After having evaluated the results of the survey, we found out 5 most common fears among students of our University: fear of public speaking, fear of hard work, fear of disapproval, fear of failure, fear of responsibility. According to psychologists, most fears take their roots in childhood, so in the modern world it is so important to have a decent upbringing. *We hope that our survey will help our students identify the sources of their anxiety and improve their academic results by using our tips and by developing their ability to overcome fears which prevent personal and professional growth.*

**References**


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**SPECIFICS OF FINANCIAL REPORTING**

**IN OFFSHORE COMPANY**

The purpose of the work is to explore the specifics of financial reporting of offshore zones in the Global Economy, how it functions and influences global capital.

The severity of taxation of almost any state encourages economic entities to engage in tax planning and look for legal ways to reduce the tax burden. Tax planning aimed at reducing payments is not just competent accounting, but a legitimate opportunity not to pay any taxes, or to minimize them. In this connection, the desire of many businessmen to transfer business to offshore zones or to establish a clear scheme of interaction with offshore companies in order to optimize taxes becomes relevant.

The main feature of offshore jurisdiction is the preferential nature of taxation: low tax rates or a fixed annual fee. If earlier offshore was needed mainly for the export of capital, now it is a rather effective tool for stabilizing payments, regulating the price of export-import contracts, paying foreign exchange contracts, transferring equipment on leasing, supplying raw materials, purchasing real estate abroad, storing cash funds, as well as conducting investment and speculative activities in global financial markets.

Today, in many foreign jurisdictions, there is a new requirement: to keep accounts of international companies and to keep reporting documentation for a fixed period (as a rule, from 5 to 7 years). For a long time, one of the attractive characteristics of a classical foreign company was the absence of the need to maintain and submit financial statements. The reporting of foreign companies and the audit were provided for only by the legislation of low-tax jurisdictions and quasi-offshore companies. But lately, due to the recommendations of the OECD, promoting the idea of automatic exchange of information, a report on the financial status of businesses is increasingly becoming a necessity.

Today, offshore companies are no longer associated with a complete lack of obligations and responsibilities. Current laws require offshore companies to keep accounting records and provide it when necessary. Accounting means the formation of documented systematized information about
assets, incomes, expenses, liabilities, facts of economic life, sources of financing of the company's activity, as well as drawing up financial statements based on this information.

Consider this question on the example of the popular offshore jurisdiction – the British Virgin Islands. According to local legislation, companies registered in the BVI are not required to prepare and submit financial statements to the local government bodies. However, companies are required to:

to keep in the office of his registered agent or in another place the accounting records and supporting documentation of the company;

retain these records and documentation for at least 5 years from the date the company makes a deal or terminates the business relationship to which the documentation and records relate.

Records and supporting documentation must be kept in a form that would allow showing and explaining the company's transactions, and at any time accurately determine its financial condition.

In the case of an operating offshore company, accounting can be started absolutely from any date of the calendar year. But before that, it is necessary to make an inventory of the property, capital, requirements, accounts and liabilities of the company and to draw up the initial balance sheet based on its results. Then every day it is necessary to make entries in the accounting registers, while recording all the business operations carried out by the company. At the end of the reporting period, financial statements are prepared on the basis of these data, which can be provided to the bank or counterparties upon request.

Without accounting, the company registered in the classic offshore zone will not be able to invest in serious projects. It is not possible sell an offshore company if it does not have financial statements. Today it is not possible to buy real estate, shares or other business for an offshore company without accounting. No seller will want to sell their business or anything else to an untested offshore company for the safety of their own assets. It is hard for owners to account for their personal income from an offshore in the country of the tax residence, especially if they live in a country that is not friendly to investors. Due to the dishonesty of counterparties or partners, the offshore company may be suspected or accused of helping tax draft divers at any time. And in this case, it can help out exactly good financial statements, compiled in accordance with international standards. It helps to lead business more confidently and freely if a company has balance sheet, a profit and loss statement, a cash flow statement, etc.

