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Content and Functional Purpose of the Duty in Modern Conditions

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Abstract. The duty as a source of budget formation and a regulator of foreign trade activity contributes to improving the macroeconomic situation and the state's entry into the international trade community. Therefore, the study of the essence and functional purpose of the duty becomes particularly relevant since it makes it possible to increase the efficiency of its functioning in modern conditions. The purpose of the study is to consider the tax and foreign trade nature of the duty, establish its essence and specific characteristics, identify the main functions and substantiate changes in the roles of duty functions in modern conditions. The specifics of the scientific tasks that make up the subject of research required the use of a set of special methods (general scientific and private scientific, theoretical and empirical), the use of which helped identifying the content of the duty, consider its functional purpose and establish the reasons for the weakening of the role of duty functions in different countries of the world. In the course of the study, two approaches to the interpretation of the essence of duty were established: as a tax and as a specific foreign trade payment. The author's definition of the duty was proposed and its main essential characteristics were clarified. It has been established that there are no unified approaches to the definition of duty functions in the scientific literature, and only two main ones (fiscal and regulatory) are substantiated. It was also covered that due to the entry of most countries into the World Trade Organisation and the establishment of restrictions on the growth of customs rates, the regulatory function of the duty is weakening. It was established that in developed countries, due to international restrictions on the application of custom rates, the role of the fiscal function of duty has decreased. It was determined that in less developed countries, in conditions of limited budget revenue sources, the fiscal function of duty continues to be the main one. The practical value of the study lies in the fact that clarifying the content and functions of duty in modern conditions makes it possible to increase the effectiveness of customs tariff regulation to protect national interests during the intensification of international integration processes

Keywords: duty, foreign trade, protectionism, free trade, treasury, regulation

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Introduction

One of the key roles in state regulation of foreign economic activity is played by the duty. According to Ukrainian and foreign practice, the duty is an important factor in the economic development of the state, a necessary condition for the functioning of the national economy, and a source of budget revenues. Through the duty, the state can regulate the import or export of goods, put goods of Ukrainian and foreign producers on an equal economic footing, conduct economic, fiscal, monetary, scientific, technical, and environmental policies, and mutually coordinate the interests of foreign economic entities and the state. In modern conditions, the issues of the economic nature of the duty and the functions performed by it are being updated, which, in turn, determine the effectiveness of its functioning.

The issue of the functioning of duty has been studied by many Ukrainian and foreign scientists. In particular, the etymology of the concept of “duty” was studied by a collective of authors edited by O. Melnichuk [1]. The legal nature and characteristics of the duty were considered by the authors of the Customs Code of Ukraine [2], the Tax Code of Ukraine [3], The Budget Code of Ukraine [4], the Law of Ukraine “On the Custom Tariff of Ukraine”, certain types of duties were determined by the authors of the Law of Ukraine “On the Application of Special Measures Concerning Imports into Ukraine” [5], the Law of Ukraine “On Protection of National Producers from Dumped Imports” [6], the Law of Ukraine “On Protection of National Producers from Subsidised Imports” [7], and the General Agreement on Tariffs and Trade of 1994 [8]. The theory of functioning and practice of duty collection was described by the authors of manuals and textbooks on customs law and customs affairs. Thus, O. Grebelsnik [9] and L. Tararyshkina [10] focused on the mechanism of applying the customs tariff, the criteria for classifying duties, and the specifics of levying import duties as a tax on foreign trade. L. Sidelnikova and N. Kostina [11] studied the economic content of duty, its advantages and disadvantages, and elements of customs taxation. M. Kucheryavenko [12], O. Bakaeva, G. Matvienko [13] considered the economic and legal nature of the duty and its essential characteristics as a tax and as an instrument of the state's foreign trade policy. N. Zlepko chose duty as the subject of thesis research [14] and studied the theoretical and financial and political foundations of the doctrine of duty, evaluated the effectiveness of the functioning of customs and tariff mechanism in Ukraine and substantiated the improvement of customs and tariff regulation in the context of nationally favourable integration into the world economic space.

Some scientists focused their attention on the functional purpose of the duty, in particular O. Jabiev [15], V. Storozhchuk [16], O. Sukharev [17], M. Razgildieva [18], and A. Chernysh [19]. The transformation of duty functions in modern conditions in the context of strengthening international integration ties and weakening state regulation in the foreign economic sphere was described by G. Simovich [20], J. Brown, P. Johnson, and D. Phillips [21],

and S. Partasarati [22]. Despite a large number of studies, many questions about theoretical and practical basis for the functioning of the duty are debatable, in particular, scientists did not manage to form a comprehensive approach to substantiating the content of the duty, to highlight its specific characteristics and functions, which determined the relevance and purpose of the study.

