

# “Development of customs control in the system of ensuring the financial security of a country”

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# DEVELOPMENT OF CUSTOMS CONTROL IN THE SYSTEM OF ENSURING THE FINANCIAL SECURITY OF A COUNTRY

## Abstract

The paper is devoted to developing customs control in the system of ensuring a country's financial security. The purpose of the study is to form ways of developing customs control in the system of ensuring a country's financial security using the methodological tools of gap analysis to identify, assess and eliminate strategic gaps caused by non-fulfillment of planned indicators of customs revenues to the consolidated budget. The study is conducted on the example of Ukraine. In the course of the study, the causes of strategic gaps are identified, and strategic initiatives are formed to develop customs control in the country's financial security system, which are related to the structure of its mechanism. Implementing the proposed strategic initiatives will contribute to the growth of the country's economy and its entry into the European Economic Area; development of mutually beneficial forms of cooperation with other countries; elimination of the negative impact of external and internal threats on the financial security system.

## Keywords

financial security, customs control, strategic gaps,  
strategic initiatives, development of customs control

## JEL Classification

F65, H61

## INTRODUCTION

Ukraine is an active participant in foreign economic activity, which is confirmed by an increase in the volume of export-import operations, an increase in the number of international agreements with other partner countries aimed to improve the efficiency of customs regulation and control, and an increase in the number of revenues to the state budget in the form of customs payments. In 2019–2020, a new stage of customs reforms in Ukraine began, which aims to create a European-style customs service. The result of the reform should be a reduction in bureaucratic procedures and corruption manifestations, the transformation of customs into a service for virtuous entrepreneurs, and the personnel renewal of customs. Functional work of the customs service is a prerequisite for the effectiveness of customs control and ensuring a sufficient level of financial security of the country, which, in turn, is a criterion for the effectiveness of its economic policy and the basis for the formation of favorable conditions for the activation of business entities. The importance of financial security increases significantly in the current conditions of the impact of globalization on national states, the development of world trade, and the complication of international relations, which leads to the transformation and rethinking of state functions and the need to identify and assess external threats with the subsequent development of measures to reduce their negative impact. It is advisable to implement this by forming and using effective mechanisms for leveling these threats, one of which is the customs control mechanism.

## 1. LITERATURE REVIEW

The issue of state financial control and customs control as its essential component, as well as the problem of ensuring the country's financial stability and increasing the level of its financial security, is widely covered in the works of scientists: Kovalenko and Tkachyk (2018), Shashkin (2015), Bardash (2021), Theodorakopoulos et al. (2022), Mazaraki and Zubko (2022), Oliveira and Santos (2022), Nguyen et al. (2022), Rekunen et al. (2022), Alzoubi (2022), Erkoreka and Blas (2023), Ylönen and Aven (2023), Schinasi (2004), Aswar et al. (2022), Prokopchuk et al. (2022), Aden (2021), and others.

Bardash and Osadcha (2020) studied in detail the directions of improving financial control to ensure the country's financial stability. Bardash (2021) formulated the principles, compliance with which is important for the development of customs control, namely: improvement of customs control measures under various conditions and circumstances of its implementation; transformation of the state customs control system (including improvement of legislation regulating foreign economic activity); improvement of regional customs control systems; development of theoretical, methodological and practical aspects of post-customs audit; development of deontology of customs control (principles of professional ethics of the subject of customs control, which directly performs customs control measures). However, the author's conclusions are more concerned with the development of the theoretical foundations of customs control as a function of ensuring the country's financial security. The theoretical and methodological foundations of customs control are also covered by the research of Bilukha and Mykytenko (2013).

Kovalenko and Tkachyk (2018) studied in detail the problematic issues of the customs control system in the country, focusing on the state regulation of customs control in the implementation of foreign economic activity by business entities.

Schinasi (2004) focused on ways to ensure the state's financial stability, which the author defines from the point of view of its ability to facilitate and strengthen economic processes, manage risks,

and absorb shocks. In general, the results of this study aim to improve macroeconomic regulation and form an effective financial policy.

Also, the issues of improving customs control, simplifying customs procedures, and harmonizing the customs legislation of Ukraine with European countries were considered by Arnold (2012), Shashkin (2015), Turyanskyy et al. (2020), Erkoreka and Blas (2023), Ylönen and Aven (2023).

