

Challenges and Prospects of Taxation in the Digital Economy: Symposium “Theory and Practice of Tax Reforms” as a Case of Focused Discussion in the Post-Soviet Space

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ABSTRACT

Economic debates in Europe and America for many decades by now have been dealing with such problems as optimization of tax systems, eco-balance in taxes and ways to maximize the efficiency of tax reforms. Post-Soviet economists of the 1990s did not have an opportunity to participate in such discussions which would have proven useful since there was an urgent need for adequate theoretical justification of the tax reforms in CIS countries and other former Soviet republics. To fill this gap in research, two economists Igor Mayburov from Russia and Yuriy Ivanov from Ukraine organized the first in the post-Soviet space symposium on taxation in 2009. Since then, the symposium has been regularly held in different cities and attracted leading tax specialists from various countries. Each symposium focuses on a specific theme, selected from the most relevant tax problems faced by post-Soviet countries. The theme of the next symposium is announced 1.5 years in advance. Meanwhile, the participants conduct their studies and prepare monographs. The 11th International Symposium “Theory and Practice of Tax Reforms” was held on 30 June – 6 July 2019 in Tomsk and was hosted by the Institute of Economics and Management of the National Research Tomsk State University. The symposium was devoted to theoretical and practical aspects of the transformations in taxation and tax administration caused by the digital economy. 95 specialists from 40 universities and 26 cities of six countries (Russia, Belarus, Germany, China, Slovenia and Ukraine) took part in the symposium. The symposium was also supported by 35 universities. The symposium provided a platform for discussion of the most relevant and up-to-date issues of tax reforms, enabling its participants to devise new theoretical and methodological approaches to enhancing tax policies and taxation systems, and, last but not least, to plan new research collaborations. The symposium included a plenary session, five panels, a round table, administrative practicum, and presentation of journals in the field of taxation. This article aims to inform the reader about the specific characteristics of this symposium, its results and potential role in the improvement of tax systems of different countries

KEYWORDS

taxes, taxation, tax administration, digital economy, digital technologies

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Оригинальная статья

Перспективы трансформации налогообложения в цифровой экономике: кейс построения фокусной налоговой дискуссии на постсоветском пространстве

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АННОТАЦИЯ

Экономисты стран Евросоюза и США на протяжении многих десятилетий регулярно обсуждают такие проблемы как построение оптимальных налоговых си-

стем, экологизацию налогообложения, эффективность проводимых налоговых реформ и другие. Экономисты постсоветского пространства в 90-х годах прошлого века не имели такой возможности. При этом очень высокой была потребность в научном обосновании проводимых в этих странах налоговых реформ. Чтобы восполнить этот научный пробел два экономиста Игорь Майбуров из России и Юрий Иванов из Украины создали первый на постсоветском пространстве налоговый симпозиум в 2009 г. С тех пор налоговый симпозиум ежегодно проводится в разных городах и собирает ведущих специалистов по налогообложению из разных стран. Каждый симпозиум имеет свой тематический фокус, посвященный наиболее актуальному для стран постсоветского пространства аспекту налогообложения. Этот научный фокус декларируется за полтора года до проведения симпозиума. Участники симпозиума проводят исследования и к каждому симпозиуму готовят тематические монографии. XI международный симпозиум «Теория и практика налоговых реформ», состоялся 30 июня – 6 июля 2019 г. в Томске на базе Института экономики и менеджмента Национального исследовательского Томского государственного университета. Тематический фокус XI симпозиума – теоретические и практические аспекты трансформации налогообложения и налогового администрирования в цифровой экономике. Актуальность проведения симпозиума с такой тематикой обусловлена ожидаемыми трансформационными изменениями в налогообложении и налоговом администрировании в связи с форсированной цифровизацией всех социально-экономических процессов. В налоговом симпозиуме приняли участие 95 специалистов, представлявших 40 университетов из 26 городов шести стран (России, Белоруссии, Германии, Китая, Словении и Украины), 35 университетов. Целью симпозиума является обсуждение актуальных проблем реформирования налоговых систем, выработка новых теоретико-методологических подходов к совершенствованию налоговой политики и налогообложения, формирование творческих коллективов для проведения совместных исследований налоговой направленности. В рамках симпозиума было проведено пленарное заседание, пять тематических секций, круглый стол, административный практикум, презентация журналов, поддерживающих налоговую тематику. Целью настоящей статьи является знакомство широкого круга читателей со спецификой проводимого налогового симпозиума, его результатами и их потенциальной ролью для совершенствования налоговых систем различных стран

