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# State financial control in customs: The administrative-law mechanism of implementation and judicial protection of payers' rights

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■ **Abstract.** The study was aimed at the analysis of theoretical-legal bases, administrative-legal mechanism of state financial control in customs and procedural safeguards for the protection of the rights of payers. Methods of research: analysis of scientific literature, theoretical systematisation, formal-legal analysis, generalisation of judicial practice. The study used these methods to justify the administrative-law mechanism for the implementation of state financial control in customs, analyse the legal framework for its functioning and generalise the procedural guarantees for payers developed in the practice of the Supreme Court. The administrative-law character of state financial control in customs was defined, and this form of control was characterised as an independent, complex administrative-law institution combining rules of administrative, financial, and customs law. A system of five institution-forming features was developed: its public-authority character, financial orientation, procedural form of implementation, risk-oriented character, and combination of preventive and control functions. The principles of state financial control were systematised by function. Fundamental and special principles were distinguished; they define the limits of control powers and maintain a balance between the public financial interests of the state and the procedural rights of payers. The structural elements of the administrative-law mechanism for implementing state financial control in customs were generalised, and their functions were described. The procedural element performed an integrating function by linking the other structural components of the mechanism through control procedures. Judicial review verified the legality of the control procedure, specified the limits of discretionary powers of customs authorities, and developed common standards for the application of customs legislation. The practical value of the results lies in their possible use by customs authorities when exercising control powers, by courts when resolving customs disputes, and in law-making aimed at improving the administrative-law regulation of state financial control in customs

■ **Keywords**: customs control; state financial control; judicial protection of payers; discretionary powers; risk-oriented approach; Supreme Court case law

## ■ Introduction

State financial control in customs forms part of the mechanism through which public financial resources are generated because it verifies the legality, correctness, and completeness of the calculation and payment of customs payments. Its implementation involves administrative-law procedures, the exercise of control powers by customs authorities, and the possibility of judicial protection of payers' rights through challenges to decisions, actions, or inaction of customs authorities. The development of international trade, digitalisation of customs administration, and introduction of risk-oriented approaches to control are changing the content of control activity. These developments require clarification of the

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legal nature of state financial control in customs, its position in the system of public law regulation and approaches to its administrative legal support. Judicial protection of the rights of payers is an important guarantee of legality, because the practice of the Supreme Court determines the limits of discretionary powers of customs authorities and sets standards for evaluating whether the adopted decisions are justified and properly reasoned. This makes it necessary to examine not only substantive legal issues but also the procedural aspects of protecting payers' rights in customs control.

The study of the administrative-law framework for state financial control in customs is interested in a number of related areas. The reviewed publications are dedicated to the character of state financial control, the legal status of customs authorities, administrative procedures of customs control and specific aspects of the exercise of control powers. The first group consists of studies dedicated to the theoretical basis of state financial control and the role of customs authorities in the system of implementation of control functions by the state. V. Verbytska & V. Yakushkina (2024) systematised scientific approaches to the concept of state financial control and offered its classification by parties, functional purpose and object of control. They treated state financial control as a system combining fiscal, preventive, informational, and regulatory functions and reviewed its classification in current scientific literature. Y. Bondarenko (2021) examined the exercise of control powers by customs authorities, treating them as bodies that combine fiscal and control functions in the administration of customs payments. The study traced the relationship between securing revenue for the state budget and carrying out customs control and described the exercise of control powers during customs clearance of goods. Particular attention was given to the content of control activity by customs authorities and its place in the system of state financial control.

A separate area of research addresses the administrative-law regulation of customs activity and the development of customs administration. O. Polishchuk (2019) analysed the model of customs administration in Ukraine and the factors affecting its operation during reform of the customs service. The study considered the organisational foundations of customs authorities, digitalisation of administrative procedures, and ways of aligning the national customs administration system with European approaches. V. Zherebets (2024) examined the administrative-law aspects of customs control over imported goods. The Article covered the legal framework for customs control, the powers of customs authorities when carrying out control measures, and the implementation of administrative procedures for imports. It also described the legal grounds for customs control and the sequence of individual procedural actions used when control powers are exercised.

Administrative procedures in customs constitute a separate research area concerned with the exercise of public powers by customs authorities, safeguards for the rights of participants in administrative legal relations, and procedural requirements for administrative decisions. The importance of this area follows from changes in administrative legislation and the development of procedural standards in public administration. V. Tymoshchuk (2024) analysed the effect of Law of Ukraine No. 2073-IX "On Administrative Procedure"[1] on the operation of tax and customs authorities. The study covered the principles of administrative procedure, the procedure for adopting administrative acts, the right of a person to be heard, requirements for the reasoning of decisions, and the adaptation of the legislation of Ukraine to European procedural standards. It also described the changes required in the work of customs authorities following the introduction of a general administrative procedure. V. Samus & V. Tylchyk (2024) examined administrative procedures in proceedings concerning violations of customs rules. Their work addressed the place of administrative procedures in the mechanism for imposing liability for breaches of customs legislation, the sequence of procedural actions, and their legal regulation. Particular attention was given to the relationship between administrative procedure and the tasks of customs control and to compliance with procedural requirements when control powers are exercised. S.T. Mamyrova & E.S. Alpysbaeva (2024) addressed a related issue in their study of procedures for administrative-offence cases in customs. The researchers described the stages of administrative proceedings, the procedural status of participants, and decision-making in cases involving customs offences. The study also addressed procedural safeguards for persons subject to administrative proceedings and their importance for compliance with the requirements of legality.

A separate line of research concerns the practical exercise of control powers by customs authorities. I. Mishchenko (2023) examined adjustments to the customs value of goods and the causes of disputes between participants in foreign economic activity and customs authorities. The Article described the grounds for decisions to adjust customs value, the documentary substantiation of declared information, and the reasons disputes arise during customs control. The conclusions presented in the study linked the exercise of control powers with the practical

[1] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.

application of customs legislation when individual administrative decisions are adopted.

The scientific literature on the administrative-law framework for state financial control in customs covers several related areas. The studies considered the theoretical foundations of state financial control, the exercise of control powers by customs authorities, administrative-law regulation of customs activity, administrative procedures, and individual forms of customs control. These areas, however, were generally examined separately rather than as interrelated elements of a single system. The literature contains little integrated analysis of the administrative-law mechanism for implementing state financial control in customs that combines its normative, institutional, procedural, and safeguard components with the practice of their application. The legal positions of the Supreme Court have also received little attention as a basis for examining procedural safeguards for payers and the limits of control powers of customs authorities.

The purpose of the study was to outline the theoretical and legal bases of state financial control in customs and administrative legal characteristics of its realisation with emphasis on procedural guarantees of the rights of taxpayers' protection. The research objectives were: to define the legal nature, features, principles and place of state financial control in customs; to describe the structure of the administrative-legal mechanism for its realisation and to delineate the powers of authorised bodies; to generalise procedural safeguards for payers and the legal positions of the Supreme Court; and to suggest directions for their improvement.

## Materials and Methods

The study was theoretical in nature and was aimed at substantiating the administrative-law mechanism of implementation of state financial control in customs and analysing its functioning in Ukraine using an integrated administrative-law approach. Ukraine was chosen as the object of study, because of changes in administrative legislation, adaptation of customs legislation to the international standards of the World Customs Organization (2021) and reform of the system of state financial control in customs. Analysis of scientific literature was used to generalise research approaches to the legal character of state financial control in customs, the administrative-law foundations of customs administration, the organisation of control activity, and procedural safeguards for participants in customs legal relations. In particular, the works of M. Antov *et al.* (2026) and A.A.P. Azcárraga *et al.* (2022) provided the theoretical basis for analysing existing approaches to the functional purpose of state financial control in customs, its relationship with customs administration and post-clearance control, and the protection of public financial interests.