In particular, Erkoreka and Blas (2023) put arguments about the dependence of the financial policies of individual countries on the customs policy implemented in the EU. The study analyzes representative cases of customs fraud to develop ways to improve the effectiveness of customs control:

- 1) cases related to the implementation of unfair competition;
- 2) cases of "misinterpretation" of common customs standards by individual countries.

It is concluded that the impact of EU policy on ensuring equivalent equal conditions for customs control was ineffective, which had significant negative consequences.

Arnold (2012), investigating the main trends in the development of customs control in the XXI century, points out the need to form a so-called mixed (universal) model, the defining feature of which is the use of customs post-audit and IT information support created at the proper level. The author notes that customs is a particular body of economic and trade policy, which is designed to collect customs tax to the budget, which is further integrated into the domestic prices of goods imported from abroad, which makes it possible to determine its primary purpose – the protection of industry and commercial policy.

Ylönen and Aven (2023) viewed financial intelligence and risk management in the context of improving customs control. According to the author, intelligence concerns the collection, exchange, processing, analysis, and dissemination of information about threats related to the cross-border movement of goods, illegal activities, and organized crime. Ylönen and Aven (2023) present a new perspective for integrating risk intelligence and management, which is

based on modern scientific knowledge about risks and security, research on management, and social mechanisms.

Some of the authors' articles relate to the new EU customs code (Union Customs Code), which entered into force in May 2016 and simplified customs rules and procedures in the direction of their modernization, taking into account the improvement of electronic information exchange systems (European Commission, 2016).

Paying tribute to the scientific achievements of the authors, it should be noted that the issues of the relationship of customs control with the system of ensuring the financial security of the state, the study of the nature of strategic gaps caused by non-fulfillment of planned indicators of customs revenues to the consolidated budget, the elimination of which requires the formation of applied measures to strengthen customs control, remain insufficiently studied.

The study aims to improve customs control in the system of country's financial security ensuring using methodological tools of gap analysis to identify, assess and eliminate strategic gaps caused by non-fulfillment of planned indicators of customs revenues to the consolidated budget on the example of Ukraine.

## 2. METHODOLOGY

The methodological basis of the study is a systematic and dialectical approach to the development of customs control in the system of ensuring the country's financial security. In the process of

solving these issues, special methods of scientific knowledge are applied: formalization and economic and mathematical modeling – when determining the correlation between the received amounts of customs revenues and consolidated budget revenues and making a forecast of state revenues for subsequent years; gap methodology – when assessing the causes of strategic gaps and forming strategic initiatives for the development of customs control in the system of ensuring financial security of the country.

Gap analysis is an important tool for strategic analysis, which will allow identifying problem areas that hinder the development of state customs control. The central concept in the gap analysis methodology is the concept of a strategic gap, which should be understood as a deviation determined by the strategic goals of the desired state from the current state, as well as the desired development trajectory from the expected or actual strategy.

The main stages of applying gap analysis in assessing the completeness of customs revenues to the budget are presented in Table 1.

The gap analysis methodology involves dividing gaps into external, internal, and mixed ones. External gaps are caused by the negative impact of the external environment on customs control indicators (their identification is related to political, economic, environmental, social, and other factors). Internal ones are due to the inefficiency of the functioning of customs authorities, in particular, insufficient organizational, personnel, reg-

**Table 1.** Main stages of gap analysis in assessing customs revenue for customs control research

No.	Stage and its purpose	Disclosure of the essence of the stage for customs control research
1	Determining the maximum (desired) value of the planned indicator	Forming the values of planned indicators for customs revenues to the budget by their types (VAT, duty, excise duty). The information base is the law of Ukraine "On the state budget" for the planned year
2	Identifying the current value of customs revenue indicators	Mathematical methods are used to determine the size of the strategic gap between the planned and current indicators of customs revenues
3	Assessing the magnitude and causes of gaps	The type of gap is identified: negative or positive. To assess the negative gap between the planned and actual indicator of customs revenues, the reasons for its occurrence are identified and analyzed to find ways to eliminate them or reduce their impact in the future. To assess the positive gap, the conditions that contributed to the increase in customs revenues to the budget are assessed
4	Forming and planning strategic initiatives to eliminate negative gaps	Since effective customs control is one of the critical directions of reducing or eliminating gaps caused by incomplete receipt of customs payments, a set of measures and strategic initiatives is being formed to further develop customs control in the state's financial security system, which should be linked to the structure of its mechanism. Strategic initiatives should be formed at the state level; thus, it is necessary to make changes to the regulatory support regulating customs control issues

ulatory, and methodological support for their activities. Internal and external factors cause mixed gaps. Most of the gaps are mixed in the functioning of economic entities. Specific gaps are subject to additional customs control in the financial security system.