КЛЮЧЕВЫЕ СЛОВА

налоги; налогообложение; налоговое администрирование, цифровая экономика, цифровые технологии

1. Symposium background and rationale

As tax reforms in post-Soviet countries have shown, borrowing international experience and transplanting it in another country is not as easy as it may seem (by transplantation we mean the process of borrowing institutions which previously developed in a different institutional environment [1, p. 24]). The main problems post-Soviet governments had to deal with stemmed from the significant discrepancy in the levels of socioeconomic and institutional development of Western and post-Soviet countries and, most importantly, from the lack of tax traditions and tax culture in the post-Soviet space.

Due to the lack of these basic prerequisites, in the early 1990s, many post-Soviet

countries were tempted to start with those few non-rational forms of taxation they already had. This was the case, for example, with turnover taxes (or deductions from profits) levied from enterprises until the early 2000s.

Thus, the attempts of post-Soviet countries to copy Western experience led to some serious fiscal losses. In certain cases, those tax alternatives which were viable in principle were discredited. For example, the VAT, considered to be a perfect indirect tax form in Europe, was for twenty years regarded as “the most corrupt tax” in some post-Soviet countries and suggestions were made to replace this tax by the sales tax.

As we stated above, one more significant factor that influenced the evolving

tax systems of post-Soviet countries was the low culture of borrowing, resulting in simple copying of developed countries' positive experience. Soviet science lacked in-depth studies of taxation as in 1930–1990 the role of taxes in socialist economy was generally misunderstood and administrative methods were used to redistribute financial resources, for example, regular deductions from profits. Meanwhile, Western science went far ahead. Moreover, in the early post-Soviet period, many scholars also remained largely unaware of the most recent advances in international financial studies, which impeded efficient borrowing of the up-to-date taxation experience [2].

In the early 1990s, the first studies on taxation were published and the first university departments specializing in taxation started to appear. The studies, however, lacked systematicity and consistency and there was a generally felt need for some kind of an integral communicative platform to discuss these matters. The symposium "Theory and Practice of Tax Reforms" was created in the 2000s and its primary purpose was to address this gap in research and communication. It soon turned into a major communication platform for taxation specialists in the post-Soviet space.

This article aims to inform the reader about the specific characteristics of this symposium, its results and potential role in the improvement of tax systems of different countries.

2. Symposium history

The first to come up with the idea of organizing a symposium on taxation for Russian and Ukrainian scholars were two economists Igor Mayburow (Russia) and Yuriy Ivanov (Ukraine). This idea was first proposed and discussed in May 2008 in Kharkiv. They also created conceptual frameworks for the following symposia and headed the programme committee. The organization of these symposia was overseen by host universities in different cities and countries. At each symposium, the collegial decision was taken as to the time and venue of the next event.

At the first Ukrainian-Russian tax symposium, the participants repeatedly voiced their concerns about the quality of contemporary taxation studies, pointing out that they tend to present a somewhat simplified analysis of the problem and jump to conclusions without providing sufficient empirical justifications. Another matter of concern was a perceivable lack of monographic studies and specialized journals on taxation. The published studies did not go beyond stating the problem and criticizing the current tax policies. Therefore, what was generally lacking was an in-depth theoretical and methodological analysis applying mathematical modelling methods to explore the alternative scenarios. These gaps were largely addressed through collaborative research publishing projects implemented prior to each symposium.

As we have said above, the symposium aims at providing a platform for discussion of the most relevant and up-to-date issues, at helping researchers devise new theoretical and methodological approaches and, last but not least, at stimulating new collaborations in the field.

The chronology of the symposia was as follows: the first event was held in 2009 and was hosted by Simon Kuznets Kharkiv National University of Economics (Kharkiv). In 2010, the symposium was organized at the Ural Federal University (Ekaterinburg); in 2011 – Ternopil National Economic University (Ternopil); in 2012 – Financial University under the Government of the Russian Federation (Moscow); in 2013 – Scientific Research Institute for Fiscal Law of the National University of State Tax Service of Ukraine (Irpen); and in 2014 – St. Petersburg State University (St. Petersburg).