The method of theoretical systematisation was used to develop an approach to state financial control in customs as an independent administrative-law institution. The materials comprised doctrinal works in administrative, financial, and customs law dealing with state financial control, customs administration, administrative procedures, and the exercise of control powers (Harlow & Rawlings, 2021; Laajaj *et al.*, 2023). Scientific approaches were compared and generalised using the following criteria: the functional purpose of control activity, the subject matter of legal regulation, the parties to control legal relations, the administrative-procedural form of implementation, the exercise of control powers, and procedural safeguards. A feature was included in the proposed system only when it simultaneously characterised the legal character of state financial control, distinguished it from general customs control and other forms of state financial control, and appeared in several research approaches. The principles of state financial control were systematised in a similar way by grouping them according to functional purpose into fundamental and special principles. The structure of the administrative-law mechanism was also defined by generalising the normative, institutional, procedural, information-analytical, and safeguard components that are consistently identified in scientific literature and legal regulation.

The formal legal method was used to analyse the legal basis for implementing state financial control in customs in Ukraine. Articles 318, 336, and 344-1 of the Customs Code of Ukraine[1], together with Articles 44 and 102 of the Tax Code of Ukraine[2], were examined to determine the legal regulation of control procedures, the procedure for calculating customs payments, and the relationship between customs and financial legislation. Law of Ukraine No. 2073-IX[3], Law of Ukraine No. 3166-VI "On Central Executive Authorities"[4], and Resolution of the Cabinet of Ministers of Ukraine No. 375-2014-p "On Approval of the Regulation on the Ministry of Finance of Ukraine"[5]

[1] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[2] Tax Code of Ukraine. (2010, December). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2755-17.
[3] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.
[4] Law of Ukraine No. 3166-VI "On Central Executive Authorities". (2011, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en/3166-17.
[5] Resolution of the Cabinet of Ministers of Ukraine No. 375-2014-p "On Approval of the Regulation on the Ministry of Finance of Ukraine". (2014, August). Retrieved from https://zakon.rada.gov.ua/laws/show/en/375-2014-%D0%BF.

were used to define the administrative-law basis for the exercise of control powers, the competence of authorised bodies, and procedural requirements for administrative decisions. Resolution of the Cabinet of Ministers of Ukraine No. 227-2019-p "On Approval of the Provisions on the State Tax Service of Ukraine and the State Customs Service of Ukraine"[1], together with the International Convention on the Simplification and Harmonization of Customs Procedures[2] and the SAFE framework of standards (World Customs Organization, 2021), was used to analyse the institutional foundations of customs authorities, the application of the risk-oriented approach, and the influence of international standards on the legal regulation of state financial control in customs.

The method of generalising judicial practice was used to examine procedural safeguards for payers and the features of judicial review of the legality of decisions by customs authorities. The source base comprised six Supreme Court rulings adopted in 2020-2026 in cases concerning determination of the customs value of goods, requests for additional documents, use of the fallback method for determining customs value, and compliance with administrative procedure during customs control.[3][4][5] The analysis also included rulings containing legal positions on the limits of discretionary powers of customs authorities, standards of proof, and procedural safeguards for declarants.[6][7][8] Judicial decisions were selected according to the following criterion: the presence of legal conclusions on the application of Articles 49-64, 53-55, 318, 336, and 337 of the Customs Code of Ukraine[9] and Articles 2 and 77 of the Code of Administrative Judicial Procedure of Ukraine[10]. Decisions were also chosen based on the following criteria: the dispute concerned state financial control in customs legal relations; the decision included a formulated legal position on administrative procedures, the determination of customs value, the exercise of discretionary powers by customs authorities or procedural safeguards for payers; and the judgment was final and relevant to the development of consistent judicial practice. The generalised decisions of the selected cases were used to systematise procedural safeguards for payers, to define standards of judicial review of the activities of customs authorities and to establish their importance for the operation of the administrative-law mechanism of state financial control in customs.

The method of legal modelling was used in the paper for formulating the theoretical directions of improvement of the administrative-legal mechanism of realisation of state financial control in customs. It was applied on the basis of theoretical systematisation, analysis of the legal framework and generalisation of judicial practice. The proposals were developed in accordance with three criteria: compliance with the principles of the rule of law and the administrative procedure; consistency with the international standards of the World Customs Organization and the legislation of Ukraine; orientation towards a balance between the effective exercise of control powers by customs authorities and procedural safeguards for participants in customs legal relations.

## Results and Discussion

**Theoretical-legal foundations of state financial control in customs.** Research on customs administration and post-clearance control associates state financial control in customs with ensuring the lawful collection of customs payments, compliance with customs legislation, and protection of public financial interests (Azcárraga *et al.*, 2022; Antov *et al.*, 2026). This approach does not fully explain its legal character because it concentrates on fiscal functions or individual customs-control procedures. As a result, the administrative-law characteristics of control activity, its institutional content, procedural form, and place in the system of public administration remain insufficiently defined. State financial control in customs should therefore be considered not only as a set of control measures but also as an independent

[1] Resolution of the Cabinet of Ministers of Ukraine No. 227-2019-p "On Approval of the Provisions on the State Tax Service of Ukraine and the State Customs Service of Ukraine". (2019, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en/227-2019-%D0%BF.
[2] International Convention on the Simplification and Harmonization of Customs Procedures. (1973, May). Retrieved from https://treaties.un.org/doc/Publication/UNTS/Volume%201029/volume-1029-A-13561-English.pdf.
[3] Resolution of 17.11.2020 in case 804/5249/16. (2020, November). Retrieved from https://opendatabot.ua/court/92902373-797101ae607e5f61c651218ac373c8af.
[4] Resolution of 01/27/2021 in case 480/859/19. (2021, January). Retrieved from https://opendatabot.ua/court/94458250-7a49b9d6cf1cb32ba4cea4e46308fc8a.
[5] Resolution of July 13, 2021 in case No. 200/6521/20-a. (2021, July). Retrieved from https://reyestr.court.gov.ua/Review/98306315.
[6] Resolution of 18.11.2022 in case 166/574/17. (2022, November). Retrieved from https://opendatabot.ua/court/107428960-0e1226d9473d0adfbf00c3dd45415d89.
[7] Resolution of 10.01.2024 in case 817/1500/17. (2024, January). Retrieved from https://opendatabot.ua/court/116212276-72d722893988cbb2c8d9d9b411be0c1e.
[8] Resolution of 07.01.2026 in case 817/1353/17. (2026, January). Retrieved from https://opendatabot.ua/court/133149637-f976a81eee6deff7c88e85830de5dc98.
[9] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[10] Code of Administrative Judicial Procedure of Ukraine. (2005, July). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2747-15.

legal phenomenon that combines financial, administrative, and customs-law components.

The existence of its own subject matter of legal regulation, a specific group of participants, particular regulatory features, and administrative procedures provides grounds for considering state financial control in customs as a relatively independent, complex administrative-law institution. This proposition requires identification of the system-forming features of such control. Its functional purpose is to ensure the lawful generation of public financial resources when goods cross the customs border through a set of control procedures that verify proper fulfilment of customs obligations. This control is implemented through administrative-law procedures, involves the exercise of public powers by authorised bodies, and is accompanied by procedural safeguards for payers' rights. The combination of functional, institutional, and procedural characteristics therefore provides a basis for further substantiating state financial control in customs as an independent legal institution situated at the intersection of administrative, financial, and customs law.

