

THE ROLE OF THE MINISTRY OF FINANCE OF UKRAINE IN SHAPING STATE CUSTOMS POLICY: ECONOMIC AND LEGAL ASPECT

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Abstract. *The subject* of the study is to clarify the role of the Ministry of Finance of Ukraine in shaping state customs policy from both economic and legal perspectives. *Research purpose:* to analyze the framework of concepts and categories, examine the current state of statutory regulation, including economic component, and determine the role of the Ministry of Finance of Ukraine in shaping state customs policy. *Methodology:* the study employs both general and specific methods of scientific knowledge, namely, systems analysis, the dialectical method, formal logic, as well as structural and functional approaches. *Results:* the role of the Ministry of Finance of Ukraine in shaping state customs policy is examined from both economic and legal perspectives. The article analyzes the key functions and powers of the Ministry of Finance of Ukraine in the customs sphere, as well as its influence on the development of customs legislation and its practical implementation. Particular attention is given to the fiscal function of state customs policy and its impact on the formation of the State Budget of Ukraine. The regulatory legal acts governing the activities of the Ministry of Finance of Ukraine in the field of state customs policy are analyzed. It is noted that there are inconsistencies between the customs legislation and the normative legal acts defining the competence of the Ministry of Finance of Ukraine in shaping state customs policy that results in legal uncertainty in practice. The author emphasizes the need to strengthen the institutional capacity of the Ministry of Finance of Ukraine in shaping state customs policy. It is proposed that the term “institutional capacity of the Ministry of Finance of Ukraine” be understood as the Ministry’s ability to effectively exercise its legally defined functions and powers in order to ensure the sustainable development of the national economy, effective public finance management, and the implementation of state financial policy. It is substantiated that the institutional capacity of the Ministry of Finance of Ukraine may comprise the following components: 1) an efficient and transparent corporate structure ensuring a clear division of functions and powers; 2) talent capacity (in particular, the presence of highly qualified and motivated personnel with the relevant knowledge and skills to perform their duties); 3) information technologies for collecting, processing, and analyzing data essential for informed decision-making; 4) a well-defined and effective legal framework regulating the activities of the Ministry of Finance of Ukraine and its interaction and coordination with customs authorities; 5) international cooperation, involving active engagement in order to exchange experience and attract best practices in customs coordination and public finance management. It is concluded that strengthening the institutional capacity of the Ministry of Finance of Ukraine is essential for ensuring the sustainable development of the national economy and the effective management of public finances. The Ministry of Finance of Ukraine plays a pivotal role in shaping state customs policy, and its activities exert a significant influence on the country’s economic development.

Keywords: Ministry of Finance of Ukraine, state customs policy, economic security, international trade, customs authorities, budget, financing, personnel appointments, sustainable development, financial policy, coordination, State Customs Service of Ukraine.

JEL Classification: F52, F13, H61, Q01, F38

1. Introduction

First and foremost, it should be emphasized that state customs policy plays a crucial role in ensuring

the economic security of the country, replenishing the state budget, and promoting the development of international trade. The effective formulation and

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implementation of state customs policy have become particularly relevant in the context of globalization, Ukraine's integration into the European Union, and the imposition of martial law.

The Ministry of Finance of Ukraine is the central executive authority responsible for shaping and implementing state customs policy. It performs statutory regulation of state customs, determines strategic directions for the development of the customs sector, and oversees customs authorities.

It is assumed that the efficiency of the Ministry of Finance of Ukraine in the field of state customs policy has a significant impact on domestic economic development. However, imperfections in customs legislation, ongoing reorganization reforms, inadequate financing of customs authorities, and insufficient control and coordination over these authorities lead to the inefficiency of state customs policy and substantial losses to the State Budget. Therefore, it is necessary to study the role of the Ministry of Finance of Ukraine in shaping state customs policy both from economic and legal perspectives, as well as to assess its institutional capacity. An analysis of the Ministry's functions and powers, alongside the identification of existing problems and shortcomings, will allow formulating recommendations aimed at improving state customs policy.

2. Fiscal Function of State Customs Policy and Its Impact on the Formation of the State Budget of Ukraine

State customs policy is a key instrument of national economic policy that ensures the corresponding revenues to the State Budget of Ukraine. Budget revenues largely depend on the effective formulation and implementation of state customs policy, which in turn contributes to domestic financial stability and the execution of socio-economic programs. Therefore, studying the impact of the fiscal function of state customs policy on the formation of Ukraine's State Budget is particularly relevant.

