



IS THERE A MECHANISM FOR TAXING FOREIGN ECONOMIC ACTIVITY

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Taxes serve as a crucial tool for the government to regulate and stimulate foreign economic activity. Therefore, as part of effective state control of foreign trade, improving the tax system for import-export activities is of great importance. According to a study by the magazine “Business Week”, over the past thirty years, international trade has contributed about 25% to global GDP growth, which emphasizes its importance. This importance is even more evident for Uzbekistan, where foreign trade provides 50-75% of technological advances and supplies a significant part of the necessary goods. Therefore, regulating export-import operations through tax policy is important.

The use of tax strategies to manage export-import transactions is increasingly recognized as an important tool for shaping competition in the domestic market.

From this point of view, at a crucial stage in the development of financial relations, there is a need for a comprehensive and systematic analysis of tax methods used to regulate export-import activities.

This chapter of our dissertation research includes an analysis of the specific aspects, problems and important role of the practice of taxation of foreign economic activity in Uzbekistan in the formation of state budget revenues. In addition, in this chapter of our research, the main attention was paid to assessing the effectiveness of the mechanism of taxation of foreign economic activity. It is also important to consider government measures to address current global tax problems in the practice of taxation of foreign economic activity in our country.

One of the main tasks of the reforms being implemented in the Republic of Uzbekistan is to improve the foundations of state regulation of foreign economic activity, in particular, to pay attention to changes in tax legislation related to this area.

During the study, it was emphasized that tax regulation occupies a key place in the structure of economic methods of regulating foreign economic activity, its content was revealed and its means were identified.

The results of the study show that the measures taken by regulatory bodies to control foreign economic activity through taxation include improving tax rates,



changing application procedures, and imposing incentives and penalties for failure to fulfill payment obligations.

It is known that customs duties play an important regulatory role in import operations. In our opinion, customs duties do not have the same primary, priority fiscal significance as taxes, since their purpose is to finance the activities of the customs administration, and their rates do not depend on the nature of the goods being transported or their country of origin.

According to the degree of influence on import regulation, tax levers are divided into the following (from most to least important):

- 1) import customs duty;
- 2) VAT;
- 3) excise tax.

According to the degree of impact on export regulation, tax levers should be placed in the following order (from most to least important):

- 1) VAT;
- 2) export customs duty;
- 3) excise tax.