Within the general system of state financial control, state financial control in customs has a particular place because it is directed at ensuring the lawful collection of state-budget revenue through customs payments. Budgetary control concerns the use of budget funds, while tax control addresses the correct calculation and payment of taxes. State financial control in customs, by contrast, focuses on verification of the customs value of goods, their classification and country of origin, correct determination of the tax base, application of customs privileges, and completeness of customs payments. It is therefore a specialised form of state financial control implemented within customs administration through specific administrative procedures.

Substantiating the independent status of state financial control in customs requires criteria that distinguish it from general customs control and other forms of state financial control. The theoretical analysis suggested that this distinction should not be based on individual functions or control procedures. It should instead rely on a system of institution-forming features that reflect the functional orientation, administrative-law character, and implementation of this form of control. On this basis, a system of institution-forming features of state financial control in customs was proposed by generalising doctrinal provisions of administrative, financial, and customs law and critically analysing approaches to the organisation of control activity (Abduazizov, 2022; Nurwanto & Abbas, 2025). The approaches were compared using three selection criteria: the feature had to characterise the legal character of state financial control; it had to distinguish this control from general customs control and other forms of state financial control; and it had to be reflected both in doctrinal approaches and in the specific legal regulation of control activity. Application of these criteria produced five interrelated institution-forming features which, taken together, characterise the administrative-law character of state financial control in customs (Table 1).

**Table 1.** Institutional features of state financial control in customs

| Institution-forming feature | Content of the feature | Importance for distinguishing it from customs control | Importance for distinguishing it from state financial control |
|---|---|---|---|
| Public-authority character | Control is exercised by authorised bodies on behalf of the state through public powers and, where provided by law, administrative coercion | Customs control covers a broad range of control actions relating to the movement of goods, whereas financial control concentrates on public powers aimed at ensuring the lawful generation of public revenue | Public powers are exercised within customs legal relations and are connected with fulfilment of customs obligations |
| Financial orientation | The principal object of control is the legality, correctness, and completeness of customs payments as a component of public financial resources | Customs control also performs security, authorisation, statistical, and regulatory functions that do not have a direct financial orientation | It differs from other forms of financial control because the financial result arises exclusively within international trade and customs administration |
| Administrative-procedural form of implementation | Control is carried out through administrative procedures defined by customs legislation and subject to procedural safeguards for participants in the legal relations | Unlike general customs control, the procedure is directed at verifying fulfilment of financial obligations | It differs through the use of special customs procedures that are not applied in budgetary, tax, or currency control |
| Risk-oriented character | Control measures are based on assessment of the risk of breaches of customs and financial legislation, which determines their scope and form | Risk is used not only to select objects of customs control but also to ensure effective control over the assessment of customs payments | Unlike other forms of financial control, risk assessment takes account of the specific features of foreign economic transactions and customs clearance |
| Combination of preventive and control functions | Control is directed both at preventing violations and at verifying lawful fulfilment of customs obligations | Customs control includes control of customs payments, whereas state financial control focuses on ensuring the legality of their assessment | The combination of the two functions integrates financial and administrative mechanisms of influence within a single control process |

**Source:** compiled by the author based on D.V. Pryimachenko & O.V. Tylchyk (2019), C. Harlow & R. Rawlings (2021), R. Laajaj *et al.* (2023)

Under the proposed systematisation, the specific character of state financial control in customs is determined by a combination of features rather than by any single one. Its financial orientation, administrative-procedural form of implementation, risk-oriented approach, and specific subject matter of control distinguish it from general customs control and other forms of state financial control. The definition of the institutional features of state financial control in customs is not a full explanation of its legal character without the definition of the principles of the relevant control powers. These principles define the boundaries of control activity, the content of administrative procedures and the permissible ratio of public financial interests of the state and payers' rights. The theoretical analysis served for systematisation of the principles of the state financial control in customs in terms of their functional purpose (Table 2).

**Table 2.** Systematisation of the principles of state financial control in customs by functional purpose

| Principle | Content of the principle | Functional purpose in the mechanism of state financial control |
|---|---|---|
| **Fundamental** | | |
| Rule of law | Control activity is carried out exclusively under law, with priority given to the protection of human rights and the public interest. | Defines the legal limits of control powers and ensures the legitimacy of administrative intervention. |
| Legality | All control measures are carried out in accordance with legislation and within the competence of authorised bodies. | Prevents arbitrary exercise of control powers. |
| Proportionality | The scope of control measures must correspond to the level of risk and the character of the possible violation. | Ensures that interference with payers' rights is proportionate to the purpose of control. |
| Legal certainty | Control procedures must be clear, predictable, and defined by law. | Ensures predictability of the legal consequences of control activity. |
| Equality before the law and non-discrimination | The same legal standards apply to all payers regardless of ownership form or type of activity. | Ensures the non-discriminatory character of control activity. |
| **Special** | | |
| Risk orientation | The intensity of control is determined by the results of assessing risks of breaches of customs legislation. | Improves the effectiveness of control measures and minimises unjustified inspections. |
| Objectivity | Control decisions are based on verified facts and proper evidence. | Ensures impartial assessment of control results. |
| Documentary substantiation | Each decision must be based on properly documented materials and evidence. | Strengthens the legal sustainability of control decisions and their capacity for judicial review. |
| Minimisation of administrative intervention | Control measures should impose only the minimum necessary burden on the payer. | Reduces administrative barriers and supports voluntary fulfilment of customs obligations. |
| Procedural fairness | Control procedures must ensure the right to be heard, the right to participate in the procedure, access to case materials, and the opportunity to provide explanations. | Ensures the procedural rights of payers and improves trust in the results of control activity. |
| Effectiveness | Control measures must achieve the purpose established by law with minimal administrative and time costs. | Supports effective control activity and efficient use of the resources of control bodies. |
| Balance between public financial interests and payers' rights | The exercise of control powers must provide proper protection of the financial interests of the state without disproportionate restriction of the rights and legitimate interests of payers. | Balances the fiscal effectiveness of control with safeguards for the rights of participants in customs legal relations. |

**Source:** compiled by the author based on P. Craig (2015), World Customs Organization (2021), L. Pech (2022), J. Anđelković (2023), Customs Code of Ukraine[1], Law of Ukraine No. 2073-IX[2], International Convention on the Simplification and Harmonization of Customs Procedures[3]

The practical implementation of these principles can be traced in all stages of state financial control in customs. The principle of legality requires that the customs authorities act only in the competence established by law. Proportionality is achieved by selecting the form and scope of customs control based on the level of risk. The risk-oriented approach in the risk-management system for selecting objects of control and the principle of documentary support of administrative decisions on the basis of appropriate evidence. Procedural fairness guarantees the right of a person to be heard, submit explanations, and challenge a decision of a customs authority. The principles of state financial control in customs therefore perform

[1] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[2] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.
[3] International Convention on the Simplification and Harmonization of Customs Procedures. (1973, May). Retrieved from https://treaties.un.org/doc/Publication/UNTS/Volume%201029/volume-1029-A-13561-English.pdf.

a regulatory function and also provide the normative basis for the administrative-law mechanism of control activity, defining the limits of public powers in relation to payers. Compliance with these principles is a necessary condition for lawful control procedures and effective judicial protection when the rights of participants in customs legal relations are infringed.

