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THE PROBLEMS OF ATTRACTING VENTURE CAPITAL IN RA

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Abstract: The investment environment formed in RA is still not favorable for attracting foreign venture capital. An effective state policy is needed, mainly aimed not at the creation of new venture funds, but at improving the depth of the Capital Market, the most vulnerable and at the same time the most important indicator group in the "Venture Capital and Private Equity Index". The article analyzes the risks of venture capital formation and based on it, recommendations are made in the direction of measures contributing to the improvement of the investment environment in RA.

Keywords: venture capital index, investment risks, innovation financing, facilitating entrepreneurial start-ups, state support, venture capital funding

JEL code: E22

Research objectives: to analyze the position of the Republic of Armenia in the "Venture Capital and Private Equity Index" and based on it to present recommendations for improving the attraction of venture capital in the country

Research novelty: The weak links of the sub-sections of the venture capital index of the Republic of Armenia were identified and based on this, recommendations were made regarding the attractiveness of venture capital financing.

Introduction

RA is improving its positions in the "Venture Capital and Private Equity Index" every year, but the investment environment of the republic is still not favorable for foreign venture capital. And as for the venture funds and angel investor clubs created in RA, the investments in these funds, although they are made with foreign capital, are predominantly owned by Armenian investors. The creation of venture funds can become a good prerequisite for attracting foreign funds, but the presence of the latter alone is perhaps not enough to make the country's investment environment favorable and attract large-scale foreign venture capital [1]. Here, an effective state policy is needed, aimed not at the creation of new venture funds, but at improving the depth of the most vulnerable and at the same time the most important indicator group of the index, that is, the depth of the capital market. As a way to improve the above indicators, it is possible to propose the application of tax benefits for companies that have implemented an IPO, support for

the creation of the Crowd Investing system, the introduction and legal regulation of internationally used investment tools in the startup ecosystem: convertible bonds and SAFEs, the creation of effective mechanisms for the protection of investors' interests, etc.

Research results

Along with the increase in the number of startup companies, a demand for venture capital is created, as a result of which, every year in RA, clubs of angel investors are created and venture funds are formed. In particular, in addition to the 2013 and in 2014 created "Granatus Ventures" (invested in 13 companies to date, average investment amount: 250,000-300,000 USD) and "Hive Ventures" funds (invested in 18 companies to date, average investment amount: 100,000 USD), in 2016. "Smart gate VISI" venture fund was also created, which invested in 5 more companies. Three angel investor clubs in 2018 were created, which plan to invest in companies at the most initial stage of development. 2019 The Science and Technology Foundation of Armenia has also created 2 venture funds with the aim of investing in science-based start-up companies.

Despite the increasing trends of venture capital in RA, it should be noted, that the investment capital of the above-mentioned funds does not exceed 10 million US dollars, which may be sufficient only for financing the seed stage of startups, and the next investment stages (series A, B , C+), Armenian startups have to turn to foreign venture funds for financing. Another no less important advantage

of attracting foreign capital, is the transfer of their experience, knowledge and connections to Armenia and their use by the startup ecosystem. And perhaps the most important prerequisite for attracting foreign venture capital is the attractiveness of the RA investment environment.

The country's attractiveness for venture capital is measured by the "Venture Capital and Private Equity" index, according to which RA ranked 90th among 125 countries [2].

Although the dynamics of the index is positive for RA, the indicators of RA regarding a number of components of the index are worrisome, in particular, it refers to indicators of economic activity and depth of the capital market, which are perhaps the most vulnerable aspects of RA. The latter is confirmed by the chart, in which the deviation between RA and Asian countries (in which RA is included) is the largest in terms of those indicators.

As a result of the separate observation of the index groups, it becomes obvious, that RA has an advantage in terms of taxation compared to the mentioned countries, in particular, ranks 39th in this indicator. This speaks of the RA's favorable tax environment, which is facilitated by the RA Law "On State Support of the Information Technology Sector", according to which startup companies are exempted from profit tax for 5 years, and pay income tax at the rate of 10%. The favorable tax environment is also facilitated by the fact that reporting is simplified and automated.

The next group of indicators, where RA has a comparative advantage, is the "Protection of Investors' Interests and Corporate Governance" group, in which RA ranks 49th.

Table 1. Sizes of individual indices of venture capital and private equity participation index by country

Countries	Economic activity	Capital market depth	Taxation	Investors' interests protection	Human capital & social environment	Entrepreneurial culture
Russia	88,1	65,1	97,9	57,2	35,2	69,9
Estonia	68,2	45	104	83,5	61,1	62,1
Kazakhstan	79,8	46,6	95,7	66,5	46,4	54,1
Georgia	61,2	42,6	104,4	72,5	53,3	50,4
Armenia	50,7	35,1	104,1	64,7	47,2	52,5
Belarus	74	11,1	98,9	46	51,2	53,1
Azerbaijan	63,3	6,9	105,3	70,3	41,4	55,2

However, in that group, the qualitative indicator of applicability of the law is low, with RA taking the 67th position. It should be noted, that the dynamics of this indicator is increasing and taking into account the positive expectations towards the new Government, further improvement of the indicator can be expected.

The "Entrepreneurial culture" group is the weakest part of the index of venture capital and private equity participation, according to which RA lags behind the most in terms of the number of articles

in scientific journals and the costs of conducting research (R&D) by enterprises.

Thus, according to Skimago rating, Armenian authors in 1996-2017. published 15,450 scientific articles in international periodicals, in which RA ranks 86th, lagging behind Georgia (84), Kazakhstan (76), Estonia (64) and Belarus (65). The rating of Armenia according to the number of references to the document is even lower, with RA occupying the 115th position. It should also be noted that a significant part of the references in the articles are provided by the researchers of the Yerevan Institute of Physics and in 2017 about 40 percent of the published articles were related to the field of physics and astronomy.

As for research expenses, it should be noted that around 68% of RA information and communication companies provide services to other companies and do not carry out their own research and product creation [3]. However, in 2016-2017 70% of the established companies stated that their activity is aimed at conducting research and creating new products. From the point of view of research expenses, the size of RA state expenses is even lower. In particular, in 2017 government spending on research was 0.2% of GDP, which is more than 10 times less than the average size of OECD countries, 2.4%. For comparison, let's note that this index is 2.79% in the USA, 4.23% in South Korea, and 4.25% in Israel.

RA occupies the lowest position, 112th, in terms of indicators of the economic activity group. In particular, in terms of the size of the economy (GDP) and unemployment, RA occupies the 114th and

113th positions, respectively. The latter is perhaps characteristic of all the small countries included in the index, including Georgia and Estonia. It is noteworthy that the other index included in the group, "Real GDP Expected Growth", ranks RA 69th, which speaks of positive expectations for the RA economy.

The weakest group of the index and at the same time with significant development potential is the "Depth of the Capital Market" group. The indicators of this group are of great importance for the attractiveness of the investment environment of any country. The presence of the capital market, particularly the market-centric capital market, is more than important for venture capital, because the stock market ensures the return of invested money and the realization of investments [4]. From the chart presented below, it is obvious that the financial system of RA has a banking concentration, although the stock market capitalization/GDP indicator has continuously increased during the considered period, and the banking system's loans/GDP indicator has shown a stable behavior.

The importance of the depth of the capital market (including the presence of a market-centric capital market) for the attraction of foreign venture capital is also indicated by the fact that this group has the largest specific weight in the Venture Capital and Private Equity Index. Within the group, the liquidity and size of the Stock Market, IPOs and public issue operations are most important, in terms of which RA itself occupies the lowest positions.

Table 2. The position of RA according to the indicators of the Capital market depth group

Indicator	Horizontal	Unit
Stock market liquidity and size	94	43
Volume of stock market turnover	98	44,7
IPOs and public issue transactions	78	6,7
The merger and acquisition market	89	14,5
Debt and credit market	46	82,6
Access to financial markets	69	51,4

Conclusion

Venture capital represents a certain volume of investments, when the investor invests in such new enterprises (startups) that are engaged in the development of new technologies, know-how and other innovative technologies. Such organizations are characterized by high risk, due to the use of new products in business, rapid and dynamic development of activities, as well as receiving super profits in case of successful implementation of new ideas in the market [7].