In 2015, the symposium changed its status and moved to a new, international level. Since then, the symposia have also become theme-based, that is, for each event a specific problem of taxation is now chosen.

In 2015, the 7th International Tax Symposium was hosted by Baikal State University of Economics and Law (Irkutsk) and focused on the problems of fiscal fed-

eralism and their possible solutions. Prior to the symposium, a monograph on fiscal federalism was published [3]. This was also the first time that a Chinese delegation took part in the event and since then its members have become regular participants of the symposium.

Although initially the language of the symposium was Russian and the papers were published in Russian, in 2015, the Programme Committee decided to stimulate the participants to present and publish their papers in English in order to reach wider English-speaking audiences. Therefore, in 2015 a new specialized journal was established – *Journal of Tax Reform* – to publish research manuscripts in English with subsequent indexing of the papers in international citation databases. The journal seeks to publish new research findings in the field of taxation and it also aims to popularize the work of symposium participants.

In 2016, the 8th International Tax Symposium was organized in partnership with Volga State University of Technology (Yoshkar-Ola). This symposium was centred around the idea of creating an inventory of terminology in the sphere of taxation with the view to reach some common understanding of the key concepts. It resulted in the publication of a tax encyclopedia, which was the first of its kind in the post-Soviet space [4].

In 2017, the 9th International Tax Symposium was hosted by the Baltic Federal University (Kaliningrad). Thematically, this symposium focused on taxation regimes of special economic zones and resulted in the publication of two monographs [5; 6].

In 2018, the venue for the 10th International Tax Symposium was the Far Eastern Federal University (Vladivostok). This time the symposium dealt with the problems of taxation of natural resources and environmental taxation and two monographs were published [7; 8].

3. 11th International Tax Symposium

In 2019, the 11th International Tax Symposium was hosted by the National Research Tomsk State University (Tomsk).

The 11th Symposium was jointly organized by the National Research Tomsk State University, Ural Federal University, St. Petersburg State University, Financial University, Research Center for Industrial Problems of Development of the National Academy of Sciences of Ukraine, and the Institute of Economic Strategies of the Chinese Academy of Social Sciences.

This time, the proposed topic was the transformations of taxation and tax administration in the digital economy, which is currently one of the most widely discussed research problems. Digital technologies have a growing impact on economic and socio-economic processes, in fact, digitalization is transforming the very nature of these processes. AI systems start to take care of more and more routine procedures, which changes the labour market and the market of technologies, spurring the development of e-commerce and on-line trade. These are by no means the only consequences of the digitalization of economy. Most importantly, the digital economy changes people's minds and behaviour.

Taxation theory and practice cannot remain unaffected by these processes. Tax scholars not only seek to study the new aspects in the operation of tax systems and the process of taxation but also to create a theoretical and methodological foundation of modern tax administration, fiscal accounting and control that would be adequate to the new tax practices. The influence of the digital economy on the development of tax theory remains a largely underexplored topic in contemporary research literature, which led the symposium organizers to propose it for theoretical and methodological discussion.

The symposium resulted in two monographs [9; 10]. The papers submitted for the symposium were reviewed by the members of the Programme Committee and 42 papers were selected for presentation and discussion. A brief overview of the key papers is provided below¹.

¹ The papers presented at the symposium are available here: <https://cloud.mail.ru/public/2jlf/4nuUqBjX>

4. Overview of papers

Gennadiy Morozov² presented his paper “Technological Development of Tax Administration in Tomsk Region”. He contended that the mission of the Russian Federal Tax Service is not only to ensure efficient control and supervision but also to provide high-quality services to enable legal, transparent and comfortable business operations. The speaker described the four main stages in the development of the federal tax information system. The first stage (1991–2000) was characterized by the diversity of software applications and the lack of centralized information. At the second stage (2000–2005), standard software packages were introduced and the tax service started to use the first federal data resources. At the third stage (2005–2010), the Federal Tax Service obtained its official web-portal, which offered interactive services to taxpayers. At the same time a number of document management and workflow solutions started to be implemented. The fourth stage (2010 – to present) coincides with the ongoing process of consistent centralization of tax administration functions. For the Federal Tax Service, the world of the big data means processing 76 million declarations, 37.5 million tax claims, 15 billion VAT invoices, 250 million transfer pricing operations, 4 million transaction records, and 82 million income tax notices with the help of cutting-edge digital technologies: the automated information system “Nalog-3” and the automated system complex “VAT-2”.