The theoretical analysis provided grounds for defining state financial control in customs as an independent, complex administrative-law institution. It is a system of control measures implemented by authorised bodies and regulated by administrative, financial and customs law, the purpose of which is to ensure the legality of the formation of public financial resources in the movement of goods across the customs border. This control is implemented through administrative procedures based on the rule of law, legality, proportionality, risk orientation, objectivity and a balance between the public financial interests of the state and the procedural rights of payers.

**Administrative-law mechanism for implementing state financial control in customs in Ukraine.** In practice, state financial control in customs is implemented through an administrative-law mechanism that links the normative, institutional, and procedural elements of control activity. Research on customs administration and customs law usually concentrates on the legal basis of control, the competence of authorised bodies, and the administrative procedures through which customs administrations exercise their control powers (Erkoreka, 2020; Lyons, 2025). This approach examines the separate components of control activity, while their functional relationship within a single administrative-law system receives less attention. The administrative-law mechanism for implementing state financial control in customs can be defined as a system of interrelated legal means, organisational elements, administrative procedures, information and analytical support, and procedural safeguards regulated by administrative, financial, and customs law. Through this system, the state performs its control function, authorised bodies exercise their powers, and payers' rights are protected during state financial control. The structural elements of this mechanism and their functional purposes are summarised in Table 3.

**Table 3.** Structural elements of the administrative-law mechanism for implementing state financial control in customs

| Structural element | Content of the element | Functional purpose in the mechanism of state financial control |
|---|---|---|
| Normative | The body of administrative, customs, and financial legislation that defines the legal basis of state financial control, the competence of authorised bodies, administrative procedures, and the rights of payers. | Forms the legal basis of control activity, defines the limits of public powers, and provides legal certainty for control procedures. |
| Institutional | The system of authorised bodies that exercise state financial control in customs, including their competence, interaction, and allocation of control powers. | Organises control activity, coordinates powers, and enables the functions of state financial control to be performed. |
| Procedural | Administrative procedures for control measures, application of the risk-management system, documentary control, post-clearance control, recording of inspection results, and adoption of administrative decisions. | Defines the sequence of control measures, supports lawful decision-making, and enables control powers to be exercised. |
| Information-analytical | Information resources, electronic systems, mechanisms for risk analysis and data processing, and information exchange between control bodies. | Provides the information basis for managerial decisions, improves the effectiveness of control, and supports the risk-oriented approach. |
| Safeguard | A system of administrative and procedural safeguards for payers' rights, requirements for substantiation of control decisions, and opportunities for administrative and judicial challenge. | Balances the public financial interests of the state with protection of payers' rights and ensures the legality of control activity. |

**Source:** compiled by the author based on N. Shpak *et al.* (2020), D. Widdowson (2020), O. Cherkunov (2026), Tax Code of Ukraine[1], Customs Code of Ukraine[2], Law of Ukraine No. 2073-IX[3]

The legal modelling produced a structural model of the administrative-law mechanism for implementing state financial control in customs. The model includes normative, institutional, procedural, information-analytical, and safeguard elements. These elements were found to be functionally interrelated and to support control activity only when they operate coherently. The model shifted the analysis from separate components to their interaction, functional purposes, and the administrative-law means used to ensure the legality of state financial control in customs. The proposed structure of the administrative-law mechanism acquires practical content through the legal recognition of each structural

[1] Tax Code of Ukraine. (2010, December). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2755-17.
[2] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[3] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.

element in the legislation of Ukraine. The normative element is represented by provisions of the Customs Code of Ukraine[1], the Tax Code of Ukraine[2], Law of Ukraine No. 2073-IX[3], Law of Ukraine No. 3166-VI[4], and the international standards of the World Customs Organization (2021), which define the legal basis of control activity.

The analysis of Articles 318, 336, and 344-1 of the Customs Code of Ukraine[5] provided grounds for stating that the legislative model of state financial control in customs combines preliminary, current, and post-clearance control. Article 318 defines the general principles of customs control and directs it towards minimising customs formalities while ensuring compliance with legislation. Article 336 establishes the forms of customs control used to verify the financial subject matter of state financial control. In particular, examination of documents and information, customs inspection, use of the risk-management system, documentary audits, and post-clearance control are applied to verify the customs value of goods, their classification under the Ukrainian Classification of Goods for Foreign Economic Activity (UCGFEA), confirmation of the country of origin, lawful application of customs privileges, correct determination of the tax base, and completeness of the calculation and payment of customs payments. The focus of these control procedures on the listed elements ensures implementation of the financial component of state financial control in customs. Article 344-1, however, reflects a shift from control carried out only during customs clearance towards post-clearance control, which allows the lawfulness of fulfilment of customs obligations to be assessed after customs procedures have been completed. Taken together, these provisions suggest that the legislature treats state financial control as a continuous process rather than a set of isolated control measures.

The complex character of legal regulation is also reflected in the interaction between the Customs Code of Ukraine[6] and the Tax Code of Ukraine[7]. Analysis of Articles 44 and 102 of the Tax Code of Ukraine revealed no duplication of customs legislation by financial-law rules. Instead, they support its operation by establishing rules for documentary confirmation of tax obligations and time limits for the exercise of control powers. This relationship means that the financial-law component of the administrative-law mechanism defines the substantive basis of control, while customs legislation sets the procedural order for exercising the relevant powers. The regulation of state financial control therefore has an intersectoral character and cannot be identified exclusively with either customs or financial control.

A separate level of the regulatory framework is formed by Law of Ukraine No. 2073-IX[8], which establishes general requirements for administrative bodies regardless of the area in which public powers are exercised. The provisions on legality, proportionality, substantiation of an administrative act, the right of a person to be heard, and the duty of an administrative body to give reasons for its decision suggest that administrative procedures are gradually changing from an internal organisational instrument of customs authorities into an independent mechanism for ensuring the legality of control activity. The administrative-law component of state financial control is therefore expressed not only through the competence of customs authorities but also through the legal recognition of procedural safeguards for participants in customs legal relations.

The regulatory model of state financial control in Ukraine is also shaped by the international standards of the World Customs Organization, particularly the International Convention on the Simplification and Harmonization of Customs Procedures[9] and the SAFE Framework of Standards to Secure and Facilitate Global Trade (World Customs Organization, 2021). Their implementation can be seen in the legal recognition of the risk-oriented approach, development of post-clearance control, use of electronic information systems, and gradual shift from comprehensive control towards selective control procedures based on risk assessment. This reflects the development of the normative element of the administrative-law mechanism from a model aimed mainly at detecting violations towards a model of customs risk management and voluntary compliance with customs obligations.

The normative element therefore performs a regulatory function by defining the competence of the

[1] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[2] Tax Code of Ukraine. (2010, December). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2755-17.
[3] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.
[4] Law of Ukraine No. 3166-VI "On Central Executive Authorities". (2011, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en/3166-17.
[5] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[6] Ibidem, 2012.
[7] Tax Code of Ukraine. (2010, December). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2755-17.
[8] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.
[9] International Convention on the Simplification and Harmonization of Customs Procedures. (1973, May). Retrieved from https://treaties.un.org/doc/Publication/UNTS/Volume%201029/volume-1029-A-13561-English.pdf.

bodies involved in state financial control, the administrative procedures through which it is exercised, and procedural safeguards for participants in customs legal relations. Overall, the regulatory framework provides a legal basis for control activity. Some administrative procedures, however, remain regulated by different legal acts, which complicates their integrated application. Interaction of the normative element with the institutional and procedural elements enables control powers to be exercised, while procedural safeguards and judicial review limit the possibility of arbitrary use of those powers.