The interest in venture investments is growing not only among those, who are ready to invest their funds, but also among those who would like to receive it for the development of their business [8]. It is also necessary to mention the fact that there are certain prerequisites for the development of venture capital in Armenia, particularly in the field of information technologies there is a significant development potential. In addition, there are a significant number of inventions and innovations in Armenia, which,

however, remain on paper and do not come to life in the absence of funding.

In order to ensure the attractiveness of the country's investment environment and, in particular, to attract venture investments, in our opinion, the RA government should implement the following steps:

- ✓ implement structural changes in the economy, giving priority to the development of scientific branches and, in particular, the military industry,
- ✓ ensure progressive rates of economic growth in the country,
- ✓ to create guarantees to ensure the return of investment funds, in particular to create an insurance system for them.

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ՎԵՆՉՈՒՐԱՅԻՆ ԿԱՊԻՏԱԼԻ ՆԵՐԳՐԱՎՄԱՆ ԽՆԴԻՐՆԵՐԸ ՀՀ-ՈՒՄ

Վարուժան Մուրադյան

Հայաստանի պետական տնտեսագիտական համալսարան
տ.գ.թ., դոցենտ

Բանալի բառեր - վենչուրային կապիտալի ինդեքս, ներդրումային դիսկեր, ինովացիոն ֆինանսավորում, ձեռնարկատիրական ստարթափերի խթանում, պետական աջակցություն, վենչուրային կապիտալի ֆինանսավորում

ՀՀ-ն տարեցտարի բարելավում է իր դիրքերը «Վենչուրային կապիտալի և մասնավոր բաժնեմասնակցության ինդեքսում», սակայն հանրապետության ներդրումային միջավայրը դեռևս բարենպաստ չէ օտարերկրյա վենչուրային կապիտալի համար: Իսկ ինչ վերաբերում է ՀՀ-ում ստեղծվող վենչուրային ֆոնդերին և հրեշտակ ներդրողների ակումբներին, ապա այդ ֆոնդերում ներդրումները, չնայած օտարերկրյա կապիտալով են, բայց գերազանցապես պատկանում են հայազգի ներդրողներին: Վենչուրային ֆոնդերի ստեղծումը լավ նախադրյալ կարող է դառնալ օտարերկրյա ֆոնդերի ներգրավման համար, սակայն միայն վերջինիս առկայությունը, թերևս, բավարար չէ, երկրի ներդրումային միջավայրը բարենպաստ

դարձնելու և մեծածավալ օտարերկրյա վենչուրային կապիտալ ներգրավելու համար: Այստեղ անհրաժեշտ է պետական արդյունավետ քաղաքականություն ուղղված ոչ թե նոր վենչուրային ֆոնդերի ստեղծմանը, այլ ինդեքսի ամենախոցելի և միևնույն ժամանակ ամենակարևոր ցուցանիշների խմբի, այն է՝ Կապիտալի շուկայի խորության բարելավմանը: Որպես վերոնշյալ ցուցանիշների բարելավման ուղի կարելի է առաջարկել, հարկային արտոնությունների կիրառումը IPO իրականացրած ընկերությունների համար, CrowdInvesting համակարգի ստեղծմանն աջակցությունը, ստարտափ էկոհամակարգում միջազգայնորեն կիրառվող ներդրումային գործիքների՝ փոխարկելի պարտատոմսերի և SAFE-երի ներդնումը և իրավական կարգավորումը, ներդրողների շահերի պաշտպանության գործուն մեխանիզմների ստեղծումը և այլն:

Երկրի ներդրումային միջավայրի գրավչության ապահովման և մասնավորապես, վենչուրային ներդրումների ներգրավման համար ՀՀ կառավարությունը, մեր կարծիքով պետք է իրականացնի հետևյալ քայլերը՝

- ✓ տնտեսության մեջ իրականացնել կառուցվածքային փոփոխություններ, առաջնությունը տալով գիտատար ճյուղերի և մասնավորապես ռազմական արդյունաբերության զարգացմանը,
- ✓ երկրում ապահովել տնտեսական աճի առաջանցիկ տեմպեր,
- ✓ ներդրումային ֆոնդերի վերադարձի ապահովման համար ստեղծել երաշխիքներ, մասնավորապես ստեղծել դրանց գծով ապահովագրական համակարգ:

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CHALLENGES OF ARMENIAN STARTUP COMPANIES: ANALYSIS OF SURVEY FINDINGS

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Abstract: Startup companies, by their nature, entail substantial risks and frequently encounter an array of challenges. Despite some instances of success of Armenian startup companies, it remains evident that significant headway on the global stage has yet to be achieved. In contrast to well-established ecosystems, the Armenian startup ecosystem falls short in providing the necessary support for the sustained advancement of these companies. As such, there exists a pressing need to highlight and comprehensively examine the obstacles impeding the growth of Armenian startup companies.

This article provides an analytical overview of the survey conducted among Armenian startup companies to identify key obstacles hindering their progress. Additionally, it offers recommendations aimed at addressing the aforementioned challenges.

Keywords: startup company, startup ecosystem, survey, development issues

JEL code: E3

Research Aim: to identify the challenges faced by Armenian startup companies and present relevant recommendations to effectively tackle these challenges.

Research Novelty: on the basis of the survey, comprehensive analyses were conducted, yielding targeted recommendations aimed at enhancing the startup entrepreneurship landscape in Armenia.

Introduction

Startup companies serve as the driving force of the modern economy, assuming an important role in fostering innovation and job creation. Nonetheless, these enterprises operate in an environment rife with uncertainty, consequently subjecting them to an array of challenges. These challenges manifest prominently during their early stage of development, a period in which startup companies have no sustainable development and they are vulnerable to these challenges. Numerous research studies have revealed a number of problems that are common to most startup companies. These problems include scarcity of resources, the uncertainty of market demand, overcoming competition, legislative gaps, lack of qualified workforce and more. It is important to acknowledge that each startup ecosystem has its own characteristics, thereby necessitating an examination of these issues at the local level.

Within the startup ecosystem of Armenia, a number of problems exist that impede the optimal functioning of local startup companies.

It is important to note that there is a limited number of research studies focusing on the challenges faced by startup companies in Armenia. Existing research primarily focuses on the technological sector in the Republic of Armenia, providing statistical insights into IT and engineering sectors [1], without specifically delving into the realm of startup companies. Another study [2] predominantly offers data concerning technology-based startups, thereby overlooking information pertinent to non-technology startups.

Between June 2021 and March 2022, an extensive survey was conducted to identify and analyze the challenges faced by Armenian startup companies¹. Studying the challenges highlighted through this survey will not only help develop effective policies to overcome these obstacles, but it will aid in cultivating an environment that nurtures the expansion and sustainable development of startups.

¹ Given the absence of an official, publicly accessible statistical data and consolidated registry for startup companies in Armenia, for the purpose of the survey a comprehensive database of startup companies was created including information from incubation and acceleration programs, grant programs for startups, technological events, angel investor clubs, venture funds of Armenia's startup ecosystem, as well as platforms such as Crunchbase and Startupblink. This compilation included 137 companies. Employing simple random sampling and convenience sampling, a sample of 68 companies was identified for inclusion in the survey. The precision of the survey findings was upheld, with a margin of error under the 5% threshold of significance. The research data was collected through personal in-depth interviews, involving active participation of the startup founder and/or co-founder. The interview questionnaire was made up of sections representing the main areas of the activity of startup companies and containing both open-ended and closed questions. The data obtained as a result of the interviews was managed and analyzed using the MS Excel software.

Moreover, the insights gained will provide valuable information to government agencies, essential for developing a precise strategy for the advancement of the startup ecosystem in Armenia.

