



D. A. TSENOV ACADEMY OF ECONOMICS – Svishtov

Faculty of Economic Accounting

Department of Control and Analysis of Economic Activity

REVIEW

by Assoc. Prof. Momchil Borislavov Antov, PhD,

Member of the Scientific Panel appointed by Order No. 94/21.02.2022 of the Rector of D. A. Tsenov Academy of Economics – Svishtov regarding the procedure for defence of a doctoral thesis entitled **“Contemporary aspects of customs intelligence and investigation within the system of customs control”** for acquisition of the educational and scientific degree of **Doctor of Philosophy** in Area of Higher Education: 3. Social, economic and legal studies, Professional field: 3.8. Economics, Doctoral Programme in Accounting, Control and Analysis of Economic Activities (Control) submitted by **Ventsislav Georgiev Haladzhov** under the scientific supervision of **Assoc. Prof. Rositsa Koleva, PhD**

1. General characteristics of the dissertation thesis

The dissertation thesis comprises 202 standard pages, of which one title page, a list of abbreviations of three pages, an introduction of six pages, 161 pages of main text, a conclusion of six pages, 11 pages of references and 12 pages of exhibits. Structurally, the dissertation thesis has the classical format comprising an introduction, three chapters, and a conclusion. The list of references includes 148 references to books, articles, regulations, reports, papers, standards and online sources.

2. Evaluation of the format and contents of the dissertation thesis

Customs Intelligence and Investigation (CII) is an essential element of customs control systems and as such contributes to achieving the main goal of customs control, viz. to facilitate legal international trade and minimize economic agents' crimes and violations against the financial system. Considering the full membership of our country in the EU, CII is not only a national priority but also an essential component of the common EU customs system in terms of risk management. This, in turn, determines the *relevance and need for considering it* both on a theoretical and practical level.

The focus of the dissertation thesis is on the public and practical need for research on this issue due to the importance of customs intelligence and investigation for the revenue to

Bulgaria's general government budget and the budget of the EU budget and for the interests of the European economic operators and consumers. The *subject* of the dissertation research is the organizational and functional structure of customs intelligence and investigation in the system of customs control of the Republic of Bulgaria, and its *object* is the model of customs intelligence and investigation in the new operational regimes of the customs administration.

The *aim of the study* is to consider and analyse topical aspects of organization and functioning of the current model of customs intelligence and investigation in the system of customs control in Bulgaria and to substantiate proposals for its improvement. To achieve this goal, the author has set the following *tasks*:

1. Based on scientific analysis and synthesis of the views of Bulgarian and foreign authors as well as the legal framework governing customs activities to define the nature and content characteristics of customs intelligence and investigation based on the concept of its key role and importance for the proper implementation of the functions and achieving the objectives of customs control.

2. To analyse opinions of foreign authors and legal and regulatory frameworks and to conduct a survey within the system of customs administration in order to specify the goals, objectives and role of customs intelligence and investigation in modern conditions and on this basis to analyse in-depth its functional and organizational model.

3. To perform a critical analysis of the functional and organizational model and the human resource in the CII system as well as to analyse the results of the survey on the customs administration system in order to identify some of the main problems related to its operation and organization and use them as a basis to identify aspects for its improvement.

The author presents the necessary arguments to justify the *hypothesis* that an optimization of the model of customs intelligence and investigation within the customs control system will increase its adequacy, functional efficiency and effectiveness considering the new realities in the work of the Bulgarian customs administration in the context of the European Union's customs policies.

The **volume of the dissertation thesis** meets the requirements for this type of scientific research publication in terms of a comprehensive and complete discussion of the issues. It is structurally balanced, with an emphasis on chapters two and three. The author has made efforts to identify and study the implementation of specific guidelines for organizational and administrative optimization of CII. In connection with all this, several separate aspects are set out in the separate chapters of the research discussion. The individual structural parts of the dissertation thesis are focused on the following *main aspects*.

In *Chapter One*, the author defines the essence and content characteristics of CII from a theoretical and applied point of view based on the understanding of its key role and importance for the proper implementation of the functions and achieving the objectives of customs control. Based on a scientific review of the concepts of intelligence and investigation, the author has derived his own definitions of the concepts of customs intelligence and customs investigation. As a result, the essence of these activities is outlined, the implementation of which in the framework of customs control is of great importance for its effectiveness.

Chapter Two presents the practical implementation aspects and investigates in detail the goals, objectives and role of CII in modern conditions as well as their functional and organizational model applicable in Bulgaria's customs administration. This task is achieved through an analysis of foreign authors' views, the legal and regulatory framework and the results of a survey conducted in the system of the customs administration. Using the COSO model, the functional model of customs intelligence and investigation is theoretically substantiated and the logic of its operation is clarified. Two organizational structure models of customs intelligence and investigation that has existed after the accession of our country to the European Union are discussed. As a result of the research, the organizational aspects of the two models are outlined, and some of their main advantages and disadvantages are determined.

In *Chapter Three*, the author has defined analysed some of the problems related to the functions and organization of CII, which defines the nature of this chapter as both theoretical and practical. The results from the empirical study of these problems are used to determine some possible areas for improvement in these areas. The identified specific needs for measures of both legislative and practical nature confirms the author's opinion regarding the need to improve the functional efficiency of CII in terms of the implementation of its goals. Based on the results of his research and analyses, the author has proposed a new model of organization of CII, which can provide an opportunity to maximize the advantages and minimize the disadvantages of the other two organizational models – the centralized and the decentralized (hybrid organization) models.