The institutional element operates through a system of bodies vested with control powers in customs. The Ministry of Finance of Ukraine is responsible for forming state financial policy under Resolution of the Cabinet of Ministers of Ukraine No. 375-2014-p[1]. Direct customs control and post-clearance control, verification of the correct determination of customs value, classification of goods, country of origin, and completeness of customs payments fall within the competence of the State Customs Service of Ukraine and its territorial customs offices under Resolution of the Cabinet of Ministers of Ukraine No. 227-2019-p[2]. The authority of these bodies is different in nature and is exercised at different levels of the administrative-law mechanism. The Ministry of Finance of Ukraine develops state customs policy, defines the main directions of its implementation, carries out legal regulation of customs affairs, develops legal acts, coordinates the work of the State Customs Service of Ukraine, provides methodological support in the sphere of customs policy, ensures the adaptation of customs legislation of Ukraine to the legislation of the European Union. The powers of the Ministry of Finance are mainly strategic, coordinating and law-making, and do not include direct control procedures of particular participants in foreign economic activity.

Unlike the Ministry of Finance, the State Customs Service of Ukraine implements state customs policy by organising the system of customs authorities and exercising control powers. Its competence includes organising customs control and collection of customs payments, coordinating customs offices, organising post-clearance control, maintaining the risk-management system, information and analytical resources, and electronic information systems, adopting individual administrative decisions within the powers established by law, and generalising the practice of applying customs legislation. The State Customs Service therefore combines managerial, organisational, and control functions and provides the practical implementation of state customs policy.

Control procedures at customs offices are carried out by them personally, and they have public powers in relation to some participants of foreign economic activity. They carry out customs control and customs clearance of goods, check documents and information, apply the forms of customs control provided for by The Customs Code of Ukraine, check the correctness of determination of customs value, classification by the Ukrainian Classification of Goods for Foreign Economic Activity (UCGFEA), country of origin, lawful use of tariff privileges, completeness of calculation and payment of customs payments. Customs offices also conduct documentary audits and post-clearance control, adopt decisions on adjustment of customs value, classification of goods, and determination of country of origin, draw up reports on violations of customs rules, and adopt other individual administrative acts provided for by customs legislation. Customs offices are therefore the bodies that directly exercise control powers in relation to participants in foreign economic activity.

This division of competence supports functional interaction between three levels of public administration. The Ministry of Finance of Ukraine provides the normative and strategic basis for customs policy, the State Customs Service of Ukraine organises its implementation and coordinates customs offices, and customs offices directly conduct the administrative procedures of state financial control and adopt individual administrative decisions concerning particular parties. This division of competence supports the legality of control powers, the proper sequence of administrative procedures, and procedural safeguards for the rights of participants in customs legal relations. The institutional element therefore performs an organisational function through a clear division of competence between the Ministry of Finance of Ukraine, the State Customs Service of Ukraine, and customs offices. The legal allocation of powers generally prevents duplication of functions, although some aspects of coordination of control activity require further improvement. Interaction of the institutional element with the normative and procedural elements enables control powers to be exercised, while legally defined limits of competence and procedural safeguards prevent their arbitrary use.

The procedural element of the administrative-law mechanism for implementing state financial control in customs defines the legally established sequence in which customs authorities exercise control powers.

[1] Resolution of the Cabinet of Ministers of Ukraine No. 375-2014-p "On Approval of the Regulation on the Ministry of Finance of Ukraine". (2014, August). Retrieved from https://zakon.rada.gov.ua/laws/show/en/375-2014-%D0%BF.
[2] Resolution of the Cabinet of Ministers of Ukraine No. 227-2019-p "On Approval of the Provisions on the State Tax Service of Ukraine and the State Customs Service of Ukraine". (2019, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en/227-2019-%D0%BF.

Its principal legal basis is provided by Articles 318, 320, 336, 344-1, and 361 of the Customs Code of Ukraine[1], which regulate the grounds, forms, scope, and procedure of state financial control and the requirements for administrative decisions. The institutional element defines the competence of authorised bodies, whereas the procedural element establishes how their control powers are exercised in practice.

Control procedures are carried out in cases defined by the Customs Code of Ukraine, such as submission of a customs declaration, application of the risk-management system, detection of signs of a breach of customs legislation or the need for post-clearance control. Depending on identified risks, customs authorities may carry out documentary control, customs inspection and verification of the correct customs value, classification of goods under the UCGFEA, country of origin, justification for customs privileges, correct determination of the tax base, completeness of the calculation and payment of customs payments. The financial subject matter of state financial control is summarised in Table 4.

**Table 4.** Financial subject matter of state financial control in customs and the consequences of control decisions

| Subject of control | Content of verification | Possible financial consequences |
|---|---|---|
| Customs value of goods | correct determination of customs value and its documentary substantiation | additional assessment or reduction of customs payments |
| Classification of goods (UCGFEA) | correct classification of goods | change in duty rates, additional assessment of payments |
| Country of origin of goods | lawful application of rules of origin | application or withdrawal of preferential rates |
| Tax base | correct determination of the basis for calculating customs duty, VAT, and excise duty | recalculation of tax liabilities |
| Customs privileges | justification for exemptions and preferential regimes | withdrawal of privileges, additional assessment of payments |
| Completeness and timeliness of customs payments | correct and complete fulfilment of the financial obligation | recovery of underpaid amounts, financial penalties, or refund of overpaid funds |

**Source:** compiled by the author based on Tax Code of Ukraine[2], Customs Code of Ukraine[3], Law of Ukraine No. 2073-IX[4]

Under this systematisation, administrative procedures are directed not only at checking compliance with customs formalities but primarily at verifying the financial indicators on which state-budget revenue depends. Verification of customs value, classification of goods, country of origin, tax base, customs privileges, and completeness of customs payments determines whether additional payments may be assessed, financial sanctions imposed, or overpaid amounts refunded. Further implementation of the administrative procedure involves documentary control and post-clearance audits. Documentary control verifies the reliability of documents and information submitted during customs clearance, while post-clearance control extends verification of financial indicators and fulfilment of the customs obligation beyond completion of customs formalities. Completion of customs clearance therefore does not end state financial control; it changes only the procedural form through which the control is implemented. The final stage of the administrative procedure is the adoption of an individual administrative act following the control measures. Such acts include decisions on adjustment of customs value, determination of a goods code, confirmation or refusal of preferential treatment, additional assessment of customs payments, issue of a refusal card, and other decisions provided for by customs legislation. These decisions are adopted in accordance with the Customs Code of Ukraine[5] and Law of Ukraine No. 2073-IX[6].

Implementation of the administrative procedure is accompanied by procedural safeguards for participants in customs legal relations. They include the right to be heard, the right to submit documents, explanations, and objections, the duty of the customs authority to adopt a reasoned administrative decision, access to case materials, compliance with procedural time limits, and the right to administrative and judicial challenge of the adopted decision. These safeguards support the legality of control powers and restrict their arbitrary exercise. The procedural element therefore performs a procedural function by

[1] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[2] Tax Code of Ukraine. (2010, December). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2755-17.
[3] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[4] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.
[5] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[6] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.

defining how the control powers of customs authorities are exercised. Its interaction with the information-analytical element supports application of the risk-oriented approach, while the safeguard element sets procedural limits on administrative intervention by protecting the rights of participants in customs legal relations. The regulatory framework generally preserves the integrity of the administrative procedure, although some procedures for post-clearance control and documentary audits require further specification.