According to the Customs Code of Ukraine, the term "state customs policy" is defined as: a) a system of principles and directions of state activity aimed at protecting customs interests and ensuring the customs security of Ukraine, regulating foreign trade, protecting the domestic market, promoting the development of Ukraine's economy, and facilitating its integration into the global economy; b) an integral part of state economic policy. As a general rule, the implementation of customs policy is entrusted to customs authorities (Customs Code of Ukraine, 2012).

At the theoretical level, scholars have yet to reach a consensus on a single definition of the term "*state customs policy*". Consequently, this study analyzes several existing scientific approaches. According to

D.V. Pryimachenko, "*customs policy*" is defined as a system of measures regulating the import, export, and transit of goods and other items crossing the state's borders, including their customs taxation, clearance, and control (Pryimachenko, 2006).

In turn, A. V. Mazur defines state customs policy as a type of state policy, whose primary functional purpose is to ensure the protection of national interests and security of Ukraine in the political, economic, social, environmental, and other spheres (Mazur).

The definition of "*state customs policy*" presented on the official websites of public authorities responsible for its implementation warrants particular attention. Notably, the Ministry of Finance of Ukraine defines state customs policy as the state activity aimed at protecting Ukraine's customs interests and security, aligning customs legislation and technological tools with European standards, creating conditions for the development of international trade and its integration into the global economy, as well as safeguarding the domestic market (Official website of the Ministry of Finance of Ukraine).

A comparative analysis of the above definitions of "*state customs policy*" allows us to draw the following conclusions: a) they reflect various aspects and levels of understanding – from legislative to academic and institutional. Despite the variations in wording, they share common key elements and focal points; b) although a single, unified definition is lacking, the analyzed approaches consistently regard state customs policy as an integral component of public administration with a multi-dimensional character.

At the legislative and institutional levels, it is regarded as a tool for achieving broad state objectives – ranging from fiscal (customs revenue generation) and security-related (protection of national interests) to economic (trade regulation and economic development) and foreign economic (integration into the global economy and alignment with European standards) that underscores its strategic importance for the state.

Scientific approaches partially complement the legislative definition of this complex and multi-vector phenomenon, although they emphasize different aspects (operational, as in the definition of D.V. Pryimachenko, or broader conceptual as presented by A.V. Mazur). They expand the understanding of state customs policy beyond a mere set of rules, framing it as a dynamic system of interrelated measures aimed at achieving national priorities. The variation in terminology reflects both the complexity of the subject and the diverse analytical lenses through which it can be examined (legal, economic, managerial, etc.).

Therefore, it can be concluded that state customs policy in Ukraine constitutes a complex and multifunctional system that combines regulatory, protective, fiscal, and

integration functions. It encompasses not only direct customs control measures but also strategic objectives, including the safeguarding of national security, the promotion of economic development, and the harmonization with international standards.

In addition, the meaning of the legal category “state customs policy” may be further clarified through its inherent functions, which directly reflect the goals set by the state in shaping and implementing the relevant policy. Analyzing the functions of state customs policy provides deeper insight into how the objectives outlined in the above definitions are operationalized.

An analysis of the main approaches to the functions of state customs policy, as presented in the academic literature, makes it possible to identify core functions, although their scope and emphasis may vary slightly depending on the subject of research. Accordingly, the following key approaches to defining the functions of state customs policy can be distinguished:

1) the classical approach (Pashko, 2009; Kulikova, 2018), which considers state customs policy through the prism of three primary (traditional) functions: a) fiscal (ensuring revenue for the state budget through customs payments); b) regulatory (or economic (impact on foreign economic activity through tariff and non-tariff instruments to stimulate or restrict imports/exports in line with national economic objectives); c) protective (safeguarding the domestic market, national producers, consumers, and society as a whole from unfair competition, substandard goods, prohibited items, and other threats);

2) the extended approach (Berezhniuk, 2009; Dodin, 2010), which incorporates functions reflecting the multi-dimensional and integrative nature of state customs policy, including: a) law enforcement (combating smuggling, customs violations, and transnational crime); b) statistical (collecting and analyzing data on foreign trade for the formation of state customs policy and economic analysis); c) integration (facilitating the integration of the state into international economic systems; harmonization of customs procedures with international standards);

3) the systematic approach, which considers the functions of state customs policy not as isolated elements, but as an interconnected system operating to achieve a unified objective – ensuring national security and state development through the regulation of foreign economic activity. The approach may incorporate elements of both classical and extended functional models (for example, fiscal, control, and security-related) (Pohrischuk, Bey, 2022).

