

LAUNDERING BLACK MONEY BY MEANS OF OFFSHORE ZONES: THE NEGATIVE IMPACT AND WAYS TO RESOLVE

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Zamaslo O. T., Kozak D. A. Laundering Black Money by Means of Offshore Zones: The Negative Impact and Ways to Resolve

The article is aimed at examining the problem of laundering black money in the offshore jurisdictions. Attention is paid to the key factors that attract economic entities regarding business registration in offshore zones. The impact of the tax burden on the process of moving profits to offshore jurisdictions is considered. The volumes of losses of the State Budget of Ukraine related to tax evasion of the funds placed on the accounts of offshore companies have been studied. The most typical schemes of laundering black money in offshore zones are presented, as well as a number of stages that form the process of laundering are highlighted. Emphasis is placed on round tripping investment as a key mechanism for returning foreign funds to a resident in the form of foreign direct investment, the main factors in the use of round trip transactions by Ukrainian business entities are allocated. Attention is drawn to the percentage of countries, which are the largest investors in Ukraine. It is determined that the use of offshore schemes by Ukrainian businesses contributes to the growth of the shadowing of the national economy and causes a direct negative impact on Ukrainian financial security, which is confirmed by the results of the National Risk Assessment 2019. Emphasis is placed on the OECD / G20 Base Erosion and Profit Shifting (BEPS) initiative to prevent money laundering offshore, and Ukraine's key measures to implement relevant international standards are specified. Prospects for further research in this direction are to identify measures directed towards deoffshorization of the national economy, including through the implementation of the BEPS 2.0 Action Plan.

Keywords: black money laundering, foreign direct investment, offshorization, offshore schemes, BEPS Plan, shadow economy, financial security of the State.

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Замасло О. Т., Козак Д. А. Відмивання «брудних» грошей в офшорні зони: негативний вплив і шляхи його врегулювання

Мета статті полягає в дослідженні проблеми відмивання «брудних» грошей в офшорних юрисдикціях. Звернено увагу на ключові фактори, які приваблюють суб'єктів господарювання щодо реєстрації бізнесу в офшорних зонах. Розглянуто вплив податкового навантаження на процес переміщення прибутку до офшорних юрисдикцій. Досліджено обсяги втрат Державного бюджету України, що пов'язані з ухиленням від оподаткування коштів, розміщених на рахунках офшорних компаній. Наведено найтипівіші схеми відмивання «брудних» грошей в офшорних зонах, а також висвітлено ряд стадій, що формують процес «відмивання». Акцентовано увагу на інвестуванні round tripping, як ключового механізму повернення з-за кордону резиденту коштів у вигляді прямих іноземних інвестицій, а також виділено основні чинники використання операцій round tripping українськими суб'єктами господарювання. Звернено увагу на відсотковий розподіл країн – найбільших інвесторів в Україну. Визначено, що використання українським бізнесом офшорних схем сприяє зростанню тінізації національної економіки та чинить прямий негативний вплив на фінансову безпеку України, що підтверджено результатами Національної оцінки ризиків 2019 р. Акцентовано увагу на ініціативі Плану ОЕСР/G20 Base erosion and profit shifting (BEPS) щодо запобігання «відмиванню грошей» в офшорах, а також вказано ключові заходи України щодо імплементації відповідних міжнародних стандартів. Перспективами подальших досліджень у даному напрямі є визначення заходів, спрямованих на деофшоризацію національної економіки, у тому числі шляхом реалізації Плану дій BEPS 2.0.

Ключові слова: відмивання «брудних» грошей, прямі іноземні інвестиції, офшоризація, офшорні схеми, План BEPS, тіньова економіка, фінансова безпека держави.

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The development of global international economic relations implies an active development of the offshoring process in economy, which provides its participants with attractive tax regimes, low tax rates or their absence, simplified financial reporting conditions, easy registration of legal entities, absence of restrictions on currency export, and the possibility of complete confidentiality in doing business. However, despite the latest positive trends, offshoring is a very controversial process, because on the one hand, cooperation with offshore zones allows companies to optimize the level of taxation, and on the other, it is the cause of uncontrolled outflow of capital from the country, which adversely affects Ukraine's economy. Therefore, the implementation of measures to minimize the negative impact of money laundering in offshore areas should be a priority of public policy in the financial and tax area.

Works of domestic and foreign scientists deal with the problems of regulating and taxing offshore zones, as well as their functioning. In particular, we can name such researchers as: O. K. Bozulenko, S. S. Brekhov [2], I. V. Burakivskiy, Yu. O. Volkov, V. A. Dubrovskiy [5], O. M. Diugovanets, O. O. Dudorov [6], Yu. H. Kozak [8], H. A. Matusovskiy, O. V. Plotnikov, V. A. Predborskiy, Ye. V. Redziuk [12], V. S. Cherkashyn [8], B. A. Heifetz, E. Shambost, N. Shekson, etc. At the same time, studies on money laundering in offshore areas are isolated and occur in the works of V. Yu. Bozhanova, V. Hunko, and I. Sokolova. Despite the significant contribution of scientists to the research on the functioning of offshore financial centers, the dynamic development of global economy and tax systems in different countries necessitates the continuation of scientific research in this direction. In addition, the study of money laundering in offshore areas, as a destructive lever of the national economy, requires further study.

The purpose of the article is to reveal the essence of money laundering in offshore zones and to identify the negative consequences associated with this process; to study measures taken by Ukraine in order to implement international financial initiatives to "deoffshorize" its national economy.

