



THE INTERNATIONAL TREATIES FOR THE AVOIDANCE OF DOUBLE TAXATION OF THE REPUBLIC OF UZBEKISTAN

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Annotation: *in the article, the analyses of the issues relating to the tax rates of international treaties for the avoidance of double taxation in the Republic of Uzbekistan. In particular, proposals were made to eliminate the deficiencies in the determination of tax rates in international treaties between the states of Germany and the Russian Federation. Moreover, model conventions of international organizations for solving problem situations were studied.*

Keywords: *avoidance of double taxation, international treaties, tax rates, tax payments, rights, and obligations.*

Аннотация: *мазкур мақолада Ўзбекистон Республикасининг иккиёқлама солиқнинг олдини олиши бўйича айрим давлатлар билан тузилган халқаро шартномаларидаги солиқ ставкаларига оид масалалар таҳлил этилган. Хусусан, Германия ва Россия Федерацияси давлатлари ўртасида тузилган халқаро шартномалардаги солиқ ставкаларини белгилашда амалиётдаги мавжуд камчиликлар ва уларни бартараф этиши бўйича таклифлар илгари сурилган. Шунингдек, муаммоли вазиятларга ечим топиш учун намунавий конвенцияларга ҳам мурожаат этилди ҳамда мавзу юзасидан таклиф ва мулоҳазалар илгари сурилди.*

Калит сўзлар: *иккиёқлама солиқнинг олдини олиши, халқаро шартномалар, солиқ ставкалари, солиқ тўловлари, томонларнинг ҳуқуқ ва мажбуриятлари.*

Аннотация: *в данной статье проанализированы вопросы, касающиеся налоговых ставок международных договоров об избежании двойного налогообложения в Республике Узбекистан. В частности, были выдвинуты предложения по устранению недостатков определения налоговых ставок в международных договорах между государствами Германии и Российской Федерации. Также были изучены типовые конвенции международных организаций для решения проблемных ситуаций.*

Ключевые слово: *избежание двойного налогообложения, международные договоры, налоговые ставки, налоговые платежи, права и обязанности сторон.*

The development of economic relations is characterized by deepening interstate relations in the production of goods, works, services and the emergence of new financial instruments, forcing foreign countries. The Republic of Uzbekistan gains to a dominant position in the markets to join the process of international competition with national economies to attract capital and investment. At the same time, the integration of these countries into the global financial system leads to the emergence of competition between tax systems and regimes of different countries. In the course of a competition, various subjects participating in the system of world economic relations accumulate negative experience in using the tax advantages of different countries; it becomes possible to manipulate the shortcomings of national legislation. All this leads to the emergence in the legal environment of such phenomena as double taxation, and associated tax evasion and legalization (laundering) of criminal income, which is widely used in the course of business operations both within the country and in foreign economic activity.

In the context of globalization, which defines the paradigm of world economic development, foreign countries began to move towards the unification of legal systems and integration, and the harmonization of regulatory functions in the tax sphere. In order to implement a coordinated national policy and coordinate international tax relations, these states have developed a new strategy aimed at implementing the principles of subsidiarity and minimal harmonization. This allows you to recognize the powers of foreign norms and foreign regulatory authorities. At the same time, there is a convergence of the legal and organizational framework for tax activities between Uzbekistan and foreign countries.

However, the full adoption of legislation of foreign countries, including the regulatory features of taxation, is impossible without closer political unification and the direct participation of its legislative bodies in the process of developing common legal norms that meet common economic interests. However, at present, the international nature of relations with other countries allows the domestic legislator to significantly adjust the legal norms relating to the elimination of international double taxation in accordance with the standards of other countries.

In this regard, it is necessary to develop the following activities:

firstly, the elements of the system of settlement of international double taxation, their functioning in a fair (equal) and unfair (destructive) international tax competition, as well as the peculiarities of the formation of this institution;

secondly, the specifics of tax evasion, ways to legalize criminal income and the main international instruments to counter the laundering of proceeds from crime [1].

Important is the problem of changing the system of international financial control, first of all, the activities of leading international institutions, interbank structures, and law enforcement agencies to combat tax offenses and crimes. The damage from money laundering lies in three dimensions: economic, legal and social. Therefore, the fight against money laundering comes to the fore among the challenges facing the states and Uzbekistan in developing unified regulation in the tax and financial sphere. The cooperation of countries in this matter includes the obligations of states to approximate domestic legislation, to give notice of manifestation and litigation.

At the same time, the main task of harmonizing the legal space of foreign and Uzbekistan is the timely adoption by states of legislative initiatives to curb new ways of legalizing (laundering) money, as well as building the most effective mechanism for international interaction with other countries.

