International Journal of Management (IJM)
Volume 11, Issue 4, April 2020, pp. 500-510, Article ID: IJM_11_04_048
Available online at http://iaeme.com/Home/issue/IJM?Volume=11&Issue=4
Journal Impact Factor (2020): 10.1471 (Calculated by GISI) www.jifactor.com
ISSN Print: 0976-6502 and ISSN Online: 0976-6510

MECHANISMS OF FUNCTIONING OF OFFSHORE JURISDICTIONS IN THE WORLD SYSTEM

Tetiana I. Shynkar
Lviv Branch of Private Higher Education Institution "European University", Lviv, Ukraine

Tetyana V. Kurylo
Lviv State University of Internal Affairs, Lviv, Ukraine

Andrii V. Kholostenko
Odessa State University of Internal Affairs, Odessa, Ukraine

Serhiy S. Miroshnychenko
State Fiscal Service University of Ukraine, Irpin, Ukraine

Olena Nazymko
Donetsk Law Institute of MIA of Ukraine, Kryvyi Rih, Ukraine

ABSTRACT

The article defines the essence of the mechanisms of functioning of offshore jurisdictions, which include: the stepping stone method, which consists in the division of assets among different jurisdictions; credit scheme, which involves providing loans at interest and makes it possible to transfer funds to offshore; transfer pricing, which provides for the sale of goods to the OFC residents at a lower price for subsequent resale for profit, which will be declared in the OFC (trading scheme); payment of royalties, which centers around the registration of copyrights, followed by the transfer of rights to a resident of a full-tax jurisdiction in exchange for the corresponding payments; the application of tax hybrids. The methods and schemes specified can only be applied in case of the presence of double taxation conventions among the jurisdictions involved in the schemes; they can be integrated into more complex mechanisms. Double Irish is the most famous mechanism that has simultaneously absorbed several methods. However, the mechanisms specified are not unitary or unique.

Keywords: Offshore schemes, Offshore financial centers (OFC), Money laundering, Tax havens, Offshore schemes legislation, Investigation of crimes, Money laundering

Cite this Article: Tetiana I. Shynkar, Tetyana V. Kurylo, Andrii V. Kholostenko and Olena Nazymko, Mechanisms OSF Functioning of Offshore Jurisdictions in the World System, *International Journal of Management*, 11 (4), 2020, pp. 500-510. http://iaeme.com/Home/issue/IJM?Volume=11&Issue=4

1. INTRODUCTION

An important attribute of the global financial system and the redistributive link of global financial flows are numerous offshore jurisdictions that make it possible to deviate from the existing national state tax regime. Currently, about 70 countries and territories offer their offshore services for foreign capital, banking arrangements, profitability from transactions in financial markets. Offshore mechanisms have become one of the most common corporate tools that ensure the optimal implementation of foreign operations. The application of tax planning using offshore schemes can significantly reduce the tax burden of the company and attract these funds for additional development. Whereas the use of offshore mechanisms in European taxation is determined by the desire to obtain not only net tax benefits, but also other unique components of the offshore business, such as top-quality tax planning, excellent reputation and reliability of the offshore structure.

2. LITERATURE REVIEW

Offshore jurisdiction is a term that means any country with a very low or zero rate on all or certain income categories, the presence of banking or commercial secrets, minimal or complete lack of financial statements. According to the classification of international organizations FATF (Financial Action Task Force on Money Laundering) and FSF (Financial Stability Forum), the term "offshore financial center" applies to territories that have a developed capital market, a liberal tax and exchange rate regime and ignore the recommendations of international financial institutions concerning improving international regulation and control over banking, monetary and financial systems. As a matter of practice, offshore zones are divided into the so-called tax havens and countries with favorable taxation.

The "offshore sector" uses financial services and non-financial services in countries with low, minimum taxation, regulatory incentives; it is an accumulation of non-residents of such jurisdiction. The mechanism of functioning of offshore jurisdictions provides for the management of non-residents' assets or the provision of financial services. Regulatory incentives usually envisage a mechanism for registering commercial holding companies or foreign subsidiaries on tax and currency terms that are beneficial to a non-resident [1]. Offshore financing and the provision of financial services to non-residents include traditional banking services (fundraising and lending), fund management, insurance, trust business, tax planning and international business corporations (IBCs) [2]. As was noted, "There is a close correlation that bank secrecy laws in OFCs fuel the growth of financial crimes such as tax avoidance and money laundering around the globe" [3]. That is why, the basis of the fight against money laundering lays in the development of legislation that under certain conditions provides civil servants with access to banking information [4].