Results of the research. Today, offshore zones and related ways of conducting economic activity are firmly entrenched in modern economy, and offshore business has become widespread.

Accumulation of significant capital subject to legalization, lack of political and economic stability in the country, unreliability of banking and monetary systems, unreasonably high tax rates, dangerousness of declaring high incomes, insecurity of property rights within the country, prevalence of raiding and tax pressure, high corruption, as well as unfavorable investment climate and business conditions in Ukraine [12] only increase the annual outflow of capital to offshore zones. Registering a business in offshore jurisdictions has a number of benefits for owners, as shown in Fig. 1.

According to the World Bank's "Doing Business" rating (a rating of the ease of doing business), Ukraine ranks 64th by 2020 [18]. It shows that Ukrainian companies are very likely to move to offshore jurisdictions.

It should be noted that annual growth of the number of Ukrainian companies registered in official jurisdictions due to their legal and economic attractiveness, causes the growth of shadow economy in Ukraine, which is clearly a negative phenomenon. The use of offshore schemes allows taxpayers to avoid paying income tax and withholding tax.

The key factor influencing a business entity's choice of its business registration place is tax burden (Fig. 1). The overall level of tax burden on Ukraine's economy from 2011 to 2020 varied from 36.1% to 40.4% of GDP (Fig. 2), meaning that a significant part of the funds of economic entities and the population was alienated in favor of the state. The value of tax burden in Ukraine in 2020 was 40.4% of GDP. This is the highest level in the last 20 years due to reduced GDP.

Although the level of tax burden in Ukraine is lower than in Eastern and Western Europe, the problem of tax burden on businesses is exacerbated by the fact that about half of the economically active businesses are in the shadows, and as a result, half of the taxpayers hide their tax revenues. Tax burden is only carried by a small part of the economically active population of the state. Thus, the real tax burden in Ukraine, carried by law-abiding taxpayers, is much higher than the one officially stated [2, p. 927].

At the same time, the structure of shadow economy in Ukraine is atypical in accordance with the structure of the economy itself. Unlike most other countries, the vast majority of tax revenues in Ukraine are lost due to such large-scale tax evasion instruments as the transfer of profits to "tax havens", the violation of customs rules, the theft of value-added tax, and counterfeiting, which are widely used by large and extra-large enterprises that dominate the domestic economy and at the same time have great opportunities to avoid paying taxes due to their informal connections [5, p. 7].

Let's take a closer look at the process of moving profits to offshore jurisdictions. The Institute of Socio-Economic Transformation and the Center for Socio-Economic Research "CASE Ukraine" have been studying the main schemes of shadowing national economy and the amount of losses the State Budget of Ukraine faces due to their application. Tbl. 1 shows budget losses from schemes related to money laundering in offshore areas.

"Tax Justice Network", an international justice group in the field of combating tax evasion and transfer of assets to tax havens, estimates the annual losses faced by the State Budget of Ukraine due to offshore schemes at 0.54% of GDP or US\$ 777.44 million (about UAH 21.7 billion) in 2019, and at 0.84% of GDP in 2020 [19].

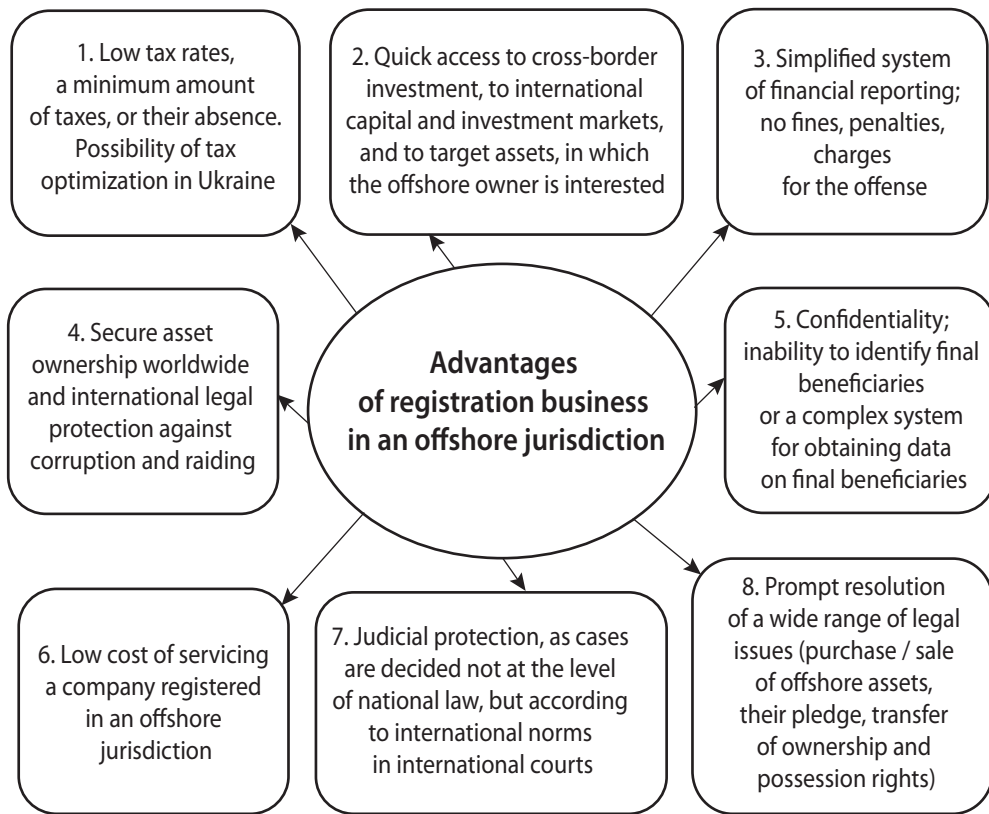


Fig. 1. Advantages of registration business in offshore jurisdictions

Source: based on [12].