The gap analysis of customs control in the financial security system aims to determine potential sources of increasing customs payments to the budget under the existing influence of the external environment. The following formula is used to calculate the gap value:

$$GAP = (C_a - C_p), \quad (1)$$

where  $GAP$  – the amount of the gap in monetary terms, billion UAH,  $C_p$  – the volume of planned customs revenues in the reporting period, billion UAH,  $C_a$  – the volume of customs revenues actually received in the reporting period, billion UAH.

It is more appropriate to express gaps as a percentage:

$$GAP = \frac{C_a - C_p}{C_p}, \quad (2)$$

where  $GAP$  – the size of the gap as a percentage, %.

Since effective customs control is one of the important directions of reducing or eliminating gaps caused by incomplete receipt of customs payments, a set of measures and strategic initiatives is being formed to further develop customs control in the state's financial security system, which should be linked to the structure of its mechanism.

### 3. RESULTS

The formation of an effective financial security system in Ukraine is associated with the identification of criteria for its assessment, the identification of threats to both the internal and external environment, the search for methodological support for the assessment of criteria and indicators, and the adoption of management decisions focused on eliminating the impact of adverse factors. In Ukraine, until 2013, there was a methodology for calculating the level of economic security, which contained a comprehensive analysis of the criteria

for ensuring such security in general and by its components. Moreover, the financial security components identified according to the 2007 methodology were as follows: budget, currency, monetary, debt, insurance, and stock market security. In 2013, methodological recommendations were adopted for calculating the level of economic security, where the composition of subcomponents of the latter differs from the previous one. Financial security as a critical element of economic security includes the following main types (subsystems): banking, security of the non-bank financial sector, budget, debt, currency system, and monetary system, the level of which is estimated by partial indicators. Accordingly, each partial indicator has a particular value of the weighting coefficient, which identifies the degree of significance of each component of economic security at its overall level. In the next stage, Ukraine's economic security state is assessed by comparing the calculated indicators of economic security with their established limit values. As a result of the assessment, a significant amount of deviations from the limit value indicates the degree of influence (positive or negative) on the integral level of a certain national economic security.

Based on the value of the largest weighting factor for financial security as part of economic security (0.1127), the latter's role and impact on the country's economic development is significant. In general, economic security indicators are differentiated by levels (subsystems). Despite the accuracy of calculating the integral indicator of financial and, in the future, economic security, there are difficulties in identifying the impact of the level of development of customs control in the country on financial security indicators by level. In particular, the specifics of the functioning of the customs control mechanism often allow identifying not direct, but an indirect influence on partial indicators. Customs control has the greatest impact on indicators of the budget and currency subsystems of the financial security system (Table 2).

Indicators of currency security in the financial security system and the impact of the results of customs (including currency control) control on them are presented in Table 3.

**Table 2.** Indicators of budget security in the financial security system and the impact customs control has on them

No.	Indicators of budget security as part of the financial security system	Disclosure of the identified impact of the customs control mechanism on financial security indicators
1.1.	Ratio of state budget deficit/surplus to GDP, %	Since the purpose of customs control is to maximize the collection of customs payments to the budget (excise duty on imported goods, VAT on imported goods on the customs territory of Ukraine, duty), this directly affects the planned budget performance indicators, and in the future – the occurrence of a budget deficit (surplus). It should also be taken into account that customs revenues have a high share in budget revenues (for example, the share of VAT was 27-30% in 2014-2022)
1.2.	Deficit/surplus of budgetary and extra-budgetary funds of the public administration sector, % to GDP	
1.3.	The level of redistribution of GDP through the consolidated budget, %	The effectiveness of customs control directly impacts the revenues of the consolidated budget, so it directly affects the redistribution of GDP through the consolidated budget. Therefore, customs payments significantly impact the social sphere through the implementation of the mechanism of GDP redistribution
1.4.	Ratio of total payments for servicing and repaying the public debt to state budget revenues, %	The presence of a direct dependence of customs revenues on state budget revenues (completeness and timeliness of their payment characterizes the effectiveness of the organization and functioning of the customs control mechanism in the country) causes the presence of an inverse impact on the indicator of the ratio of the volume of total payments for servicing and repayment of public debt to state budget revenues, %