The purpose of the study consists in considering various approaches to determining the content and functions of the duty, summarising them and substantiating the author's position on the essence of the duty and its functional purpose. To achieve this purpose, the following tasks must be completed: to study the tax and foreign trade nature of the duty and to specify its content based on this; to consider the views of scientists on the functions of the duty and identify the main ones; to analyse the receipt of duties to the budgets of different countries and explain the transformation of its functions in modern conditions.

Methodology

The research materials are scientific literature and works of modern scientists containing materials that characterise the theoretical and practical foundations of the functioning of the duty and serve as a way to create initial ideas and concepts about the content and functions of the duty in modern conditions. The methodological basis of the research is determined by the use of a number of general scientific and private scientific, theoretical and empirical methods of cognition based on the categories and principles of dialectics. The dialectical method of cognition allowed considering the essence and functions of duty in its development.

The use of theoretical research methods made it possible to delve into the very nature of the duty, substantiate its internal content, generalise the main functions, and highlight the specifics of functioning. Among the main theoretical methods of cognition that were used in the study, the following can be distinguished: analysis – to identify the tax and foreign trade nature of duty, to distinguish its functions; synthesis – to combine the tax and foreign trade nature of duty and substantiate its specific characteristics; induction – to draw conclusions about the essence of duty, taking into account its partial manifestations as a tax and foreign trade payment; deduction – to identify specific features of duty based on its content; generalisation – to identify and fix the main characteristics and functions of duty; abstraction – to highlight and transform individual parties, characteristics and functions of duty into an independent object of consideration; concretisation – to clarify the main functions of duty; formalisation – to find an integral, interrelated, multidimensional, and unified definition of the concept of “duty”; comparison (comparativism) – to determine the general and distinctive features of duty as a tax payment and duty as a specific foreign trade payment, as well as to compare the functions of duty in different countries of the world.

The use of empirical research methods allowed conducting a comparative analysis of the functions of duties

in different countries of the world, as well as summarising and describing the results. The main empirical methods of cognition that have found their application in the study include: monitoring – to monitor the receipt of duties in the budgets of foreign countries and Ukraine, the results of which were used to explain the reasons for the transformation of duty functions; statistical method – to selectively study statistical patterns regarding customs revenues to budgets and their extension to substantiate the functions of duty; the study and generalisation of experience – to study Ukrainian and foreign experience in the functioning of duty. The methods used in the study did not exclude the possibility, in some cases, of simply stating the facts in order to give the relevant reasoning of the necessary evidentiary force.

The research was conducted as a logical process that covered two main stages – theoretical and empirical. The theoretical stage of the study consisted in collecting, systematising, and summarising facts about the functioning of the duty. At this stage, the content and nature of the duty was considered, its purpose was determined, a critical analysis of the duty functions was carried out, and only two main ones were identified – fiscal and regulatory. The empirical stage of the study provided for an in-depth analysis of the functions of the duty, with insight into its essence and nature, with cognition and formulation of regularities of transformations of the functional purpose of the duty in modern conditions.

Results and Discussion

Theoretical conceptualisation of the duty

Duty as payment for the transportation of goods across the state border has a long history and is used in many languages. According to the etymological dictionary of the

Ukrainian language, there are Russian terms related to the Ukrainian term “МИТО” such as “МЫТО”, “МЫТ”; in Belarusian – “МЫТА”, “МЫТ”; in old Russian – “МЫТО”, “МЫТЬ”; in Polish and Slovak – “myto”, that is, paid remuneration, bonus; in Bulgarian – “МИТО”, that is, bribe; bribery; in Slovenian – “mito”, that is rent; in old Slavic – МИТО, that is, “salary; profit; money; gift; bribe”. All these definitions come from Germanic languages, in particular from the Old German “muta” – customs, tax, fee [1, p. 467].

In modern conditions, definition of the term “duty” is enshrined in Article 271 of the Customs Code of Ukraine, according to which duty is “a national tax established by the Tax Code of Ukraine and the Customs Code of Ukraine, which is calculated and paid in accordance with the Customs Code of Ukraine, Law of Ukraine, and international treaties, the consent to bindingness of which is provided by the Verkhovna Rada of Ukraine” [2]. Legislative establishments consider this definition all-embracing since in other legislative acts related to the collection of duties, in particular the Tax [3] and Budget Codes of Ukraine [4], as well as the law of Ukraine “On the Customs Tariff of Ukraine” [23], such interpretations are not given.