In general, scholarly approaches tend to conceptualize the functions of state customs policy as a multidimensional instrument of state governance that extends beyond fiscal objectives, encompassing a broad range of economic, social, legal, and security-related goals.

3. Normative Legal Acts Regulating the Activities of the Ministry of Finance in the Field of State Customs Policy

The normative legal acts governing the activities of the Ministry of Finance of Ukraine in the area of state customs policy (laws, resolutions of the Cabinet of Ministers of Ukraine, and orders of the Ministry of Finance) clearly define the legal framework, scope, and limits of the Ministry's powers. These acts make it possible to determine the functions and responsibilities assigned to the Ministry in this domain.

Moreover, an analysis of the relevant legislation enables a better understanding of the mechanisms and instruments through which the Ministry of Finance of Ukraine influences the formation and implementation of state customs policy. It also reveals how public administration reforms may alter the subordination of customs authorities and expand or restrict powers of the Ministry, thereby reflecting changes in state strategy.

First of all, reference should be made to the provisions of the Constitution of Ukraine, which establish the general principles for the formation of state policy, including financial, pricing, investment and tax policy, as well as policy in the areas of labor and employment, social protection, education, science and culture, nature protection, environmental safety, and natural resource management (Constitution of Ukraine, 1996).

The Customs Code of Ukraine is the principal normative legal act regulating customs matters in Ukraine. Its provisions enshrine the basic principles and fundamentals of state customs policy, as well as the procedures for customs control and clearance. Article 561 of the Customs Code of Ukraine stipulates that customs authorities cooperate with ministries and other central executive bodies in the performance of their tasks (Customs Code of Ukraine, 2012).

However, despite its status as a special legal act, the Customs Code of Ukraine does not contain separate articles, chapters, or sections that explicitly regulate the legal status of the Ministry of Finance of Ukraine and its role in shaping state customs policy, functions, powers, tasks, etc.

At that time, the Customs Code of Ukraine employs such terms as “central executive body that ensures the formation and implementation of state financial policy” and “central executive body responsible shaping and implementing state policy in the areas of finance, treasury servicing of budget funds, and financial control”. However, within its structure, the Customs Code of Ukraine contains Section XX entitled “Customs Authorities” and Chapter 74 “Structure and Organization of Activities of Customs Authorities”, neither of which references the Ministry of Finance.

It is noteworthy that the Customs Code simultaneously uses terms such as “foreign economic policy”, “economic policy”, and “financial policy” without specifying their distinctions. This lack of differentiation necessitates further clarification, especially when determining the role of the Ministry of Finance.

Art. 570-2 of the Customs Code of Ukraine regulates the procedure for appointing and dismissing the head of the central executive body responsible for implementing state customs policy. According to this provision, the appointment of such a head is carried out by the Cabinet of Ministers of Ukraine upon the proposal of the head of the central executive body responsible for shaping and implementing state fiscal policy, following a recommendation from the competition commission.

The dismissal of the head of the central executive body implementing state customs policy involves a request from the Prime Minister of Ukraine to the Cabinet of Ministers of Ukraine (Customs Code of Ukraine, 2012). The grounds for submitting such a request are established by the Law of Ukraine “On Civil Service” (On Civil Service, 2015).

The Customs Code of Ukraine also stipulates that the State Customs Service of Ukraine is a central executive body whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Finance. Moreover, the Customs Code of Ukraine assigns a significant role to the Ministry of Finance of Ukraine in the formation and implementation of customs policy (Customs Code of Ukraine, 2012).

Consequently, the Customs Code of Ukraine does not define the status and role of the Ministry of Finance of Ukraine, which is directly involved in shaping personnel policy in the customs sphere, approves and validates indicators for customs authorities, participates in the approval of their staffing structures, and most importantly, influences the financing (tangible support) of customs authorities.