Konstantin Novoselov³ presented his paper on the problems and prospects of using cloud technologies in tax administration. He argued that advanced information technologies change the very concept of the controlling function performed by

the tax service as they allow tax authorities to consistently reduce the administrative burden on taxpayers. The current focus of tax control is to promote tax compliance. The challenges that need to be addressed in the course of the tax reform are as follows:

- (1) building partnership relations with taxpayers;
- (2) enhancing their motivation to comply with the tax legislation;
- (3) ensuring transition from the controlling function to that of tax evasion prevention;
- (4) adopting new analytical methods and tools (AI systems, computer-assisted instruction, neural networks) to work with big data.

The architecture of the information space is now based on the integration of software products and information systems to enable the tax authorities to control and monitor business activities of taxpayers. Tax administration in Russia and other countries should be turned into an on-line “adaptive platform” operating exclusively with digital information sources and digital identities of taxpayers. In the future, tax compliance might well be expected to become a completely automated process.

Prof. **Valentin Vishnevskiy**⁴ presented his paper “Economic and Regulatory Implications of the Digital Revolution in Taxation”. In his view, the modern stage of socio-economic development is primarily associated with the appearance of a cyber-physical system, which, in its turn, transforms many aspects of social life.

This includes, *first and foremost*, changes of economic entities. Moreover, apart from ordinary legal entities, the tax system will have to deal with “electronic persons”: since robots will be involved in decision-making in production, it will be logical to consider them as financially liable and taxable persons.

² **Gennadiy Morozov**, 2nd class state counselor of the Russian Federation, Head of the Federal Tax Service in Tomsk region.

³ **Konstantin Novoselov**, Cand.Sc. (Economics), 2nd class state counselor of the Russian Federation, Deputy Director of the Control Inspectorate of the Federal Tax Service of Russia, and an associate professor of the Department of Tax Policy and Customs Tariff Regulation of the Financial University.

⁴ **Valentin Vishnevskiy**, Dr.Sc. (Economics), Head of the Department of Financial and Economic Problems of Use of Production Capacity (Institute of Industrial Economics, National Academy of Sciences of Ukraine).

Second, in the digital age, the new cyber-physical production of hybrid products or product-service hybrids will become more and more widely spread. Such production is self-organized and managed by AI systems, which means that human participation and involvement in production processes will be reduced. In about a fifth of all professions, machines will replace humans (about 400 mln people by 2030).

Third, the emerging reputation-based society and reputation state will mean new power institutions and mechanisms of enforcement. According to the laws of dialectics (the law of spiral development), socio-cultural (civilizational) factors do not disappear in the globalized world but, on the contrary, become even more significant.

Finally, there will appear new taxation institutions linked to manufacturing automation and transformation of the system of economic relations due to the development of the reputation state. Until recently, the solvency (and social status) of physical and legal persons was associated primarily with their financial condition, but now there is one more indicator of solvency – credit scores in reputation systems (a low social credit score renders the person's financial status less significant, at least partially, since it becomes harder to exchange money for commodities and in some cases a person may be even cut off from things they used to be entitled to) [11]. All of the above-mentioned factors lead to objective transformations in the taxation system [12].

Prof. **Bin Zhang**⁵ spoke about modernization of tax administration in China, describing in detail the evolution of the Chinese tax administration system since 1950. At the current stage of the reforms, the key goals are to cut the costs of tax administration and to maximize its efficiency, to reduce the amount of unpaid taxes, enhance compliance and satisfaction levels among taxpayers to ensure stable tax revenues [13; 14]. A key role in this respect will be played by the big

data combined with advanced analytics and the digital technologies, which will transform the entire taxpayer experience. According to the speaker, by 2020, China is planning to create a modern system of tax administration, merging national and local tax bureaus into one tax service and re-engineering all the key processes of tax collection.