Findings of the Research

The survey achieved a participation rate of 79%, with active involvement from 54 companies. Among the startup companies that chose not to take part in the survey, 43% expressed a lack of interest in participation, while 57% remained unresponsive. The survey encompassed a diverse spectrum of startups, spanning from those at the idea stage to both registered and operational companies established between the years 2011 and 2022.

The survey data underscore a notable nonproportional development of the Armenia's startup ecosystem throughout the country, with a predominant concentration centered in the city of Yerevan. This is evidenced by the fact that in Armenia 94% of the surveyed companies are registered in Yerevan, while a mere 6% are registered in Gyumri. Nearly half of the startup companies surveyed, accounting for 47%, hold dual registrations, both in Armenia and abroad. 45% possess sole registration in Armenia, while the remaining 8% are exclusively registered abroad.

According to the surveyed companies, 62% of them cite patriotism as the most important driver for registering in Armenia. This is followed by quality and cost-effective labor (43%), along with winning a grant (21%). These findings shows a noteworthy trend: Armenian startup companies do not consider Armenia and its

startup ecosystem as the most conducive environment for business expansion. As a result, they prefer to register and/or continue their activities abroad. (Of particular interest is the US state of Delaware as the favored destination for 79% of these companies.)

The primary purpose of registering and conducting operations abroad is attracting investments (65% of the respondents, see Table 1). This decision stems from the perception within surveyed companies that Armenia's startup ecosystem lacks investment funds or programs that provide investments in stages higher than seed stage. A second compelling reason for registration abroad is the opportunity to enter the market (46%). This is attributed to the challenges associated with conducting effective market research and entering foreign markets directly from Armenia. Furthermore, the surveyed companies perceive Armenia's tax system as less than favorable for their successful operations. As such, 38% of respondents identify this as a pivotal factor prompting foreign registration. Additionally, 30% of participants view the more supportive legal frameworks abroad as a crucial consideration in their decision-making process.

Table 1. Factors Influencing the Choice of Foreign Registration for Armenian Startup Companies

Attracting investments	65%
Market entry	46%
Favorable tax system	38%
Supportive legal frameworks	30%
Availability of payment systems	14%
Other	14%
Not specified	11%

Workforce

A majority of the companies participating in the survey have 5 to 10 employees (30%). The pronounced escalation of salaries in the technology sector has generated a predicament for startups in prototyping and early development stages: they grapple with the challenge of recruiting both qualified professionals and large numbers of employees. Among businesses with 10 to 20 employees and those with more than 20 employees (26% and 22% respectively), a prevailing pattern is discernible. These companies are primarily beneficiaries of grants or have received investments and generate revenue or are in the expansion stage. Consequently, they maintain a requisite number of employees thanks to the availability of substantial funding or generated revenue. However, these companies also acknowledge the impediment posed by elevated salaries, which significantly dampen their capacity to attract qualified workforce.

The lack of qualified workforce within Armenia's startup ecosystem commands special attention, emerging as a matter of

paramount concern raised by the interviewed startup companies (63%, see Table 2). 83% of the companies surveyed share a consensus on the overall inadequacy, both in terms of quality and quantity, of specialists within the Armenian labor market. This deficiency is attributed to the low quality education in Armenia. The respondents pinpoint subpar professional knowledge and absence of practical experience as resultant issues, owing to a lack of relevant, updated, and hands-on education. Additionally, 13% identify that there no connection between academia and the labor market. When it comes to recruiting, surveyed companies prefer graduates from the American University of Armenia, followed by the Russian-Armenian University and the French University in Armenia. Personal connections remain the most reliable channel for discovering qualified professionals (41%). Meanwhile, 26% of respondents opt for job postings, acknowledging, however, that this method does not always yield the desired outcome of attracting suitable personnel, and it can be a time-consuming process.

The absence of international market experience (15%) and the issue of staff turnover (13%) also hold notable significance as challenges related to the labor market.

Table 2. Issues Related to Workforce and Labor Market

Lack of qualified workforce in the technological sector	63%
Inability to pay high salaries	35%
Shortage of experienced senior and mid-level professionals in the technological sector	33%
Lack of experience for working in the international market	15%
Staff turnover	13%
Lack of connection between the university and the labor market	13%
Lack of sales specialists	11%
Challenges with both quantity and quality of project managers	9%
Lack of specialists engaged in R&D	9%
Insufficient foreign language proficiency	9%
Lack of self-education among professionals	9%

Only 32% of the surveyed companies have foreign employees as a measure to address the labor shortage and attract talents. Meanwhile, 63% abstain from engaging foreign workers, citing that they do not need or have the possibility to find them. However, it shall be noted that the context of this survey's findings predates the Russian-Ukrainian conflict of 2022, which has undoubtedly ushered in a situational transformation worth considering.

Funding

In the Armenian startup ecosystem, as revealed by the survey findings, a substantial proportion of startup companies have received grants (65%). In contrast, a comparably smaller segment has acquired funding through investments from angel investors and

venture funds, accounting for 19% and 9% respectively (see Figure 1). This pronounced divergence can be attributed to a combination of factors. Primarily, the accelerating stage of the Armenian startup ecosystem comes into play, with a larger presence of companies positioned at the idea and early developmental stages and not yet ready for advanced-stage investments. Furthermore, this might underscore a potential scarcity of angel investors and venture capital funds in the Armenian startup ecosystem, perhaps further exacerbated by the absence of significant international funds.

This is further evidenced by the fact that a substantial majority of the surveyed companies (56%) prefer to seek future funding from international venture funds, predominantly those based in the USA. This inclination can be attributed to the prevailing circumstance where Armenia lacks significant international venture funds, and local funds encounter limitations in facilitating larger investments.

The majority of the surveyed startups have outlined their intentions to allocate the anticipated future funding predominantly toward marketing initiatives including increasing sales volumes and entering new markets, constituting a notable 74% of the respondents (see Table 3). 50% of these companies also accord equal importance to investing in product enhancement and expanding their team.

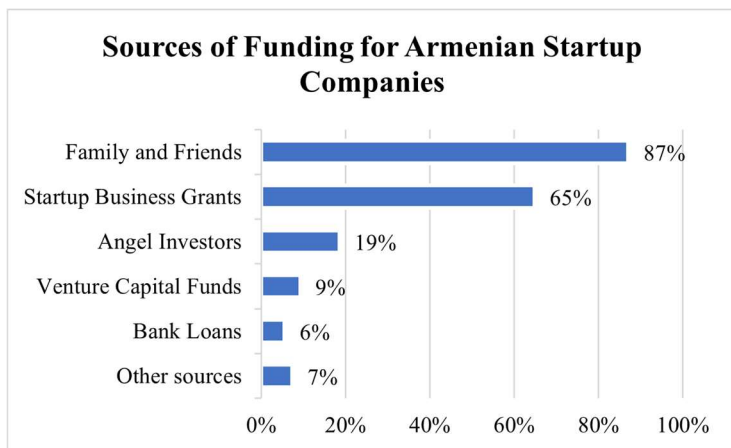


Figure 1. Sources of Funding received by Armenian Startups

However, a mere 11% intend to dedicate their forthcoming funding to research and development. This disparity might suggest the limited presence of scientific-oriented startup companies within Armenia's startup ecosystem, thereby potentially constraining the ecosystem's growth and development potential.

Table 3. Allocation of Expected Funding

Marketing campaign/increasing sales volumes/entering new markets	74%
Product improvement	50%
Team expansion	48%
Research and Development	11%
Acquisition of equipment	6%
Acquisition of licenses	4%

Among the overarching challenges concerning funding, as highlighted by survey participants, the primary concern is the

insufficiency of financial resources accessible to startup companies in Armenia (33%, see Table 4). Following closely, the lack of pitching skills and experience in effectively communicate with investors emerges as the second most pivotal issue among founders (26%). This factor has the potential to derail investment negotiations even when the idea itself is promising. Equally noteworthy is the Armenia's low attractiveness for foreign investments (11%). This, to some extent, stems from the absence of foreign investors in Armenia (9%), further constituting a notable hindrance to the flourishing of the startup ecosystem and the growth of startup companies in the country.