In this context, it is essential to refer to the provisions of the Law of Ukraine “On the State Budget of Ukraine”, which: a) define the volume and structure of revenues and expenditures, including revenues from customs duties; b) reflect the involvement of the Ministry of Finance of Ukraine in the drafting of the law and in exercising control over its implementation.

The Law of Ukraine “On Public Procurement” regulates the procedures for public procurement, including the acquisition of goods and services for the needs of customs authorities (On Public Procurement, 2015). The Ministry of Finance of Ukraine is responsible for monitoring compliance with this law.

It is also important to refer to the resolutions of the Cabinet of Ministers of Ukraine, which regulate certain aspects of state customs policy (in particular,

tariff rates, exemptions, and customs control procedures). The Ministry of Finance of Ukraine participates in the development of such regulations. For example, the Resolution No. 1092 of the Cabinet of Ministers of Ukraine, dated September 27, 2022 “Some Issues of Implementing the Provisions of the Customs Code of Ukraine on Granting Authorizations” was adopted with the involvement of the Ministry (2022).

The Resolution of the Cabinet of Ministers of Ukraine also approves the Regulation on the Ministry of Finance of Ukraine, which enshrines the tasks and functions of the Ministry of Finance. In accordance with the Regulation on the Ministry of Finance of Ukraine No. 375 as of August 20, 2014, approved by the Cabinet of Ministers of Ukraine, the Ministry of Finance is defined as the principal authority in the system of central executive bodies.

Among the key tasks assigned to the Ministry of Finance is the development and implementation of a unified state customs policy, as well as state policy on combating customs-related offenses and regulating customs activities. It is worth noting that, unlike the Regulation on the State Customs Service of Ukraine, the Regulation on the Ministry of Finance does not contain provisions specifying the Ministry’s powers in the customs sphere, but rather sets out general mandates of a broader institutional nature (On Approval of the Regulation on the Ministry of Finance of Ukraine, 2014).

In this regard, it is proposed to harmonize the provisions concerning the competences of the Minister and the Ministry of Finance of Ukraine, as set forth in the Regulations on the Ministry of Finance and the State Customs Service of Ukraine. It is also recommended to supplement the relevant articles on the status and role of the Ministry of Finance in the Customs Code of Ukraine.

In addition, the Ministry of Finance of Ukraine, within the scope of its powers, issues orders clarifying the provisions of the Customs Code of Ukraine and the resolutions of the Cabinet of Ministers of Ukraine in the area of customs affairs. These orders are legally binding. Among orders issued by the Ministry of Finance in the customs sphere are the Order of the Ministry of Finance of Ukraine No. 1011 dated September 20, 2012 “On Approval of the Forms of Customs Declarations and the Procedure for Filling Out Customs Declarations”, Order of the Ministry of Finance of Ukraine No. 650 dated May 31, 2012 “On Approval of the Procedure for Keeping Records and Submitting Reports on Customs Payments by Customs Authorities”, etc.

The analysis of normative legal acts confirms that the Ministry of Finance of Ukraine takes a central place in the system of formation and implementation of state customs policy despite the absence of

a dedicated section in the Customs Code of Ukraine that would define its legal status. Its role, however, should not be merely declarative; rather, it must be grounded in substantive integration into both legislative and managerial processes.

While the Constitution of Ukraine sets out the general principles, and the Customs Code of Ukraine employs broad terms such as “a central executive body ensuring the formation and implementation of state financial policy”, it nonetheless clearly establishes the subordination of the State Customs Service of Ukraine to the Minister of Finance. It also affirms the Minister’s role in appointing the head of this body, thereby underscoring the responsibility of the Ministry of Finance of Ukraine for the strategic management and coordination of customs affairs.

The role of the Ministry of Finance is evident in its involvement in drafting and control over adherence to key laws, such as the Law of Ukraine “On the State Budget of Ukraine” (in terms of customs revenues) and “On Public Procurement” (in terms of the needs of customs authorities). Importantly, the Ministry of Finance of Ukraine is the principal drafter and initiator of numerous resolutions of the Cabinet of Ministers of Ukraine that define and regulate specific aspects of customs policy (customs authorizations, tariff setting, control procedures). Moreover, the Ministry issues its own binding orders that ensure the practical implementation of customs regulations (forms of declarations, payment accounting procedure, etc.).

