

Digitalization of tax processes in the EAEU countries as a factor of stabilization from global financial shocks

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Abstract. The development of digital tools requires changes in all spheres of life. First of all, e-commerce including electronic capital movement, electronic data interchange, electronic commerce, electronic banking and electronic marketing shall be studied, since it is a very important component. The issues of regulating the processes of taxation of relevant transactions with cryptocurrencies both at the national and international levels are being updated. In addition to the harmonization and unification of tax legislation in the field of legal regulation of transactions with cryptocurrencies at the level of acts of the EAEU and the European Commission as a permanent body of the EAEU, the process of unification of the national legislation of the EAEU member states shall take place in order to converge the norms for the most efficient implementation of foreign economic activity. Within the framework of the Eurasian Economic Union (EAEU), these mechanisms are not sufficiently developed. The article explores the problems of taxation in the digital economy of the EAEU. As conclusions, recommendations for the digitalization of tax processes in the EAEU have been developed.

1 Introduction

Globalization and digitalization are interdependent processes that cannot be carried out independently of each other. Recently, the most relevant issues are the justification for the need for supranational regulation of taxation in the context of digitalization (for example, transactions with cryptocurrencies, as well as activities in the form of mining), since the key area of interstate cooperation in the post-Soviet space is economic cooperation aimed at the consistent mutual opening of state borders. An important condition for the implementation of it is use of unified taxation rules that do not create unjustified economic barriers.

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2 Problem statement

The creation of a single digital space is being actively discussed in the EAEU countries, but qualitative and quantitative results have not yet been achieved despite the fact that the EAEU Digital Agenda is being implemented.

3 Research questions

Research issues:

- study the legal regulation of taxation in the context of digitalization in the regulatory legal acts of the EAEU;
- identify the problems of taxation in the digital economy within the EAEU;
- develop recommendations for the introduction of digital technologies in tax processes in the EAEU countries.

4 Purpose of the study

The purpose of the study is to identify the directions for the development of digital technologies in taxation based on the study of scientific works of scientists and leading experts in the field of tax legislation and the digital economy, to formulate and justify recommendations for the digitalization of tax processes in the Russian Federation.

5 Materials and methods

The analysis was based on educational literature and publications of specialists in the field of digitalization of tax processes in EAEU countries.

The study used the following data collection methods:

- traditional document analysis - a study of documents that allows to study the structure of tax processes in the EAEU countries and the most important structural elements of the digitalization of tax processes in the EAEU countries;
- materials of the secondary analysis of sociological studies cited by other authors that explore the digitalization of tax processes, ways to increase digital literacy;
- statistical materials published by organizations and foundations that collect statistical information.

6 Results

The legal regulation of taxation in the context of digitalization in the regulatory legal acts of the EAEU is the following: The fundamental document to be considered within the framework of this issue is the Treaty on the EAEU. As it is known, in clause 2 of Art. 5 of the Treaty on the EAEU, it is established that the member states of the union carry out a coordinated or agreed policy within the limits established by this Treaty and other agreements (not acts of the union bodies) of the Eurasian Union. In other cases, in accordance with paragraph 3 of Art. 5 states are only striving for such an implementation, which implies the harmonization and unification of legislation, including in the field of taxation. It can be argued that the Treaty on the EAEU quite briefly regulates tax processes. Section XVII of the Treaty is devoted to taxation processes. At the same time, the norms of the Treaty are mainly related to indirect taxation and issues of calculating and paying customs duties, which is quite logical, since in the international space the issue of adequate rules for the economic exchange of goods and financial resources and related public law payments is of fundamental

importance. In addition, there are no norms related to the legal regulation of the digital economy, as well as the corresponding taxation rules, in the Treaty on the EAEU [1-6].

From these positions, it is logical to analyse the regulations of the EAEU member states from the point of view of their legal regulation of the issues of taxation of transactions with cryptocurrencies in the broadest sense of the word.

In the Russian Federation, the legal regulation of cryptocurrency transactions is at the initial level of development, and therefore no special tax regulations have been developed at present. For example, the Federal Tax Service (FTS) of Russia expressed a position according to which transactions carried out with the acquisition or sale of cryptocurrencies and at the same time using currency values or the currency of the Russian Federation shall be classified as foreign exchange transactions, which means that such transactions will not be taxed with value added tax (VAT).

A similar situation has currently developed with regard to the taxation of operations with crypto-currencies with a personal income tax. At the level of letters and explanations, the Ministry of Finance of Russia indicates that in such situations the general rules of Ch. 23 of the Tax Code of the Russian Federation (TC RF) are applied. A slightly more extensive interpretation has appeared relatively recently and is related to the taxation of personal income tax on transactions for the sale of cryptocurrency. Thus, the Ministry of Finance of Russia actually admits that clause 17.1 of Art. 217 of the Tax Code of the Russian Federation does not apply to such transactions, since income from the sale of movable property is exempt from taxation if a person has owned it for more than three years. Subclause 1 of clause 2 of art. 220 of the Tax Code of the Russian Federation on the property deduction for income from the sale of property if a person has owned it for more than three years is also not applicable. Accordingly, such income cannot be reduced by an amount not exceeding 250 thousand rubbles. Based on the wording of the analysed document, the income from the sale of bitcoins is allowed to be reduced by documented expenses from their acquisition, which means that the taxpayer making realization transactions with cryptocurrency can take into account the income associated with its sale [7-11].