Table 4. Common Issues Related to Funding of Startup Companies

Financial resources offered to startup companies in Armenia are insufficient	33%
Lack of pitching skills and experience in communicating with the investor	26%
Low awareness regarding funding opportunities for startup companies	19%
Diminished perception of Armenia's investment environment among international investors	11%
Lack of viable and fundable ideas	13%
Lack of investors/funds offering long-term investment	9%
Small amounts for grant funding (except for grants provided by the RA Ministry of High-Tech Industry grant program)	9%
Absence of foreign investors in Armenia	9%

Issues related to business development

43% of the surveyed companies believe that the most important problem hindering startup business development is the regulatory gap (see Table 5). In particular, the absence of an e-commerce regulation law in the RA emerges as a focal point, significantly impeding the smooth electronic transactions for products and services originating from Armenia with other countries. Despite legislative improvements, certain gaps persist. For instance, the legal framework does not encompass well-defined procedures and prerequisites for the electronic formulation of foreign trade agreements, transportation documentation, invoices, and other documents [4]. Furthermore, there remains incomplete and/or non-streamlined regulation pertaining to the electronic trade of goods, as well as import and export procedures, and customs procedures.

According to survey respondents, a prevalent challenge ranking as the second most common issue is the deficiency of business knowledge and skills among startup company founders (35%). This predicament originates from the scenario where startup founders are primarily technology experts, and not all of them possess skills in business management – an aspect that can substantially lead to a company's failure. A plausible explanation lies in the scarcity of startup entrepreneurship education programs offered by most universities, coupled with the limited presence of university-affiliated incubators or accelerator initiatives. This collectively

contributes to the gap in equipping aspiring entrepreneurs with the necessary skill set to effectively navigate the business landscape.

Table 5. Issues Related to Business Development

Regulatory gap	43%
Lack of business development skills among startup founders	35%
Lack of skills in sales and marketing in the international market	28%
Unfavorable tax system	22%
Absence of legal and accounting services tailored to startups	17%
Insufficient foreign language proficiency	7%
Absence of international payment systems in Armenia	15%
Slow customs clearance procedures	13%
Issues concerning ensuring data privacy	9%

Another important factor influencing the successful growth of startup companies involves sustaining competition. 28% of the surveyed companies emphasized the significance of adept marketing strategies as the prime method for sustaining the competition (see Table 6). 19% believe that a technological advantage holds the potential to overcome competition, while a mere 17% believe that a well-devised strategy holds the key to overcoming competition. A cause for concern arises from the observation that a substantial portion of the surveyed companies do not accurately appreciate the pivotal role of strategic planning.

Table 6. Approaches of the Surveyed Startup Companies to Sustain Competition

Effective marketing	28%
Technological edge	19%
Effective strategic plan	17%
High-Quality Product/Service	13%
Product/Service Improvement	9%
Price advantage	7%
Effective customer service	6%
Not specified	17%

74% of the surveyed startup companies have a mentor, showcasing the founders' unwavering recognition of the significance of mentorship. Among them, 43% are engaged with mentors on a pro bono basis within the context of incubation or acceleration programs. An additional 31% opt for a paid mentoring arrangement, either through direct hiring or equity sharing.

Conversely, 26% have no mentor, largely due to the inability to find one (21%) or the financial constraints that deter engagement (14%). 29% abstain from offering a specific rationale for their lack of mentorship, rendering definitive conclusions elusive. Nevertheless, it's plausible to speculate that the absence of a robust mentoring network in Armenia's startup ecosystem or the limited awareness about the significance of mentorship among startup founders might contribute to this phenomenon.

Common Issues within the Armenian Startup Ecosystem

The survey participants highlighted several issues within the Armenian startup ecosystem that have adverse effect on the development of startup companies. As detailed in Table 7, two paramount issues stand out: the slow growth and limited global recognition of the Armenian startup ecosystem (37%), and the deficiency in fostering a creative entrepreneurial mindset within Armenia (35%).

Furthermore, 22% of the surveyed companies believe that a discernible strategy for advancing the Armenian startup ecosystem is absent.

Among the surveyed companies, a significant concern raised was the perceived ineffectiveness of university education (24%). In addition, universities are observed to lack startup-related education. Consequently, it becomes evident that upon university graduation, individuals often find themselves lacking of the necessary knowledge to initiate a startup company or navigate the intricacies of the startup entrepreneurial domain. This lack of knowledge contributes to a stagnation in the proliferation of startup ideas – one of the indicators of the maturity of the ecosystem [3].

A substantial majority of the participating companies (54%) express the viewpoint that the current frequency of events catering to startup companies in Armenia remains inadequate. The survey findings reveal a lack of international gatherings (28%), a scarcity of networking events (26%), and a general lack of event frequency (24%). This scarcity, unfortunately, hampers the exchange of

knowledge and experience, the networking, the identification of potential partners, and the facilitation of collaborations.

Table 7. Common Issues related to the Armenian Startup Ecosystem

Limited progress and recognition of the Armenian startup ecosystem	37%
Lack of creative entrepreneurial mindset	35%
Absence of startup ecosystem development strategy	22%
Small number of accelerators and incubators	11%
Limited opportunity to participate in foreign exhibitions	11%
Lack of startup education in universities and appropriate educational programs	9%
Lack of communication between the government and startup companies	9%
Immature investment culture in Armenia	7%

A small part of the surveyed companies (7%) also underscores the absence of events bearing regional significance. Such events are pivotal in fostering the diffusion of the startup entrepreneurship culture to regions, thereby fostering a well-rounded evolution of the Armenian startup ecosystem.

Conclusion

The analysis of the survey of Armenian startup companies allows us to conclude that while the Armenian startup ecosystem demonstrates consistent year-on-year growth, this trajectory is marred by geographical disparities that hinder the meaningful diffusion of the startup entrepreneurship culture across the

country. Moreover, the ecosystem's overall advancement fails to cultivate an environment conducive to the expansive operations of startup companies. The startup ecosystem grapples with a scarcity of adept technology specialists, coupled with a notable deficiency in skilled labor. This challenging situation, combined with high salaries, makes it difficult to create proficient teams – an important factor for the startup success. Compromised higher education standards and underutilization of foreign workforce potential further exacerbate the operational hurdles startups face. In terms of funding, insufficient financial resources, particularly needed for advanced-stage investments, impede the growth of startup companies. The scarcity of prominent international investment funds compounds this issue. Founders of startup companies also frequently grapple with a lack of pitching and effective business management skills that are vital for their progress. To tackle these multifaceted challenges, a set of recommendations is presented below to develop policies that can drive positive change:

- ✓ Facilitate the proliferation of the startup entrepreneurship culture across regions through the execution of initiatives such as events for knowledge-sharing, exchange of experience and ideas as well as implementing incubation and acceleration programs;
- ✓ Integrate courses on innovative entrepreneurship and startups into university curricula, while concurrently establishing university-affiliated incubators and acceleration programs. This

combined approach will play a pivotal role in fostering the generation of novel startup ideas;

- ✓ Initiate actions aimed at addressing the pressing issue of inadequate financial resources. This entails enhancing Armenia's investment climate, bolstering its appeal to global venture funds, and planning strategic state-backed collaborations to attract significant international investment into the country's startup ecosystem;
- ✓ Enact tailored tax incentives designed explicitly for startup companies. Simultaneously, streamline intricate legal procedures and rectify legislative gaps, fostering a more conducive regulatory environment for their operations;
- ✓ Create a mentoring network that involves accomplished local, diaspora, and international entrepreneurs.