The increasing globalization of financial markets has always had a positive effect on offshore jurisdictions, leading to the transformation of financial markets into offshore. Therefore, offshore jurisdictions also include such world financial centers, as: Jersey, London, Switzerland and New York [5]. Money laundering is a problem not only for the largest financial centers, but also for any country integrated into the world financial system [6]. Herewith, the impact of international initiatives for the purpose of ensuring financial transparency and stability in offshore jurisdictions does not provide an effective fight against money laundering [5]. Countries with low levels of financial sector development, and consequently an imperfect legal

base for its regulation, also face problems concerning the activities of offshore companies. For example, the Ukrainian financial sector is not capable of securing redistribution of funds in the economics, inefficient use of deposits by the banking sector, the insufficient capital of the banking system, low dependency of the banking system on market activity, low level of ability of banks' own capital to cover losses [7]. The prerequisites for using offshore schemes and mechanisms are accordingly created.

Despite global efforts to combat money laundering in offshore financial centers, OFC and Western countries have little interest in effective applying anti-money laundering rules and regulations [8]. This is due to the fact that competition in the field of taxation is beneficial, and governments of offshore jurisdictions ensure the realization of their own interests by creating a favorable tax environment for offshore business [9]. Some measures of countries are not effective due to the unsatisfactory investment situation in the national economics, considering that most entities use offshore mechanisms because of the low level of the investment climate for the functioning of a legal business in the internal market [10].

3. DATA AND METHODOLOGY

A comparative approach is used in the scientific paper, on the basis of which the study of the features of offshore jurisdictions' functioning mechanisms in the world system is carried out. The secondary analysis of studies from 2000 to 2020 was conducted in the investigation by using keywords to determine the characteristics of the legal mechanism for organizing the functioning of offshore jurisdictions. A systematic review of the literature on money laundering was carried out with a focus on Pro-Quest, Scopus and Science-Direct databases.

4. RESULTS AND DISCUSSION

The Offshore Financial Centers are characterized by a lack of natural resources, leading to a low level of taxation of income, profits and capital gains: according to the [11], the indicator in 2017 was 24,37% in Belize (2017) 29,66% in Barbados (2015) 25,53% in Lebanon (2017); 10,87% in the Marshall Islands (2018); 15,23% in Samoa (2018); 7,84% in Nauru (2017). However, in Singapore, the indicator was 41,47% in 2017, in the Philippines – 33,46% in 2017 [11]. The share of foreign direct investment, net inflows in the Offshore Financial Centers has grown over 2007 - 2018: in 2007, the FDI share amounted to 7,07% on a worldwide scale, in 2018 – 17, 08% [12]. For comparison, the FDI share of UK in 2018 was 3%, Italy - 3%, Germany - 9%, France - 5%.

According to the data of [13], there are 90012 offshore companies in Andorra, 290 - in Antigua and Barbuda, 18245 - in the Bahamas, 40282 - in Barbados, 9338 - in Bermuda, 40871 - in the British Virgin Islands, 1027 - in Hong Kong, 71 - in Malaysia, 1431 - in the Isle of Man, 477 - in Mauritius, 1137 - in Seychelles, 6108 - in Panama, 83770 - in Malta. Each jurisdiction specializes in both the geographical and industrial sectors. For example, the Netherlands prefers to deal with holding companies, while Luxembourg favors administrative services. The geographic specialization of Hong Kong is in collaboration with the British Virgin Islands and Taiwan. Cyprus remains the most popular jurisdiction among foreign investors. There is no more flexible tax system in the EU than in Cyprus. Cyprus limited liability companies operate effectively for domestic trading activities with VAT and with a low corporate income tax rate (12,5%), as well as with additional opportunities to reduce the taxation burden. Non-resident trading companies avoid taxing income and dividends. Resident companies enjoy a huge number of double tax treaties and EU directives [14].