**Table 3.** Indicators of currency security in the financial security system and the impact of the results of customs (including currency) control on them

No.	Currency security indicators as part of the financial security system	Disclosure of the identified impact of the customs control mechanism on financial security indicators
1.1.	Index of changes in the official exchange rate of the national currency against the USD, average for the period	Currency control as part of the customs service will directly affect the stabilization of the exchange rate, which will help to increase the level of currency security as part of the financial system
1.2.	Difference between the forward and official exchange rates of UAH, UAH	Effective currency regulation and control determine the nature of Ukrainian exporters' activities in foreign markets of goods and services
1.3.	Gross international reserves of Ukraine, months of import	Currency control in the country's monetary policy affects foreign economic activity and the dynamics of export-import operations, which determines the impact on the formation of gross international reserves (i.e., the size of reserves is determined by how export-oriented the national economy is and what extent the country depends on imports)
1.4.	Share of loans in foreign currency in the total volume of loans granted, %	Currency control as part of the currency policy defines restrictions on the implementation of currency transactions, discrepancies between the regime of operations for residents and non-residents
1.5.	Balance of purchase and sale of foreign currency by the population, billion USD	Currency control determines the inflow/outflow of non-resident funds to the domestic foreign exchange market
1.6.	Level of dollarization of the money supply, %	Effective currency control as part of the customs service will help reduce the level of dollarization of the money supply. In turn, currency security is affected by: the volume and procedure for the mandatory sale of foreign currency earnings by business entities; the growing trend of the negative balance of foreign trade

Thus, in order to ensure an appropriate level of financial security, it is necessary to constantly monitor its threshold indicators. Analyzing Tables 2 and 3, it follows that the main threat to the financial security of the country in the context of this study is part of customs payments that the customs service did not receive for the state budget. In ensuring financial security, controlling the completeness of payment of customs penalties is important. Since the object of customs control is also currency values, this also actualizes the impact of customs control over currency and on the currency security of the state. For example, the

lawful mass export of foreign currency funds by non-residents and the illegal export of foreign currency funds by residents outside the country require improving the efficiency of customs control. At the same time, all measures to develop customs control in the financial security system should be mutually coordinated with its other components.

In general, the proper level of ensuring budget security implies:

- 1) the availability of a balanced budget (revenue and expenditure plan);

- 2) compliance with the appropriate level of state solvency;
- 3) effective use of budget funds.

The impact of customs control on financial security indicators is also investigated by Novosad (2015), as the author explains, through the functioning of the customs taxation mechanism. Differentiation of customs tariff rates, on the one hand, promotes the free movement of capital and labor, creating favorable conditions for the country's integration into the world economic area. On the other hand, it prevents a negative trade balance.

Based on this, the hypothesis is formed that the results of customs control (in the form of customs revenues to the budget) directly affect the performance indicators of the budget, in particular, the number of its revenues. The study can prove this by constructing an economic and mathematical model that will help determine the presence or absence of a correlation between the received amounts of customs revenues and consolidated budget revenues. In order to determine the impact of customs payments on state budget revenues in Ukraine and obtain the ability to predict their dynamics on the structure of revenues, economic and mathematical modeling tools, in particular, econometric analysis, are used. For this purpose, several linear regression models are constructed based on statistical information from the state customs service of Ukraine for the period 2014–2019 using the statistical data processing package STATISTIKA. The following notations are applied:  $Y$  – consolidated budget revenues in the  $i$ -th year, billion UAH;  $m_1$  – the amount of customs payments collected by regional customs, billion UAH;  $m_2$  – the amounts of additional accrued customs payments under court decisions, billion UAH;  $m_3$  – the additional amounts accrued by customs based on the results of customs control, billion UAH;  $m_4$  – the additional customs accrued by regional customs, billion UAH.

