Proceedings of International Conference on Scientific Research in Natural and Social Sciences
Hosted online from Toronto, Canada.
Date: 5th March, 2024
ISSN: 2835-5326 **Website:** econferenceseries.com

TAX ADMINISTRATION OF MULTINATIONAL COMPANIES IN DEVELOPED COUNTRIES

Erkaboev Nuriddin Akhmadjonovich
Republic of Uzbekistan Master's student of the Academy of Banking and Finance

Abstract:
In this article, suggestions and recommendations are formed through the economic analysis of tax evasion by multinational companies and the role of taxes, the role of taxes in attracting foreign investors to our country.

Keywords: double taxation, non-resident, agreements, foreign investors, convention, contracts, consular legalization, dividends, interest, royalties, budget, tax administration, tax potential, tax rate, tax revenues, tax benefits, foreign investor.

Enter

Tax administration plays a crucial role in shaping the fiscal landscape and economic health of developed countries, especially in dealing with the complexities introduced by multinational companies (MNCs). In this context, the importance of effective tax administration is multifaceted. MNCs often contribute significantly to a country's GDP and economic activity. Ensuring effective tax administration enables developed countries to capture a fair share of the revenues contributed to public finances by these multinational entities. Tax revenues make up a large part of government revenue. Effective governance provides a stable and predictable fiscal environment that enables governments to plan and implement budgets for public services, infrastructure, and social programs. Tax revenues from MNCs support essential public services such as education, health, infrastructure development, and social welfare programs. Effective organization of tax administration is essential to allocate resources to meet the various needs of the population. Tax policies and incentives can influence MNCs' research and innovation investment decisions. A well-managed tax system provides certainty and predictability, encouraging companies to invest in long-term projects that contribute to technological progress.
The tax administration of multinational companies (MNCs) in European countries is a complex and difficult aspect of tax regulation due to the cross-border nature of

their activities. Each European country has its own tax laws, and the coordination of tax matters across borders is often facilitated by international treaties and structures. European countries maintain individual tax jurisdictions with separate tax laws and regulations. Each country has the right to tax within its borders, including the income of multinational companies operating in its territory. Many European countries have bilateral or multilateral tax treaties to prevent double taxation and tax evasion. These treaties provide guidelines for the allocation of taxing rights between countries and establish mechanisms for the exchange of information. Within the European Union, there is coordination and cooperation on certain tax issues. The EU is working towards a more harmonized approach to corporate taxation, but progress varies between member states. European countries generally follow transfer pricing rules to ensure that transactions between related parties are carried out at prices close to each other. This prevents profit shifting and maintains fairness in the distribution of taxable income. In accordance with international standards, European countries often require multinational companies to submit Country-by-Country reports. These reports provide detailed information on the global distribution of company income, taxes paid and other relevant information. Some European countries have introduced or are considering digital taxation measures to address the challenges of the digital economy. This includes taxing digital services provided by multinational technology companies. European countries actively participate in international efforts to combat base erosion and profit shifting (BEPS). They implement anti-BEPS measures such as Controlled Foreign Company (CFC) rules to prevent tax avoidance strategies. The European Union proposed the Common Consolidated Corporate Tax Base (CCCTB) as a means of harmonizing the calculation of taxable profits for MNCs operating within the EU. The proposal aims to simplify cross-border tax compliance. European tax authorities conduct inspections to ensure compliance with local tax laws. Cooperation and information exchange between tax authorities of different countries is important for effective implementation. Controversies and controversies arise especially when MNCs engage in aggressive tax planning. European countries may face difficulties in reaching a consensus on tax policy and resolving tax competition within the EU. MNCs are increasing public scrutiny of their tax practices. European countries emphasize the importance of tax transparency and disclosure of tax information in line with global trends. The ECJ plays an important role in ensuring the interpretation and application of EU law, including tax-related matters. ECJ decisions will affect the tax landscape for multinational companies operating in Europe. European countries are paying more attention to a stable and responsible tax policy. There is a growing focus on aligning tax practices with broader environmental, social and governance (ESG) issues.

In summary, the tax administration of multinational companies in European countries involves a combination of national laws, international cooperation and harmonization efforts within the European Union. The changing nature of tax regulations, particularly in response to digitization and BEPS concerns, requires constant collaboration and adaptation to ensure fair and efficient taxation of multinational operations.

