

IMPROVEMENT OF TAX CONTROL MECHANISMS IN EXPORT OPERATIONS

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ABSTRACT	KEY WORDS
<p>The mechanisms of tax control in export operations, as well as the key determinants of the future macroeconomic environment, distinctive characteristics of strategic models, and the process for refunding VAT paid for raw materials in export-oriented firms are all studied in this article. Also, scholarly debates are undertaken, and recommendations are made for enhancing tax control procedures in the export operation.</p>	<p>export, import, trade operation, tax authorities, tax payers, customs, tax system, state budget, tax control, tax policy.</p>

INTRODUCTION

The implementation of a new tax policy for foreign trade and economic ties, export and import operations, including the reform of tax control, is of particular importance for the long-term development of the nation's economy. In light of the expansion of global activities, further development of tax control methods in export operations is still crucial.

In this regard, the head of state Sh. M. Mirziyoyev noted that "Entering new export markets will remain one of the most important tasks of the Government". [1]

The expansion of domestic companies' entrepreneurial activity through export-import activities within the bounds of the law and the prevention of various abuses would guarantee the economic growth of the nation in harmony. The process for observing tax control in export-import transactions is very crucial in carrying out this responsibility.

The state's tax and customs authorities, commercial banks, and a single electronic information system for foreign trade operations are all involved in the monitoring and regulation of foreign trade operations.

All emerging markets and developing economies (EMDE) regions have suffered severe financial losses as a result of the epidemic. The pace of recovery varies greatly, with greater weakness in nations that have larger outbreaks or greater exposure to global spillovers through tourism and industrial commodity exports, even though all regions are expected to grow this year. [2]

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Literature Review

According to Z. Gurbanov, "in order to strengthen the foreign exchange reserves of the country, it is necessary to improve the methodology of tax audit of export operations, given the economic importance of exports of goods, works and services abroad". [3]

Tashmuradova's research explores ways to effectively use taxes. [4]

In his research, Islamkulov explored issues related to ensuring the sustainability of tax revenues in budget revenues. [5]

The results of research conducted by Sh. D. Ergashkhodjaeva showed that the stimulation of export activities depends on the structure and development characteristics of the world market [6].

According to L. Goncharenko, "the modern level of interdependence of the participants of the tax relationship consists of two elements of control that make up the tax administration, including control over the compliance of taxpayers with tax legislation; control over the implementation of laws by the tax authorities". [7]

A. Advokatova described tax control as follows: "Tax control, as an integral part of the tax administration system, provides solutions to the problems facing the state in all spheres of society, provides directions and ways to improve the legal mechanism for the most efficient formation, distribution and use of state financial resources, implementation of the state's financial policy". [8]

According to I. Konev: Tax is a mandatory payment to the state income from legal entities and individuals. [9]

According to Crohin, tax control in the broadest sense is a set of measures taken by the state to ensure the economic security of the country, the financial system and the fiscal interests. [10]

Boltinova and Tsaregradsky described the tax audit as follows "Tax audit is the activity of the executive bodies of the competent state aimed at regulating the full and timely calculation and payment of taxes and other payments by taxpayers in accordance with the tax legislation." [11]

Among foreign scholars, modern Russian scholars on the taxation of foreign trade transactions, in particular G. Harutyunyana, I. Blinova, S. Gamidullaeva, A. Kozyrina, V. Melikhova, V. Presnyakova, A. Kholopova, E. Chebotarevoy, D. Chernika, G. Shagalova and others. [12]

Research Methodology

This article uses the method of analysis showing the procedure for improving tax control mechanisms in export operations.

Analysis and Results

Preventing tax infractions, encouraging taxpayers to voluntarily comply with their tax duties, and refraining from enforcing illegitimate tax laws are the top priorities of control efforts. Tax authorities are steadily lowering their exposure to business activity by concentrating their efforts in high-risk areas and minimizing the administrative burden on sincere taxpayers.

There are numerous distinct tax system models used in the real world. They in turn make it possible to decide on the tax control procedures for export-related operations. Each of the models has unique characteristics and benefits of its own.

It's displayed in the table below:

Table 1 Specific features of strategic models [13]

No	Models	Characteristics	States
1.	Anglo-Saxon	The priority of the right taxes	Great Britain USA
2.	A mix	It combines characteristics of various models and diversifies the make-up of state budget revenues.	South Korea, Japan
3.	Continental	Priority of indirect taxes, high deductions for social security	Germany, Holland
4.	Latin America	A large share of indirect taxes, typical of an inflation-prone economy	Chile, Peru

The Anglo-Saxon model has the benefit of being comparatively stable and predictable, but in our judgment, the citizens bear the brunt of the tax burden.

The mixed model differs from other models in that budget revenues are not dependent on any one tax or group of taxes. As a result, a flexible budget-tax policy is evident, but in our opinion, this can result in frequent changes to the regulatory legal framework and high administrative costs for taxes. Budget revenues in the mixed model are at their highest level for an economy that is heavily reliant on changes in the external market.