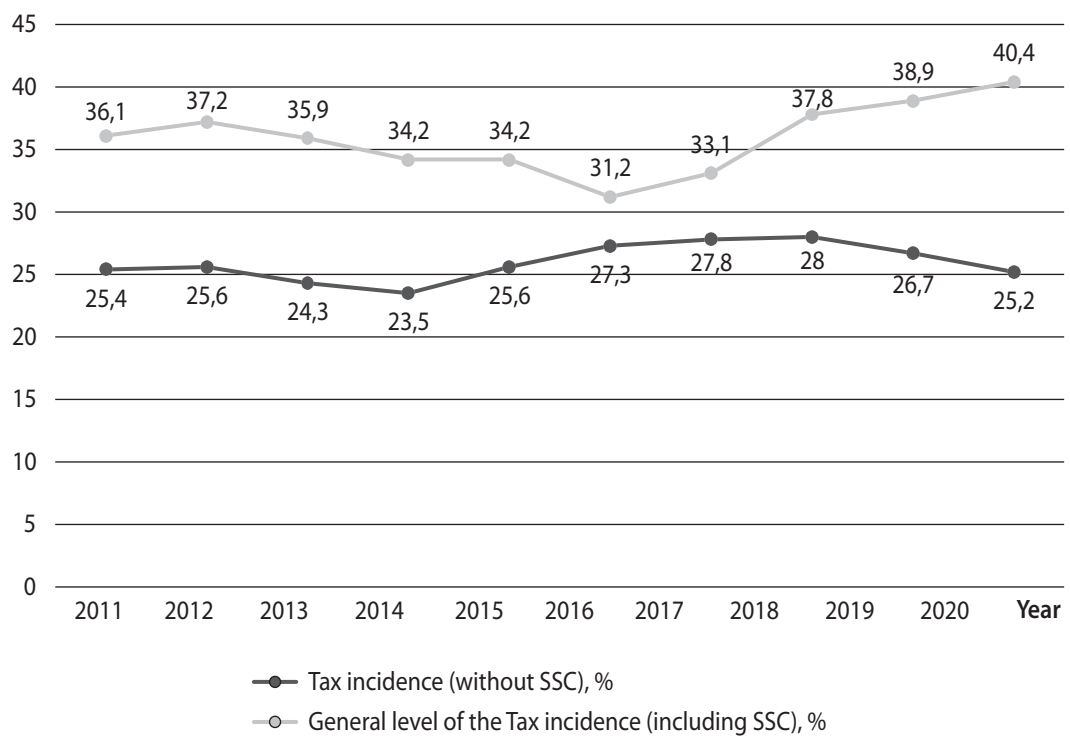


Fig. 2. Dynamics of changes in the level of tax burden in Ukraine during 2011–2020, %

Source: based on [9].

Table 1

Dynamics of the amount of losses faced by the Ukrainian State Budget due to "parking" money in offshore zones

Year	Indicator		
	Taxes that the scheme avoids	Approximate volumes (billion UAH per year)	Approximate budget losses (billion UAH per year)
2017	Income tax	260–320	50–65
2018	Income tax, withholding tax	120–200	22–36
2019	Income tax, withholding tax	130–220	23–40
2020	Income tax, withholding tax	226–320	28–46

Source: based on [5].

The negative trend can be seen in the fact that while previously companies used offshore jurisdictions to optimize taxation to organize the production of goods, services, and their further sale in the importing country, now tax havens are used mainly for "capital outflows".

It is worth noting that Ukraine is hostile to offshore centers, they are seen as a way to "launder" dirty money and transfer capital "in the shadows", because by applying certain schemes it becomes possible to avoid taxation in the offshore zone, in the intermediary country, where the Ukrainian company is actually registered, and in Ukraine, where profits are later returned.

Thus, in addition to the reputation of a "tax haven", offshore zones have gained a dubious reputation for places where "dirty" money is laundered and legalized. This term refers to money obtained by criminal means. And the set of actions that pursue concealing the true sources of origin of such money and give it signs of legal origin, is called "money laundering" [8, p. 259].

According to the definition given by the Institute of Encyclopedic Research of the National Academy of Sciences of Ukraine, money laundering is a term used to denote actions aimed at masking the source of funds obtained by criminal means and transferring them from criminal to legal circulation [7]. Laundering of "dirty" money is, first of all, hiding money or other property from the state or from confiscation and taxation, or even from a combination of the former and the latter [6, p. 15].

The process of laundering "dirty money" in offshore areas includes a number of stages, or phases. It usually occurs in three stages. However, it has been repeatedly noted that the first stage is preceded by the preparation of the entire process, which lies in transporting cash from the place of activity to another place, which provides initial guarantees of success. The process of illegal transfer, which precedes the placement of "dirty" money, is called "preparation of the location". Understanding such an introductory phase as a separate procedure is linked to "money laundering countries", namely offshore zones.

