

DIRECTIONS OF OFFSHORE FINANCIAL ACTIVITY DEVELOPMENT IN THE CONDITIONS OF GLOBALIZATION

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Offshore financial activities are the provision of financial services by banks or other financial institutions to non-residents. These are various operations on debt financing, attraction of deposits, trust management of clients' funds . Offshore zones have a number of features that distinguish them from other groups of countries with preferential taxation and create investment attractiveness for foreign investors. But a specific condition of the traditional (Classical) offshore is bound to obtain income, registered in this area companies outside this area. Common features of offshore banking centers can be named - you are: almost no regulation of traffic flows; international basis of operations; highly efficient means of communication and transport infrastructure.

Strengthening the processes of integration, liberalization and increasing the degree of openness of national economies turns the modern world into a complex hierarchical system that is constantly changing in the direction from national to global. The components of this system form an interconnected complex of the world economy, an integral part of which are offshore zones. They play an important role in the transformation of capital and investment.

The main reason, and at the same time the purpose of the operation of offshore zones, offshore management schemes and offshore companies, is the minimization of tax liabilities both in the country of activity and in the country of permanent residence of the enterprise. This goal is achieved by removing all or part of the income from the tax jurisdiction of countries with high levels of taxation. Thus, from this point of view, offshore zones are a logical development of free economic zones. And for businesses, the use of offshore zones is one of the most convenient methods of saving money, minimizing taxation, participating in the capital of other companies and getting money at the right time in any country in the world.

Offshore financial centers can be classified on various grounds: from nominal, which provide a minimum set of financial services, to functional, which provide a wide range of financial services. Scientific research efficiency create an offshore financial center as a strategy for economic development show, that nominal offshore have little impact on the economy and does not form the foundations for sustainable economic development.

First, nominal offshores are quite cheap to organize and therefore competition for customers between them is high. Second, nominal offshore provide enough services with added value and therefore such centers do not have the economic demand in the domestic real economy and not create employment, goods and services.

According to the IMF definition, the term offshore financial center should be understood as follows:

- jurisdiction on the territory of which housed a large part of financial institutions, which primarily engaged in business with non-residents;
- financial systems with external assets and liabilities, which are obtained by the allowable proportion of financial activities on the territory of the country in relation to domestic economic activities;
- more popular is the following definition: Centers, which provide some or all of the following services - low or zero taxes, affordable or light financial regulation, banking secrecy and autonomy.

In addition to that, an intergovernmental organization of struggle with money funds Financial Action Task Force (FATF) provides a definition of the term “offshore financial center”, which applies to the areas, which have

a developed market capital, liberal fiscal and monetary regime and ignore the recommendations of international financial institutions on improving international regulation and control over the banking and financial and currency systems. In practice, offshore zones are divided into so-called tax havens and countries with favorable taxation.

In the context of globalization, the role of financial activities in offshore areas is growing in the direction of the development of “tax havens”, in which there are no corporate taxes; only profits derived from commercial activities carried out within the jurisdiction and not outside it are taxed; or in which there are special tax benefits for certain types of companies or types of commercial activities.

In addition, attention should be paid to the analysis of the impact of money laundering on offshore financial centers, as over the past decade many offshore financial centers or zones have been established as an attempt by developing countries (or territories) to develop their national economies through international financial services.

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