

OFFSHORE SCHEMES IN EUROPEAN TAXATION

Maksymenko A.V.

Candidate of Economic Sciences,
Senior Lecturer at Department of International Accounting and Audit,
Kyiv National Economic University named after Vadym Hetman

The methods of tax planning using offshore arrangements are researched. It is substantiated that in the classical sense, almost no pure offshore zones exist in Europe. Therefore, complex schemes are used when an offshore company receives a “residence” in the legal jurisdiction in order to obtain tax optimization or, in other words, find loopholes in the barriers not protected by the legislation imposed by the tax control structure.

It is proved that the problems associated with offshore areas in Europe are solved in a comprehensive manner, based on the current rules of the participating states. The regulation of offshore business can be shown

in two independent directions: internal and external institutional control. To optimize its activities, the operation of both the parent company and its branches under the influence of tax regulation in different countries is investigated; schemes are developed and implemented in relation to their activities.

The directions of Ireland’s tax planning are specified. The tax strategy, known as “Double Irish with a Dutch Sandwich”, is analysed in detail and ambiguous consequences of its use are identified. The effects arising from the use of tax preferences in the context of tax planning on real-world examples are evaluated.