As a result of applying correlation analysis, a significant relationship was found with  $m_1$  and  $m_2$  indicators and no correlation with  $m_3$  and  $m_4$  indicators. Analysis of the statistical characteristics of the regression equation indicates the adequacy of the model. As a result of excluding variables

of  $m_3$  and  $m_4$ , the following correlation model is obtained:

$$Y = 47,452.69 + 2.3855328 \cdot m_1 + 10.85932387 \cdot m_2, \quad (3)$$

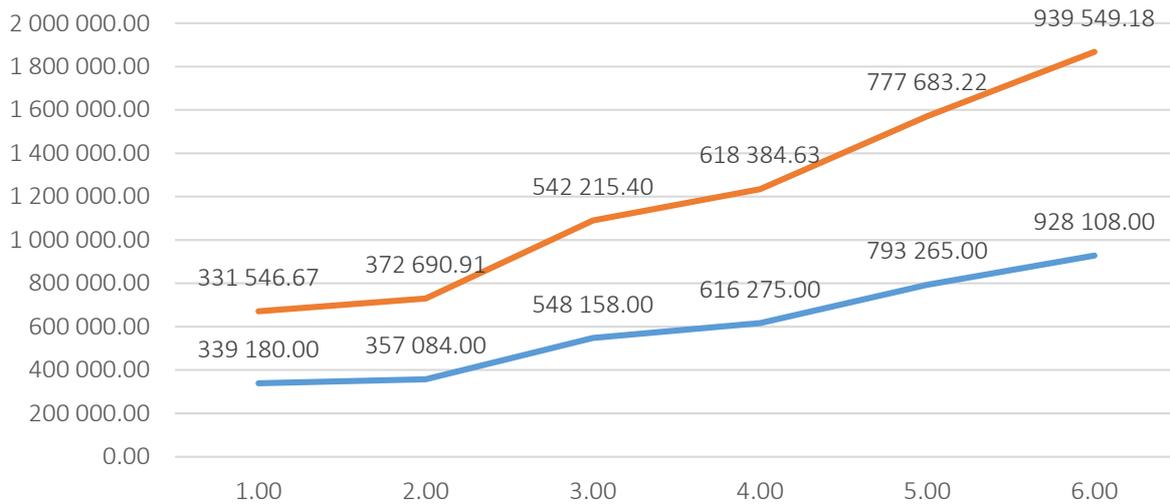
$$R^2 = 0.998636.$$

A model with a high level of statistical significance shows that an increase in the amount of customs payments collected by regional customs has a positive impact on the amount of state budget revenues in the corresponding year. This makes it possible to predict the value of state budget revenues in the planned year, considering the amounts of customs payments received. Graphical identification of the obtained forecast of state budget revenues based on the generated model is shown in Figure 1. The abscissa axis shows the corresponding periods, and the ordinate axis shows the existing and estimated state budget revenues for specific periods.

It is clear that the model is simplified since it assesses only two factors, without taking into account the influence of others, particularly other components of consolidated budget revenues. But it demonstrates the important role of effective customs control regarding the completeness of customs payments collection to ensure the country's financial security in the context of increasing state budget revenues. Therefore, the applied implementation of the proposed model indicates the need to strengthen the control activities of regional customs regarding the implementation of the customs revenue plan to ensure the country's financial security. In the future, this allows focusing on the share of customs revenues collected by each regional customs in the total amount of customs payments to the budget.

In general, the inefficiency of the customs regulation system, the imperfection of the existing system for monitoring export-import operations, the low level of compliance with budget discipline, and the shadow economy require the improvement of existing and the development of new methodological approaches to improving the customs control system.

In order to maximize customs revenues to the budget and form measures to improve customs