4. Legal Status of the Ministry of Finance of Ukraine and Its Functional Purpose

The role of the Ministry of Finance of Ukraine as the body responsible for determining personnel policy within the customs authorities is defined indirectly through its legal status and functional mandate. Frequent changes in the system of institutional support of customs affairs negatively affect the overall development of the customs sector. Nevertheless, the Ministry of Finance of Ukraine retains its role as the central executive authority empowered to implement state customs policy. Therefore, it is relevant to clarify the legal status of the agency.

The Ministry of Finance of Ukraine, as the principal state authority responsible for implementing state customs policy, is a central executive body whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine (On Approval of the Regulation on the Ministry of Finance of Ukraine, 2014).

In its activities, the Ministry of Finance of Ukraine is guided by both general and specific normative legal acts. General normative legal acts include those regulating the activities of central executive bodies (for example, the Law of Ukraine “On Central

Executive Bodies” (On Central Executive Bodies, 2011). Specific normative legal acts comprise those directly governing the activities of the Ministry of Finance of Ukraine as an entity of tax legal relations (in particular, the Regulation on the Ministry of Finance of Ukraine) (On Approval of the Regulation on the Ministry of Finance of Ukraine, 2014).

The primary mission of the Ministry of Finance of Ukraine is the formulation and implementation of a unified state policy in certain areas of public relations, including the customs sector.

The peculiarities of the legal status of the Ministry of Finance of Ukraine are reflected in its structural components. Based on a thorough analysis of scholarly legal literature, the structural elements of the legal status of the Ministry of Finance of Ukraine can be identified as follows: 1) principles of functioning; 2) purpose and tasks; 3) subject matter; 4) competence; 5) functions; 6) powers; 7) decision-making procedure.

An important component of the legal status of the Ministry of Finance of Ukraine is the principles governing its functioning. In its activities, the Ministry of Finance of Ukraine shall adhere to the general principles applicable to public administration bodies, as well as to specific principles defined by relevant normative acts. Thus, the Law of Ukraine “On Central Executive Bodies” (On Central Executive Bodies, 2011) outlines specific principles such as observance of human and civil rights and freedoms, continuity, unity of state policy, and unity of command.

The purpose of the Ministry of Finance of Ukraine is to exercise public administration in areas where it is vested with specific powers, in particular the formulation and implementation of state financial, budgetary, and debt policies; state policy on intergovernmental fiscal relations and local budgets; state policy on assay control, accounting, and audit (On Approval of the Regulation on the Ministry of Finance of Ukraine, 2014).

To ensure a unified balanced state financial policy, the Ministry of Finance of Ukraine directs and coordinates the activities of the State Customs Service of Ukraine. This coordination is carried out by setting work priorities and ways of fulfilling the tasks assigned to the State Customs Service of Ukraine, approving work plans, and issuing binding orders and instructions. Furthermore, the Ministry of Finance has an authority to initiate audits of the customs authorities’ activities. The Deputy Minister of Finance of Ukraine for European Integration is responsible for overseeing the distribution of responsibilities within the customs sector (Official website of the Ministry of Finance of Ukraine).

The main tasks of the Ministry of Finance of Ukraine are established at the legislative level and aim to specify the purpose of its activities. Among these, following are distinguished:

1) the formulation and implementation of state financial, budgetary, and debt policies; state policy on inter-budgetary relations and local budgets; state policy on assay control, accounting, and audit;

2) the formulation and implementation of state policy monitoring compliance with budget legislation, state financial control, state internal financial control, and treasury servicing of budget funds;

3) the formulation and implementation of a unified state tax and customs policy, state policy on the administration of the single social contribution, and state policy on combating tax and customs offenses, etc. (On Approval of the Regulation on the Ministry of Finance of Ukraine, 2014).

Competence, as a structural element of the legal status of the Ministry of Finance of Ukraine, consists of a set of powers granted to the entity within a specific jurisdictional scope, authorizing it to make decisions in the course of its practical activity. Thus, competence comprises three elements: authority, subject matter, and functions. It is important to note that the Ministry of Finance of Ukraine possesses sectoral competence, as it regulates a distinct sphere of public relations.

The subject of competence of the Ministry of Finance of Ukraine as a customs management entity encompasses the sphere of public relations arising from the implementation of state customs policy, including the fight against offenses related to customs legislation (On Approval of the Regulation on the Ministry of Finance of Ukraine, 2014).

