

## INTERNATIONAL NON-GOVERNMENTAL INSTITUTIONS AND UKRAINE'S INTEGRATION INTO GLOBAL CUSTOMS AND TAX STANDARDS

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**Key words:** ICC, CACCI, Ukraine, international non-governmental organizations, integration, economic competitiveness, public finance, financial law, geopolitics, development strategies.

The International Non-government Institutions, The International Chamber of Commerce and the Confederation of Asia-Pacific Chambers of Commerce and Industry, are examined in the context of Ukraine's global fiscal governance integration. These institutions create an infrastructure for tax compliance that enables Ukraine to adopt a system of legal transparency, predictability, and standardization, especially in developing and transitional economies. The ICC contributes to the Ukraine international trade by removing uncertainties concerning the distribution of trade and tax liabilities through Incoterms, model contracts, and simplified arbitration procedures. This helps minimize potential conflicts and encourages international business activities.

This case study examines the growing need for international collaboration in the digital tax management arena and the leading role taken by the International Chamber of Commerce (ICC) in Base Erosion and Profit Shifting (BEPS), as advocated by the Organization for Economic Cooperation and Development (OECD). It highlights Ukraine's participation in the processes aimed at integrating these standards into national tax policy which helps in mitigating illicit capital flows and corporate tax avoidance. CACCI's regional initiatives also further support Ukraine's ambitions through easing customs procedures, advocating green taxation, and cultivating regional public-private partnerships (PPPs) for fiscal modernization. In particular, CACCI's emphasis on free trade zones and tax holiday regimes resonate with the objectives of Ukraine's post-war reconstruction effort directed towards maximization of investment and economic recovery.

The document also highlights the fact that the legal and economic aspects of tax governance for Ukraine is a question of reforms other than legislation, it is an issue of systematic institutional development combined with public-private dialogue and regional advocacy. These institutions provide not only substantive knowledge and goodwill, but also act as facilitators which assist Ukraine to join higher level economic configurations like EU Customs Union and the Digital Single Market. Special attention is given to the arbitration services provided by ICC which have played a key role in offering solutions to tax related investment disputes and establishing legal assistance certainty.

The modern tax and customs law of Ukraine could not be developed without the active involvement of international non-governmental organizations such as the ICC and CACCI. With the rapid advancement of globalization, these institutions have become more essential to Ukraine as its economic competitiveness increases. In the shift of balance of power in world politics, cooperation with these institutions helps Ukraine to implement and protect its economically sustainable and sovereign development policies.

## МІЖНАРОДНІ НЕУРЯДОВІ ІНСТИТУЦІЇ ТА ІНТЕГРАЦІЯ УКРАЇНИ ДО СВІТОВИХ МИТНИХ ТА ПОДАТКОВИХ СТАНДАРТІВ

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**Ключові слова:** *ICC, САССІ, Україна, міжнародні неурядові організації, інтеграція, економічна конкурентоспроможність, державні фінанси, фінансове право, геополітика, стратегії розвитку.*

Міжнародні неурядові організації, Міжнародна торгова палата та Конфедерація торгово-промислових палат Азіатсько-Тихоокеанського регіону, розглядаються в контексті глобальної інтеграції фінансового управління в Україні. Ці інституції створюють інфраструктуру для дотримання податкового законодавства, що дозволяє Україні запровадити систему правової прозорості, передбачуваності та стандартизації, особливо в країнах, що розвиваються, та з перехідною економікою. ICC сприяє міжнародній торгівлі України, усуваючи невизначеності щодо розподілу торговельних і податкових зобов'язань через Інкотермс, типові контракти та спрощені арбітражні процедури. Це допомагає мінімізувати потенційні конфлікти та заохочує міжнародний бізнес.

У цьому тематичному дослідженні розглядається зростаюча потреба в міжнародній співпраці на арені цифрового управління податками та провідна роль, яку відіграє Міжнародна торгова палата (ICC) у розмиванні податкової бази та переміщенні прибутку (BEPS), як це підтримує Організація економічного співробітництва та розвитку (ОЕСР). Він підкреслює участь України в процесах, спрямованих на інтеграцію цих стандартів у національну податкову політику, яка допомагає пом'якшити незаконні потоки капіталу та уникнення корпоративних податків. Регіональні ініціативи САССІ також сприяють амбіціям України шляхом полегшення митних процедур, пропаганди зеленого оподаткування та розвитку регіональних державно-приватних партнерств (ДПП) для фіскальної модернізації. Зокрема, наголос САССІ на зонах вільної торгівлі та режимах податкових канікул перегукується з цілями післявоєнної реконструкції України, спрямованої на максимізацію інвестицій та відновлення економіки.