The tax administration of multinational companies (MNCs) in Asian countries is a complex and diverse landscape shaped by each country's individual tax policies, laws and regulatory frameworks. Although Asia is comprised of a wide range of countries with unique economic structures, legal systems and tax environments, some common themes and practices emerge in the taxation of multinationals across the region. . Asian countries have separate tax jurisdictions, each with their own tax laws and regulations. MNCs operating in Asia are subject to the tax laws of each country in which they operate. Many Asian countries have concluded double tax treaties with other countries to prevent double taxation and facilitate cooperation in tax matters. These agreements often include provisions for the exchange of information between tax authorities. Transfer pricing regulations are generally adopted by Asian countries to ensure that transactions between related parties are carried out at prices close to each other. These rules are aimed at preventing profit shifting and maintaining tax fairness. Asian countries often impose withholding taxes on certain types of cross-border payments, such as dividends, interest and royalties. MNCs must comply with these withholding tax obligations when conducting transactions with legal entities in Asian jurisdictions. Some Asian countries require multinational companies to submit Country by Country reports that provide detailed information on the global distribution of income, taxes paid and other relevant information. This is in line with international standards for increased transparency. A number of Asian countries are exploring or implementing digital taxation measures to address the challenges of the digital economy. This includes taxes on digital services provided by multinational technology companies. Many Asian countries have implemented GST or VAT systems. Often MNCs must register and comply with these consumption taxes when selling goods and services in these jurisdictions. In addition to national tax laws, MNCs must comply with local tax rules that may vary within a country. Local tax authorities administer and enforce these regulations at the regional or municipal level. Tax authorities of Asian countries conduct regular inspections to ensure compliance with tax legislation. Enforcement actions may include penalties for non-compliance, late submission or willful evasion. In some Asian countries, public scrutiny of the tax practices of multinational enterprises is increasing. Greater transparency and disclosure are in line with global trends and may influence tax planning strategies. Regional economic organizations such as the Association of Southeast Asian Nations (ASEAN) play a role in facilitating economic cooperation that covers matters related to tax policy and governance. Asian countries are constantly adapting their tax policies to respond to global economic trends, digitization and international initiatives such as Base Erosion and Profit Shifting (BEPS). Legal systems and mechanisms of judicial review are different in Asian countries. Some jurisdictions have specialized tax courts or tribunals to resolve tax disputes. In summary, the tax administration of multinational companies in Asian countries involves different regulatory environments, bilateral agreements and evolving regional economic dynamics. MNCs operating in Asia should be aware of the specific tax requirements of each jurisdiction and be aware of changes in tax laws and practices across the region.

The tax administration of multinational companies (MNCs) in South American countries varies regionally due to the specific tax systems and rules implemented by each country. Each South American country has its own national tax jurisdiction and MNCs are subject to the tax laws and regulations of the particular country in which they operate. Taxation is primarily based on the source principle, where domestic income is taxed. South American countries generally have transfer pricing rules to ensure that transactions between related businesses are conducted at the same price. These rules help prevent profit shifting and ensure fair taxation. Many South American countries have concluded double tax treaties with other countries to avoid double taxation and promote international cooperation. These treaties provide guidelines for the allocation of taxing rights and often include provisions for the exchange of tax information. South American countries usually charge VAT or GST on the sale of goods and services. MNCs are required to comply with local VAT or GST regulations, including the registration, collection and remittance of these taxes. Some South American countries require multinational companies to submit Country by Country reports in compliance with international standards. These reports provide detailed information on the global distribution of company income, taxes paid and other relevant information. In response to the challenges posed by the digital economy, some South American countries are considering or implementing digital taxation measures. These measures could include taxes on digital services provided by multinational technology companies. Tax authorities in South American countries conduct regular audits to verify the accuracy of tax returns and ensure compliance with local tax laws. Penalty mechanisms are in place for non-compliance. Customs duties and import taxes are important for MNCs involved in international trade. Compliance with customs regulations and payment of import duties are crucial aspects of the tax administration process. South American countries with large natural resources often have special tax rules related to the extraction and export of natural resources. In particular, mining and energy companies may face industry-specific taxation rules. Disputes and disagreements between tax authorities and MNCs can arise, especially in cases involving aggressive tax planning or complex cross-border transactions. There are mechanisms and legal processes to deal with such issues. Some South American countries offer tax incentives to attract foreign investment. Multilateral enterprises may benefit from tax rates, incentives or other favorable regimes in certain industries or regions. There is an increasing focus on public disclosure of tax practices. Multinational companies may face increased scrutiny, and some countries require certain tax information to be made public. It is important to note that each South American country has its own tax landscape and MNCs must follow the specific rules of the countries in which they operate. Ongoing changes in tax legislation, international cooperation and coordination efforts within regional organizations are helping to evolve the nature of tax administration in South America.

Conclusions and suggestions

Taxation by multinational companies creates a number of problems and challenges for governments and the global economy. Brief suggestions on the main issues related to taxation by multinational companies:

International cooperation and the OECD's BEPS project to close implementation gaps, strengthen transfer pricing rules and safeguards to prevent the erosion of tax bases. Strengthen coordination between countries to negotiate fair and comprehensive tax treaties, minimize double taxation and provide dispute resolution mechanisms. Favors increased transparency, information exchange agreements and the inclusion of preventive measures in national and international tax regulations. Striking a balance between promoting economic growth and ensuring fair and transparent taxation is critical to the stability and sustainability of the global economy.

Adabiyotlar/Литература/Reference:

1. Ўзбекистон Республикаси Солиқ кодекси- Тошкент: Ғафур Ғулом нашриёт уйи 2020.- 640 б.
2. Солиқ қўмитаси маълумотлари. www.soliq.uz.
3. Нормурзаев, У. (2022). Хукуматимиз томонидан солиқ маъмурчилиги бўйича 2018-2022 йилларда амалга оширилган солиқ ислоҳотлари натижалари. Иқтисодиёт ва инновацион технологиялар, 10 (5), 325–330. https://doi.org/10.55439/EIT/vol10_iss5/a35
4. Нормурзаев, У. (2023). Ўзбекистонда солиқ сиёсатини такомиллаштириш ва унинг барқарорлигини таъминлаш йўллари. Iqtisodiy Taraqqiyot va Tahlil, 1(6), 177–182. https://doi.org/10.60078/2992-877X-2023-vol1-iss6-pp177-182
5. Нормурзаев, У. (2023). Солиқ имтиёзлари бериш тартибини такомиллаштириш масалалари. Iqtisodiyot Va ta’lim, 24(1), 334–339. https://doi.org/10.55439/ECED/vol24_iss1/a51