Regarding the functions of the Ministry of Finance of Ukraine as a component of its legal status, a well-founded classification is proposed by Ye.I. Bilokur, who distinguishes between socially oriented and internally oriented functions of the Ministry of Finance of Ukraine (Bilokur, 2015).

Socially-oriented functions of the Ministry of Finance of Ukraine directly reflect its influence on customs legal relations (the managed objects). Internally oriented functions of the Ministry of Finance of Ukraine focus on maintaining the conditions necessary for the Ministry's proper functioning. The powers of the Ministry of Finance of Ukraine as an entity of customs legal relations constitute a set of rights and obligations enshrined by law and applicable throughout the entire territory of the state.

As for the decision-making procedure, it is essential to note that the Ministry of Finance of Ukraine, within the powers granted by law, issues orders and organizes and monitors their implementation. These actions are based on the Constitution and laws of Ukraine, acts of the President of Ukraine and resolutions of the Verkhovna Rada of Ukraine adopted in accordance with the Constitution of Ukraine and laws of Ukraine and acts of the Cabinet of Ministers of Ukraine. Orders of the Ministry of Finance of

Ukraine are regulatory legal acts subject to state registration in accordance with the procedure established by law (On Approval of the Regulation on the Ministry of Finance of Ukraine, 2014).

In summary, the Ministry of Finance of Ukraine is a customs management authority, enabling it to implement necessary transformations in the formation and execution of personnel policy within the customs authorities.

The analysis of the structural elements of the legal status of the Ministry of Finance – such as the principles of functioning, purpose and tasks, subject of competence, competence, functions and powers, as well as the decision-making procedure – demonstrates that each of these elements is an integral part of the formation of the state customs policy.

The purpose of the Ministry of Finance in the realm of financial and budgetary policy includes the formulation and implementation of a unified state tax and customs policy. This mandate provides the Ministry of Finance not only with the legal basis for its law-making activities (issuing orders and participating in the development of CMU resolutions), but also empowers it to influence the fiscal, regulatory, and supervisory functions of customs authorities. General status features of the Ministry of Finance of Ukraine are decisive for the exercise of its powers within the customs sphere.

Consequently, the legal status of the Ministry of Finance of Ukraine is not a static category but a dynamic set of interrelated elements that confer upon it a leading role in state customs policy. Clear legislative definition of these elements will facilitate the effective fulfilment of the Ministry's tasks, coordination of the activities of subordinate agencies, and adaptation to ongoing changes in the institutional framework of customs, thereby maintaining the stability and predictability of state customs policy.

Thus, the legal status of the Ministry of Finance enables it not only to shape strategic directions but also to influence the daily operations of customs authorities through normative and regulatory activities, affirming its key role in executing the fiscal, regulatory, protective, and integration functions of state customs policy.

5. Institutional Capacity of the Ministry of Finance of Ukraine in Shaping State Customs Policy

The term "institutional capacity" has become widely used in public administration, political science, and economics. Various definitions render the complexity of the concept. In particular, H. Zelenko defines institutional capacity of the state not only as the ability to respond to challenges but also as efficiency in fulfilling functions through policy development,

resource management, and service provision. The author further characterizes this legal category as the capability of the state and public authorities to perform their inherent functions, as enshrined in laws, and the manner in which these functions are implemented in practice (Zelenko).

At the same time, O.I. Omelchuk interprets the definition of “hromada institutional capacity” as one of the key aspects of overall hromada capacity, highlighting two main components: the institutional capacity of local self-government bodies and the institutional capacity of the hromada residents themselves. At the same time, the institutional capacity of local self-government bodies is understood as their ability to effectively carry out their activities (Omelchuk, 2020; 94).

T. Zakharov conceptualizes the institutional capacity of the state through the prism of constitutional principles, defining it as the ability to make competent decisions in accordance with regulatory documents and procedures that establish a specific algorithm for implementing governmental decisions (Zakharov, 2024; 295).

Soboliev V. M. and Sobolieva M. V. consider the category of “institutional capacity” in the context of the higher education system. The authors proceed from their definition of the higher education system, formulating its main features: internal complementarity of the institutional system; external complementarity; conjugation of internal and external complementarity. It is worth mentioning that although the above definition is sector-specific, it reflects an approach to understanding capacity through the complementarity of elements (Soboliev, Sobolieva, 2021; 64).