One of the agreements overshadowing the life of an economic entity offshore is the OECD Convention on Mutual Assistance in Tax Matters [5]. The purpose of this convention is to make sure that the taxpayer cannot evade paying taxes in one country by placing his assets in another country. The convention covers all taxes: income, VAT, and even such taxes that are not available in another country. In addition to international agreements and organizations, each country develops its own measures to regulate the offshore business. In recent years, in almost all developed countries, "anti-offshore" legislation has been cruel, and the Republic of Belarus has not become an exception. From 01.04.2003 Presidential Decree № 104 "On the offshore collection" came into force [6]. According to this Decree, the objects of the offshore collection have changed, they include any transfer of funds by a resident of the Republic of Belarus to a non-resident registered in an offshore zone, or to another person under an obligation to this non-resident or to an account open offshore. In addition, the objects of taxation offshore duty related performance of the obligation in non-monetary form to a non-resident RB, registered in an offshore zone. And, finally, the transfer of property rights and obligations in connection with the change of persons in the obligations to which the resident and a non-resident registered in an offshore zone is also subject to an offshore levy. The change in legislation was justified by the fact that the budget of Belarus received less than 1 % of all the amounts transferred
to the offshore zones, as the entrepreneurs paid mostly not for services for which the offshore fee of 15% was set earlier, but for the supplied address products, and with these operations offshore fee was not charged [4].

The company's financial statements also contain a cash flow statement. Many offshore companies are aimed at hiding the real cash flow and the final beneficiary, which leads to money laundering, the withdrawal of capital from the country, and also the tax evasion.

After the introduction of Presidential Decree № 104 "On the offshore collection" in 2003 we can observe (fig. 1) the decrease in capital outflow from the country. Nevertheless, power of this law didn't last long, due to the production and service sector growth, increase in capital in general and consequences of economic crisis of 2008 capital began to be withdrawn from the country even in a greater extent. The issue of capital outflow from the country remains urgent and it brings Belarus closer to accepting the BEPS plan. In comparison to Lithuania, a member of BEPS, it has non-resident deposits just 2,5 % of total deposits – which is one of the lowest indicators across the EU [5]. The effectiveness of BEPS implementation supports the figures of Lithuanian state budget. In January–November 2018, revenues of the state budgets of Lithuania amounted to 7,902 billion euros – by 1,6 % (121,1 million euros) more than planned [2]. Belarus took 16th place in the Global Financial Integrity (fig. 2) [1].

![Fig. 1. The amount of money withdrawn from Belarus 2002–2012](image1)

![Fig. 2. The money of money withdrawn from Belarus 2012–2017](image2)
Every year in average 10 billion dollars are withdrawn from Belarus and it equals to the sum the
government spends on social politics. For instance: on pension – 3,9 billion; help for families raising
children: 1 billion; youth policy: 31,9 million; social security 21,8 million (from the report on the state
budget of the Republic of Belarus) [1].

Maintaining financial statements for an offshore company is undoubtedly a necessity, it will help to
avoid already existing and future penalties from offshore jurisdictions. At all times, financial reporting
has been and still continues to be the main information base for gaining insight into the performance of
the organization and a source for analysing data in order to make informed management decisions.
Accounting actually has a lot of advantages: it allows a businessman to better see the picture of the
financial condition of his offshore company, more effectively manage projects and investing in them,
as well as more transparently and reliably build chains of tax optimization. In the end, thanks to the
maintenance of accounting, managers can see how effectively resources are used and how promising
the company itself is.

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THE SWISS TURN TO THE CREATIVE ECONOMY IN THE 2000S:
ON THE EXAMPLE OF ZURICH-WEST

The creative economy is an emerging concept, which seeks to delineate the field of active interaction
between science, arts, manufacturing and business in the contemporary world. The latter may be
described from the perspective of different theories, such as theories of information, globalisation and
network economy/society, consumer society, sustainable development, etc. This range of social and
economic theories will not be complete without an emerging conception of the creative economy with
its challenges to the present-day socio-economic reality and methods of its development.

This paper begins with a brief description of a new concept, its relevance and the field it covers. Then
we turn to a particular case of its application – the Zurich creative cluster. Our turn to the Swiss case in