The evolution of offshore business has contributed to the development of government regulation of offshore jurisdictions. FATF and OECD (Organization for Economic Cooperation and Development) pay special attention to the problem matters of tax evasion and money

laundering through offshore companies; it encourages countries around the world to develop policies to combat and counter unfair tax competition. FATF, FSF and OECD are supranational structural institutions that counteract illegal activities of offshore jurisdictions [15] and are engaged in the legal regulation of offshore at the international level. FATF analyzes the existing mechanisms for the functioning of offshore jurisdictions, schemes for the withdrawal of illegal capital, develops recommendations to counter the offshore business, which is financed by offshore companies. General recommendations relate to the development and improvement of national legal systems; the increasing role of financial and credit organizations in the process of combating money laundering; intensification of cooperation of individual countries. In accordance with the identified risk criteria, FATF has developed a "black" and a "dark grey" list of countries that deviate from applying countermeasures concerning offshore business [10].

FATF proposes countries to assess risks, based on a risk-based approach, as it is one of the key aspects of the effective implementation of FATF standards; it also applies to financial institutions and certain non-financial enterprises (see Table 1).

Table 1 Publications of national risk assessment in different countries [16]

Period	Countries
2010	New Zealand
2011	Australia, New Zealand
2012	-
2013	Singapore, Sweden
2014	Armenia, Australia, Canada, Dominican Republic, Fiji, Italy, Sri Lanka, Sweden
2015	Austria, Canada, Cayman Islands, Cook Islands, Denmark, Finland, Isle of Man, Jersey, Lithuania, Portugal, Sweden, Switzerland, the United Kingdom, the United States, Vanuatu, Zimbabwe
2016	Bahamas, Bangladesh, the Czech Republic, Ireland, Nigeria, Philippines, Tanzinia, Ukraine
2017	Bhutan, Israel, Japan, Latvia, the Netherlands, New Zealand, Tunisia, the United Kingdom, Uganda
2018	Cambodia, France, Greece, Hong Kong, China, Luxembourg, New Zealand, the Russian Federation, the United Kingdom, the United States
2019	Germany
2020	Timor Leste

The most effective tools in FATF activities include: mandatory disclosure of information about offshore company owners; international tax cooperation of countries; information exchange. At the national level, significant tools have been identified as follows: implementation of the concept of "controlled foreign companies"; reforms to improve the national investment climate; fight against corruption and raidership; increase of control over the assets of officials; tax system regulation; detailed specification of currency and tax legislation [10].

FATF and OECD do not have the authority to influence the internal markets of independent states, but their recommendations are aimed at countering the growth of the number of offshore zones and reducing the scale of capital outflows to these zones. The policies of these organizations are addressed directly to offshore jurisdictions; they are aimed at the elimination of deficiencies in tax and currency legislation that promote the functioning of their offshore companies.

An active policy of counteraction and control over offshore countries is carried out by EU countries; the basic instrument of such control is its "black" and "grey" lists of offshore

jurisdictions, which as of the end of 2017 included: 17 jurisdictions in the "black list", including, for example, UAE and South Korea; 47 jurisdictions in the "grey list". At the supranational level of the EU, the basic document governing the fight against offshore is a communique, specially adopted in 2004, which provides for: enhancing the exchange of information between member countries regarding taxation of enterprises; mutual implementation by member countries of an agreed policy on offshore zones.

The United States has made massive progress in "deoffshorization" by adopting the Foreign Account Tax Compliance Act (FATCA) in 2010, which requires all foreign financial institutions to provide detailed information on the movement of US taxpayers to the US Internal Revenue Service [17].

The peak of the counteraction of the international community to the functioning of offshore jurisdictions fell in 2013: the "Big Five" was created, composed of Germany, Spain, Italy, the USA and France (G5); they have assumed responsibilities to exchange tax information based on the US standard (it is based on FATCA Act) (9 more countries later joined this group). Many offshore jurisdictions, under pressure from FATF and OECD, adopted in 2013-2014 the Convention on Mutual Administrative Responsibility in Tax Matters (1988). They amended corporate laws and took other measures to increase transparency.