However, in the process of more detailed familiarisation with the current legislation, it becomes obvious that a scientific understanding of the nature and specifics of the functioning of the duty is necessary since the effectiveness of its application may depend on it. At the same time, it is worth noting the lack of consensus among scientists to the understanding of the essence of duty since one part of the researchers focuses on the tax nature of the duty, while the other part of the authors focuses on the foreign trade nature of the duty. Thus, a number of scientists consider duty as a national indirect tax, which was summarised and reflected in Table 1.

Table 1. Approaches to the interpretation of duty as a national indirect tax

Author(s)	Definition of the duty
N.I. Atamanchuk	Duty – “a national, mandatory indirect tax on goods crossing the customs border of the country, which is included in the price of such goods (products)” [24, p. 9]
L.O. Batanova, I.O. Kukharuk	Duty is a national tax “collected by the revenue and duties authorities of Ukraine in cases stipulated by the legislation on state customs affairs when moving goods across the customs border of Ukraine” [25, p. 160-161]
O.P. Hrebelyuk	Duty – “a type of state indirect tax that is collected on the import, export, and transit of goods, commercial and industrial profits, property, valuables, and items that cross the border at points determined by the state under the control of Customs Services” [9, p. 123]
N.P. Zlepko	Duty – “an indirect tax on foreign trade collected on goods that cross the customs border of the country, according to the national customs tariff and/or other legally established customs tariffs” [14, p. 29]
V.M. Kozhevnikova	Duty is an indirect tax that is collected on foreign trade turnover when goods cross the customs border [26, p. 31]
Yu.I. Turyansky	Duty – “indirect tax on foreign trade operations, withheld from goods that cross the customs border at the legally established rates of the single customs tariff” [27, p. 153]

Scientists who interpret the duty as a type of national indirect tax distinguish its tax characteristics, including [11, p. 216; 28, p. 62; 29, p. 99]:

1. Historicity. The duty arose and developed at the same time with other taxes, when in addition to the conventional objects of taxation (property, capital, income, profit, etc.), another object was found – goods moved across the state border.

2. Legality. The duty is introduced by the state, in particular in Ukraine, it is established by the Tax Code of Ukraine [3], is levied based on the Customs Code of Ukraine [2], and is collected to the budget based on the Budget Code of Ukraine [4].

3. Bindingness. Payment of the duty does not contain

signs of voluntariness, is mandatory, and is provided by state and government coercion.

4. Non-equivalence. Duty is not a fee for the provision of certain services by the state and is charged without counter-satisfaction with the needs or interests of the payer.

5. General character. Duty is collected to the budget and used to meet state needs, but it is not intended to finance specific tasks.

6. One-sidedness. Duty is set by the state and excludes the possibility of the payer to agree on the amount, grounds, terms, and other aspects of its collection.

A number of scientists note that the duty is a specific foreign trade payment, which have been summarised and reflected in Table 2.

Table 2. Approaches to the interpretation of duty as a specific foreign trade payment

Author(s)	Definition of the duty
M.P. Kucheryavenko	Duty – “a type of customs payment levied on goods that are moved across the customs border of the country (imported, exported, or transited)” [12, p. 331]
Yu.V. Onishchik	Duty – “a mandatory non-tax payment collected by regulatory authorities from individuals and legal entities in connection with the exercise of their right to move goods across the customs border of Ukraine in accordance with the Customs Code of Ukraine, Law of Ukraine, and international treaties, the consent to bindingness of which is provided by the Verkhovna Rada of Ukraine” [30, p. 26]
O.M. Radchenko	Duty – “mandatory payment collected by customs authorities in connection with the movement of goods across the customs border” [31, p. 270]
L.I. Tararishkina	Duty is a mandatory contribution (payment) levied by customs authorities during the import and export of goods and is a compulsory condition for their movement across the customs border [10, p. 59]
N.I. Khimicheva	Duty – “a payment related to the receipt by a particular person of the right to use certain benefits related to the movement of goods across the customs border” [13, p. 189]
A.Ya. Chernysh,	Duty – “indirect tax on foreign trade operations, withheld from goods that cross the customs border at the legally established rates of the single customs tariff” [27, p. 153]
L.O. Zhigun	Duty – “a mandatory contribution (payment) collected by customs authorities when importing goods into the customs territory or exporting goods from this territory and is an integral condition for such import or export” [32, p. 175]

Scientists who define duty as a specific payment associated with foreign trade activity pay attention to its specific features, including [29, p. 100; 33, p. 40; 34, p. 77]:

1. The duty is regulated by customs law, not tax law. Thus, in Ukraine, the collection of import, export, and seasonal duties is regulated by the Customs Code of Ukraine [2], special duty – by the Law of Ukraine “On the Application of Special Measures for Imports to Ukraine” [5], anti-dumping duty – by the Law of Ukraine “On the Protection of National Producers from Dumping Imports” [6], countervailing duty – by the Law of Ukraine “On the Protection of National Producers from Subsidised Imports” [7], additional import duty – by Article XII of the general agreement on tariffs and trade of 1994 (GATT-1994) and agreements on the provisions of GATT-1994 regarding the balance of payments [8].