The information-analytical element is implemented through the automated risk-management system, electronic declarations, information resources of the State Customs Service, information exchange between public authorities, and customs-risk analysis mechanisms provided for by the Customs Code of Ukraine[1] and the international standards of the World Customs Organization (2021). This element performs a supporting function by providing the information base for control decisions. Its interaction with the procedural element enables use of the risk-management system and electronic information resources, while legally established requirements for the use of information safeguard the legality of administrative decisions. Further development of this element is associated with the digitalisation of customs administration and integration of information systems of public authorities.

The safeguard element is supported by legal recognition of the right to be heard, the right to participate in an administrative procedure, the duty of a customs authority to give reasons for an administrative decision, the possibility of administrative and judicial challenges to customs decisions, and the procedural safeguards established by Law of Ukraine No. 2073-IX[2], the Customs Code of Ukraine[3], and the practice of the Supreme Court. This element performs a protective function by safeguarding the procedural rights of participants in customs legal relations and the legality of control powers. It interacts with the normative, institutional, procedural, and information-analytical elements of the mechanism, defines the limits of administrative intervention, and enables effective administrative and judicial protection. Further development of the safeguard element is associated with the application of Law of Ukraine No. 2073-IX and the development of common standards for the administrative activity of customs authorities. The analysis therefore established that the administrative-law mechanism for implementing state financial control in customs is a system of interrelated normative, institutional, procedural, information-analytical, and safeguard elements whose operation supports the lawful exercise of control powers by customs authorities. The practical effectiveness of this mechanism depends not only on the legal regulation of its individual components but also on how they are applied in legal practice.

**Procedural safeguards for payers and judicial review of the legality of decisions by customs authorities.** Procedural safeguards for payers in state financial control are not limited to the formal recognition of relevant rights in customs or administrative legislation. Their content is specified through the application of legal rules during judicial review of customs decisions. Supreme Court practice clarifies standards for the exercise of discretionary powers by customs authorities, requirements for the reasoning of administrative acts, the limits of control procedures, and the content of procedural safeguards for participants in customs legal relations. These safeguards include proper notification of control measures where required by law, access to the materials on which a decision was based, the right to submit explanations, documents, and objections, the right to legal assistance, compliance with procedural time limits, the possibility of an administrative challenge to a customs decision, and the right to effective judicial protection, including judicial review of legality, substantiation, proportionality, and adequacy of reasoning in administrative decisions. Analysis of the legal positions developed by the Supreme Court in cases concerning determination of customs value and the related administrative procedures clarified particular features of the procedural and safeguard elements of the administrative-law mechanism of state financial control in customs. Administrative challenge of customs decisions is a procedural safeguard for payers, as it provides a means of remedying possible violations without recourse to court. Decisions on adjustment of customs value, classification of goods under the UCGFEA, determination of country of origin, refusal to apply tariff privileges, and other individual administrative acts of customs authorities may be challenged through the administrative procedure. Such complaints are submitted to the State Customs Service of Ukraine as the higher-level body under Chapter 4 of the Customs Code of Ukraine[4] and Law of Ukraine No. 2073-IX[5]. Legislation establishes

[1] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[2] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.
[3] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[4] Ibidem, 2012.
[5] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.

time limits for filing and considering complaints, requires the authority to provide a reasoned decision, and guarantees the right of the person to submit explanations, additional documents, and evidence in support of their position. Generalisation of this category of cases identified procedural safeguards that have become consistently applied specifically in disputes over verification of the correct determination of customs value and the adoption of the relevant administrative decisions (Table 5).

**Table 5.** Procedural safeguards for payers in Supreme Court practice and their importance for the administrative-law mechanism of state financial control in customs

| Procedural safeguard | Generalisation of the legal positions of the Supreme Court | Judicial practice | Importance for the administrative-law mechanism |
|---|---|---|---|
| Reasoning of the administrative decision | A decision of a customs authority must contain specific reasoning on the established circumstances, the reasons for doubt, and the legal grounds for control measures. A formal reference to information databases or a difference in customs value is not regarded as sufficient reasoning. | No. 200/6521/20-a [1]; No. 804/5249/16[2]; No. 480/859/19[3]; No. 817/1500/17[4] | Enables review of the legality of administrative decisions and effective judicial control. |
| Justification for additional control procedures | Additional documents may be requested only where specific facts suggest that the declared information may be unreliable. A deviation of customs value from statistical indicators does not in itself provide sufficient grounds for additional control. | No. 804/5249/16; No. 480/859/19; No. 817/1353/17 | Limits unjustified expansion of the control powers of customs authorities. |
| Right to participate in the administrative procedure | The declarant must be informed of the specific circumstances that gave rise to the doubts of the customs authority and must have an opportunity to submit documents needed to address them before the administrative decision is adopted. | No. 480/859/19; No. 804/5249/16; No. 817/1500/17 | Ensures the principles of adversarial procedure and openness of the administrative procedure and the right to be heard. |
| Limits of discretionary powers of customs authorities | The fallback method for determining customs value or other discretionary powers may be used only after proper justification of why the preceding control methods cannot be applied. | No. 804/5249/16; No. 480/859/19; No. 817/1500/17 | Defines the legal limits of control powers and prevents their arbitrary use. |
| Standards of proof in customs disputes | The burden of proving the legality of an administrative decision rests with the customs authority, which must establish factual and legal grounds for control measures or for holding a person liable. | No. 166/574/17[5]; No. 804/5249/16 | Maintains a balance between the public interest of the state and the procedural rights of payers during state financial control. |

**Source:** compiled by the author

Generalisation of the analysed category of court cases shifted the analysis from individual procedural safeguards to the role of judicial review within the administrative-law mechanism for implementing state financial control in disputes concerning the customs value of goods. The normative, institutional, and procedural elements determine how customs authorities exercise control powers, whereas judicial review verifies the legality of the use of those powers within the category of disputes examined.

A particular feature of judicial review in customs is that the court examines not the expediency of an administrative decision but the legality of the procedure by which it was adopted and the sufficiency of its factual and legal basis. In Supreme Court practice, the legality of decisions by customs authorities is assessed through several related aspects: the existence of legal grounds for control measures, compliance with administrative procedure, justification for the exercise of discretionary powers, sufficiency of the evidence, and consistency of the decision with principles of administrative law. Judicial review therefore covers not only the final result of control activity but also the entire process through which state financial control is implemented.

This approach corresponds to Article 2 of the Code of Administrative Judicial Procedure of Ukraine (CAJPU)[6], under which an administrative court reviews whether a decision of a public authority was adopted on the grounds, within the powers, and in

[1] Resolution of July 13, 2021 in case No. 200/6521/20-a. (2021, July). Retrieved from https://reyestr.court.gov.ua/Review/98306315.
[2] Resolution of 17.11.2020 in case 804/5249/16. (2020, November). Retrieved from https://opendatabot.ua/court/92902373-797101ae607e5f61c651218ac373c8af.
[3] Resolution of 01/27/2021 in case 480/859/19. (2021, January). Retrieved from https://opendatabot.ua/court/94458250-7a49b9d6cf1cb32ba4cea4e46308fc8a.
[4] Resolution of 10.01.2024 in case 817/1500/17. (2024, January). Retrieved from https://opendatabot.ua/court/116212276-72d722893988cbb2c8d9d9b411be0c1e.
[5] Resolution of 18.11.2022 in case 166/574/17. (2022, November). Retrieved from https://opendatabot.ua/court/107428960-0e1226d9473d0adfbf00c3dd45415d89.
[6] Code of Administrative Judicial Procedure of Ukraine. (2005, July). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2747-15.

the manner established by law and also assesses its substantiation, proportionality, good faith, and reasonableness. Under Article 77 of the CAJPU, the burden of proving the legality of a decision, action, or inaction rests with the public authority. This is one of the main procedural safeguards for a payer in disputes concerning state financial control in customs. In practical terms, the declarant is not required to prove that a customs decision was unlawful. The customs authority must establish sufficient factual and legal grounds for requesting additional documents, adjusting customs value, or adopting another administrative decision. If such evidence is not provided or does not support the circumstances relied upon, the court declares the decision unlawful. This allocation of the burden of proof maintains procedural balance between a private party and a public authority.