In addition to the preparatory stage, the money laundering process includes stages of placement, camouflage, and integration. The first stage, placement, is the

stage in which "dirty" money is first placed in financial institutions or used to buy various types of assets (including securities) [8, p. 267]. Almost all mechanisms for laundering "dirty" money are characterized by the participation of legal entities that have signs of fictitiousness. Such organizations are often created for a short time on forged documents or on fictitious persons. They receive funds obtained by criminal means, which are then converted and transferred to the accounts of "friendly" organizations, which are often located in offshore zones. These organizations legalize dirty money through the accounts of various companies [17, p. 110].

The second stage, camouflage (concealment), is the stage in which the first attempt to conceal or disguise the source of origin and identity of the owner of money begins. The third stage is the stage of integration (legitimation), during which money is introduced into legal economic structures and financial systems for the purpose of their final assimilation with all the funds present there [8, p. 267].

In recent years, the latest technologies are increasingly used in money laundering, and a new direction of cybercrime is under development. For example, in many cases companies, including financial institutions, are registered offshore via the Internet. The processes caused by globalization and integration of financial markets, especially technological innovations, have allowed companies that launder "dirty" money to work with greater efficiency and profitability. In particular, technological innovations (development of electronic payment systems, computerization of banking) make it possible to introduce more complex and sophisticated schemes for money laundering, but at the same time they remain flexible and adapted. Such innovations have increased the transactions execution speed, thus increasing the number of serial transactions, through which money launderers now can build a hugely complex system of hidden mutual payments. They have also increased communication opportunities, allowing transactions to be conducted in more jurisdictions, making investigations extremely difficult [17, p. 111].

There are five classic schemes for laundering "dirty" money in offshore areas:

1. *Manipulation of export-import prices.* In particular, selling goods produced by domestic enterprises to an offshore intermediary, which, as a rule, belongs entirely to the "seller", at low export prices with their subsequent sale by an offshore company at a global price. The difference is transferred to the controlled accounts of the interested parties [4].
2. *Application of bank lending scheme.* For example, a banking institution provides loans to residents of Ukraine under foreign trade contracts. Later, the loan funds are transferred to the accounts of non-residents in offshore banks. When 90 days demanded by law expire, they are returned to the Ukrainian bank due to the non-compliance of the non-resident firm with the contract provisions. However, during this time, the Ukrainian bank's borrowed funds are used in the commercial activities of offshore structures, and the profits remain outside Ukraine.
3. *Making a partial or 100% advance payment to the accounts of offshore commercial structures.* That is, agreements on foreign trade in goods or services, which never reach domestic recipients, are concluded with these structures.
4. *Obtaining loans from offshore companies.* At the same time, interest on the use of loans goes to the accounts of foreign companies and by registering intellectual property (patents, trademarks, programs, etc.) in offshore zones. Subsequently, the funds are transferred to offshore companies for the use of the specified property.
5. *Securities transactions.* Capital is transferred to the accounts of controlled offshore firms using mechanisms for purchasing securities from controlled Ukrainian business entities. Purchases are made at low prices, usually at face value, or at prices much lower than face value. In the future, these securities are sold to another controlled Ukrainian firm at prices ten or more times as high as the pre-sale rate. The difference goes to accounts in foreign banks. The funds transferred to foreign accounts will be partially returned to Ukraine's economy in the future in the form of investments, contributions to the statutory funds of domestic enterprises, etc. [4].

In addition to these basic schemes, there are many others also working with offshore. For example, you can reduce profits to zero with leasing schemes. For instance, you can take helicopters on lease from your offshore firm and give all profits in the form of lease payments, the amount of which no one limits. Another loophole is loans. The business entity owner borrows from his/her offshore firm and asks the state to save the company by repaying its external liabilities. It is also very convenient to make expensive purchases through offshore. In

this case, no one asks, how a public servant with the official salary of a few thousand hryvnias can buy luxurious cars, apartments, and real estate around the world. Another purpose of withdrawing money from Ukraine is Private Banking for investments and savings. Having an account in one of the private banks allows one with the help of portfolio managers to make global investments in any country. If such an account is opened in an offshore zone, the investment income of non-residents does not usually become subject to local taxes. In addition, funds storage is ensured through geographical diversification, which is extremely important for Ukrainian businesses [15].

According to the State Tax Service of Ukraine, the vast majority of great exporters operate through intermediaries located in low-tax jurisdictions (Netherlands, Cyprus, Switzerland, and Luxembourg): the share of indirect export contracts in 2020 is more than 76% (for comparison: in 2012–2013, their number did not exceed 40%) [3].

The role of offshore jurisdictions remains high in round tripping investment, i.e. : sending funds abroad by residents, the money being later returned to the country in the form of direct foreign investments [10].

The main factors in the use of round tripping operations are: the protection of property rights; tax and financial benefits; the existence of currency control and exchange rate changes (to ensure flexibility in the management of assets denominated in foreign currency); gaining access to better financial services [10].

The largest volumes of round tripping investments were observed in 2010–2013, being at the level of 32.7% of the total FDI, of which 87% were directed to real sector enterprises. In 2014–2015, there was an outflow of financial resources from Ukraine for operations related to political changes in the country, as well as the start of hostilities in the East of Ukraine. In 2016–2019, there was a gradual increase in net inflows of funds for round tripping operations, but in smaller amounts. Thus, in 2016, FDI inflows, in which the ultimate controlling investor is a resident, amounted to 170 million USD and provided 4.1% of all FDI to Ukraine [10]. In 2017, round tripping operations provided 10.4%, in 2018 – 20.6% of FDI inflows to Ukraine. In 2019, round tripping operations are estimated at 1 billion USD, which is 34.1% of FDI inflows to Ukraine (88.9% of their volume is investment in the real sector of the economy). The dynamics of foreign direct investment, including the cases when the controlling investor is a resident are presented in *Tbl. 2*.