Thus, the analysis of scientific approaches to defining the term “institutional capacity” gives grounds to state that this concept is commonly associated with the ability of an institution (or a system of institutions) to effectively perform its functions, achieve its goals, respond to challenges, and adapt to changes, relying on its structure, resources, and legal framework.

At the same time, we propose to define the term “*institutional capacity of the Ministry of Finance of Ukraine*” as the ability of the Ministry of Finance of Ukraine to effectively exercise the functions and powers defined by law to carry out sustainable development of the economy of Ukraine, effective management of public finances, and implementation of state financial policy.

The institutional capacity of the Ministry of Finance of Ukraine may encompass the following components:

1) an organizational structure that is efficient and transparent, maintaining a clear allocation of functions and powers;

2) a talent pool, specifically the presence of highly qualified and motivated personnel possessing the relevant knowledge and skills to perform their duties;

3) information technologies employed to collect, process, and analyze data essential for informed decision-making;

4) a well-defined statutory framework regulating the activities of the Ministry of Finance of Ukraine;

5) international cooperation, involving active participation to exchange experience and incorporate best practices in customs administration.

Overall, there is a need to strengthen the institutional capacity of the Ministry of Finance of Ukraine in the formation of state customs policy, as this is crucial for ensuring sustainable economic development and economic security of Ukraine, replenishing the state budget, as and promoting international trade.

Among the challenges related to the activities of the Ministry of Finance of Ukraine in state customs policy are: imperfection of legislative shortcomings and inadequate coordination with other public authorities responsible for implementing state customs policy.

In this context, it is essential to develop a strategy for improving the performance of the Ministry of Finance of Ukraine in the field of state customs policy. Effective functioning of the Ministry of Finance of Ukraine is a prerequisite for Ukraine's economic security, replenishing the state budget, and facilitating the development of international trade that is crucial under martial law and during the post-war reconstruction of the state.

6. Conclusion

The role of the Ministry of Finance of Ukraine in shaping state customs policy has been examined from economic and legal perspectives. It has been established that the Ministry of Finance of Ukraine plays a pivotal role in the formation of state customs policy and exerts a significant influence on the country's economic development.

Particular attention is devoted to the analysis of normative legal acts governing the activities of the Ministry of Finance in the field of state customs policy. The study reveals inconsistency between customs legislation and normative legal acts regulating the competence of the Ministry of Finance of Ukraine in shaping state customs policy, which results in legal uncertainty in practice. It is proposed to harmonize the provisions concerning the competence of the Minister and the Ministry of Finance of Ukraine, as set out in the Regulations on the Ministry of Finance and the State Customs Service of Ukraine, and to amend the relevant articles of the Customs Code of Ukraine to clearly define the status and role of the Ministry of Finance in this area.

The primary functions and powers of the Ministry of Finance in the customs sphere are analyzed, including the Ministry's influence on the development of customs legislation and its practical implementation.

The study underscores the importance of the Ministry's effective performance in ensuring national economic security, replenishing the state budget, and fostering the development of international trade.

It is substantiated that the Ministry of Finance of Ukraine functions as a customs management authority, enabling to implement necessary transformations in the formation and execution of personnel policy in the customs authorities. The general status features of the Ministry of Finance of Ukraine, which are decisive for exercising its powers in the customs sphere, are analyzed.

The term "institutional capacity of the Ministry of Finance of Ukraine" is proposed to be understood as the ability of the Ministry of Finance of Ukraine to effectively perform the functions and powers defined by law to ensure sustainable development of Ukraine's economy, effective management of public finances, and implementation of state financial policy.

The author marks that institutional capacity of the Ministry of Finance of Ukraine may consist of the following components: 1) an organizational structure that is efficient and transparent, maintaining a clear allocation of functions and powers; 2) a talent pool, specifically the presence of highly qualified and motivated personnel possessing the relevant knowledge and skills to perform their duties; 3) information technologies employed to collect, process, and analyze data essential for informed decision-making; 4) a well-defined statutory framework regulating the activities of the Ministry of Finance of Ukraine; 5) international cooperation, involving active participation to exchange experience and incorporate best practices in customs administration.

Strengthening the institutional capacity of the Ministry of Finance of Ukraine in the formation of state customs policy is also of critical importance.

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