Analysis of judicial practice established that the Supreme Court does not substitute itself for customs authorities when control powers are exercised and does not determine the correct customs value or select a form of customs control in place of the authorised authority. The court checks whether the customs office acted within the powers established by law, whether the prescribed administrative procedure was followed, whether the decision was based on proper evidence, and whether its reasoning corresponded to the factual circumstances of the case. Judicial review thus operates as a procedural mechanism for ensuring the legality of administrative activity without disturbing the division of competence between public authorities and the court.

The legal positions developed by the Supreme Court in the category of cases examined affect the practice of state financial control when the correct determination of customs value is verified. Judicial requirements concerning the reasoning of administrative decisions, justification for additional control procedures, implementation of the declarant's right to participate in the administrative procedure, and support of decisions by proper evidence establish standards for customs authorities specifically when these control procedures are carried out. Considered together, the provisions of customs and administrative procedural legislation and the legal positions of the Supreme Court establish procedural safeguards not as separate rights of a payer but as a sequential mechanism of protection at different stages of state financial control. This approach traces the relationship between administrative and judicial remedies and identifies the place of each procedural safeguard in ensuring the legality of control activity (Table 6).

**Table 6.** Model for protecting a payer's rights during state financial control in customs

| Stage of protection | Main procedural safeguards | Result of the safeguards |
|---|---|---|
| Before adoption of an administrative decision | Notification of the person about control measures (where required by law), access to materials, the right to submit documents, explanations, and objections, and access to legal assistance | Full and objective establishment of the factual circumstances and prevention of unjustified administrative intervention |
| During adoption of an administrative decision | Duty of the customs authority to act within its competence, compliance with administrative procedure, adequate reasoning of the decision, and adoption of the decision based on proper and admissible evidence | Adoption of a lawful, substantiated, and proportionate administrative act |
| Administrative challenge | Right to challenge the decision of the customs authority before a higher-level body, submission of additional evidence and explanations, and a duty to re-examine the legality and substantiation of the decision | Remedy of violations without recourse to court and restoration of infringed rights through the administrative procedure |
| Judicial protection | Review of legality under Article 2 of the CAJPU, allocation of the burden of proof under Article 77 of the CAJPU, the possibility of interim relief, and annulment of an unlawful decision | Effective judicial review of customs authorities and final restoration of infringed rights |

**Source:** compiled by the author based on Code of Administrative Judicial Procedure of Ukraine[1], Tax Code of Ukraine[2], Customs Code of Ukraine[3], Law of Ukraine No. 2073-IX[4]

The proposed model shows that effective protection of a payer's rights is achieved not through a single procedural safeguard but through their sequential operation at all stages of state financial control, from the administrative procedure to administrative and judicial challenge of the adopted decision. This integrated arrangement reduces the risk of unsubstantiated administrative acts and gives practical effect to the principles of legality, proportionality, due administrative procedure, and effective judicial protection. The analysis identified several directions for improving procedural safeguards for payers. The

[1] Code of Administrative Judicial Procedure of Ukraine. (2005, July). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2747-15.
[2] Tax Code of Ukraine. (2010, December). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/2755-17.
[3] Customs Code of Ukraine. (2012, March). Retrieved from https://zakon.rada.gov.ua/laws/show/en-pt/4495-17.
[4] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.

procedure for administrative challenge of certain categories of customs decisions should be clarified in legislation, opportunities for electronic participation in administrative procedures should be expanded, mechanisms for access to case materials should be improved, requirements for the reasoning of administrative acts should be specified in greater detail, and administrative procedures should be unified in accordance with Law of Ukraine No. 2073-IX[1]. These measures would improve the predictability of administrative activity by customs authorities and provide more effective protection of the rights of participants in customs legal relations.

The study identified the main features of the administrative-law mechanism for implementing state financial control in customs. The risk-oriented approach, which scientific literature treats as one principle of customs administration, operates in conjunction with administrative procedures, procedural safeguards for payers, and judicial review of the legality of customs decisions. State financial control can therefore be considered as a system of interrelated normative, institutional, procedural, and safeguard elements, each performing a separate function in the exercise of control powers.

The results are related to the conclusions of M. Ylönen & T. Aven (2023), who treated integration of the risk-management system with customs-intelligence analytical tools as part of the organisation of customs and border control. Their study analysed the use of information models for managerial decisions under uncertainty and increasing cross-border risks and considered the relationship between analytical support and risk assessment. Administrative procedures for the exercise of control powers and procedural safeguards for participants in customs legal relations were not examined separately. The present analysis extends that approach by arguing that risk-assessment results are used within an administrative procedure and that the legality of decisions based on those results is secured through judicial review.

D. Widdowson (2020) examined another aspect of risk-oriented control, linking integrated customs risk management with differentiated forms of control and voluntary compliance with customs legislation. The author argued that control measures should be selected according to the level of identified risk, allowing customs administrations to use their resources more efficiently. The present results do not contradict this approach, but they also show that a risk-oriented model depends on legally defined grounds for additional control procedures, adequate reasoning of administrative decisions, and the possibility of subsequent judicial review. Risk management in customs is therefore treated not as an autonomous administrative tool but as one element of the administrative-law mechanism of state financial control.

A related research direction was presented by O. Fedotov & O. Zotenko (2020), who examined the use of risk-management systems during customs inspection of goods. The researchers analysed methods for identifying risky transactions and the use of automated information processing in the organisation of customs control. Their work focused mainly on the organisational and technological aspects of the risk-management system. The present analysis extends these conclusions by showing the relationship of risk-oriented control with administrative procedure, procedural safeguards for payers, and judicial review of the legality of control powers. A similar approach appeared in A. Stoyanova & V. Marinova (2023), who treated risk management as an instrument for organising the activities of customs administrations when controlling foreign economic transactions. The authors linked the risk-oriented approach with concentrating control measures on transactions characterised by higher risk. The present study is consistent with this conclusion, but it also suggests that practical implementation of risk-oriented control depends not only on risk-assessment procedures but also on the legal regulation of the administrative procedures within which control powers are exercised. Risk management is therefore a component of the administrative-law mechanism rather than an independent model of customs control.

S. Karklina-Admine *et al.* (2024) generalised the main directions in the development of customs risk-management systems. The researchers associated further development with digitalisation of administrative procedures, use of data-analysis technologies, automation of decision-making, and inter-agency information exchange. The present results generally correspond to these conclusions but extend them by including the administrative-law aspect of the exercise of control powers. Regardless of how information and analytical support for customs control is organised, the relevant tools are used within an administrative procedure, and the resulting decisions are subject to review for legality, substantiation, and adequate reasoning. Unlike the studies considered, which focus mainly on organisational and technological aspects of customs risk management, the present results support treating the risk-oriented approach as a component of the administrative-law mechanism of state financial control. Its operation is determined by interaction between normative, institutional, procedural, and safeguard elements.