In total, during 2010–2020, the volume of FDI in which the ultimate controlling investor is a resident (round tripping) is estimated at 9.5 billion USD, which is 23.5% of the FDI inflow to Ukraine (40.4 billion USD).

Fig. 3 shows the impact of round tripping operations on the volume of foreign direct investment in Ukraine.

Table 2

The amount of foreign direct investment in which the controlling investor is a resident (round tripping) during 2010–2020, USD million

Indicator	Year										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct investment in Ukraine (excluding reinvestment of income)	6495	7207	8401	4499	410	2961	3284	2202	1858	2610	453
Round tripping	1296	3429	2908	1055	-1038	-162	134	270	419	956	230
Round tripping, % to the total volume	20,0	47,6	34,6	23,5	-	-	4,1	12,3	22,6	36,6	50,8

Source: based on [10].

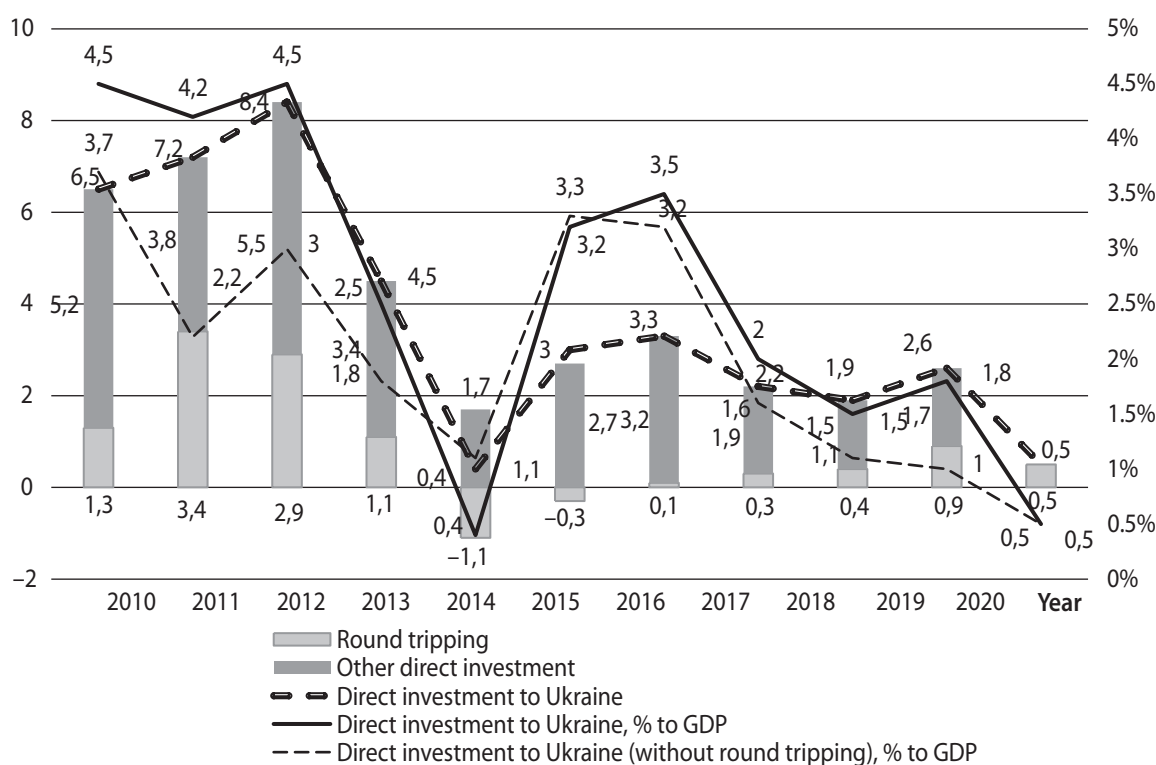


Fig. 3. Impact of round tripping operations on the volume of foreign direct investment in Ukraine, billion dollars USA

Source: based on [10].

The largest volumes of round tripping operations in 2020 were carried out through Cyprus, the Netherlands, Switzerland, and Austria. In general, the main investor countries (including round tripping operations) in Ukraine in 2020 are still Cyprus, the Netherlands, the United Kingdom, Germany, Switzerland, Austria, and the Virgin Islands. Fig. 4 shows the percentage distribution of the Top 20 countries, the largest investors in Ukraine in 2020.

This division has been relevant for several years, primarily due to the fact that, although Cyprus is not legally an offshore zone, Ukraine and Cyprus have had a double taxation agreement for many years, and the Netherlands, Switzerland, and the British Virgin Islands are offshore areas where basic tax rates are very low.

The main part of the investments received in Ukraine is Ukrainian capital, the owners of which use companies in offshore zones and "reinvest" these funds in the form of FDI in Ukraine. Negative factors that cause only the "reinvestment" of previously laundered "dirty" money, rather than a net inflow of FDI into Ukraine include: high level of corruption; imperfection of the legal framework; lack of proper support for the development of the investment market by the authorities; shortage of highly educated and qualified specialists; large percentage of the shadow economy; military conflict; unsatisfactory level of socio-economic development of the economy; unregulated tax system; complexity in the registration and licensing procedures; distrust of the judiciary; monopolization of markets, etc. [14, p. 51].