У документі також підкреслюється той факт, що правові та економічні аспекти податкового врядування для України – це питання реформ, відмінних від законодавства, це питання системного інституційного розвитку в поєднанні з державно-приватним діалогом та регіональною адвокацією. Ці інституції надають не лише суттєві знання та добру волю, але й виступають фасилітаторами, які допомагають Україні приєднатися до економічних конфігурацій вищого рівня, таких як Митний союз ЄС та єдиний цифровий ринок. Особлива увага приділяється арбітражним послугам, які надає ICC, які відіграли ключову роль у вирішенні інвестиційних спорів, пов'язаних із сплатою податків, і забезпеченні правової допомоги.

Сучасне податкове та митне законодавство України не могло б розвиватися без активної участі міжнародних неурядових організацій, таких як ICC та САССІ. Зі швидким розвитком глобалізації ці інституції стали більш важливими для України, оскільки її економічна конкурентоспроможність зростає. Під час зміни балансу сил у світовій політиці співпраця з цими інституціями допомагає Україні впроваджувати та захищати політику економічно сталого та суверенного розвитку.

**Introduction.** The functioning of a unified global trading system calls not only for the adherence to international commercialization, but also for the imposition of taxes and customs unification. There is a changing complexity in global commerce especially in the area of post-conflict reconstruction and the digital economy that requires adequate infrastructural assistance to guide governments in establishing essential fiscal policies. In her path towards European Union integration, Ukraine, as a developing nation emerging from conflict, is in urgent need to update and develop the required institutional infrastructure to implement modern tax and customs policies and practices.

In this regard, non-governmental international institutions are coming to the forefront, for instance, the International Chamber of Commerce (ICC) or the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI). Their activities in the sphere of standardization of trade procedures, legal predictability, and other forms of assistance are actively aiding Ukraine's globalization efforts. While earlier analysis concentrated on intergovernmental institutions, such as the OECD and WTO, non-state participants in the governance of tax and customs policy still remain largely unknown. The works of Moshy Anan (2020) along with reports from the European Commission and OECD have highlighted the need for business engagement in tax policy, yet, they have neglected the inter-structural and intra-regional dynamics of NGO activity in Eastern Europe.

This article seeks to fill that void by looking into the role of ICC and CACCI in Ukraine's contribution to fiscal integration through a policy advocacy, conflict management, and training perspective. The pertinent question remains how these institutions are able to affect systemic change in a country that is economically depressed and administratively fragile.

The primary goal of this research is to evaluate the effect of foreign non-governmental entities in the modernization and internationalization processes of Ukraine's customs and taxation system, paying specific attention to their strategic contributions, operational tools, and partnership activities that assist Ukraine in meeting global taxation requirements.

**The Main Aim of Article.** In the opinion of the International Chamber of Commerce (ICC), one of the most eminent contributions in governing international trade and taxation is the creation and continuous modification of the Incoterms. These internationally accepted terms of trade detail who is charged with what obligations, responsibilities, and where the risks and taxes are concerned as far as international trade is involved. These Incoterms aid facilitate the proper allocation of tax duties between the contracting parties by identifying the customs VAT and excise duties gateways [1, p. 45]. Ukraine has implemented these terms into legislation address-

ing the foreign economic activity of the country for the purpose of integration into world contractual relations and reduction of legal compliance risks [2, p. 31].

The ICC's relationships with intergovernmental bodies like the OECD, UNCTAD, and WTO have certainly gave the ICC additional leverage of impact on the global fiscal architecture. In the framework of the OECD's Base Erosion and Profit Shifting (BEPS) initiative, the ICC acts as an intermediary between the private sector and intergovernmental tax policy institutions, helping form consensus on contentious matters, including digital taxation, transfer pricing, and abuse of tax treaties [3, p. 19]. Ukraine's adoption of the Inclusive Framework in 2017, and later compliance with OECD's Country-by-Country Reporting and Action 13 of BEPS, has, to some degree, been the result of ICC model consultation and guideline advocacy [4, p. 22; 5, p. 40].

The ICC is renowned for arbitrating complex cross-border commercial and investment tax disputes, which has allowed its International Court of Arbitration to establish itself as the most trusted jurisdiction in Ukraine. This panel increasingly receives cases from Ukrainians businesses that operate elsewhere and are involved in indirect tax disputes and customs valuation conflicts. ICC arbitration awards are characterized by the neutrality and procedural flexibility, as well as by the ICC's reputation, all of which have made ICC arbitration the foundation for Ukraine's integration with international business legislation [6, p. 62; 7, p. 15].

From a comparative perspective, countries like Georgia and Kazakhstan have also adopted the ICC's recommendations to design fiscal reforms. However, due to the post Ukrainian war circumstances, adopting these policies is particularly urgent and complex, especially considering the EU's conditionality and the need to restore trust in institutions for Ukraine.