The *final part* of the dissertation thesis systematizes the main conclusions drawn by the author from his research results and proposes guidelines for future research.

The above review gives me the grounds to conclude that the dissertation thesis meets the *requirements for volume and structure* and can be considered a comprehensive scientific product of the required quality.

3. Evaluation of the quality and contributions of the dissertation thesis

The dissertation thesis has the following *quality merits*:

First: The nature and essential characteristics of customs intelligence and investigation is analysed and defined theoretically to justify their key role and importance for the proper implementation of the functions and the achievement of the objectives of customs control in general. On this basis, the theoretical aspects of the functional model of customs intelligence and investigation are justified to clarify the practical aspects of the logic of its operation.

Second: Based on theoretical and practical analysis and synthesis and a review of the international experience in developing internal control systems in organizations (the COSO framework), the author has proposed a specific functional model of CII with structural components that cover the entire range of activities of its practical implementation.

Third: The aspects for improvement proposed by the author highlight the main advantages and disadvantages of the organizational models of CII since the accession of our country to the European Union in 2007. On this basis, an intermediate (hybrid) organizational model is proposed, which will retain the advantages of the current two (centralized and decentralized) models and compensate for their shortcomings.

4. Scientific and applied contributions of the dissertation

The contributions formulated by the author of the dissertation are substantiated as they complement and develop further the existing theory and practice in two aspects:

➤ ***Scientific and theoretical contributions*** which may be of interest to experts involved in the management of customs intelligence and investigation systems for customs control:

1. On the basis of scientific analysis and synthesis of the views of Bulgarian and foreign authors, as well as the legal and regulatory framework governing customs activities, a comprehensive understanding of the nature and content characteristics of customs intelligence and investigation is presented. These characteristics were subsequently used in the study to justify its key role and importance for the proper implementation of functions and to achieve the overall objectives of customs control.

2. Through scientific and applied analysis and synthesis, the goals, tasks and role of customs intelligence and investigation in modern conditions are specified, and on this basis, in theoretical terms, a functional model of customs intelligence and investigation is justified. From a practical point of view, this would provide concrete opportunities to gain an understanding of the overall logic of its operation as a practically feasible activity in the customs control system.

3. Based on a practical and applied analysis of the legal and regulatory framework and the results of a survey in the customs administration system, the key aspects and strengths and weaknesses of the models for organizational structuring of customs intelligence and

investigation (centralized and decentralized) that existed in our country since its accession to the European Union in 2007 are outlined.

➤ *Practical and applied contributions* which would be of interest for the top management of the Customs Agency regarding actions to improve the model of CII:

1. As a result of scientifically applied analysis and synthesis and use of international experience in building internal control systems in organizations (the COSO framework) the author has proposed a specific functional model of CII with structural components that cover the entire range of activities of its practical implementation. In adopting such a functional logic of CII, the model can be used to clarify the relationships and dependencies among the various intelligence and investigation activities and thus to define measures for continuous improvement of their functional efficiency.

2. As a result of a comparative analysis of data from a survey conducted among CII employees of the Customs Agency the main advantages and disadvantages of the current organizational models of CII in the conditions of our country's full membership in the EU. On this basis, an intermediate (hybrid) organizational model has been proposed, which would combine the advantages of the two existing models (centralized and decentralized) and compensate for their shortcomings.

5. Compliance with the minimum national requirements for acquisition of ESD Doctor of Philosophy

From the list of publications submitted by Ventsislav Haladzhov, it can be seen that he meets the minimum national requirements for acquiring ESD Doctor of Philosophy according to the provisions of RILDASRB. The author has published 3 independent articles in Bulgarian (two in the Annual Almanac "Scientific Research of PhD students of D. A. Tsenov Academy of Economics, Svishtov" and one in the specialized magazine "Customs Chronicle", issue 4 of 2016), which account for the required 30 points. All publications are related to the topic of the dissertation. These facts give me reason to conclude that the results of Haladzhov's research have been disseminated in specialized scientific literature according to RILDASRB.

6. Critical notes, questions and recommendations

Without disrespect of the achievements of the author of the dissertation and recognizing his right to his own interpretation of the issue, I would like to make the following collegial *recommendations*:

➤ The analysis of the management capacity of the individual administrative units of the customs administration in paragraph 2.3. of Chapter Two would be more useful if the author

expresses and argues more openly his personal view on their effectiveness in structural and functional aspect;

➤ In view of the growing global trend of introducing simplifications in customs formalities and strengthening the role of CII in this respect, I believe that the dissertation thesis would be even more interesting and useful if it discussed in greater detail the role of CII in relation to of the authorised economic operator (AEO) status and how and to what extent this status can be used in CII, etc.

Considering the above recommendations, I would like to hear the author's opinion on the following two *questions*:

1. How would the author rank in order of importance the advantages and disadvantages he defined for the decentralized and the centralized model of organization of CII?
2. How does CII contribute to the achievement of the objectives of customs control in respect of persons with the status of Authorised Economic Operator (AEO)?

7. Conclusion

The quantitative and qualitative evaluation of the dissertation thesis entitled "Contemporary aspects of customs intelligence and investigation within the system of customs control" provides me with the grounds to give a *positive opinion and propose to the Scientific Panel to confer to Ventsislav Georgiev Haladzhov the educational and scientific degree of "Doctor" in the Area of Higher Education 3. Social, economic and legal studies, the scientific field 3.8. Economics, the doctoral programme of Accounting, Control and Analysis of Economic Activities (Control).*



Svishtov,
30 March 2022

Reviewer:.....
(Assoc. Prof. Momchil Antov, PhD)