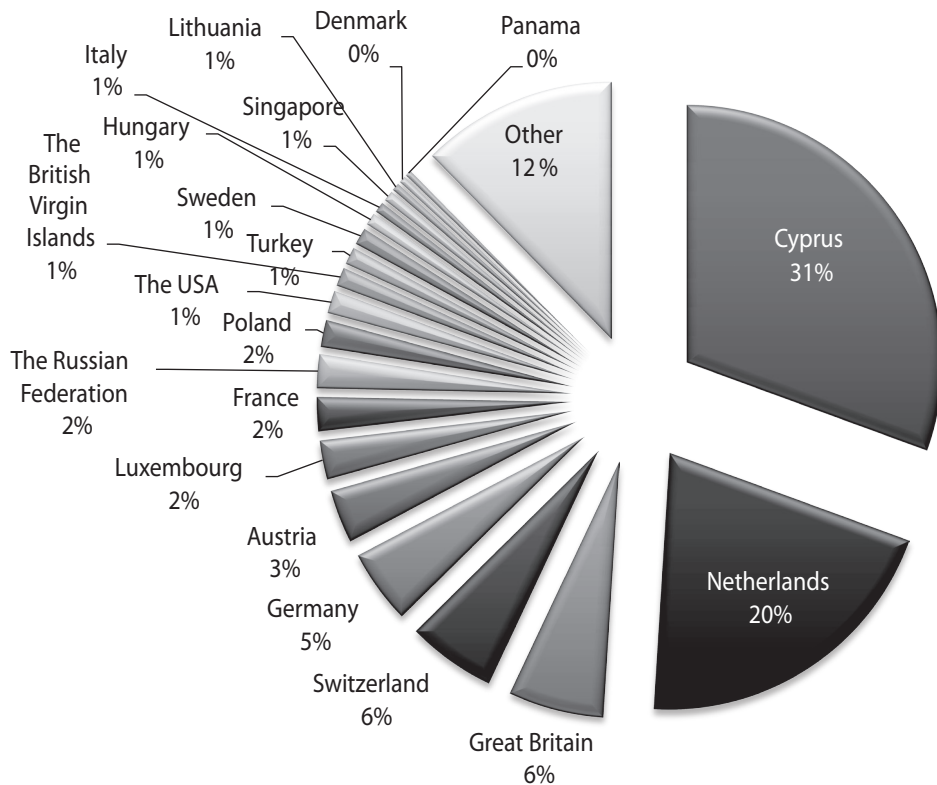


Fig. 4. Foreign Direct Investment in Ukraine (FDI) from the Top 20 countries of investors in 2020, %

Source: based on [9].

Thus, transactions of false investment, tax evasion, potential and deliberate violation of national tax legislation have a generally negative impact, primarily on the economic development of Ukraine and the financial stability of the state, as well as reduce the level of Ukraine's financial security.

It should be noted that external threats to Ukraine's financial security caused by money laundering in offshore areas include irrational investment structure, inefficient domestic tax policy, insufficient regulation of Ukraine's international taxation system with a number of other states, including offshore jurisdictions.

In addition, the growth of the shadow economy, which is largely caused by the illegal removal of capital to offshore areas, enhances the risk of losing the resilience of financial security. Thus, in 2020, according to the Ministry of Economy, the level of the shadow economy amounted to 31% of the official GDP, and according to the State Financial Monitoring Service, shadowing more than 20% is considered to be a direct risk to national financial security.

The results of the National Risk Assessment in 2019 show the existing risk of significant offshoring for the national economy (*Tbl. 3*).

According to the results of the National Risk Assessment 2019, money laundering causes a number of negative consequences, among which are the following:

- ✦ reduction of the state and local budgets revenue, which in turn does not foster financing various

state and local development programs and forces the state to resort to external borrowing: as a result, there is a decrease in foreign exchange reserves and internal sources of paying external debts;

- ✦ reduction of funding public-private partnerships;
- ✦ reduction of the balance of payments indicators due to transfer transactions;
- ✦ decline in production and drop in GDP growth [16, p. 19].

The issue of regulating offshore activities by Ukraine and the international community deserves special attention, in particular, as for combating money laundering in offshore zones.

Anti-offshore regulation is carried out at four levels: global (OECD, IMF, UN, FATF); regional (within the commonwealth of countries, such as the EU); bilateral (based on the signing of interstate agreements); internal (by amending legislation). A number of international organizations, including the Organization for Economic Co-operation and Development (OECD) and the International Anti-Money Laundering Group (FATF), are paying close attention to struggle against offshore zones, developing a set of recommended measures for a country. A large set of actions has been carried out since the end of the twentieth century: the OECD Convention on Mutual Administrative Assistance in Tax Matters was adopted, the AML / CFT process was

Threats to Ukraine's financial security related to offshoring

Threat	Vulnerability	Risk	Net risk level	Value of the level of risk
High level of offshoring of the national economy	The country's economy and financial system as a whole	High cash flow	9	High
	Public finance management, fiscal administration, hidden unemployment	Shading and offshoring of the national economy	6	Medium
	Withdrawal of capital "offshore", weak government support for private business, lack of favorable investment climate	Outflow of financial capital from the country, laundering of "dirty" money	6	Medium

Source: compiled on the basis of [16, p. 9–10].

deepened, blacklists of "tax havens" were put into circulation, etc. [1, p. 71].