2. The duty usually performs a regulatory function, not fiscal, which is the main one for taxes. Thus, the Customs Code of Ukraine, in addition to import, export, and seasonal duties, which have a certain fiscal importance, establishes a number of special types of duties (special, anti-dumping, countervailing, and additional import duties), which have a purely regulatory value, related to the protection of the economic interests of the state and Ukrainian producers in the case of import of goods into the customs territory of Ukraine [2].

3. Duty is a one-time payment, unlike taxes, which are characterised by regular payment. The obligation to pay the duty arises only if it is necessary for the subject to enter into customs legal relations. The Customs Code of Ukraine defines the grounds for the obligation “to pay duties in case of import of goods into the customs territory of Ukraine; in

case of illegal movement of goods located on the territory of the free customs zone or in a customs warehouse; in case of export of goods from the customs territory of Ukraine, as well as after the completion of customs clearance of goods and their release, if as a result of checking the customs declaration or based on the results of a documentary check, the customs body independently determines additional tax obligations to the taxpayer” [2].

4. The duty is usually paid by declarants, that is, persons who declare objects of taxation, while taxes are levied on persons who own certain objects of taxation. The Customs Code of Ukraine also contains a list of other persons, except for declarants, who are required to pay duties [2].

5. The duty is characterised by specific mechanisms for implementing compulsory collection that differ from taxes. This is manifested in the fact that the payer to some extent voluntarily enters into customs relations and, thus, assumes the obligation to pay the duty. Accordingly, the risk of financial (punitive) sanctions is reduced since the customs authorities will not take appropriate customs actions in favour of this payer if the latter refuses to assume customs duties.

6. Duties are administered by the customs authorities, and taxes are levied by the tax authorities. Thus, the Customs Code of Ukraine “includes such tasks of customs authorities as ensuring the collection of duties, monitoring the correctness of calculation, timeliness and completeness of its payment, applying measures for its compulsory collection within the limits of powers defined by current legislation, organising the application of guarantees to ensure

payment of duties, interaction with banking institutions and independent financial intermediaries that provide such guarantees” [2].

The authors agree with D.V. Chermyaninov who believes that the duty is a unique mandatory foreign trade payment, which is characterised by specific features, such as [35, p. 174]:

- availability of an independent tax object;
- dependence of the size on the cost or quantitative characteristics of the taxable object;
- payment of a duty (or security of payment) is an action necessary to obtain permission from the customs authorities to use goods in accordance with the declared customs regime;
- the amount of duty paid by the declarant during customs clearance of the goods is included in its value for further sale.

Taking into account the tax and foreign trade nature of the duty, the authors propose to consider it as a specific tax on goods moved across the customs border of the state, which is levied to meet the fiscal and economic needs of the state and the entrepreneurial interests of national producers.

Duty functions and their characteristics

An important aspect of the study of the essence of duty is the definition of functions that cover its content and properties from the point of view of its social purpose. It is worth noting that there is no consensus among scientists in highlighting the functions of duty, which is reflected in Table 3. At the same time, the discussions on the number, composition, and interpretation of the latter are held.

Table 3. Approaches to defining duty functions

Author(s)	Function	Fiscal	Stimulating	Protective	Regulatory	Control	Balancing	Political	Integrative
N.I. Atamanchuk [24, p. 10]		+	+	+	+	+	-	+	+
L. Batanova, I. Kukharuk [25, p. 162]		+	+	+	+	-	+	-	-
O.P. Hrebelyuk [9, p. 157]		+	+	+	+	-	-	+	-
I.A. Hutsul [36, p. 110]		+	-	-	+	-	-	-	-
O.P. Dzhabiev [15, p. 51]		+	-	+	+	-	-	-	-
A.A. Dubinina, S.V. Sorokina, O.I. Zelnichenko [37, p. 51]		+	+	+	-	-	-	-	-
N.P. Zlepko [14, p. 32]		+	-	-	+	-	-	-	-
O.P. Kireev [38, p. 204]		+	-	+	-	-	+	-	-
S.V. Lazuk [28, p. 62]		+	+	+	-	-	-	-	-
O.M. Radchenko [31, p. 271]		+	-	-	+	-	-	-	-
L.P. Sidelnykova, N.M. Kostina [11, p. 216]		-	-	-	-	-	-	-	-
V.M. Storozhchuk [16, p. 31]		+	+	+	+	-	-	+	+
A.N. Sukharev [17, p. 2398]		+	-	+	-	-	+	-	-
Yu.V. Tararyshkin [39, p. 22, 25]		+	-	+	+	-	-	-	+
Yu.I. Turyansky [27, p. 154]		+	-	-	+	+	-	-	-
L.I. Tararyshkina [10, p. 49]		+	+	+	+	-	-	-	-
A.Ya. Chernyish, L.A. Zhigun [32, p. 178]		+	-	-	+	+	-	-	-