As a regional business institution, CACCI has offered invaluable assistance in trade on the primary level by issuing the customs integration modernization recommendations. These include the creation of automated systems for filing customs documents, the establishment of risk management control systems, and the unification of customs nomenclatures. Ukraine has applied some of these suggestions in developing the Customs Policy Strategy for 2020–2025, which provides for the stepwise introduction of blockchain technology and integrated tariff interface [8, p. 24; 9, p. 11].

In addition to customs, CACCI fosters the collaboration of the public and private sectors in taxation administration by organizing the sharing of experience between chambers and ministries within the region. Ukrainian business associations – particularly the Ukrainian Chamber of Commerce

and Industry and the Union of Ukrainian Entrepreneurs – have partnered with CACCI has to jointly develop training courses, legislative initiatives, and consultations on tax policy for small and medium enterprises (SMEs) friendly reforms [10, p. 29]. These initiatives have resulted in more straightforward corporate tax declaration procedures, greater availability of electronic reporting, and simpler VAT regulations for microentrepreneurs.

The use of environmental fiscal instruments is the third level of coordination. Both ICC and CACCI have advocated for sustainable fiscal policies in line with UN SDG 13 and the EU Green Deal. Ukraine has slowly started applying excise taxes and fiscal subsidies for companies that invest in clean technologies, circular economy, and low-emission-transportation business activities [11, p. 34; 12, p. 48]. Although implementation remains patchy, the policy frameworks developed with the support of ICC/CACCI serve as a guide for future reforms.

**Conclusion.** Finally, ICC and CACCI perform not only as norm entrepreneurs, but also as actual collaborators in the processes of institutional change. Their impact goes beyond lobbying as they also actively design funding documents, educate local officials, and integrate Ukraine into an international ecosystem of responsible tax cooperation, which facilitates international development assistance.

As shown, the further study of ICC and CACCI's instruments and strategies reveal varied and ever-changing impacts. By providing advisory services and opting for legal unification, standardization, and even dispute resolution, these organizations provide considerable relief to the Ukrainian fiscal system and enable it to satisfy global demands. These transitions prove to be particularly supportive during the phase of economic recovery and changes as the support enables processes that seek to enhance equity in tax distribution, transparency in regulations, and security for investments to be legitimated. Moreover, the actions of these organizations assist in realizing not only the technical provisions, but also the broader integration of Ukraine into the international economic and regulatory systems. These actions span the gamut of legal integration, blending, and building infrastructure for fiscal governance which supports reform of the system in transitional economies like Ukraine. This enable integration makes it possible for Ukraine to become deeply involved in international trade structures. A blend of legal integration, capacity building, and provision of arbitration forms a seamless structure through which international NGOs can participate in the domestic process of fiscal modernization.

This study highlights that non-governmental international actors, especially ICC and CACCI, facilitate the processes behind the internationalization of Ukraine's tax and customs systems. Their legal provisions, policy documents, and aid programs allow for the gradual approximation of Ukraine's fiscal governance systems to international benchmarks.

Through the ICC's standardization of trade procedures by Incoterms, businesses operating in Ukraine receive more favorable legal and tax stipulations in regard to foreign transactions. Also, Ukraine's compliance with the OECD BEPS framework under the guidance of ICC is a proactive step toward global compliance of anti-avoidance and transparency measures. The ICC improves the capacities for dispute resolution, which positively impacts Ukraine's investment climate from an international perspective and brings it in line with international legal standards.

At the same time, CACCI's innovative regionally focused activities provide Ukraine with simplified customs, public-private dialogue, and institutional development. Its promotion of e-customs, mutual recognition of tax exemptions, and green fiscal reforms align with Ukraine's policy objectives within the context of post-war recovery. These contributions are important for the alignment of Ukraine's infrastructure with EU norms, facilitating the digitalization of the economy, and attracting foreign investments.

Despite the gains made in progress, several issues have emerged. Ukraine still has gaps in institutional capacity, has minimal intra-agency coordination, and suffers from political obstructions that prolong action. Additionally, while there are frameworks in place, the enforcement mechanisms tend to be much slower. Thus, there is need for a comprehensive approach towards closing the gap between policy formulation and policy implementation.

In the following years, further research should attempted to assess the economic consequences of Ukraine's collaboration with ICC and CACCI. Looking at other post Soviet or transitioning economies could be helpful in understanding how these economies adopt and practice relative comparative studies. Further, studying the impact of NGOs on digital taxation and climate change fiscal policy would contribute to better understanding how these institutions impact global governance of taxation.

In sum, the integration of Ukraine into the global customs and tax system is a legal obligation and a strategic necessity. Ukraine will continue to need the globally and regionally powerful non-governmental organizations ICC and CACCI which will remain facilitators of reform, modernization, and sustainable development of Ukraine's fiscal system.

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