by the Lithuanian Customs via ITT is more accessible for businesses and the general public.
 - 1.9. Methodologies and standards for ITT projects are being prepared.
 - 1.10. An ITT programme (strategic provisions in ITT field) and procedures for its monitoring and revision are being prepared.
2. The weaknesses
 - 2.1. Procedures for ITT programme (strategic provisions in ITT field) and its monitoring and revision are not approved.
 - 2.2. Methodologies and standards for implementation of ITT projects are not approved.
 - 2.3. Quality of ITT services for internal users are not sufficient.
 - 2.4. Inadequate level and extent of public e-services (submittal of customs declarations, information services, presentation of Intrastat reports via Internet, receipt of publications, settlements with businesses and the state treasury via banks etc.) for internal users, businesses and the general public.
 - 2.5. Not all of the basic activity processes of the Lithuanian Customs are computerized.

4. USING OF ADVANCE TECHNOLOGIES IN LITHUANIAN CUSTOMS

Management and evaluation of customs information system. The first stage of setting a modern customs information infrastructure was carried forward, i.e. advanced computer and telecommunication technologies were provided to customs offices processing more than 50 percent of export and import declarations.

Information systems were under further implementation in line with the demands of the Customs Department and territorial customs offices: a programme software was made for introduction and control of the data of the Baltic States' general transit procedure documents to be processed in the central transit office, as well as for introduction and control of the 3-copy data sets of the export Single Document in the customs offices of outgoing goods.

The customs administration support system has been also improved, on the basis of which it is aimed to develop and implement an automatic office system comprising the control of correspondence and assignments, the e-mail functions, the electronic office document and its authorisation.

Information system of duties' accounting and control. The purpose of drafting the Information system of duties' accounting and control consists in making and implementation of a single, reliable, safe, easily modified and supplemented, as well as user-friendly accounting and control information system belonging to the competence of customs and linked to the customs declaration processing system.

National control transit system (NCTS). It is a system for computerisation of transit procedure. During its implementation in 2002, the analysis of information system of transit control was continued – the scope of the project works was reviewed and new project works were planned.

In line with the EC Directorate General TAXUD requirements there was prepared the National control transit system (NCTS) and national transit system's implementation plan, which later became a component of the consolidated EC NCTS implementation plan.

Specification of the system's standard technical and software equipment was prepared in continuation of the NCTS implementation activities in the Lithuanian customs. Materials of this specification were also used in shaping the customs information system's IT technical architecture, in which the consolidated technical architecture of the central section of the customs information system was presented.

In the European Union the TARIC system has been created for ensuring the application of foreign trade tariff regulation measures. Creating national tariff systems of Member States is one of EU membership conditions. These systems have to be aligned with the TARIC system.

In line with PHARE, the European Community support programme, was started the implementation of the project "Preparation for implementation of EU customs systems", one component of which includes the preparation to create an integrated Lithuanian customs tariff management system – ITMS. One of the elements of the ITMS is the computerised Customs complex tariff system LITAR. There was prepared and approved the Project implementation and tariff system LITAR formation plan, including the detailed functional LITAR specifications.

ITMS will consist of the following elements: LITAR – Customs complex computerised tariff system, Tariff quotas administrating system, Tariff monitoring/supervision/control system, Obligatory tariff information system, Customs electronic stamps and other marking system, Temporal import for processing and customs-controlled processing administration system, Chemical materials' classification system, Obligatory goods origin information system, Tariff suspension system.

The customs permission for using their tariff management system data with the aim to analyse the creation of Lithuanian tariff system was received from Poland. Also a server was prepared for the implementation of the Tariff system's demonstration version.

The Tariff system LITAR, which is now in the process of development, has been fully harmonised with the TARIC system managed by the EC. It is an important step forward in the process of implementation of the project, because the TARIC – the system of the integrated Community customs tariff – is the main instrument for application of EU legal acts regulating the import and export requirements.

The initial information of TARIC system managed by TAXUD was received from EC TAXUD Directorate General. This information is used in testing the national tariff systems of the candidate countries with the aim of learning whether they were capable to accept the tariff information sent by the EU Commission.

Customs declaration processing system. During the implementation of the processing system for customs declarations ASYCUDA in 2002, the system's development analysis was continued and finalized. The analysis was of the following character: the scope of the project was reviewed, new works of the project were planned, and the modulus MODSDI was adjusted for operation. The modulus MODSDI is designed for introducing the data of the single import-export document sets, when the system means are unable to cope with this task, i.e. in case of emergency faults, or/and for the operation in customs offices not adjusted for computer installation.

A solution was found for connecting the declaration processing system with tariff system harmonised with TARIC. Establishment of this connection would enable the automatic transfer of Combined goods nomenclature codes stored in the EC TARIC system and their updating in the system. Thus, while the declared goods are checked at the places of operation of the ASYCUDA system, the custom fees and duties could be automatically calculated in line with the updated tariff norms.

5. USE OF IS MUTUAL WITH ABROAD

At present Lithuanian statistics of foreign trade is being prepared on the basis of customs declaration (Single Document) data. After joining the EU, the customs borders between Lithuania and other Member States disappear. Lithuanian exporters and importers trading with EU Member States shall not have to fill in the Single Document; also the procedures of goods transportation will be simplified. Therefore the development of activities will be much easier. However, the main foreign trade data resource – the Single Document will cease to exist.

Since the first days of the EU membership the Intrastat system was implemented in Lithuania. Lithuanian foreign trade data will be divided into two parts: the Extrastat and the Intrastat. The Extrastat is the data collection system dealing with Lithuanian trade with non-member countries. Its main data resource will still remain the data of customs declaration (Single Document). In the accountancy of trade with non-EU-member countries no essential changes will occur.

6. CONCLUSIONS

- The analysis carried out shows that the use of Information Technologies is the main issue. Most topical objectives – to prepare a reliable strategy of information networks and to use fully the Information Technologies in the Customs Union.
- It was found out that successful information technologies would give reliable opportunities of information exchange for customs administrations, businessmen and respective administrations.
- It is expected that after starting the computerised goods' declaration the amount of computerised customs declarations will grow rapidly and will exceed the number of paper customs declarations. In the nearest future the tendencies of growth should also make a great impact on the EU customs legal acts, which are going to be essentially reformed by making the computerised customs declaration to be the usual one, and the paper declaration should be accepted only in exceptional cases.

References

- [1] Baublys, A. Assessment of Statistical Probability of the Technological Transportation Process, *TRANSPORT*, 2002, Vol. XVII, No 4, pp. 127-136.
- [2] Jarašūnienė A. The Optimisation of Transport Flows Crossing Lithuanian Customs Houses, *Transport*, 2002, Vol. XVII, No 1, pp. 15-18.
- [3] *New Customs Transit Systems for Europe*. Luxemburg: Office for Official Publications of the European Communities, 2004. 69 p.
- [4] Bartczak K. Institutional Challenges to the Development and Deployment of ITS Technologies and Services in Poland. In: *Transport Systems Telematics TST'03 III International Conference*. Gliwice, 2003, pp. 21-24.
- [5] Bartczak K. Scenarios For ITS Services Deployment in Poland. In: *Transport Systems Telematics II International Conference*. Gliwice, 2002, pp. 27-32.
- [6] Bartczak K., Milewska B., Milewski D. Selected Problems of Some ITS Advanced Technologies Applications for Intermodal Transport Chains. In: *Transport System Telematics TST'03, III International Conference*. Gliwice, 2003, pp. 25-34.