One of the important initiatives in the anti-offshore struggle was the implementation of the OECD / G20 Base Erosion and Profit Shifting (BEPS) Plan, which includes 15 steps needed to address tax avoidance. Figure 5 shows the measures of the BEPS plan. The concept of "tax base erosion and tax evasion" (BEPS) refers to tax planning strategies that use gaps and inconsistencies in national and international tax laws to artificially transfer profits to low- or zero-income areas where economic activity is small or absent. This causes reduction or avoidance of income tax liabilities. The BEPS practice affects all countries, but it has a particularly large impact on developing economies, in particular Ukraine, due to their high dependence on corporate income tax [13].

In 2017, Ukraine joined the international program of enhanced cooperation on the implementation of the BEPS Action Plan, and in early 2020 adopted the extremely important Law of Ukraine "On Amendments to the Tax Code of Ukraine to improve tax administration, eliminate technical and logical inconsistencies in tax legislation", under which measures 4; 6; 7; 8, 9, 10, 13; 14 were introduced.

Step 15 (MLI) of the BEPS Plan was also implemented with the adoption and coming into effect of the Law of Ukraine "On Ratification of the Multilateral Convention on the Implementation of Measures Concerning Tax Agreements, in order to counteract the tax base erosion and the withdrawal of income from taxation". Therefore, it can be argued that Ukraine, with an understanding of the current negative impact of offshore activities on its own economy, is moving towards the full implementation of the BEPS Plan (Fig. 5).

Due to the global digitalization and the fact that companies are actively cooperating with a significant number of jurisdictions without their physical presence, the OECD in 2019 presented the BEPS 2.0 Action Plan, which is the implementation of the Program to address

the tax challenges associated with digital economy adopted by the Inclusive Framework (a group of countries, including Ukraine, cooperating under the OECD / G20 BEPS Enhanced Cooperation Program). This Plan is a continuation of the sweeping reform in the area of preventing tax evasion and includes two components:

1. Pillar One – applies to the rules for the distribution of tax rights between jurisdictions and the distribution of profits (companies must pay taxes in the countries where they make profit, not just in the place of their legal registration).
2. Pillar Two – focuses on preventing multinational corporations from moving profits to offshore jurisdictions where they are not taxed at all or are taxed at a low rate (Global Anti-Base Erosion) [11].

It can be argued that the implementation of the Minimum Standard of the BEPS Action Plan in Ukraine, and of all its measures in the future, will launch an effective mechanism for high-quality international taxation and anti-offshore struggle, including money laundering. However, in order to implement the BEPS Plan in Ukraine, it is necessary to solve a set of complex tasks, including:

- ✦ introduction of tax and financial incentives that will encourage companies to remain registered and operate in Ukraine;
- ✦ strengthening cooperation with foreign countries (signing bilateral and multilateral agreements) in the field of mutual disclosure of tax information;
- ✦ maximum implementation of OECD and FATF recommendations on combating tax evasion and money laundering.

In addition, the modernization of domestic legislation eliminates all the reasons that may motivate national entities to use offshore jurisdictions.

CONCLUSIONS

The choice of Ukrainian business entities to register their business in offshore jurisdictions is explained by a number of reasons, including the creation of favorable