In his paper, Prof. **Yuriy Ivanov**⁶ described the Ukrainian experience of using fiscal incentives to stimulate the development of information technologies. He demonstrated the dynamics of the key indicators in this sector and presented the general and simplified tax schemes used by IT companies. He also analyzed the alternatives of taxation of physical persons employed in this sector: normally they pay the personal income tax, which is 18% of the net income, the military levy (1.5%) and the minimal unified social contribution at the basic rate of 22% (calculated on the basis of the minimum wage). According to Prof. Ivanov, the non-rational (when seen from the perspective of public interests) structure of entities within the IT-sector resulted from the unjustifiably liberal tax regime set for individual entrepreneurs who use a simplified tax scheme [15]. Prof. Ivanov presented a critical analysis of different scenarios of tax reforms in the IT sector both for the simplified and general tax schemes. In his presentation, he also shed light on those areas of the tax reforms that are considered top priority by the Office of the President of Ukraine: introduction of a uniform treasury account for the payment of taxes; the so-called zero declaration, tax amnesty and capital amnesty; replacement of the income tax by the distributed profit tax; further liberalization of the unified social contribution, especially for entrepreneurs; and allocation of alternative sources for funding pensions and social benefits.

⁵ **Bin Zhang**, Ph.D., Director of the Department of Taxation of the National Academy of Economic Strategy.

⁶ **Yuriy Ivanov**, Dr.Sc.(Economics), Deputy Director for Research of the Research Centre for Industrial Problems of Development (National Academy of Sciences of Ukraine).

In her presentation, Prof. **Lyubov Goncharenko**⁷ focused on the on-line services offered by the Federal Tax Service of Russia. By 2014, all the 193 UN member states had their own national web-sites: 101 of these web-sites enabled their users to create their personal accounts; 73, to submit their income tax declarations online; and 60, to register companies. As for the most widely spread basic administrative systems, 190 states have already introduced automated financial management systems; 179 states are using such systems for customs clearance procedures and 159, for tax administration. The web-site of the Russian Federal Tax Service offers over 57 diverse online services for all categories of users. On-line services for business enjoy most popularity but in the recent years online tax services have been also gaining popularity among physical persons. Compared with other Russian governmental web-sites, the site of the Federal Tax Service is one of the most popular, informative and frequently visited. It was reported that from January to October 2018 there were about 101.9 million visits to this web-site. The service-based model of tax administration means that a larger share of interactions between taxpayers and tax authorities should happen online rather than offline. Apart from enhanced comfort and efficiency, taxpayers' online accounts minimize the number of their personal contacts with tax officials, which reduces corruption in local tax administration [16].

Tax consultant **Ralf Busse**⁸ spoke of the European experience of creating an integral system for administration of the VAT on cross-border e-services. He pointed out that in order to charge VAT it is necessary first to determine the location where the electronic (digital) services were supplied. If a client buys electronic services according to the B2B scheme as a VAT payer, the place of service implementation is the place of the customer's activity (business). Otherwise, when the

customer is not a VAT payer (B2C), the place of electronic (digital) service implementation is determined as the place of the customer's residence. In the EU and many other jurisdictions, administration of the VAT on cross-border B2B electronic (digital) services in a given country follows the reverse charge principle. A buyer considered as a VAT payer in their country is liable to declare and pay VAT. Ralf Busse also emphasized that the EU legislation offers taxpayers a convenient opportunity of accounting for VAT which is due in many EU countries in just one EU country – this simplified scheme is called VAT Mini One Stop Shop (MOSS). According to this principle, a VAT payer who has voluntarily registered for this scheme in one EU member state (usually it is the taxpayer's home country) will be able to submit quarterly VAT declarations providing the data on e-services supplied to non-VAT payers in other EU member states. After that, it is the responsibility of the receiving tax authority to divide the VAT received and transfer it to the relevant member countries of the consumers.

Irina Zhalonkina⁹ presented her paper "Anti-Counterfeit Technologies: Digital Identification and Labelling". The Russian government has approved the Concept of a Unified National System of Digital Labelling and Tracing of Goods in the Russian Federation, which requires consistent enforcement of new labelling regulations in different business spheres in order to enhance governmental control over flows of goods and financial flows. For example, by 2018, mandatory labelling had been already introduced for alcohol by applying the Unified State Automated Information System (EGAIS). Since 2019, the mandatory labelling requirement has been extended to tobacco products (since 1 March 2019), perfumes (since 1 December 2019), rubber tyres and tyre casings (since 1 December 2019), outdoor clothing, table linen, toilet linen and kitchen linen (since 1 December 2019), footwear (since 1 July 2019), cameras and flashlights

⁷ **Lyubov Goncharenko**, Dr.Sc. (Economics), Director of the Department of Tax Policy and Customs Tariff Regulation of the Financial University.