Another feature of this model is that it can quickly adjust to changes in external circumstances by altering interest rates, increasing the tax base, offering perks, etc.

The continental model offers a high degree of social protection for the population as well as relative stability and predictability, but in our opinion, this can also lead to a high level of tax burden.

Due to the nature of indirect tax collection in the Latin American model, it protects against inflationary events but also results in tax administration savings.

We believe that in terms of capabilities and features, the continental model is more comparable to our nation. This model makes it clear that a high level of social protection for the population is manifested, along with relative economic stability and predictability.

Customs tariff rates enable the development of high value-added product production opportunities, the optimization of imports, and the conclusion of bilateral free trade agreements that benefit both parties. Also, it is crucial to continuously monitor both domestic and international markets, as well as international trade, trends, and pricing conjuncture. This entails reacting quickly to changes and revising import customs duties.

The zero rate of value added tax on export goods and services is one of the most efficient economic tools for encouraging export activity. The state budget is being further improved for this goal in order to have zero value added tax in the structure of export pans, i.e., the return of the VAT paid for the raw materials used for it.

Such a chance is only available for exported goods once the money has arrived in the bank accounts. It may occasionally take longer than expected to reach exporting businesses' bank accounts for a variety of objective and arbitrary causes. As a result, the working capital portion of the financial resources of the exporting enterprises may be reduced due to the value added tax, which could cause

a lack of financial resources in these businesses. As a result, we can provide them in the following order as an implementation mechanism:

The following conditions should apply to the VAT refund process for exporting businesses:

- 1) timely payment of foreign currency income throughout the year;
- 2) absence of past-due export contract receivables;
- 3) accurate identification of the raw materials utilized in the exported product.

Regardless of the receipt of foreign currency receipts in the bank accounts, it is permissible to reimburse the VAT paid from the budget for raw materials if these requirements are met. This situation will be examined in table view.

Table 2 Refunding VAT paid to exporting businesses for raw materials: procedure [14]

1	Indicators	1 option	2 options
2	Cost of acquired raw materials (including transportation, gasoline, and electricity costs)	100,000	100,000
3	Total amount of VAT paid on raw materials	12,000	12,000
4	total price of the final product	160,000	160000
5	completed goods exported	90000	120000
	calculating the actual export volume based on tax control	100000	90000
...	...		
9	Presence of past-due debts	Not available	is available
10	foreign currency deposits to bank accounts	It didn't show up on schedule.	arrived on schedule
	VAT refund status	7500	6750

The budget is expected to reimburse the VAT that was utilized to export completed goods or raw materials. It is so taxed at a rate of "0." This serves the following purposes:

- keeping money in circulation; - supporting the exporting enterprise - this is justified by the rise in foreign currency income, as the operation of export firms will not halt.

Foreign currency will enter the nation as exports grow, and the implementation of tax management will help to maintain the stability of the country's balance of payments.

The 12% VAT will not be reimbursed from the budget in cases where the exporting enterprise does not pay regular taxes, has debtor debt, or discovers during its operation that some products were not actually exported; in these circumstances, it is appropriate to write off the previously calculated tax amount.

The VAT will be 1,2 billion soums if the company spends 10,0 billion on raw materials. According to our estimation, the final product cost 12,0 billion soums. if products costing 2,0 billion soums were exported. In other words, the final product cost 12,0 billion soums, including all charges. Hence, 0,88 billion should be the actual amount of refundable VAT. The business tries to present the export amount as high in order to spend more state budget money. This has an adverse effect on the state budget's revenue component. As a result, improving the tax control mechanism in this area is still necessary.

Many techniques of control can be employed, depending on the circumstance. For instance, camera control, remote control, initial inspection, mobile inspection on-site, thorough inspection of all processes via tax audit, etc.

If there was actually no export, he may obtain the money back from local customers by claiming that it was intended for export. He could also make two attempts to conceal the truth. The role of tax control is significant in such circumstances.

The author contends that tighter tax enforcement in overseas trade activities will contribute to the economy of the nation's continued growth and the general welfare of its people.

Conclusions and Suggestions

In summary, we believe that the following should be mentioned as recommendations for future development of tax control mechanisms in export-import operations:

1. Recognizing conceptual issues with individual taxes within the framework of taxes and payments, while offering best worldwide practices and current developments in taxation;
2. The establishment of industrial tax and customs advantages, primarily for the promotion of specific industrial sectors;
3. Increasing the ability of tax authorities to analyze tax disputes and use contemporary information technologies that are in line with current demands in the field of tax control and administration.

The aforementioned sequences, in our opinion, will help to strengthen tax oversight of export-import transactions and strengthen international business ties with partner nations. Additionally, it offers a chance to collaborate with exporting businesses in other nations to set up a network of institutions that support exports.

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