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ՀԱՅԿԱԿԱՆ ՍՏԱՐՏԱՓ ԸՆԿԵՐՈՒԹՅՈՒՆՆԵՐԻ ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ ՀԱՐՑՄԱՆ ԱՐԴՅՈՒՆՔՆԵՐԻ ՎԵՐԼՈՒԾՈՒԹՅՈՒՆ

Քրիստինե Արշակյան

Երևանի պետական համալսարան, ասպիրանտ

Բանալի բառեր - ստարտափ ընկերություն, ստարտափ էկոհամակարգ, հարցում, զարգացման հիմնախնդիրներ

Ստարտափ ընկերությունները, լինելով դիսկային, հաճախ են բախվում տարբեր խնդիրների: ՀՀ ստարտափ ընկերությունները, թեև գրանցել են որոշակի հաջողություններ, այնուամենայնիվ, դեռևս չունեն լուրջ առաջընթաց միջազգային մակարդակում, իսկ հայկական ստարտափ էկոհամակարգն, ի տարբերություն այլ զարգացած էկոհամակարգերի, բավարար աջակցություն չի ցուցաբերում այս ընկերությունների կայուն զարգացման համար, ինչն անհրաժեշտություն է ստեղծում վեր հանելու և ուսումնասիրելու հայկական ստարտափ ընկերությունների զարգացման հիմնախնդիրները: Հոդվածվում ներկայացվում են հայկական ստարտափ ընկերությունների շրջանում հիմնախնդիրների բացահայտման նպատակով անցկացված հարցման արդյունքների վերլուծությունը և առաջարկություններ՝ ուղղված վեր հանված խնդիրների լուծմանը:

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OFFSHORE BUSINESS AND INTERNATIONAL EXPERIENCE OF ITS REGULATION

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Abstract: The importance of researching this issue lies in the fact that in the modern world, offshore business has gained global proportions, one helps to open a new business, another to avoid large taxes, and a third to keep their organization in secret. In modern society, both in politics and in business, the term "offshore" has no clear meaning. The use of offshore zones can not be called a modern phenomenon, as the history and formation of this activity began in the late 1950s, but despite that period, it has gained international recognition. The urgency of this issue is also due to the influence of offshore companies on the redistribution of financial resources. Currently, offshore zones have become an integral part of the global economic system and the national economies of many, including highly developed countries. Based on the study, it is determined, that offshore areas will continue to develop under constant political and economic pressure.

Keywords: offshore, economy, financial market, free economic zone, money laundering, terrorism.

JEL code: F23

Research aim: present features of offshore business and their impact on the country's economy

Research novelty: a grouping of the positive and negative results of offshore business was carried out and the risks and opportunities of the socio-economic impact of each group on the country's economy were interpreted.

Introduction

Offshore zones and the ways in which economic activities are conducted are closely related to the modern economy, and offshore business has reached global proportions. Today, offshore zones have become an integral part of the global economic system and the national economies of many, including highly developed countries. Based on the study, we can conclude that offshore areas will continue to develop under constant political and economic pressure, because they have demand and customers. In the past, offshore companies served only to carry out such activities as construction, trade, etc. Now offshore is a way of implementing investment projects and other important operations, it attracts the attention of buyers, legally avoids taxes, etc.

Huge financial resources are invested in offshore zones. If that money did not go to offshore countries, poor countries could pay off their foreign debts and seriously accelerate economic development. Residents of underdeveloped countries (85% of the world's population) could live completely differently if this money remained in their economies. However, these assets belong to a small group of the rich, and the debts of the government remain

on the shoulders of all citizens. The experience of the years shows that it is not possible to completely eliminate the existence of offshore, because each country pursues certain selfish considerations from the given sphere.

Research results

Huge financial resources are concentrated in offshore zones, which are generated in both legal and illegal ways. In addition, they have a great influence on the processes taking place around the world. A convincing example is the Cayman Islands, which is considered the fifth financial center in the world, after London, New York, Tokyo and Hong Kong. The number of companies registered in these islands exceeds the population, and the working capital is more than 500 billion USD.

In modern economic literature, offshore centers are defined as a set of territories and countries where foreign organizations are registered and whose activities are carried out with tax discounts. Organizations that register in offshore centers are responsible for local laws.

In the literature, the term offshore defines both the offshore zone and the processes taking place in it. The term offshore is used to describe international financial markets as well as certain banking operations. Mainly, this category is presented as an area where there is a preferential regime (tax reduction, exemption from currency control, etc.) for foreign participants and financial credit operations in foreign currency. James Henry, a former employee of

the McKinsey consulting company, presented an assessment of the scale of the world's offshore activities. In his study, he calculated the amount of offshore funds on accounts and focuses on the damage done to the global economy and developing markets as a result of offshore exposure[1].

With the development of global capital markets, financial mobility is increasing, which allows more active redistribution of investments between countries and regions. The legal liberalization of the international movement of capital in many countries of the world, as well as the development of information technologies, played an important role in this process. The free movement of capital in the world creates competition between the investing country. Using its sovereignty, offshore territories with more favorable conditions for non-residents are more attractive for company registration and conducting international financial transactions. According to some estimates, 14-17% of international financial assets and liabilities are located offshore [2].

Most of the transfer of offshore funds comes from global financial centers: New York, London, Zurich, Hong Kong, Tokyo. Offshore services are especially actively used by the United States and the United Kingdom. Only 2 of the UK's 100 largest companies do not use offshore services, the rest have more than 8,000 subsidiaries worldwide. The islands of Guernsey, Jersey and Maine have been the offshore territories of Great Britain for several centuries [3]. Moreover, 83 of the 100 largest American corporations have subsidiaries in offshore zones. Offshore funds

also flow from countries that export a large amount of raw materials and finished products, primarily oil-producing countries. 1970-2020, according to TJN research, billions of dollars were withdrawn from Kuwait: 496; 308 from Saudi Arabia, 306 from Nigeria. One of the leaders in the world is Russia, from which about \$798 billion was exported from the country in 1990-2019. the strengthening of offshores in the world economy causes serious economic and social problems and at least three of them can be distinguished.

1. Low taxation in offshore zones reduces the fiscal base of countries whose residents use the services of offshore companies. According to some estimates, the budgets of all the countries of the world are deprived of at least 3 trillion dollars every year, which are hidden offshore.

2. Making anonymous transactions are prerequisites for laundering illegal profits and financing global terrorism through offshore companies.

3. As a result of the deterioration of offshore financial transactions, the risk of uncontrolled flows of so-called "hot money" is increased, which destabilizes the global financial system [4].

James Henry explained that not only such exotic places as the Cayman Islands, where capital can be effectively hidden, but also some American states, such as Delaware, where foreign investors have the opportunity to open a company, are chosen as "tax havens". , without clearly specifying the owner [5].

The impact of offshore on the world economy is not unambiguous, we can distinguish several main positive aspects:

intensification of cross-border financial flows, acceleration of capital circulation, allocation of capital, reducing the total tax burden in the world and thereby stimulating economic activity, development of offshore states, redistribution of wealth in the world. increasing the competitiveness of companies using offshore, reducing the risk of confiscation for importers in countries with weak protection of property rights [6].

The negative impact on the global economy may result in: unfair tax competition, violation of the rights of residents of the countries of origin of capital, stimulating the flight of capital from national economies, therefore, a decrease in investment activity in the countries of origin of capital, support for the shadow and criminal economy, so-called its "gray" and "black" sectors, as well as the legalization of incomes, which were obtained in a criminal way, financing of extremist activities. The negative impact on the global economy may result in: unfair tax competition, violation of the rights of residents of the countries of origin of capital, decrease in investment activity in the countries of origin of capital, support for the shadow and criminal economy, so-called its "gray" and "black" sectors, as well as the legalization of incomes that were obtained criminally by way of financing extremist activities. The role of offshores in the global economy is ambiguous, as dubious functions related to money laundering can be carried out here.

At the international level, anti-offshore regulation measures are taken by international organizations such as OECD, FATF. The main areas of this kind of regulation are:

1. Conclusion of agreements on exchange of information between non-offshore and offshore countries.

2. Compilation of "black" and "gray" lists of offshore jurisdictions (entering such a list requires various restrictions on companies by the regulatory bodies of non-offshore countries).

3. Encourage non-offshore countries to limit offshore use.

The FATF is an independent audit organization that promotes and develops the global financial system to protect against the threats of money laundering, mass weapons proliferation and terrorist financing. FATF's recommendations have generally been recognized by international standards for combating money laundering and terrorist financing.