⁸ **Ralf Busse**, Ph.D. (Germany).

⁹ **Irina Zhalonkina**, Cand.Sc. (Economics), Deputy Director of the Department of the Federal Tax Service in Tomsk Region.

(since 1 December 2019), pharmaceuticals, dairy products and so on. Starting from 1 January 2020, labelling will be mandatory for pharmaceutical products. Since 2024, Russian business will have to provide labels for all kinds of consumer products. It is estimated that the combined effect from the introduction of labelling for 10 groups of products and more will be over 1 trillion roubles.

Prof. **Jun Ma**¹⁰ presented her paper “Impact of the USSR on the Chinese Economic Thought”, which discussed the influence of Marxism on the discipline “Public Finance”. According to the speaker, in the last seventy years, there were two “periods of borrowing” in the history of China’s financial science. The first period, 1949-1956, was associated with Soviet influence while the second, starting from 1978, with American influence. The speaker outlined the following stages in the development of the socio-economic system and fundamental financial theory in China:

(1) 1949–1978, planned economy and state distribution;

(2) 1970–1990, planned commodity economy, transition period, which involved discussion of the role of the financial system;

(3) 1990–2013, development of the financial theory underpinning the socialist market economy;

(4) since 2013, development of the financial theory from the Chinese perspective.

The speaker argued that even though in the twenty-first century, Western approaches prevail in financial sciences, China has managed to preserve many of the elements characteristic of the Soviet approach. Such situation can be explained by the influence of the ideological factor but also by the educational background of many Chinese officials, who went to study in the USSR. Moreover, in its development, Chinese financial science to a great extent followed the Soviet model.

¹⁰ **Jun Ma**, Ph.D., Deputy Director of the Department of Taxation, National Academy of Economic Strategy.

Prof. **Dehua Wang**¹¹ in his presentation considered the impact of the 2009 VAT Reform on business investment and employment¹². On 1 January 2009, China launched a comprehensive VAT reform, which stimulated enterprises to invest into fixed assets such as facilities and equipment. In her talk, Prof. Dehua Wang addressed the following questions: what was the impact of the tax reform on the behaviour of enterprises? Did it stimulate enterprises to invest into fixed assets, especially in the period of global recession? Did the reform affect employment on the level of enterprises? The speaker made a conclusion that the reform led to an increase in the investment in fixed assets but its impact on employment was insignificant. Overall, the reform contributed to structural transformations in China.

5. Round table “Beer Excise Duty Policies: Problems and Potential for Improvement”

On the first day of the symposium, all participants were invited to join a round table discussion. The day before, they had visited the factory “Tomskoye Pivo”, where they studied the product range, beer production technologies and problems faced by the Russian brewing industry. The round table discussion was moderated by **Alexander Pogorletskiy**¹³ who spoke of the rising excise duties on beer and the trends in beer production and consumption [17]. Regarding the retrospective dynamics of alcoholic drinks consumption, the moderator argued that despite some positive changes in the overall level of consumption in terms of pure alcohol intake, in Russia the trends of alcohol consumption are extremely alarming. The main problem is that in Russia the share of spirits in the general consumption structure is still high (61%). The

¹¹ **Dehua Wang**, Ph.D., Department of Government Audit, National Academy of Economic Strategy.

¹² This article can be found in the current issue of *Journal of Tax Reform*.

¹³ **Alexander Pogorletskiy**, Dr.Sc. (Economics), Prof., Department of World Economy, St. Petersburg State University.

consumption of beer, however, is falling: from 71 litres per capita in 2013 it dropped to 55 litres in 2017 [18].

