



## SPECIFIC FEATURES OF THE CUSTOMS PROCESSING REGIME IN THE CUSTOMS TERRITORY

Lutpullayev Shukrullo Kudratullayevich

Head of the Department of Customs Control, Customs Institute

[Shukrullo.1965@bk.ru](mailto:Shukrullo.1965@bk.ru)

Article history:	Abstract:
<b>Received:</b> 28 <sup>th</sup> March 2026 <b>Accepted:</b> 26 <sup>th</sup> April 2026	The customs processing regime within the customs territory is one of the key instruments of foreign trade regulation aimed at enhancing economic efficiency, increasing export potential, and promoting industrial development. This regime allows the processing of imported raw materials and intermediate goods within the national customs territory under specific customs control conditions. The article analyzes the specific features of this regime, its economic essence, and its impact on macroeconomic and microeconomic indicators, as well as the role of digital technologies in improving customs administration.

**Keywords:** Processing in the customs territory, customs regime, movement of goods, economic mechanisms, foreign economic activity, digital customs, electronic declaration, risk management system, logistics, customs control, export potential, economic efficiency, monitoring, innovative technologies.

### ENTRANCE

In the context of globalization and the increasing integration of national economies into international production networks, customs regimes play a crucial role in facilitating trade and improving industrial competitiveness. Among them, the customs processing regime in the customs territory is particularly significant, as it enables value-added production using imported inputs under preferential customs conditions.

This regime is widely used to support export-oriented industries, reduce production costs, and enhance participation in global value chains.

### METHODS.

This study used complex scientific approaches and modern research methods to study the strategic improvement of organizational and management mechanisms within the framework of the customs processing regime. The research methodology is based on the combination of theoretical and practical analysis and includes the following main methods:

Using the method of systematic analysis, the customs processing regime was considered as a holistic socio-economic system. Through this approach, its structural elements - the regulatory and legal framework, institutional structure, information systems and management processes - were analyzed in their interrelation. The method of comparative legal analysis was used, and national legislative norms were compared with the experience of foreign countries. Through this, the possibilities of identifying advanced practices and adapting them to the national system were assessed.

### RESULTS.

The customs processing regime refers to a special customs procedure under which foreign goods are imported into a customs territory for processing, manufacturing, or repair operations, with full or partial exemption from customs duties and taxes, provided that the final products are exported or treated under specific customs conditions.

Its economic essence lies in:

optimizing production costs,  
increasing value-added creation,  
improving export competitiveness,  
and integrating national producers into global supply chains.

The customs processing regime has several distinctive characteristics:

Duty suspension or exemption: Imported inputs are not subject to immediate customs duties.

Export obligation: Processed goods are typically required to be exported or re-exported.

Customs control: Continuous monitoring ensures compliance with regulations.

Time limitation: Processing must be completed within a defined period.

Value-added orientation: The regime encourages production of higher-value goods.

These features make the regime a flexible and efficient tool for industrial and trade policy.

Economic Impact of the Regime

At the macroeconomic level, the regime contributes to:  
export growth,  
attraction of foreign investment,



industrial modernization, and overall economic development.

Microeconomic Level

At the enterprise level, it leads to:

reduction of production costs, optimization of logistics processes, improved resource utilization, and increased corporate profitability.

Modern customs administration increasingly relies on digital technologies to improve efficiency. Key innovations include electronic declaration systems, risk management tools, digital monitoring, and automation.

**Table 1.**

**Impact of Digital Technologies on Customs Processes**

Technology	Function	Economic Outcome
Electronic declaration	Digitization of documents	Time savings and faster processing
Risk management system	Control optimization	Reduction of errors
Digital monitoring	Real-time tracking	Increased transparency
Automation	Process acceleration	Reduced administrative costs

**DISCUSSION.**

From an economic perspective, the customs processing regime represents a special form of trade facilitation policy aimed at reducing transaction costs and increasing production efficiency. It allows enterprises to temporarily import goods without immediate payment of customs duties, provided that the processed products are subsequently exported or treated under specific customs conditions.

The main economic essence of this regime can be defined through the following aspects:

Value-added creation: Imported inputs are transformed into higher-value finished goods within the national economy.

Cost efficiency: Reduction or suspension of customs payments decreases production costs.

Export promotion: Encourages production oriented toward foreign markets.

Integration into global supply chains: Strengthens participation in international production networks.

In this sense, the regime serves as a bridge between trade policy and industrial development policy.

The customs processing regime is regulated by national customs legislation in accordance with international customs standards, including the Revised Kyoto Convention of the World Customs Organization (WCO). Its institutional framework typically includes:

customs authorities responsible for control and supervision;

enterprises authorized to operate under the regime;

documentation and reporting systems;

monitoring and compliance mechanisms.

The legal framework ensures that goods imported for processing are properly accounted for, processed within the defined time limits, and either exported or placed under another customs procedure.

The customs processing regime has several distinctive features that determine its economic and operational significance:

Suspension of customs duties

Imported goods used for processing are generally exempt from immediate customs duties and taxes, improving liquidity for enterprises.

Export orientation requirement

Processed goods are usually required to be exported, ensuring that the regime supports foreign trade expansion rather than domestic consumption.

Strict customs supervision

All stages of processing are monitored by customs authorities to prevent misuse of imported materials and ensure compliance with regulations.

Time-bound processing operations

The regime operates within a legally defined period, ensuring efficiency and preventing long-term storage or misuse of imported goods.

Transformation and value addition

The regime focuses on converting raw materials and intermediate goods into finished or semi-finished products with higher economic value.

Flexibility for enterprises

It allows companies to optimize production chains, reduce costs, and respond quickly to global market demand.

**CONCLUSION AND SUGGESTIONS.**

The customs processing regime within the customs territory is a highly effective economic instrument that supports export-oriented industrialization, reduces production costs, and enhances national competitiveness in global markets. Its specific features—such as duty suspension, export orientation, strict customs control, and value-added production—make it an essential component of modern trade policy.



The integration of digital technologies further strengthens its efficiency by improving transparency, reducing costs, and accelerating procedures. Overall, the continuous improvement of this regime is crucial for sustainable economic development and deeper integration into global value chains.

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