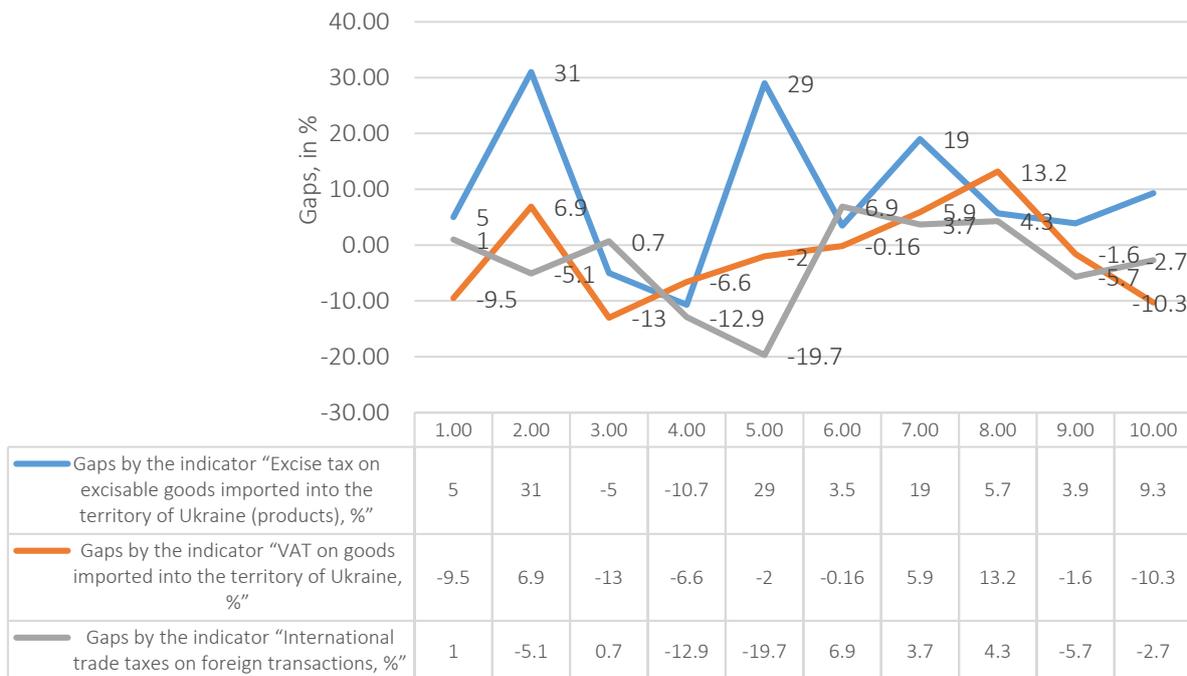


**Figure 1.** Graphical identification of the received forecast of state budget revenues based on the created model

control, it is advisable to apply the gap analysis methodology. In general, gap analysis is understood as a method of strategic analysis, the purpose of which is to identify the nature, size, and materiality of gaps and factors that cause their occurrence while implementing the company’s strategy. In the future, this makes it possible to form strategic management initiatives to eliminate or reduce them. The gap method is successfully used at the macro level to form development strategies for enterprises (corporations). However, recently there have been scientific studies that tried to

identify strategic gaps in financial security issues: Koilo (2018) and Kasyanenko et al. (2019).

For example, the authors used the method of calculating the gap between financial and capital investments to monitor the state of financial security of the country and prevent uncontrolled growth of the financial sector. In this interpretation, the gap can act as an important reference indicator. In this subject area, gap analysis is an important tool for implementing customs control to ensure an appropriate level of financial security.



**Figure 2.** Gaps in customs revenues to the consolidated budget, %

The information base for calculating gaps is the amount of customs payments collected by the state customs service to the consolidated budget and planned indicators defined by the law of Ukraine “On the state budget.”

Based on the identified gaps caused by non-fulfillment (or over-fulfillment) of the planned indicators of customs revenues to the consolidated budget, it is possible to identify time intervals where it is necessary to strengthen customs control. Figure 2 shows that during the specified period, gaps in customs revenue indicators had positive and negative values. The largest gap sizes are observed in the lost amounts of international trade taxes on external operations (duties). Since 2008, Ukraine has become a member of the WTO, having committed to gradually reducing the customs tariff rates to the average world value. On the other hand, positive gaps are caused by increased customs control over the targeted use of alcohol and bioethanol, which are taxed at preferential excise tax rates.

In general, the following principal reasons for the occurrence of negative gaps in the amounts of payment of customs revenues to the consolidated budget can be identified:

- 4) improper control of tax and customs authorities, unbalanced mechanisms of functioning of customs services associated with numerous cases of reorganization changes in the state fiscal and customs service;
- 5) a high level of the shadow economy;
- 6) a negative trade balance, which created risks of exchange rate instability;
- 7) a decrease in the volume of imports (in weight indicators), a decrease in the volume of taxable imports at cost (in USD);
- 8) a change in the structure of imports of goods, an increase in the share of raw materials, replacement of more expensive goods with their cheaper analogs;
- 9) lower prices on foreign markets;
- 10) changes in cross-exchange rates in Ukraine;
- 11) lack of information exchange with customs authorities other countries.