In addition to FATF and OECD, the following organizations are dealing with deoffshorization issues at regional and international levels, namely: Interpol - an international organization that investigates international economic crimes and combats money laundering; Commonwealth Commercial Crime Unit (CCCU); Offshore Group of Banking Supervisor; International Organization of Securities Commissions; Berne club, which includes representatives of law enforcement authorities of some Western European countries, etc..

Cooperation between states is carried out in the investigation of international economic crimes in order to achieve justice in combating money laundering. Cooperation is characterized by a number of aspects, it can occur at the stage of investigation, consideration of a criminal case and at the stage of entry of a court decision (sentence) into legal force [18].

Forms of cooperation include: 1) legal assistance in criminal cases (carrying out procedural actions because of the need to collect evidence abroad due to interrogation of accused, witnesses, victims, search, expert examinations, judicial examination, seizure, transfer of items, transfer of documents and other actions); 2) extradition of offenders in order to bring to responsibility, to execute a court sentence; 3) transfer of convicts in order to serve their sentences; 4) search, seizure, confiscation of proceeds of crime (where the state is obliged to consider the case of money laundering as a criminal offense); 5) assisting in investigations and taking preliminary measures (freezing of bank accounts, seizing property to prevent its concealment); 6) confiscation of funds and proceeds obtained by criminal means and others.

Current multilateral international treaties are the basis for cooperation, among which European conventions on criminal proceedings - the European Convention on Extradition with two additional protocols to it, European Convention on Mutual Assistance in Criminal Cases with an Additional Protocol thereto, European Convention on the Transfer of Proceedings in Criminal Cases, Convention on the Transfer of Sentenced Persons and the Protocol thereto, European Convention on the Supervision of Conditionally Sentenced or Imprisoned Persons, Convention on the Laundering, Search, Seizure and Confiscation of Proceeds from Crime and the European Convention on the International Validity of Criminal Sentences.

These multilateral international treaties have established a uniform pattern of cooperation between the judiciary and law enforcement authorities in cooperation with European countries [18].

Besides, in particular, in 2003, the EU Savings Taxation Directive (as amended in 2015), (COM (2015) 129 final) was adopted, according to which non-residents are not entitled to open a savings account in a Swiss bank without additional notification of exporting country about this fact. However, it should be borne in mind that most wealthy clients do not keep funds in savings accounts, but invest them. In addition, the specified Directive refers to accounts opened in the name of the deposit holder, not offshore companies. At the end of 2009, the idea was proposed to adopt the so-called "Robin Hood Tax" - a tax on banking transactions, representing the major income of offshore zones. This proposal was not supported by the United States and other developed countries.

Offshore financial centers are under increasing pressure from both OECD and the European Union. Despite the fact that offshore financial centers have a negative impact on the development of tax competition in OECD countries, this idea does not have a solid basis in economic theory [9].

The development of offshore mechanisms is largely driven by the imbalance in the economic development of countries and regions, the asymmetry of the interregional, interindustrial and intersectoral distribution of financial resources, as well as the heterogeneity of tax systems. It should be borne in mind that the development of offshore zones in Europe is shaped by the influence of EU common policy. The leading tendency of the development of offshore mechanisms in European taxation at the beginning of the third millennium is determined by the synergistic effect of certain factors. In particular, international organizations will exert pressure on offshore structures, preventing non-disclosure requirements and stimulating the exchange of tax information. On the other hand, expanding the borders of the EU and increasing convergence in the European region will stimulate the tax harmonization of United States of Europe.

Most countries try to counter offshore activities and create legal barriers to their operations. In particular, European integration, which at one time has stimulated the development of offshore zones in Europe, threatens to destroy them at the present stage. This applies predominantly to those jurisdictions that are within the EU (Gibraltar) or are located in Europe (for example, Switzerland), or associated with EU Member States (for example, the British Virgin Islands). A number of observers consider the EU Council Directive on Conservation Tax, which provides for the exchange of tax information on deposits by EU residents with banks in other EU countries or the introduction of a tax on sources (an exception was made for Belgium, Luxembourg, Austria), as another factual step in the direction of rejection the concept of bank secrecy. Notwithstanding the intense controversy, this Directive has entered into force on 1 July 2005. Isle of Man, Guernsey, Jersey were also forced to adopt this Directive.