The FATF was created by the G7 with the participation of the European Commission in 1989. In July, during the G7 Paris meeting.

The creation of the group was a response to the increase in criminal income worldwide. Given the difficulty of detecting dirty money in the international financial system, there is a shared understanding of the urgency of developing collective measures to counter financial crime.

FATF establishes relations with the United Nations, the Council of Europe, the World Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, Interpol, Europol, the Customs Cooperation Council and other international organizations, as well as with the International Professional Association of Financial Institutions.

FATF issues include [7]:

1. Development of recommendations in the field of combating money laundering and terrorist financing.

2. To conduct mutual assessments in the participating states, with the recommendations of the FATF, for the compliance of existing national legislation and current practices in the field of combating money laundering and terrorist financing.

3. Study of the situation in countries that are actively used for laundering the proceeds of crime and financing terrorism.

The FATF is constantly working to improve measures to combat money laundering and terrorist financing. In particular, in 2006 In October, it was decided to establish the International Cooperation Evaluation Working Group (ICRG).

According to the goals set in the program documents, the FATF is committed to increasing the number of its members with the involvement of strategically important countries that can use their influence in the region to increase the effectiveness of the fight against money laundering and terrorist financing.

Conclusion

Offshore business is still developing globally and is not clearly perceived in the business environment. Perhaps, in the case of its negative aspects, in the case of offshore transactions, the circulation of capital, investment activity accelerates. But on the other hand, in the case of offshore business, money laundering, tax evasion and even illegal economic transactions are carried out,

which are not controlled by the authorities. Therefore, having an international nature, the regulation of offshore business is still in the process of improvement and requires more flexible and mutually agreed cooperation of international supervisory organizations.

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ՕՖՇՈՐԱՅԻՆ ԲԻԶՆԵՍԸ ԵՎ ԴՐԱ ԿԱՐԳԱՎՈՐՄԱՆ ՄԻՋԱԶԳԱՅԻՆ ՓՈՐՁԸ

Վիզեն Բողոյան

Հայաստանի պետական տնտեսագիտական համալսարան
ասպիրանտ

Բանալի բառեր - օֆշոր, տնտեսություն, ֆինանսական
շուկա, ազատ տնտեսական գոտի, փողերի լվացում,
ահաբեկչություն

Օֆշորային գոտիները և դրանց հետ կապված տնտեսական գործունեության վարման ձևերը ամուր կապված են ժամանակակից տնտեսության հետ, իսկ օֆշորային բիզնեսը ձեռք է բերել համաշխարհային մասշտաբներ: Այսօր օֆշորային գոտիները դարձել են համաշխարհային տնտեսական համակարգի և շատ, այդ թվում՝ բարձր զարգացած երկրների ազգային տնտեսությունների անբաժանելի մասը: Ուսումնասիրության հիման վրա կարող ենք եզրակացնել, որ օֆշորային տարածքները կշարունակեն զարգանալ մշտական քաղաքական և տնտեսական ճնշման պայմաններում, քանի որ նրանք պահանջարկ և հաճախորդներ ունեն: Նախկինում օֆշորային ընկերությունները ծառայում էին միայն այնպիսի գործողություններ իրականացնելու համար, ինչպիսիք են շինարարությունը, առևտուրը և այլն: Այժմ օֆշորը ներդրումային ծրագրերի և այլ կարևոր գործառնությունների իրականացման եղանակ է, դրա միջոցով գրավում են գնորդների ուշադրությունը, օրինականորեն խուսափում հարկերից և այլն:

Օֆշորային գոտիներում ներդրվում են հսկայական ֆինանսական ռեսուրսներ: Եթե այդ գումարը չմտնեին օֆշորային երկրներ, աղքատ երկրները կարող էին մարել իրենց արտաքին պարտքերը և լրջորեն արագացնել տնտեսական զարգացումը: Անբավարար զարգացող երկրների բնակիչները (աշխարհի բնակչության 85% -ը) կարող էին ամբողջությամբ այլ կերպ ապրել, եթե այդ գումարները մնային իրենց տնտեսություններում: Սակայն, այդ ակտիվները պատկանում են հարուստների մի փոքր խմբին, իսկ իշխանության պարտքերը մնում են բոլոր քաղաքացիների ուսերին: Տարիների փորձը ցույց է տալիս, որ հնարավոր չէ ի սպառ վերացնել օֆշորների գոյությունը, քանի որ յուրաքանչյուր երկիր էլ հետապնդում է որոշակի շահադիտական նկատառումներ տվյալ ոլորտից:

Օֆշորային բիզնեսը դեռևս զարգացման ակտիվություն է ցուցաբերում ողջ աշխարհում և միանշանակ չի ընկալվում գործարար միջավայրում: Սակայն մյուս կողմից, օֆշորային բիզնեսի պարագայում իրականացվում է փողերի լվացում, հարկերից խուսափում և անգամ հակաիրավական տնտեսական գործարքների իրագործում, որոնք չեն վերահսկվում իշխանությունների կողմից: Ուստի, ունենալով միջազգային բնույթ, օֆշորային բիզնեսի կարգավորումը դեռևս բարելավման փուլում է և պահանջում է միջազգային վերահսկողական կազմակերպությունների առավել ճկուն և փոխհամաձայնեցված համագործակցություն:

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THE ISSUES OF ACCOUNTING INFORMATION FOR SUSTAINABLE BUSINESS DEVELOPMENT

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Abstract: Information on sustainable business development currently needs more coordination, which can be done by organizations through accounting reports. The currently published accounting and financial reports do not fully present information related to the sustainable development of business, because the latter implies non-financial indicators as well. The article presents recommendations for the inclusion of information related to sustainable development in the published financial statements of organizations, which will create an opportunity for internal and external stakeholders to make business-related strategies and administrative decisions.

JEL code: M40

Keywords: sustainable development, non-financial information, accounting standards, public interests of business, business with public responsibility

Research objectives: interpret the possibilities of consolidation and coordination of information on sustainable business development in financial statements of organizations

Research novelty: presented information accountability guidelines for sustainable business development, that enable users to assess business competitiveness in terms of public expectations

Introduction

The competitive assessment of business is currently not limited to financial results, but is also considered in terms of sustainable development opportunities [1]. The goals of private interests and super profits of entrepreneurs are already opposed to the public expectations of business, when the task is to prevent environmental risks formed as a result of business, to increase the efficiency of natural use, to promote the qualitative growth of the human capital used, to create partnership social capital. In this regard, the problem is set to coordinate the information related to sustainable development, which will be implemented by the reports published by the organizations. And since the potential of sustainable business development is characterized by non-financial and financial information, problems of presentation of the accountability format

of sustainable business development information also arise in practice, which are waiting for their solutions [2].

Research results

Entrepreneurship was originally initiated by enterprising individuals or groups motivated by self-interest. Producing material goods or providing services to the public, successful businessmen increased labor productivity, used efficient ways of using resources, and formed an additional result with a rational combination of production factors that served their own interests. Nowadays, the primary motivation of entrepreneurs in business organization is also profit, strengthening of financial stability and gaining competitive positions in the market.

However, the business cannot endlessly serve the owners and pursue individual interests, because it has immediate obligations beyond the entrepreneurial interests itself. In particular, the entrepreneur uses natural resources, minerals, recruited labor, which in fact is not the product of his activity and he was given a direct opportunity to use all of this. Therefore, the businessman is obliged to use these resources in such a way that they are available for future generations [3].

It is this fundamental approach that is at the root of the demand for sustainable business development. Ensuring the sustainability of business development requires, first of all, the transfer of such a potential of current production resources to the future, so that generations can continue their entrepreneurship and do not face

the fact of mercilessly exploited and depleted raw materials and natural resources, which in turn will disrupt the sustainable course of business. After all, business, by creating public goods and satisfying the consumer needs of humanity, also damages the environment to a certain extent and creates negative results from the public's point of view. In this sense, the "appetite" of private business interests from the point of view of sustainable development is restrained by the responsibility of efficient use of resources towards the public.