On the issue of calculating the "corporate" income tax, the official position of the Ministry of Finance of Russia is similar - it recommends that while calculating income tax on operations with cryptocurrency (including mining operations) it shall be guided by Ch. 25 of the Tax Code of the Russian Federation, noting that a special procedure for transactions with crypto-currency as per the provisions of Ch. 25 of the Tax Code of the Russian Federation is not provided.

In Armenia, Kazakhstan, the Kyrgyz Republic, there is no legislative regulation of such concepts as "bitcoin", "cryptocurrency", "mining", "tokens", etc. In Kyrgyzstan, the sale and purchase of digital money for the national currency is also planned to be further prohibited, no changes are planned. Armenia, in theory, is going to legalize virtual currencies without imposing serious restrictions. In Kyrgyzstan, it is planned to introduce cryptocurrencies in public procurement. The most developed country in the EAEU is Belarus. Back on December 22, 2017, the Decree of the President of the Republic of Belarus "On the Development of the Digital Economy" has been adopted. This Decree regulates favourable conditions for transactions with cryptocurrencies within the High Technology Park. These rules are valid until January 1, 2023.

7 Findings

Let us review the problems of taxation in the digital economy within the EAEU. The formation of the digital agenda of the EAEU does not solve the problems of digitalization of taxation. The problems that exist within the EAEU are also relevant for the EU and the USA.

One of the most important issues is related to the taxation of digital products and online services in the B2C (end consumer-to-business transactions) and C2C (transactions between end consumers) segments. First of all, e-commerce is difficult to control. There are certain difficulties with determining the identity and location of the buyer, now this can only be done using bank card data. When making payment through an anonymous payment system, it is impossible to determine the buyer. This problem for the tax authorities remains unresolved for all EAEU states. One of these identification mechanisms can be a cloud-based electronic signature, with the help of which people could register all their actions on the Internet, in particular, conduct and confirm transactions. It is also possible to develop a smart contract block chain technology that provides guarantees for transactions and fixes all changes in the process of their execution [12-15].

The second most important problem is the inferiority of the tax legislation of the EAEU member countries in terms of regulating the taxation of e-commerce. The laws of the member countries of the EAEU do not regulate the concept of e-commerce, online commerce or other relevant definitions. At the same time, the terms themselves were regularly used in official documents. In addition, there is still no classification of digital products, dividing them into goods and services. Many countries are developing taxation for online commerce, trying on their own, but this does not bring visible results. The Internet is a worldwide network in which international sales transactions are carried out, and appropriate international rules are needed for effective regulation. The solution to this problem can be the unification of tax legislation.

It seems that further transformations of tax legislation shall be carried out on the basis of the principles established at the Conference in Ottawa in 1998, which have not lost their relevance today:

- similar taxation rules;
- suppression of cases of tax evasion;
- certainty and simplicity (presentation of taxation rules in a clear and easy to understand form, the ability of consumers to determine in advance the tax consequences of transactions);
- flexibility and dynamism of the tax system, corresponding to the level of development in the field of technology and commerce.

Possible ways to solve these problems are:

- creation of new technologies that allow tax authorities to identify and track transactions made in cyberspace;
- ensuring high-quality collection of statistical data in the field of e-commerce;
- improvement of the provisions of the current acts of tax legislation: expand the definition of “services” by including the term “electronically provided services”, add the definition of “place of delivery” for electronically provided services [16,17].

8 Discussion

Thus, the recommendations for the introduction of digital technologies in the tax processes of the EAEU are as follows [18-23]:

- absolute interaction of tax authorities with taxpayers, implemented in the form of tax monitoring, which is a special form of tax control, while using which the organization voluntarily provides tax authorities with access to accounting and tax accounting data in real time;
- a data array that makes information about taxpayers publicly available;
- improvement of the tax system throughout the EAEU: introduction of a special tax regime "Tax on professional income";

- creation and operation on the website of the Federal Tax Service of personal accounts of taxpayers (legal entities, individuals and individual entrepreneurs), the functionality of which shall be constantly expanded;
- creation of additional services that allow electronically generating payment documents, checking the correctness of filling in invoices, calculating the cost of a patent, calculating taxes on property of individuals, choosing a tax regime using a tax calculator, and calculating the tax burden.

9 Conclusion

To digitalize tax processes in the EAEU countries, it is necessary to develop issues in the field of full remote interaction with taxpayers. At the moment, many issues still require a mandatory visit to the tax authority and paper support. Electronic document management will enable states to track all actions, as well as financial and commodity flows of economic entities, which ensures honesty and transparency, and also contributes to the development of the economy. Based on the above mentioned information, it can be unambiguously concluded that digitalization, and in particular the digitalization of the country's tax system will become a key tool for the economy to emerge from the recession.

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