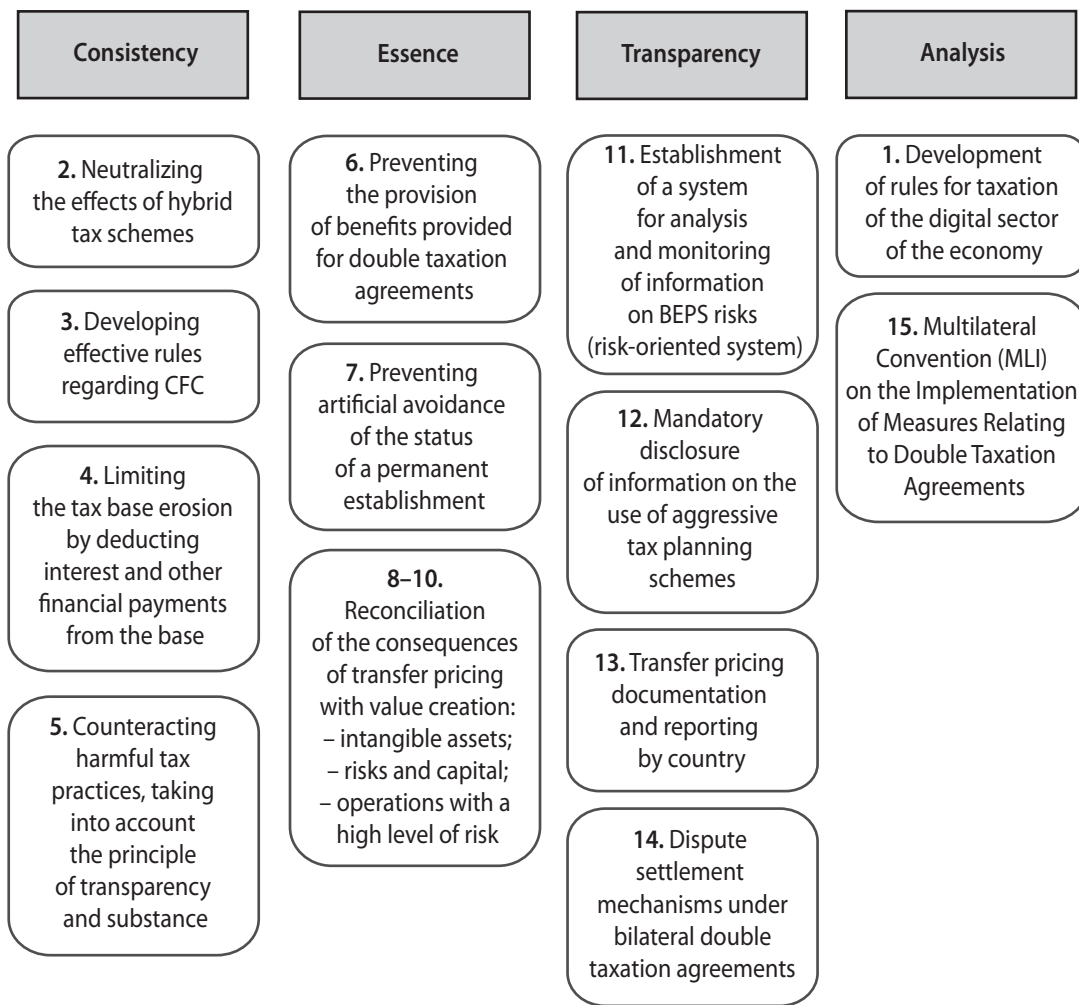


Fig. 5. BEPS Action Plan: 15 steps

Source: based on [13].

monetary, financial, and fiscal regimes for entrepreneurs, high level of banking and commercial secrecy, and loyalty to state regulation.

At the same time, the use of offshore schemes by economic entities leads to a significant outflow of capital from Ukraine, and in the illegal aspect, to uncontrolled laundering of "dirty" money by various schemes that depend on money laundering volume, as well as geographical location and offshore legislation jurisdiction. Annual transfer of profits abroad to low-tax jurisdictions in the amount of UAH 120–200 billion per year, causes a shortfall in taxes to the State Budget of Ukraine in the amount of up to UAH 36 billion. Equally important is the inflow of net foreign direct investment, which, as a determining factor, affects the rate of economic growth and development of the country as a whole, as it makes the basis for international cooperation and socio-economic development. However, the share of round tripping investment in total direct investment in Ukraine has remained significant for several years in a row, reaching 50%, this fact indicating a "legal" return of previously laundered "dirty" money from offshore in the form of net investment.

In fact, money laundering in offshore zones causes an increase in the level of shadowing of the national economy, causing a negative impact on Ukraine's financial security. Threats to Ukraine's financial security related to offshoring are assessed at reaching a medium and high level, according to the National Risk Assessment conducted by the State Financial Monitoring Service.

The implementation of the BEPS Plan and some of its measures at the national level became an important factor in the settlement of relations between Ukraine and offshore jurisdictions.. In order to further implement measures on "deoffshorization" and relocation of companies not regulated by law in the legal field, rules on taxation of controlled foreign companies are implemented, new reporting on transfer pricing and a mutually agreed procedure are introduced, and requirements for permanent representations of foreign companies are strengthened. ■

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СТРАХОВІ КОМПАНІЇ ЯК ЕЛЕМЕНТ КРЕДИТНОЇ СИСТЕМИ

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 JEL: G22; G23

Ромашко О. М., Крихівська Н. О., Савчин Л. М. Страхіві компанії як елемент кредитної системи

Мета статті полягає в дослідженні основних показників діяльності страхових компаній в Україні та визначення їх ролі у структурі її кредитної системи. Узагальнюючи наукові праці з питань дослідження функціонування небанківських фінансово-кредитних інститутів у цілому та страхових компаній зокрема, встановлено необхідність дослідження окремих питань розвитку суб'єктів страхового ринку на сучасному етапі (а саме, показників діяльності страхових компаній) і визначення їх місця у кредитній системі. Аналізуючи динаміку та структуру активів кредитної системи в розрізі її складових – банківської та парабанківської системи, встановлено банкоцентричну модель фінансового ринку, адже основну частку в активах кредитної системи займають активи банківських установ. Визначено, що серед парабанківських установ вагому роль у функціонуванні кредитної системи України відіграють фінансові та страхові компанії. Проведено аналіз основних показників діяльності страхових компаній і динаміки їх кількості. Встановлено, що, незважаючи на зниження кількості страхових компаній у динаміці, обсяги валових страхових премій і валових страхових виплат характеризуються позитивними зростаючими тенденціями. Факторами впливу на такі зміни є вихід з ринку ненадійних і фінансово неспроможних страховиків; зміна поглядів щодо страхування життя, активів і відповідальності, а також активний розвиток партнерських відносин з іноземними контрагентами та поява на вітчизняному ринку страхових компаній з іноземним капіталом. Також у статті наведено рейтинг страхових компаній за обсягами активів на кінець 2020 р. і визначено їх частку в активах кредитної системи загалом. Перспективи подальших досліджень полягають у виокремленні основних причин спадних тенденцій кількості страховиків та їх впливу на стан ринку фінансових послуг загалом.

Ключові слова: кредитна система, небанківські фінансово-кредитні установи, парабанківська система, страхові компанії.

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Рис.: 2. **Табл.:** 4. **Бібл.:** 9.

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