On the other hand, when exploiting the resources of the business environment and pursuing personal interests, entrepreneurs give their own "justifications" in the sense that business activities are accompanied by risks of compensation for damages and therefore, from their point of view, obtaining super profits by bypassing the requirements for efficient use of resources can be considered justified. In this case, it is recorded that profit-seeking business is characterized by potential risks, when by attracting and using resources, entrepreneurs have the possibility of forming losses, especially when applying innovative ideas, therefore, the private sector is justified in making excessive profits at the expense of inefficient use of sustainable development resources. in his own way [4].

However, from the point of view of the public, such an approach is not acceptable, because business activity in this case is considered from the point of view of public interests [5]. In such a case, society is interested in the sustainable development of business and evaluates entrepreneurship not only from the point of

view of creating public goods, but also from the point of view of continuing business and expanding the economic potential supporting it. The public is waiting for answers to such questions as: how the natural resources consumed during business are compensated, what is the efficiency of natural use, how is the damage caused to the environment as a result of business prevented, to what extent do businessmen contribute to the expansion of the quality of the human capital used, and finally, how is the efficiency of business management ensured through information transparency, participatory administration, in terms of social capital formation [6].

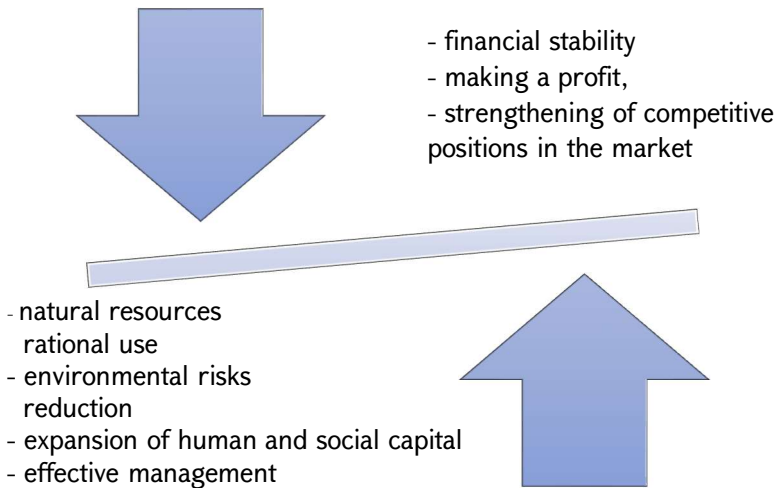


Figure 1. Sustainable development accounting information flows²

² Composed by authors

Therefore, we can conventionally present accounting reporting information characterizing the sustainable development of business in two directions: "from below" and "from above". The information generated from below is purely financial and economic, and their beneficiaries are business partners who evaluate the sustainability of entrepreneurship from the point of view of accumulated financial and economic reserves (see diagram 1). And the users of the information formed "from above" are the subjects of the public sector (state departments, territorial self-government bodies, non-governmental organizations, etc.), which pursue public interests of sustainable business development. Moreover, in the currently published accounting financial reports, financial and economic information related to sustainable development is considered dominant over information serving public interests (see Figure 1).

Therefore, it is considered necessary to shift the center of gravity of information flows for sustainable business development from "bottom" to "top".

This process is currently being intensified along with preparations for the publication of a new generation of international financial accounting standards. Today, the drafts of IFRS-S1 and IFRS-S2 standards have already been put into circulation, which guide how the disclosures of sustainable business development, as well as climate change as a result of entrepreneurship, should be presented in published accounting reports.

However, it is still a matter of discussion how the non-financial information of sustainable business development should be

disclosed in financial reports, where all indicators are presented in monetary value [7]. We believe that the solution to this problem can be implemented in two directions.

a/ to present non-financial information related to the sustainable development of business with non-monetary indicators in published accounting reports,

b/ to convert the non-financial information related to the sustainable development of business into dram measures and present them with value indicators in the published accounting reports (see Figure 2).

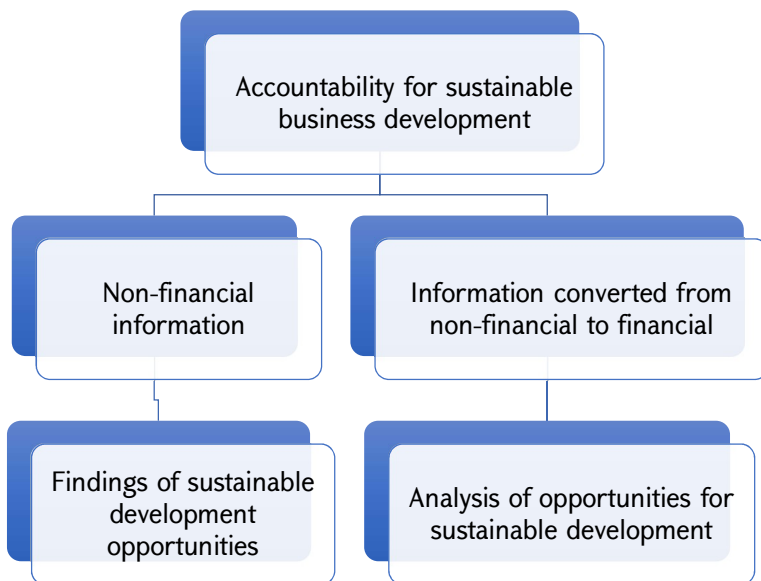


Figure 2. Non-financial information disclosure channels for sustainable business development³

³ Composed by authors

Moreover, disclosures of non-financial information can present users with opportunities that will contribute to sustainable business development. In this case, by commenting on the findings included in the reports, potential investors and other interested partners will have the opportunity to evaluate the organizations' efforts in the directions of environmental protection, human and social capital preservation. And when non-financial information is transformed into financial information using monetary measures, users are also given the opportunity to conduct a complex analysis of sustainable business development and make qualitative conclusions as a result.

Conclusion

Information on sustainable business development currently needs more coordination, which can be done by organizations through accounting reports. At the same time, accounting reports aim to present non-financial information as well, which will make it possible to identify further opportunities for sustainable development. It is still a matter of discussion among specialists, in which direction the non-financial information of the sustainable development of the business will be presented - with natural or value indicators. If the non-financial indicators of the process of sustainable business development are transformed and completely presented in monetary terms, it becomes possible to include them in complex analytical calculations and make systematic assessments of the potential for sustainable development. Therefore, at present, when preparing accounting reports, the organizers are faced with the task of moving the center of information formation from financial results to the information sphere of results arising from non-financial activities for the sustainable development of business.

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ԲԻԶՆԵՍԻ ԿԱՅՈՒՆ ԶԱՐԳԱՑՄԱՆ ՀԱՇՎԱՊԱՀԱԿԱՆ ՏԵՂԱԿՏՎՈՒԹՅԱՆ ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ

Հայկ Մնացականյան

Հայաստանի պետական տնտեսագիտական համալսարան
տ.գ.դ., պրոֆեսոր

Վահե Գասպարյան

Հյուսիսային համալսարան, ասպիրանտ

Բանալի բառեր – կայուն զարգացում, ոչ ֆինանսական տեղեկատվություն, հաշվապահական ստանդարտներ, գործարարության հանրային շահեր, հանրային պատասխանատվությամբ գործարարություն

Գործարարության կայուն զարգացման տեղեկատվությունը ներկայումս առավել համակարգման կարիք ունի, որն հնարավոր է իրականացնել կազմակերպությունների կողմից հրապարակվող հաշվապահական հաշվառման հաշվետվությունների միջոցով: Ընդ որում, հաշվապահական հաշվետվություններով նպատակադրվում է ներկայացնել նաև ոչ ֆինանսական տեղեկատվություն, որով հնարավոր կդառնա բացահայտել գործարարության կայուն զարգացման հետագա հնարավորությունները: Դեռևս մասնագետների շրջանում քննարկման առիթ է հանդիսանում, թե որ ուղղությամբ է ներկայացվելու բիզնեսի կայուն զարգացման ոչ ֆինանսական տեղեկատվությունը՝ բնափային, թե արժեքային ցուցիչներով: Եթե բիզնեսի կայուն զարգացման գործընթացի ոչ ֆինանսական ինդիկատորները