According to Table 3, it is evident that the researchers distinguish nine different functions of duty. However, among the latter, there are some that the duty cannot fulfil a priori. Thus, N.I. Atamanchuk [24, p. 10], Ya.I. Turyansky [27, p. 154], A.Ya. Chernyish and L.O. Zhigun [32, p. 178] distinguish the control function of duty. According to these scientists, owing to the duty, the state influences the order of movement of goods across the customs border. However, it is worth noting that the duty cannot perform a control function since control actions are carried out by specially authorised institutions of state power – customs authorities. Thus, according to the Customs Code of Ukraine, “customs authorities carry out customs control and perform customs formalities regarding goods, commercial vehicles that move across the customs border of Ukraine” [2]. Moreover, the influence due to duty concerns the regulatory process rather than control.

For their part, N.I. Atamanchuk [24, p. 10], O.P. Hrebelnyk [9, p. 157], and Yu.V. Tararyshkin [39, p. 25] consider the integrative function of duty, the essence of which is to deepen international customs cooperation in connection with the integration of a certain country into the world economic space. However, the duty performs this function only in those countries that are members of specific associations, in particular the European Union or the Eurasian Economic Union. Actually, the integration function makes it possible to unite the customs territories of states within the framework of a union entity, and the duty acts as a financial guarantor of the functioning of the common customs territory. Furthermore, N.I. Atamanchuk [24, p. 10] and V.M. Storozhchuk [16, p. 31] distinguish the political function of duty, which is manifested in the economic influence on other countries through stimulating or, conversely, restrictive actions. In the first case, the authors cite customs benefits, and in the second – various customs barriers. However, in the authors' opinion, the implementation of any economic impact is a manifestation of the regulatory function of the duty, at least even with political overtones, so it is not entirely relevant to single out the political component of regulation separately.

Many scientists distinguish the protective and balancing functions of the duty. However, the authors of this study agree with O.M. Sukharev, that the protective and balancing functions solve the problems of regulating the national economy, so, in general (collectively) they can be designated as subfunctions of the regulatory function [17]. The protectionist (protective) function is aimed at protecting national producers from unwanted competition from foreign goods and, at the same time, supporting national production, employment and well-being of the population. The balancing function creates obstacles to the excessive export of national goods abroad and, at the same time, contributes to an increase in the consumption of such goods within the country [39, p. 2399].

As can be seen, in the process of determining the functions of the duty, it is necessary to take into account its dual nature. Thus, the tax nature of the duty determines the performance of its fiscal function, that is, filling the state budget. Ensuring the fiscal interests of the state occurs owing

to a variety of techniques that are used as part of the constant struggle between protectionism and free trading. The first approach is to create the most favourable conditions for the development of national production and the national market, which is achieved by setting high duty rates on imported goods. At the same time, the second approach involves the introduction of low duty rates and is aimed at encouraging the import of foreign goods into the national market in every possible way. According to D.V. Chermyaninov, in addition to the fact that each of the approaches either weakens or strengthens international cooperation, it can influence the filling of the budget in his own way, namely [35, p. 175]:

1. Fiscal consequences of the policy of protectionism: state budget revenues from duties are reduced (due to a decrease in the volume of imports of goods); state budget revenues from taxes that tax the profits of participants in foreign trade relations are also reduced (due to an increase in duty rates, profit from foreign trade decreases); however, state budget revenues from taxes that tax the profits of national producers are growing (as a result of the lack of competition, the profits of national producers are growing).

2. Fiscal consequences of the free-trade policy: state budget revenues from duties are growing (due to an increase in the volume of imports of goods); state budget revenues from taxes that tax the profits of participants in foreign trade relations are also growing (due to a reduction in duty rates, profit from foreign trade is growing); however, state budget revenues from taxes that tax the profits of national producers are decreasing (as a result of increased competition, there is a reduction in the profits of national producers).