**Table 4.** Directions of development of customs control in the system of financial security of the country related to the structure of its mechanism

Directions of development of customs control in the system of financial security of the country	Detailing the identified areas of development of customs control in the financial security system of the country
Strategic initiatives aimed at developing the personnel support of customs control entities	Improving the staffing of the state customs service; improving the skills of internal auditors and employees of the state customs service who perform control functions on the assessment and elimination of customs risks (seminars, advanced training courses, internships); increasing motivation by increasing the remuneration of customs officers; improving the level of organizational culture of employees
Strategic initiatives related to improving the organizational support of customs control entities.	Reasonable planning and forecasting of indicators of customs payments receipts to the state budget; increasing coordination between the state customs service and its territorial bodies, increasing interaction between state authorities by ensuring the exchange of information in real time, which can be used to assess risks, as well as identify and eliminate violations of customs legislation; improving the efficiency and effectiveness of customs payments administration
Strategic initiatives related to improving the regulatory support of customs control entities.	Harmonization of national legislation in the field of customs control with the legislation of other partner countries; adoption of a normative legal act that would determine the procedure for accounting for receipts of a single fee for its components, as well as accounting for expenses for the implementation of official customs control measures by authorized bodies at checkpoints (control points); measures to continue the harmonization of tax and customs legislation
Strategic initiatives related to improving the information support of customs control entities:	An electronic customs environment between controlled entities and customs will contribute to the emergence of more advanced tools, forms, and means of control, which will lead to the development of the control mechanism. Increasing the number of electronic declarations; continuing to introduce a system of electronic checks on the turnover of excisable goods; increasing the provision of technical control facilities for regional customs; forming a single database of price information

**Table 4 (cont.).** Directions of development of customs control in the system of financial security of the country related to the structure of its mechanism

Directions of development of customs control in the system of financial security of the country	Detailing the identified areas of development of customs control in the financial security system of the country
Strategic initiatives related to the functioning of controlled customs control facilities	Strengthening administrative responsibility for business entities for violating customs rules and other provisions of customs legislation
Strategic initiatives related to the development of methodological support for customs control:	Continuation of the use of a risk-based approach in the implementation of control powers by the state customs service; more extensive use of electronic checks in control activities; transition to the concept of “continuous control,” which allows combining the use of customs post-audit with a risk-based approach to the selection of customs control objects and control at the stage of customs declaration; increasing the participation of regional customs in risk management processes
Strategic initiatives related to the assessment of customs control results:	A methodology for evaluating the effectiveness and efficiency of control in the customs sphere is introduced based on a combination of a results-based benchmarking approach and a customer-oriented approach
Strategic initiatives related to making managerial decisions based on the results of customs control:	Increasing the responsibility of heads of territorial bodies of the state customs service for inefficient management decisions based on the results of customs control; failure to comply with the recommendations of the internal audit unit to improve the system of customs control; formation of effective internal audit systems in regional customs offices and development of internal organizational documents for its full functioning

The next stage of gap analysis is the formation of strategic initiatives aimed at reducing the size of negative gaps. It is advisable to link strategic initiatives for the further development of customs control in the state’s financial security system with the structure of its mechanism (Table 4).

The result of the gap analysis regarding the amounts of customs revenues and formalization of the above-mentioned strategic initiatives is the improvement of the existing regulatory support managing the control powers of customs control entities. The difficulty of such improvement is that customs security (and, accordingly, customs control as a tool for ensuring it) is considered a component of foreign economic security in a narrow interpretation. In contrast, the full implementation of customs control functions will contribute

to improving the level of financial security. This makes it necessary to reform the legislation related to the organization of state financial control in the country, partly customs legislation and documents on ensuring financial security in the country. Applied implementation of the proposed directions for the development of customs control in the financial security system should contribute to:

- 1) the growth of the country’s economy and entry into the European Economic Area;
- 2) the development of mutually beneficial forms of cooperation with other countries;
- 3) elimination of the negative impact of external and internal threats on the financial security system.

## CONCLUSION

The paper forms and proves the hypothesis that the results of customs control (in the form of additional amounts of customs payments to the budget) significantly affect the budget’s performance and the country’s financial security level. Using the statistical data processing package STATISTIKA, a model was constructed that determined a correlation between the consolidated budget revenues and additional amounts of customs payments collected by regional customs and court decisions as a result of documentary inspections. A model with a high level of statistical significance showed that an increase in the amount of customs payments collected by regional customs positively impacts the amount of state budget revenues in the corresponding year. This made it possible to predict the value of state budget revenues in the planned year, considering the amounts of customs payments received. Directions for the development of customs control (strategic initiatives) in the system of ensuring financial security related to the structure of its mechanism are proposed.

Implementing such strategic initiatives will contribute to developing the country's economy and its entry into the European Economic Area; developing mutually beneficial forms of cooperation with other countries; eliminating the negative impact of external and internal threats on the state's financial security system.

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