Several EU countries (primarily France) consider the reconciliation of corporate tax in the European Union as a preventive measure against tax evasion. This topic was raised in 2011 at the meeting of EU finance ministers and received support from Germany and several other countries, such as Finland. This stimulated another round of discussions in 2015. However, a group of countries led by the United Kingdom, Ireland, the Czech Republic and Poland denies that tax policy is not part of the EU general regulations and is within the competence of states. After all, the latter group won, but now its position has been significantly weakened due to Ireland, which came under suspicion for breaking the rules, and the United Kingdom in connection with the results of the Brexit vote. Eastern European countries have been left to defend their sovereign tax policies on their own.

Scientists propose measures to improve the system of combating money laundering: development of international cooperation; proper mechanisms for processing suspicious reports; introduction of a compliance culture between financial institutions; strict application

by banks of the Agreement on licensing procedures; training and investment in new technologies [19].

The activities of the offshore zone are carried out by means of a complex mechanism of organization of its functioning, which includes the following elements [20]:

- economic (instrument of state taxation, regulation, investment and innovative means);
- financial (the way of formation and redistribution of funds, cash flows);
- legal (a system of legislative rules that are created and applied to regulate the functioning of offshore jurisdictions);
- institutional (a means of interconnection of institutions during offshore activities);
- organizational (the system of approaches used to organize the operation of offshore jurisdiction);
- informational (system of information and communication support for the functioning of offshore centers).

It should be noted that individual jurisdictions or entire zones gravitate towards each other and form one complex global financial network. The Offshore Financial Centers and tax havens are used to achieve many goals, among which the most popular is to reduce the tax burden on businesses by using a significant number of schemes and mechanisms; the other basic goals include:

- the stepping stone method, which consists in dividing assets between different jurisdictions, in which each asset acquires its own legal and financial content, or in erosion the tax base through payments to counterparties that are in jurisdictions, providing tax incentives;
- credit scheme, which consists of providing credit funds at interest; as a result, it makes possible to withdraw funds to offshore. Herewith, credit resources may not be used for current transactions at all, and the volume of withdrawal of funds can be adjusted using two variables: the amount of loan and interest rate. The scheme, which overstates the amount of loans against the background of the minimum amount of share capital is called “thin capitalization”, and the scheme, which provides for the overstatement of the interest rate, is part of the transfer pricing scheme;
- transfer pricing, which provides for the sale of goods to residents of the OFC at a reduced price for subsequent resale for profit, will be declared in the OFC (trading scheme). This scheme is used provided that the purpose is to generate profits outside the jurisdiction of the business, which involves the export of goods. If business profits are generated within the jurisdiction with high taxes, a service scheme (legal, consulting, audit ones), a construction scheme, a production scheme or a transport scheme with inflated prices to withdraw funds from such a territory is applied;
- payment of royalties consists in the registration of copyrights with the subsequent transfer of rights to a resident of the jurisdiction with high taxes in exchange for appropriate payments;
- the application of tax hybrids, that is, companies that may be registered in the jurisdictions with high taxes, and may be tax residents (to prepare declarations and pay taxes) in the jurisdiction with low taxes.

The methods and schemes specified can only be applied in the presence of double taxation conventions between the jurisdictions involved in the schemes; they also can be integrated into more complex mechanisms. The most famous mechanism, which has absorbed several methods simultaneously, is “Double Irish” or its modification - “Double Irish with a Dutch sandwich”.

However, the mechanisms specified are not occasional or unique. After downturn of some schemes, other schemes began to unfold and gain momentum. The mechanisms are structured using both standard technologies (standard tax planning) and aggressive (with possible violation of laws and international standards). Standard tax planning is based on the use of obvious and permissible rules of tax legislation and does not cause much concern to the tax authorities. Small and medium-sized businesses entities are the users of such planning. Aggressive tax planning, which is impossible without consultants, audit companies and tax divisions of investment banks, consists in the deliberate use of a double interpretation of laws (which is completely legal) and, in some cases, may violate applicable legislation.