At first glance, it seems that the more revenue the budget receives from the duty, the better. However, the high share of customs revenues weakens budget sustainability. According to N. Otgonsaykhan, if export duties predominate in budget revenues, this indicates that the budget depends on the level of prices for export goods; if import duties predominate, then reducing their rates in the context of globalisation and integration leads to a decrease in budget revenues and can cause a budget deficit. In addition, an objective consequence of applying high duty rates in the fiscal interests of the state is the evasion of participants in foreign economic activity from paying it [40, p. 50].

It is worth noting that the foreign economic nature of the duty determines the performance of its regulatory function, that is, the impact on foreign trade operations towards either protectionism or free trading. The regulatory function makes it possible to coordinate the choice of forms and methods for developing and improving export-import operations, as well as to influence commodity flows within and outside the state. Thus, the regulatory function, according to the authors of the paper, finds its expression in several subfunctions:

- incentive – promotion of export-import operations with specific goods, with certain product groups, agreements with individual countries and even with interstate associations, which contributes to the creation of export-oriented and import-substituting production;
- stabilisation – creating equal conditions of competition

for foreign and national goods without establishing advantages for one or the other;

– balancing – support in the national market of the necessary ratio of foreign goods sales profitability and production of national goods, and efficiency of their consumption, as well as the profitability of supply of the same goods for export and national market;

– protective – ensuring the security of certain sectors of the national economy from the competition of foreign goods by creating a cost barrier and creating favourable conditions for national producers to make a profit on the national market as one of the conditions for successful entry into the foreign market.

Taking into account the regulatory function of the duty, its rates should be set at such a level as to promote the formation of prices that would encourage national producers to manufacture goods with a high share of added value, improve product quality, reduce costs, and increase the technical level of production.

Scientists, in particular M.B. Razgildiev, raise the question of the priority and secondary importance of the fiscal and regulatory function of duty [18, p. 11]. V.E. Novikov claims that the fiscal function of the duty when importing goods, analogues of which are produced in this country, and when exporting goods that are simultaneously supplied to the national market, is subject to its regulatory function. When importing goods whose analogues are not produced in the country, the fiscal function, for the most part, becomes independent. Duties on such goods are established taking into account the possibilities of their use to increase state budget revenues [19, p. 306]. According to the authors of the study, the effect of the regulatory function is manifested precisely in the process of collecting duties, that is, the implementation of its fiscal function. A different conclusion is possible only if this refers to exemption from paying the duty in cases of certain categories of payers. In

general, the authors agree with the statement that the regulatory function of the duty is manifested through the fiscal function since by collecting the duty, one can influence economic processes in the right area for the state.

Transformation of duty functions in modern conditions

Since the beginning of its existence, the duty has mainly served a fiscal function for several centuries. However, changes in political and economic conditions affected the intensity of state regulation in the foreign economic sphere, which inevitably affected the level of customs revenues in the budget. Thus, before the end of World War II, most states pursued a policy of protectionism, in which the average level of import duties ranged from 20 to 30%. However, as noted by V.D. Mylovydov and N.V.K. Asker-Zade, with the General Agreement on Tariffs and Trade (GATT) signed in 1947 [26], which since 1995 was renamed the World Trade Organisation (WTO), the level of protectionism in international trade began to decrease [41, p. 39].

During the negotiations of the Uruguay GATT round (1986-1994), its participants agreed on another eighth reduction by a third in all participating states of duty rates, as well as their “binding”, that is, making commitments not to raise them unilaterally in the future. Developed countries have committed to “bind” 97% of the total number of duties while developing countries – 73% (the levels of “binding” in most states are noticeably higher than the actual rates of duty under the Most-Favoured-Nation treatment) [42, p. 18-19]. Eventually, a gradual transition from protectionism to free-trading can be stated. This situation leads to weakening of the regulatory function of the duty since its rates are regulated at the international level and tend to gradually decrease. Despite the reduction in duty rates, the growth in international trade volumes had a positive impact on the receipt of duties to the budgets of many countries around the world, which is reflected in Table 4.