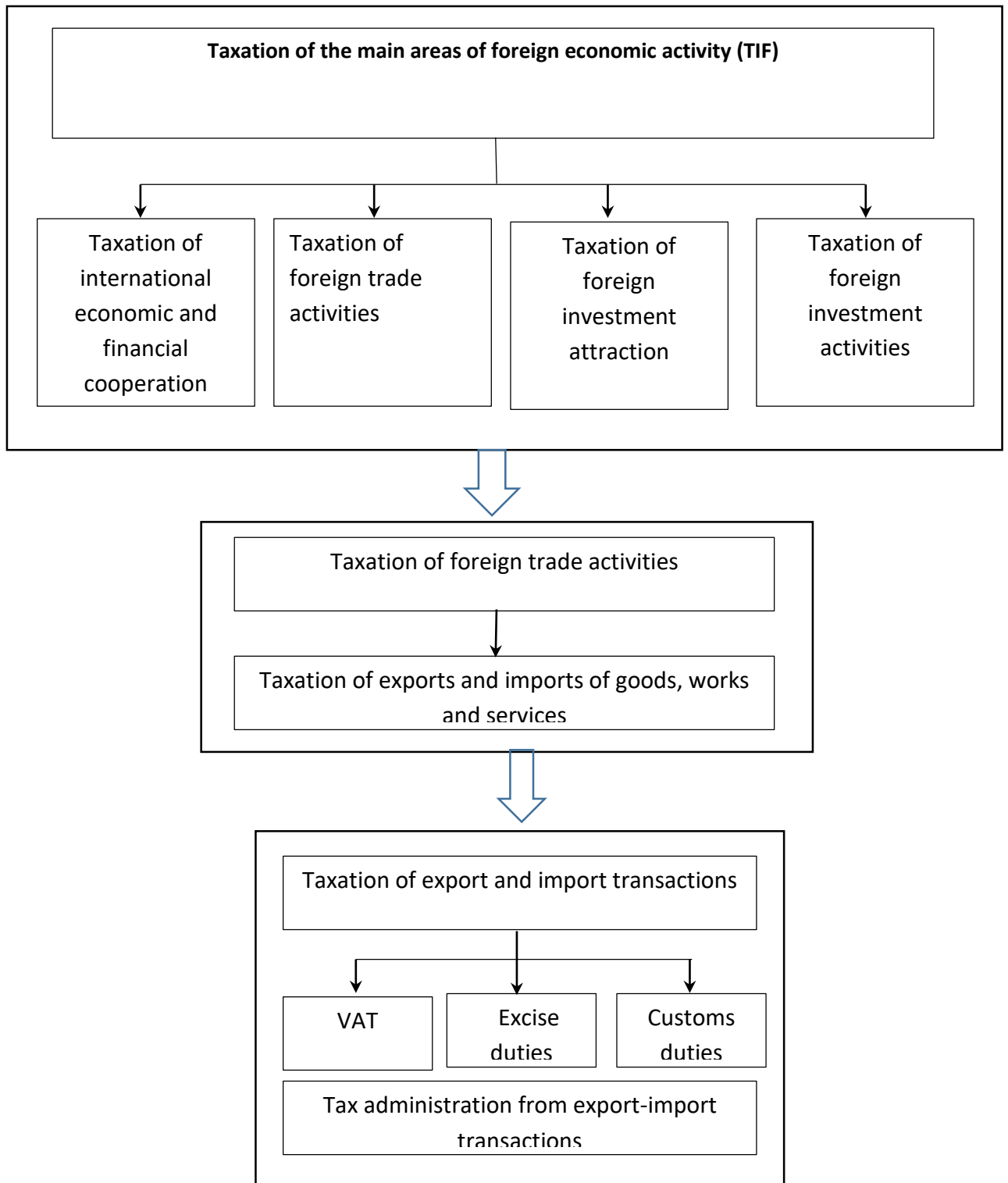


Figure. The share of taxes on export-import transactions in the structure of taxation of foreign economic activity (TIF)

The tax legislation also provides for the procedure for paying profit tax by our country's transnational companies (TNCs) under the conditions stipulated in international tax treaties.

Special attention is paid to customs duties, which are an important lever in the system of tax regulation of foreign economic activity. It is in relation to this group of payments that the regulatory function of taxes manifests itself most clearly.

Thus, modern trends show that foreign trade policy is a relatively independent direction of general economic policy, "including regulation through taxes, subsidies, exchange controls, direct restrictions on imports or exports."¹ will appear as In this regard, it is important to highlight the use of tariff and notarial methods of regulating foreign trade transactions, the types of notarial methods and their characteristics in the process of their use.

In general, the existence of non-tariff methods applied to products in international trade leads to the support of each country's national producers and the competitiveness of their products in international trade.

The scale of foreign trade of countries has grown rapidly relative to the volume of gross domestic product. This has led to the growth of export and import quotas in most countries of the world, the widespread use of non-tariff methods of regulating foreign trade. Of course, these figures show that today countries are making every effort to protect their national producers and increase exports. The World Trade Organization Despite measures aimed at liberalizing foreign trade, the number of non-tariff measures, including sanitary and phytosanitary measures, applied between member countries of the organization is steadily increasing in the wake of the subsequent waves of the global financial and economic crisis.

The methods used by Asian countries are noteworthy. For example, according to April 2021 data, Australia has introduced 411 sanitary and phytosanitary barriers to imported products, 203 technical barriers to trade, 122 quantitative restrictions, 2 tariff quotas, and 6 export subsidy levers. Japan has 498 sanitary and phytosanitary measures, 775 technical barriers to trade, 57 specific barriers, 42 quantitative restrictions, and 18 tariff quotas. In general, Eastern countries - China, Japan, and Korea - have the most widely used levers in the world. From this, we can see that the presence of barriers used by many countries in the world in Eastern countries leads to an increase in its export potential and foreign trade.

¹http://el.tfi.uz/images/_2018-2019.pdf#2.



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