For legalization of proceeds of crime, the cycle of capital is used through the OFC, which is called "Base erosion and profit shifting, BEPS"; it is implemented in the following sequence:

- at the first stage, it is necessary to use the available opportunities for money laundering to the OFC. For this, trading transactions at inflated prices, fictitious transactions, making investments abroad, etc. may be applied;
- at the second stage (optional), funds are sent from OFCs to prestigious jurisdictions, where they are used in a number of agreements, concealing their origin;
- at the third stage, the beneficiary of the capital can make a choice about further use of funds: whether leave them in prestigious jurisdiction for heirs or comfortable declining years or return capital to the country of origin in the form of investments, direct loans and fiduciary deposits, in conjunction with observance by the OFC of confidentiality standards, distort the correct perception of the origin of capital;
- at the fourth stage, another round of capital laundering takes place - residents of the country of capital origin pay dividends on direct investments and interest on debt obligations. Typically, countries provide government guarantees on the return of foreign investment and repayment of international debts; it makes it possible to "close their positions" for many businessmen and corrupt politicians if the political or financial situation in the country worsens [21].

The problems of the legislative framework for regulating the functioning of offshore jurisdictions include:

- isolated regulatory and governmental bankruptcy response measures for banks, which are generally short-term and reactive [22].
- limitations of the legal framework of a deposit protection scheme. For example, the legislation governing Guernsey's deposit protection scheme is a hasty legislative reaction, which is dominated by the interests of the reputation of the financial center. The legislation framework is clear; it covers many aspects, but the long-term reliability of the funding model is less than crystal clear [23].
- the harmonization of law is characterized by deficiencies; it requires strengthening the ability of individual states to resolve the interstate issues that are duplicated (for example, tax evasion) [3].
- the lack of an effective anti-money laundering regime that has led to emergence of new and unique threats to criminal topology. Such threats should be eliminated to prevent abuses, new mechanisms of revenue laundering in new and existing markets (a prime example of possible abuse is the laundering of revenues through the carbon emission market) [24].
- remission of many Designated non-financial Businesses and Professions, DNFBPs from anti-money laundering AML / CTF regulation deepens vulnerability in certain countries and AML / CTF regimes (Australia is an example); failure to resolve the issue specified

will lead to the use of the relevant legislative loopholes, and the regulated AML / CTF sector will continue to be responsible for government action in the AML / CTF sector [25].

- mechanisms and schemes for tax evasion have become standardized and institutionalized. Authors in [26] have analyzed in their study in detail the application of tax evasion schemes by large accounting companies (the Big Four). These firms are involved in the creation of aggressive tax evasion schemes that reduce business "tax benefits", thereby cutting the revenue required to provide and support public services [26].

Despite the development of legislation to counteract the activities of offshore jurisdictions, transparency remains to be a basic problem, in particular providing public access to beneficiary data. The British public registry is an example. The US Foreign Account Tax Compliance Act has proven its effectiveness. Since 2017, OECD has initiated the introduction of such measures to counter the activities of offshore jurisdictions [27].

5. CONCLUSION

The conducted study contains an analysis of legal subject matters in the functioning of offshore jurisdictions.

The mechanisms of functioning of offshore jurisdictions include: the stepping stone method, which consists in the division of assets between different jurisdictions; credit scheme, which involves providing loans at interest and makes it possible to transfer funds to offshore; transfer pricing, which involves the sale of the product to resident of the OFC at a reduced price for subsequent resale for profit, which will be declared in the OFC (trading scheme); payment of royalties, which centers around the registration of copyrights, followed by the transfer of rights to a resident of a high-tax jurisdiction in exchange for the corresponding payments; the application of tax hybrids. The methods and schemes specified can only be applied in case of the presence of double taxation conventions among the jurisdictions involved in the schemes; they can be integrated into more complex mechanisms. Double Irish is the most famous mechanism that has simultaneously absorbed several methods. However, the mechanisms specified are not unitary or unique.