The problem is solved in two ways:

the first one is to set off, on an initiative, the taxes paid abroad to its residents;

the second is the development of rules according to which jurisdictions will be divided between the country where the company is a resident and the country from which it receives this income.

In particular, on March 2 1994 in Moscow, the agreement was signed between the government of the Republic of Uzbekistan and the government of the Russian Federation "on avoiding double taxation of income and property". This document settles economic interests' taxation of residents of both countries. Today, some of the rules of this agreement do not meet the requirements of the changing tax laws of both countries. According to Article 18, it is established that pensions (including state pensions and social security payments) and annuities paid to a resident of a Contracting State may be taxed only in that Contracting State. Alimony or other similar payments in favor of a resident of a Contracting State may be taxed in that Contracting State. Amounts exceeding the amount of the taxable income of the person making these payments may be taxed only in the Contracting State in which such person is a resident.

In this rule, unspecified sources of income and the minimum amount of income where you can tax the resident by this procedure. In addition, it is not clear that a person exceeding those counted in the reduction of taxable income is unclear. For example, if a citizen of Uzbekistan and also a resident of Russia at the same time received income in Russia and his income is taxed, 12 % will have to pay a difference in Uzbekistan. This tax rate is higher defined in the legislation of the Republic of Uzbekistan. If this tax rate is 16 %, then a citizen of Uzbekistan must pay the difference, that is, 4 %.

Those contradictions between rules that article 23 may be an example of this. If a resident of a Contracting State receives income in another Contracting State which, in accordance with the provisions of this Agreement, may be taxed in another State, the amount of tax on that income payable in that other State may be deducted from the tax levied on such a person in connection with the income in the first-mentioned State. Such a deduction, however, will not exceed the amount of tax of the first State on the said income, calculated in accordance with its tax laws and regulations.

Exactly, this rule that regulates the activity that does not allow to pay the deducted amount from the taxpayer.

Reducing the tax burden by eliminating international double (multiple) taxations based on the norms of domestic tax legislation becomes impossible because of their limitations in relation to the subjects of foreign economic activity. Therefore, for each country, the issues of international legal regulation of the avoidance of double taxation through the conclusion of relevant agreements are of paramount importance.

In some of the agreement, the rules set up otherwise. According to article 23, point 2 agreement of between Republic of Uzbekistan and Federative Republic of German to avoidance double taxation to

attitude tax in income and property, If a resident of the Republic of Uzbekistan receives income or owns property that, in accordance with the provisions of this Agreement, may be taxed in the Federal Republic of Germany, the amount of tax on such income or property paid in the Federal Republic of Germany will be deducted from the tax levied on such person in the Republic Uzbekistan Such a deduction, however, cannot exceed the amount of tax calculated from such income or property in accordance with the laws and regulations of the Republic of Uzbekistan.

On the basis of this, it can be understood that rules are established in agreements by consideration of states. In this provision, the point target for the deduction of the amount of tax paid. However, such a deduction shall not exceed the amount of tax calculated on such income or property.

In this regard, the applicant pays special attention to the activities of the UN Economic and Social Council (ECOSOC); The Organization for European Economic Cooperation (OECE), which developed the OECE Model Convention (1963.1977) on the elimination of double taxation of income and capital. It took into account the most important changes in the structure of the tax systems of developed countries and new forms of organizational activity of their companies [2].

According to M.V.Lushnikova, that the OECE Model Convention puts taxation on the basis of the principle of residence, according to which the country - the source of income significantly limits its tax jurisdiction over the income of foreign individuals and legal entities - non-residents. At the same time, income is taxed in the country of the resident payee. For the repatriation of profits in the form of interest, dividends or royalties, either reduced rates or the complete abolition of taxes on repatriation are provided for. The model of the UN Convention on Double Taxation of Income and Capital (1980) makes wider use of the principle of territoriality, which allows taxing all income generated in developing countries and applying higher tax rates on the repatriation of profits than in the OECE model, but it has certain disadvantages [3].

Several states may consider the same subject to be their taxpayer, or a taxation object that has arisen on the territory of a country at the same time will be such under the laws of the two countries. Consequently, the provisions of the OECE Model Convention are conceptual in nature and are in fact oriented to the countries:

- a) With a developed system of a socially oriented market economy;
- b) The presence of tax legislation that promotes institutional reforms in the economy, and allows you to adopt European rules and regulations to the realities of specific states.

It can be concluded that this agreement does not comply with international rules on the avoidance of double taxation. All the same, the rule of international treaties forces residents to pay taxes in both countries. Since the globalization of the social and economic development of states requires the improvement of legislation and the creation of conditions for increasing the profitability of citizens. The main goal of avoiding double taxation is the development of the social and economic spheres of states.

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