Table 4. Receipt of duties to the budgets of different countries, billion dollars. USA

Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	5.4	7.3	8.5	9.0	9.8	10.6	10.6	12.0	11.9	12.1
Argentina	2,921.0	3,554.1	656.5	4,300.8	3,699.7	3,831.6	3,814.0	4,266.3	3,812.0	3,379.5
Brazil	11,977	15,955	15,864	17,074	15,560	11,670	8,972	10,116	11,105	10,857
United Kingdom	4.7	4.9	4.8	4.8	5.1	4.9	4.7	4.6	4.6	4.5
Indonesia	2,202.4	2,879.6	3,031.3	3,036.4	2,724.6	2,330.9	2,440.5	2,620.3	2,748.7	2,607.3
Spain	2.1	2.3	1.9	1.9	2.2	2.1	2.2	2.3	2.4	2.3
Italy	3.0	3.2	2.7	2.5	2.7	2.5	2.5	2.6	2.7	2.6
Canada	3.3	3.9	4.0	4.1	4.1	4.1	4.1	4.3	5.1	4.1
Kenya	728.3	785.9	886.4	969.7	1,307.3	1,298.1	1,253.6	1,282.9	1,389.6	1,593.5
China	29,952	39,606	44,103	42,458	46,284	41,122	39,187	44,355	43,044	41,481
Netherlands	2.3	2.6	2.3	2.3	2.7	2.5	2.6	2.7	3.0	3.0
Germany	5.6	6.3	5.7	5.6	6.1	5.8	5.6	5.7	5.9	5.7
South Africa	3,441.1	4,264.4	4,564.0	4,434.5	3,859.8	3,447.6	3,224.2	3,556.7	4,073.9	4,027.6
Poland	0.5	0.6	0.6	0.6	0.7	0.8	0.8	0.9	1.1	1.2
USA	28.6	31.9	33.5	35.5	37.4	38.1	37.5	38.5	53.3	78.2

Table 4, Continued

Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ukraine	1.1	1.5	1.7	1.7	1.1	1.8	0.8	0.9	1.0	1.2
Philippines	5,746.9	6,120.7	6,864.2	7,183.8	8,318.0	8,077.2	8,345.9	9,090.3	11,262.7	11,969.1
France	2.9	3.7	3.3	3.5	3.4	3.0	2.9	3.0	3.4	3.2
Switzerland	1.0	1.2	1.1	1.1	1.2	1.1	1.2	1.1	1.1	1.2
Sweden	0.8	0.8	0.7	0.8	0.8	0.7	0.7	0.7	0.8	0.7
Japan	9.0	11.0	11.2	10.6	10.1	8.7	8.6	9.1	9.7	9.5
EU	27,422	30,895	27,856	26,852	29,224	27,571	27,656	28,702	29,993	29,898

Source: compiled by the authors based on [43-45]

The data in Table 4 show insignificant customs revenues to the budgets of EU countries, which is associated with the specifics of the formation of the joint EU budget. Thus, the latter's own income is formed at the expense of duties levied under the single customs tariff on imports of products from non-EU countries. EU member states transfer import duties to the EU budget, leaving at their disposal only 20% (from 2021 – 25%), which cover the cost of maintaining

customs authorities. The European Commission applies a system of inspections to control the collection of import duties in the member states and, thus, ensures the timeliness and completeness of customs revenues to the EU budget [20, p. 247; 21, p. 2]. Foreign experience shows that the duty in developed countries has practically lost its fiscal function but has retained it in less developed countries, as demonstrated in Table 5.

Table 5. Share of duty receipts in tax revenues of budgets of different countries, %

Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	1.6	1.8	2.0	2.1	2.5	3.0	2.9	3.0	2.9	2.8
Argentina	2.4	2.3	2.1	2.3	2.1	1.9	2.2	2.2	2.6	2.7
Brazil	1.7	1.8	2.0	2.1	2.0	2.0	1.6	1.5	1.8	1.8
United Kingdom	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Indonesia	2.6	2.7	2.6	2.7	2.5	2.2	2.2	2.2	2.2	2.1
Spain	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Italy	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Canada	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.9	0.7
Kenya	10.6	10.3	10.7	10.2	11.6	11.1	10.2	9.4	9.6	9.6
China	4.9	5.2	5.1	4.6	4.6	4.0	3.9	3.9	3.5	3.3
Netherlands	0.8	0.8	0.8	0.7	0.8	0.9	0.9	0.9	0.8	0.9
Germany	0.5	0.5	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4
South Africa	3.6	3.9	4.3	4.5	4.0	3.8	3.8	3.6	3.8	3.6
Poland	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6
USA	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.7	1.1	1.5
Ukraine	3.9	3.5	3.7	3.8	3.4	7.9	3.1	3.0	2.7	2.8
Philippines	19.5	18.0	17.4	16.3	17.5	16.2	16.1	16.5	18.7	18.0
France	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Switzerland	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Sweden	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Japan	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6
EU	17.4	18.5	16.8	14.5	16.5	18.1	18.9	22.0	17.8	18.5

Source: compiled by the authors based on [43-45]