The system of legislative norms and regulations that have been created and applied to regulate the functioning of offshore jurisdictions is characterized by the following problems, namely: isolated government regulatory measures to respond to bank bankruptcy; limitation of the legal framework of the deposit protection scheme; the harmonization of law is characterized by deficiencies; it requires strengthening the ability of individual states to resolve the interstate issues that are duplicated (for example, tax evasion); the lack of an effective anti-money laundering regime that has led to emergence of new and unique threats to criminal topology; remission of many Designated non-financial Businesses and Professions, DNFBPs from anti-money laundering regulation; mechanisms and schemes for tax evasion have become standardized and institutionalized.

REFERENCES

[1] Bardouille, N. Towards a Convergence of Regulatory and Supervisory Modalities of Offshore and Onshore Banking Sectors in the OECS Sub-Region. Journal of Money Laundering Control, 4(4), 2001, pp. 384-394. https://doi.org/10.1108/eb027288

[2] Witherell, W. Implementing International Financial Standards in the Offshore Financial Centres. Journal of Financial Crime, 9(4), 2002, pp. 326-329. https://doi.org/10.1108/eb026031

[3] Mugarura, N. Tax havens, offshore financial centres and the current sanctions regimes. Journal of Financial Crime, 24(2), 2017, pp. 200-222. https://doi.org/10.1108/JFC-01-2016-0008

[4] Bin, T. and Isa, O. Labuan IOFC: The Legal Environment and its Challenges. Journal of Financial Crime, 1(3), 1993, pp. 251-258. https://doi.org/10.1108/eb025627

[5] Pratt, R. Global financial business and the implications for effective control of money laundering in offshore centres. Journal of Financial Crime, 10(2), 2002, pp. 130-132. https://doi.org/10.1108/13590790310808682

[6] Van Zyl, F. South Africa: Money Laundering Regulation – The Way Ahead. Journal of Money Laundering Control, 1(1), 1997, pp. 100-103. https://doi.org/10.1108/eb027126

[7] Onyshchuk, S. V., Onyshchuk, I. I., Petroye, O. and Chernysh, R. Financial Stability and its Impact on National Security State: Organizational and Legal Aspects. International Journal of Economics & Business Administration, 8(1), 2020, pp. 353-365.

[8] Young, M. The exploitation of offshore financial centres: Banking confidentiality and money laundering. Journal of Money Laundering Control, 16(3), 2013, pp. 198-208. https://doi.org/10.1108/JMLC-01-2013-0004

[9] Dwyer, T. 'Harmful' Tax Competition and the Future of Offshore Financial Centres. Journal of Money Laundering Control, 5(4), 2002, pp. 302-317. https://doi.org/10.1108/eb027311

[10] Smirnov, E. N. Offshore schemes in modern international capital flow: features and mechanisms of counteraction. The Eurasian Scientific Journal, 5(10), 2018. https://esj.today/PDF/66ECVN518.pdf

[11] Taxes on income, profits and capital gains (% of revenue). World Bank, 2020. https://data.worldbank.org/indicator/GC.TAX.YPKG.RV.ZS

[12] Foreign direct investment, net inflows (BoP, current US$). World Bank, 2020. https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?view=chart

[13] The International Consortium of Investigative Journalists. https://offshoreleaks.icij.org/pages/database

[14] Maksymenko, A. V. Offshore mechanisms in European taxation. Scientific Bulletin of Uzhgorod National University, 14(2), 2017, pp. 24-29.

[15] Hay, R. Information exchange and the offshore financial centres. Journal of Financial Regulation and Compliance, 10(2), 2002, pp. 141-161. https://doi.org/10.1108/13581980210810193

[16] Money laundering and terrorist financing risks. FATF, 2017. http://www.fatf-gafi.org/publications/methodsandtrends/documents/ml-tf-risks.html

[17] Foreign Account Tax Compliance Act. Treasury Regulations §1.1471-§1.1474. PwC, 2013. https://www.pwc.com/jm/en/fatca/pdf/fatcafinalregulations-pwcformat.pdf

[18] Mechanisms for international cooperation in the investigation of criminal offenses and the prosecution of criminal charges. Ministry of Justice of Ukraine. https://minjust.gov.ua/m/str_8523

[19] Shanmugam, B., Nair, M. and Suganthi, R. Money laundering in Malaysia. Journal of Money Laundering Control, 6(4), 2003, pp. 373-378. https://doi.org/10.1108/13685200310809699

[20] Martynenko, V. O. and Gordiyenko, V. P. Analysis of functional zones and ways of extension of the consequences of their negative influence on the economy of Ukraine. Economic and society, 15, 2018, pp. 154-160.