[1] Law of Ukraine No. 2073-IX "On Administrative Procedure". (2022, February). Retrieved from https://zakon.rada.gov.ua/laws/show/en/2073-20.

The study established that state financial control in customs involves not only control procedures but also compliance with procedural requirements when administrative decisions are adopted. In Supreme Court practice, the legality of customs decisions is assessed by examining the adequacy of their reasoning, the existence of factual grounds for control measures, compliance with administrative procedure, and protection of the right of a person to participate in decision-making. Procedural safeguards are therefore an integral component of the administrative-law mechanism for implementing state financial control and not merely a procedural stage of customs control. V. Petrosian (2023) considered a related issue in a study of the legal character of binding customs rulings in Canadian legislation and the possibility of using this experience in European countries. The work analysed the procedure for advance rulings by customs authorities, their legal certainty, and their importance for predictable administrative practice. The present study is consistent with this approach but extends it through analysis of procedural requirements for individual administrative decisions in state financial control. Legal certainty of an administrative act depends not only on regulation of its content but also on compliance with administrative procedure, adequate reasoning, and the possibility of judicial review of legality.

The legal characteristics of customs decisions were also examined by O. Drofich (2022), who considered the adoption, amendment, and withdrawal of customs decisions under the law of the United States of America. The author analysed the legal basis for the stability of administrative acts and the procedure for their review when factual or legal circumstances change. The present analysis, by contrast, focused not on the legal characteristics of the administrative act itself but on the procedural conditions of its adoption and subsequent review. This provides grounds for treating a decision of a customs authority not only as the result of control powers but also as an element of administrative procedure whose legality depends on a combination of substantive and procedural requirements.

E.S. Addin (2025) addressed another aspect of administrative activity by examining the relationship between administrative efficiency and procedural safeguards in public authorities. The study argued for combining efficient administrative procedures with the right to be heard, adequate reasoning of administrative acts, and procedural fairness. The present results generally correspond to these propositions but illustrate their operation in state financial control in customs. Analysis of Supreme Court practice established that procedural safeguards define the limits of discretionary powers of customs authorities and allow the legality of administrative decisions to be reviewed regardless of the control procedures applied.

Most researchers discussed above examined separate aspects of customs administration, focusing either on the organisation of risk-oriented control, the legal characteristics of administrative decisions, or general principles of administrative procedure. The present analysis instead integrated these components within a single model of the administrative-law mechanism for implementing state financial control in customs. In the proposed approach, legal regulation, institutional organisation, administrative procedures, procedural safeguards, and judicial review are interrelated elements whose interaction supports the exercise of control powers by customs authorities.

## Conclusions

The presented study substantiated the treatment of state financial control in customs as a complex intersectoral legal phenomenon formed at the intersection of administrative, financial, and customs law. Its specific character is determined by the combination of a distinct subject matter of control, special administrative procedures, a risk-oriented approach, a system of procedural safeguards, and functional interaction between authorised bodies when ensuring the lawful assessment of customs payments.

The principles of state financial control were systematised according to their functional purpose by distinguishing fundamental and special principles. General legal principles define the limits of control powers and ensure the legitimacy of administrative intervention, whereas special principles specify the operation of state financial control within customs legal relations. The administrative-law mechanism for implementing state financial control in customs was found to consist of interrelated normative, institutional, procedural, information-analytical, and safeguard elements whose operation enables customs authorities to exercise control powers. These elements do not operate in isolation. Their continuous interaction supports the control function of the state at all stages of customs administration. Analysis of the legally defined powers of the bodies involved in state financial control in customs established a functional division of competence. The Ministry of Finance of Ukraine forms state financial and customs policy, provides legal regulation, and coordinates activity in this field. The State Customs Service of Ukraine organises implementation of the control function, while customs offices directly carry out control measures and adopt individual administrative decisions on customs value, classification of goods under the UCGFEA, country of origin, correct application of customs privileges, the tax base, and completeness of customs payments.

As part of the study, the legal positions of the Supreme Court were generalised in six administrative cases, and the procedural safeguards for payers that have developed in the resolution of customs disputes

were systematised. These safeguards include requirements for adequate reasoning of administrative decisions, justification for additional control procedures, protection of the right to participate in the control process, observance of the limits of discretionary powers of customs authorities, and proper standards of proof. Judicial protection was found to have a central role in securing these safeguards. Requiring the customs authority to prove the legality of its decision (Article 77 of the CAJPU) and judicial review of the substantiation, proportionality, and reasoning of the decision (Article 2 of the CAJPU) turn judicial review from a formal stage of challenge into an effective mechanism for restoring an infringed right of a payer. These procedural safeguards not only protect payers' rights but also define legal standards for the exercise of control powers by customs authorities. A limitation of the study is that the review of judicial practice mainly covered disputes concerning determination of the customs value of goods. The conclusions therefore relate primarily to this category of customs disputes. Further research may develop methodological approaches for assessing the effectiveness of the administrative-law mechanism of state financial control in customs, examine its operation under the digitalisation of customs administration, and analyse the influence of international standards and European Union practice on procedural safeguards and judicial protection of payers' rights in customs control.

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## Conflict of Interest

None.

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# Державний фінансовий контроль у митній сфері: адміністративно-правовий механізм реалізації та судовий захист прав платників

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■ **Анотація.** Метою дослідження був аналіз теоретико-правових засад й адміністративно-правового механізму державного фінансового контролю в митній сфері, а також процесуальних гарантій захисту прав платників. У дослідженні використано аналіз наукової літератури, метод теоретичної систематизації, формально-юридичний метод і метод узагальнення судової практики, що дало змогу обґрунтувати адміністративно-правовий механізм реалізації державного фінансового контролю в митній сфері, проаналізувати нормативно-правові засади його функціонування та узагальнити процесуальні гарантії платників, сформовані в практиці Верховного Суду. Визначено адміністративно-правову природу державного фінансового контролю в митній сфері та запропоновано його визначення як самостійного комплексного адміністративно-правового інституту, що поєднує норми адміністративного, фінансового й митного права. Сформовано систему з п'яти системоутворювальних інституційних ознак державного фінансового контролю в митній сфері, до якої віднесено публічно-владний характер, фінансову спрямованість, процесуальну форму реалізації, ризик-орієнтований характер і поєднання превентивної та контрольної функцій. Розроблено функціональну систематизацію принципів державного фінансового контролю, у межах якої виокремлено фундаментальні та спеціальні принципи, що визначають межі реалізації контрольних повноважень і забезпечують баланс між публічними фінансовими інтересами держави та процесуальними правами платників. Узагальнено структурні елементи адміністративно-правового механізму реалізації державного фінансового контролю в митній сфері та запропоновано їх функціональну характеристику. Виявлено, що процедурний елемент виконує інтегрувальну функцію, забезпечуючи взаємодію інших структурних складових механізму через процедури здійснення контролю. Встановлено, що судовий контроль забезпечує перевірку законності процедури здійснення контролю, конкретизує межі реалізації дискреційних повноважень митних органів і формує єдині стандарти застосування митного законодавства. Практичне значення отриманих результатів полягає в можливості їх використання митними органами під час реалізації контрольних повноважень, судами для вирішення митних спорів, а також у нормотворчій діяльності з удосконалення адміністративно-правового регулювання державного фінансового контролю в митній сфері

■ **Ключові слова:** митний контроль; державний фінансовий контроль; судовий захист платників; дискреційні повноваження; ризик-орієнтований підхід; судова практика Верховного Суду