The data in Table 5 reflect a small share of the duty in tax revenues of developed countries' budgets – within 3%, which indicates a decrease in the role of the fiscal function of the duty. The authors agree with O.P. Dzhabiev, that this is due to the spread in international practice of applying special types of duties (seasonal, special, anti-dumping,

countervailing) instead of increasing the rates of import and export duties [15, p. 52]. In general, in developed countries, it is not common to consider the duty as an ordinary tax levied to replenish the revenue side of the state budget from the point of view of generally recognised principles, rules, and norms of international trade and international

law. However, in less developed countries, revenue from duties accounts for a significant share of budget revenues. This is due to the underdevelopment of national production and low incomes of the population, which narrows the internal tax potential in such countries. In addition, according to S. Parthasarathi, foreign trade is easier to tax since the administrative costs of monitoring, evaluating, and collecting duties on goods that pass through a limited number of customs posts are relatively small [22, p. 295]. Accordingly, many non-developed countries depend on duties, especially on imports, to generate budget revenues. Therefore, in these countries, the fiscal function of the duty was not weakened.

Thus, in difficult economic conditions, the most reliable source of budget formation is the duty. Accordingly, in developed countries, the importance of the fiscal function of the duty is small, and in less developed countries it plays one of the leading roles.

Conclusions

The duty plays a considerable role in foreign economic relations. Its proper use is an important factor in economic development and a necessary condition for the existence of an economically strong state. However, the duty is a specific payment that has both a tax and foreign trade nature. Having considered the views of scientists on the essence of the duty, the authors have come to the conclusion that it should

be considered as a specific tax on goods moved across the customs border of the state, which is levied to meet the fiscal and economic needs of the state and the entrepreneurial interests of national producers.

The content and social purpose of the duty are reflected in the functions performed by it. Eventually, it is not necessary to single out a large number of duty functions since they all perform two main functions – fiscal and regulatory. The fiscal function lies in ensuring the formation of the state budget and reflects the tax nature of the duty. The regulatory function provides for optimising the commodity structure of exports and imports, establishing a ratio of foreign exchange earnings and state expenditures, and creating conditions for the transition to a qualitatively higher level of integration processes in the world economy, reflecting the foreign trade nature of duties. In modern conditions, the functions of the duty are being transformed. Thus, in developed countries, the fiscal function of duties is weakened, while in less developed countries this function remains the main one. As a result of the entry of most countries into the World Trade Organisation, which provides for progressive liberalisation of customs and tariff regulation of international trade up to the complete abolition of import duties, there is a gradual weakening of the regulatory function of the duty.

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Зміст і функціональне призначення мита в сучасних умовах

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Анотація. Мито як джерело формування бюджету та регулятор зовнішньоторговельної діяльності сприяє покращенню макроекономічної ситуації та входженню держави до міжнародної торговельної спільноти. Тому вивчення сутності та функціонального призначення мита набуває особливої актуальності, адже дає змогу підвищити ефективність його функціонування в сучасних умовах. Мета дослідження полягає у розгляді податкової та зовнішньоторговельної природи мита, з'ясуванні його сутності та специфічних характеристик, виокремленні головних функцій та обґрунтуванні зміни ролей функцій мита в сучасних умовах. Специфіка наукових завдань, що становлять предмет дослідження, вимагала використання комплексу спеціальних методів (загальнонаукових і приватно наукових, теоретичних і емпіричних), застосування яких допомогло з'ясувати зміст мита, розглянути його функціональне призначення та встановити причини послаблення ролі функцій мита в різних країнах світу. Під час дослідження виокремлено два підходи до тлумачення сутності мита: як податку та як специфічного зовнішньоторговельного платежу. Запропоновано авторське визначення мита та з'ясовано його основні сутнісні характеристики. Встановлено, що в науковій літературі відсутні єдині підходи до виокремлення функцій мита та обґрунтовано виділення тільки двох основних (фіскальної та регулювальної). Виявлено, що у зв'язку із входженням більшості країн у Світову організацію торгівлі та встановленням обмежень на зростання митних ставок, відбувається послаблення регулювальної функції мита. З'ясовано, що у розвинених країнах в зв'язку із міжнародними обмеженнями щодо застосування митних ставок, відбулося зниження ролі фіскальної функції мита. Визначено, що у менш розвинених країнах в умовах обмеженості доходних джерел бюджету, фіскальна функція мита продовжує залишатись основною. Практична цінність дослідження полягає в тому, що з'ясування змісту та функцій мита в сучасних умовах дає змогу підвищувати ефективність митно-тарифного регулювання з метою захисту національних інтересів у період інтенсифікації міжнародних інтеграційних процесів

Ключові слова: мито, зовнішня торгівля, протекціонізм, фритредерство, фіск, регулювання