The discussion then mostly centred around the question about the economic feasibility of a long-term excise policy in relation to different types of alcoholic beverages. The most debated question was how the negative consumption structure can be changed with the help of fiscal instruments. Most of the participants agreed that it is crucial is to shift customer preferences from spirits to low-alcohol beverages, such as wine and beer. Beer has the most potential for replacing spirits in the consumption structure [20], which was demonstrated by the experience of North European countries (Sweden, Finland, and so on), whose consumption models in the mid-twentieth century were similar to the Russian model (spirits prevailed over other kinds of alcoholic beverages). Participants of the round table also emphasized the problems caused by different excise rates applied in the EAEU member states since such differentiation causes disparities in competition and consumption in trans-border regions. Furthermore, suggestions were made that the beer excise duty burden should be lowered to the level of European beer-producing countries, in particular Germany, where the excise duty on beer is more than three times lower than in Russia. Symposium participants also agreed that it is reasonable to adjust the excise rates depending on the strength of the beverage and contended that the EAEU member states should benefit from the European experience of differentiated excise policies. Beer excises in 15 European countries depend on the alcoholic strength of beer (volume fraction of ethyl alcohol); in 12 countries, the excise rate on beer is calculated per hectolitre per degree Plato: the higher is the gravity of the alcoholic beverage, the higher is the percentage of the ethyl alcohol it contains. This measure will make the beer excise policy more effective and change the structure of beer consumption, fostering preference for less harmful low-alcoholic drinks.

6. Conclusion

International symposium “Theory and Practice of Tax Reform” provides an important communicative platform for economists from different post-Soviet countries specializing in the field of taxation. The popularity and continuity of this tradition shows the important role the symposium plays in the life of the academic community. The symposium enables scholars to keep up to date with the current taxation issues, form research teams and collaborations, get access to significant publication projects and present their findings to English-speaking audiences.

The international tax symposium makes a substantial contribution to the improvement of tax systems in post-Soviet countries. Research findings presented by symposium participants are of great theoretical and practical value as they allow governments to adjust the key areas of tax policies in the mid-term.

The specific themes chosen for the symposia enabled the participants to adopt a more detailed and in-depth approach to the problems. This also allowed the symposium organizers to invite highly specialized professionals to participate in the discussion.

The 11th Tax Symposium formulated the following recommendations:

1. Countries need to foster new tax institutions to address the current developments in the sphere of robotization of manufacturing processes and in the system of economic relations caused by the emergence of the reputation state.

2. Digital identification of goods is becoming more and more widely spread, which is a positive factor both from the economic perspective and from the perspective of controlling agencies. Tax exemptions and their feasibility should be analyzed in the context of specific tax systems by taking into account the factors that determine taxation in each particular country.

3. Information technologies have become crucial for the efficiency of tax administration and the quality of tax services. Digitalization of tax administration has a cumulative effect on tax collection

and on the overall efficiency of tax administration.

4. The service-based tax administration model means that a larger share of interactions between taxpayers and tax authorities should happen online rather than offline. Apart from the comfort and efficiency of online interactions, such services minimize the need for personal contacts between taxpayers and tax officials, which reduces corruption risks in the process of local tax administration.

5. Major technological upgrades of tax administration methods can be expected. These will lead to the creation of a system of voluntary compliance based on complete integration of tax services into the business environment of taxpayers, automated tax payments and filings, increased economic transparency and enhanced mutual trust between state agencies and the public.

6. Even though the tax system is now transitioning to model 4.0, the key functions maintained by the tax policy will still remain the same. Some changes in the significance of these functions have to be expected, however. For example, it is likely that the controlling and ecological functions will be reinforced while the social function (redistribution) will become less important. The fiscal, regulatory and stimulating functions will retain their importance.

7. Global digitalization of economy will lead to deep transformations in the

principles underpinning interactions between the state and taxpayers, including changes in certain functions of state agencies, as citizens will be delegating powers to the state in exchange for taxes paid. Approaches to the access, storage, exchange and protection of information will be thoroughly revised as a part of a major transformation in the structure of the tax system caused by the introduction of new taxes such as a tax on certain kinds of digital operations withheld at source, an excise tax on digital services and a digital enterprise income tax.

At the 11th Symposium, it was decided that the next event will be devoted to the problems, prospects and possible improvements of consumption taxation. It was also decided that there will be two monographs published for the next symposium in Tumen: “Theoretical and Methodological Foundations of Indirect Taxation” and “Architectonics of Contemporary Consumption Taxation”¹⁴.

Thus, the tradition of conducting tax symposia will be continued. The 12th Symposium “Theory and Practice of Tax Reforms” will take place in Tumen and Tobolsk in early July of 2020. The symposium will be hosted by Tumen State University (Programme Committee’s email: 5symposium@mail.ru).

¹⁴ The project road map is available here: http://taxsymposium.ru/index.php?option=com_content&view=article&id=414&Itemid=1194&lang=ru

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