[21] Lucyshyn, Z. and Mechtiev, E. Offshore financial centers in the global capital movement. International economic policy, 2(27), 2017, pp. 62-94.

[22] Morris, P. Bank failure and deposit protection in the Isle of Man: A case study on investor protection in a British Isles offshore jurisdiction. Journal of Financial Regulation and Compliance, 20(3), 2012, pp. 322-351. https://doi.org/10.1108/13581981211238007

[23] Morris, P. Bank failure and deposit protection in offshore Britain: the case of Guernsey. Journal of Financial Regulation and Compliance, 18(3), 2010, pp. 272-292. https://doi.org/10.1108/13581981011060835

[24] Curtis Williams, C. A burning desire: The need for anti-money laundering regulations in carbon emissions trading schemes to combat emerging criminal typologies. Journal of Money Laundering Control, 16(4), 2013, pp. 298-320. https://doi.org/10.1108/JMLC-01-2013-0003

[25] Newbury, M. Designated non-financial businesses and professions: The weak link in Australia's AML/CTF regime. Journal of Money Laundering Control, 20(3), 2017, pp. 247-261. https://doi.org/10.1108/JMLC-08-2016-0038

[26] Sikka, P. and Willmott, H. The tax avoidance industry: accountancy firms on the make. Critical perspectives on international business, 9(4), 2013, pp. 415-443. https://doi.org/10.1108/cpoib-06-2013-0019

[27] Yeoh, P. Secrecy in Teflon international financial centres. International Journal of Law and Management, 60(3), 2018, pp. 777-797. https://doi.org/10.1108/IJLMA-03-2017-0060

[28] R Mohan and R Deivanathan, A Review of Self-Sharpening Mechanisms of Fixed Abrasive Tools, International Journal of Mechanical Engineering and Technology, 10(2), 2019, pp. 965-974.

[29] . S. Karthik Ramnarayan, S. Ramasundaram and Aishwarya Anil, A Comparative Study on Lateral Stiffness of Plating and Plan Braces In Offshore Decks, A Comparative Study On Lateral Stiffness of Plating and Plan Braces in Offshore Decks, 8(8), 2017, pp. 1213-1217.

[30] Freddie L. Inambao and Kumaresan Cunden, Offshore Wind Resource Assessment Off the South African Coastline, International Journal of Mechanical Engineering and Technology, 10(6), 2019, pp. 95-119

[31] Fanil Gabdrafikov, Ildar Gabitov, Sergey Shamukaev, Marsel Abrarov, Rustam Aipov, Andrey Linenko, Rimma Safina and Ural Galiakberov, Efficiency Improvement Methodology for Functioning of Machine-Tractor Diesel Unit with Electronic Positional Regulation of Fuel Supply, International Journal of Civil Engineering and Technology, 10(1), 2019, pp. 2714-2732.

[32] Grunin A. A., Grunina O. A., Lebedev A. V, Evaluation of the Efficiency of Functioning of Corporate Structures of Russia, Journal of Mechanical Engineering and Technology, 9(13), 2018, pp. 1473–1481

[33] TairaVelimagomedovna Murtuzalieva, Maisa EmirovnaSeifullaeva, Boris IvanovichPogorilyak, Anna EvgenievnaGorokhova and Vyacheslav Ivanovich Volkov, Marketing Support for the Functioning of a Regional Educational Cluster in the Conditions of Growing Competition in the Educational Services Market, International Journal of Civil Engineering and Technology, 9(10), 2018, pp. 1706–1720

[34] Amirova E. F, Voronkova O. Yu, Pyurveeva K. A, Shatalov M. A, Panteleeva T. A and Sorokina O. A, Functioning of Agroindustrial Complex in the Conditions of Digital Economy, International Journal of Mechanical Engineering and Technology, 9(13), 2018, pp. 586–594