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INTERNATIONAL TAXATION SYSTEM TRANSFORMATION: ITS EFFECT ON TRANSFER PRICING (TP)

Summary

In the context of globalization of the world economy and the growth of its digital segment, there is a need to revise the basic principles applied in the international tax system. Inequality of tax approaches in different countries creates tax competition between them and allows multinationals to shift their profits to jurisdictions with low tax rates. The supply of digital services under the current rules has not been taxed in the countries of their consumption and attempts to regulate their taxation by individual countries lead to trade wars. The OECD / G20 initiative envisages the introduction of unified approaches to the taxation of digital services and the global minimum tax rate, which determines the relevance of this study.

The aim of the article is to study the problems of the modern international tax system and the OECD / G20 initiative, updating taxation principles for globally operating companies.

In the process of research, the author used the following general scientific theoretical methods: systems analysis in order to clarify the main categories of research, grouping and detailing, induction and deduction, and analogy. Also, an abstract and logical method was used for implementing theoretical generalizations and conclusions about the impact of the rules for the two-component solution on the tax system of Ukraine.

Analyzing, systematizing and summarizing the scientific works of numerous scientists, the article examines the reasons for the need to revise the basic principles of taxation, which do not take into account modern business conditions. The author studied the peculiarities of the rules for the OECD / G20 Two-Pillar Solution, their relationship with the rules of TP and approaches to their implementation. The practical significance of the research is in the analysis of the impact of implementing the two-component solution on the domestic tax system.

Prospects for further research are as follows:

- amendments to domestic tax legislation implementing the rules of the OECD/ G20 Two-Pillar Solution;
- methodology of preparing multinational reports in accordance with the new rules;
- features of application of TP rules for the purposes of the Two-Pillar Solution.

Keywords: two-pillar solution; taxation of the digital economy; OECD / G20 BEPS Counter-Enhanced Cooperation Program; global anti-erosion rules for the tax base; a rule based on the application of the Conventions for the Avoidance of International Taxation; income inclusion rule; rule of taxation of tax-free income.

Number of sources – 16, number of tables – 2.

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