փոխակերպվում և ամբողջովին ներկայացվում են դրամային չափայնությամբ, ապա հնարավորություն է ստեղծվում դրանք ընդգրկելու համալիր վերլուծական հաշվարկներում և կատարելու կայուն զարգացման պոտենցիալի համակարգային գնահատումներ: Հետևաբար, ներկայումս հաշվապահական հաշվետվություններ կազմելիս կազմակերպությունների առջև խնդիր է դրվում գործարարության կայուն զարգացմանը տեղեկատվության ծանրության կենտրոնը ֆինանսական արդյունքներից տեղափոխել ոչ ֆինանսական գործունեությունից բխող արդյունքների տեղեկատվական ոլորտ:

Հոդվածում առաջարկություններ են ներկայացվում կազմակերպությունների հրատարակվող հաշվապահական հաշվետվություններում կայուն զարգացմանն առնչվող տեղեկատվության ընդգրկման ուղղությամբ, որով հնարավորություն կստեղծվի ներքին և արտաքին շահառուներին կայացնելու գործարարությանն առնչվող ռազմավարական որոշումներ:

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INTERNATIONAL REGULATIONS FOR SUSTAINABLE DEVELOPMENT ACCOUNTING REPORTS

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Abstract: The International Standards Board for Sustainable Development (ISSB) published in 2023 the "General Requirements for Disclosure of Sustainability-related Financial Information" and the International S2 IFRS Standards for "Climate-Related" Financial Reporting, whereby the accounting community felt the need for additional informative comments. The article analyzes the prerequisites for the introduction of sustainable development standards and the possibilities of their application. The priorities of the information related to the sustainable development of the organizations in the published integrated financial reports were partially clarified.

JEL code: M40

Keywords: sustainable development, International Financial Reporting Standards, SASB standards, environmental-social-governance (ESG) accountability

Research objectives: comment on the need to present sustainable development information in financial reports published by organizations.

Research novelty: the priorities of information related to the sustainable development of organizations in published financial reports were analyzed

Introduction

The financial information flows published by the organizations received their format universal regulations in the 1970s, when there was a requirement to prepare the reports according to international standards. For this purpose, the International Federation of Accountants was founded in 1977, which includes about 3 million accountants from the public, private and academic sectors, with the aim of publishing comprehensible, reliable and comparable reports in accordance with the International Financial Reporting Standards (IFRS). so that information users can make sound decisions based on them. In particular, the published reports emphasized the reflection of the information characterizing the financial situation of the organizations, the financial results of the activities, while presenting the movement of capital changes and cash flows [2].

However, at the same time, in the reports published by the organizations, there is also a requirement for disclosure of sustainable development information, which in turn requires international regulations.

Research results

Accounting reports is publishing according to the current IFRS international standards, mainly present the financial side of the organizations' activities, bypassing the reflection of sustainable development information, which interested the stakeholders of the sector [3]. Moreover, in such a case, the value of capital of organizations is interpreted purely by financial and commercial standards, without taking into account the attitude of the

beneficiaries of sustainable development towards the ongoing business. Therefore, currently there is a gap between the financial and real value estimates of the organization, if the risks of sustainable development and the possibilities of their prevention are not presented in the published reports [4].

In response to these issues, the Sustainability Accounting Standards Board (SASB) was established in 2011 as a non-profit, standards-setting organization. SASB's mission was to create and develop specific standards for the branches of the economy, which help stakeholders related to sustainable development to get reliable information about the risks and opportunities in organizations, to evaluate environmental, social, administrative risks on changes in the capital, cash flows, financial results of activities of organizations in the short, medium and long term [7].

SASB was founded by Jean Rogers, who served as the organization's first executive director. The main objective was to develop standards for use in corporate filings with the US Securities and Exchange Commission (SEC) and to provide investors with comparable, non-financial information about the companies in which they own shares. themselves or their investment funds, and allow investors and financial analysts to compare performance within the sector on important environmental, social and corporate governance (ESG) issues. As SASB worked to codify its first full set of standards, its work included extensive outreach to investors, many of whom had globally diversified portfolios. SASB also consulted with corporations, many of which had multinational

operations. As a result, beginning in 2018, the SASB began encouraging companies worldwide to include SASB-recommended disclosure topics and metrics in all communications with investors, not just US public filings. This may include annual reports, integrated reports, investor relations sections of the company's website and individual SASB reports. In addition to these cases, many companies have begun to include SASB disclosure tables in their corporate social responsibility and sustainability reports [5].

Currently, the SASB standards define subsets of environmental, social and governance issues most relevant to financial performance and enterprise value for 77 industries. The standards are developed through a rigorous and transparent process, including evidence-based research, with the inclusive and balanced participation of companies, investors and industry experts, also overseen by the independent SASB Standards Board. Global investors recognize the SASB standards as key requirements for companies seeking consistent and comparable disclosures.

Investors, lenders, shareholders and other providers of financial capital are increasingly concerned with the impact of environmental, social and governance (ESG) factors on companies' financial performance, leading to the need for standardized reporting of ESG data [6]. Just as the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have respectively adopted the International Financial Reporting Standards that are currently used in financial reporting. SASB's stated mission is to set industry-specific disclosure

standards on ESG topics that facilitate communication between companies and investors around information useful for financial decisions. Such information must be consistent, reliable and comparable across companies on a global basis.

In November 2021, the IFRS Foundation announced, that it was establishing an International Sustainable Development Standards Board (ISSB) based on SASB standards developments, which encourages report preparers and investors to continue using SASB standards.

Companies around the world use SASB standards for their annual reports, financial documents, company websites, sustainability reports, and more. The SASB standards play an important role in the ISSB's climate-related disclosure design and sustainability-related financial disclosure design. SASB standards enable the effective implementation of an integrated reporting framework, providing the comparability sought by investors. The SASB standards recognize sustainability information as financially relevant to understanding how a business creates value. This information, also known as ESG information, is used by those who aim to make more competitive financial decisions.

In the end, the moment came when it was felt necessary to present sustainable development reports based on the international standards related to them, along with the published financial reports. And so, in 2023, the International Standards Board for Sustainable Development (ISSB) published the standards "General requirements for disclosure of financial information related to

sustainability" IFRS-S1 and the international "Climate-related" financial reporting standards IFRS-S2, which in organizations will be applied in parallel with IFRS standards [1].

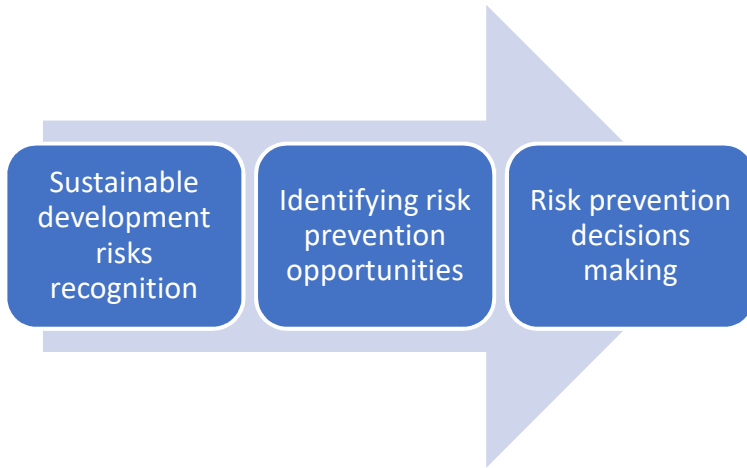


Figure 1. The sustainable development reporting process⁴

Conclusion

The purpose of preparing and presenting both traditional financial statements and sustainability declaration is to provide information about the reporting entity that is useful to current and potential investors, lenders, and other creditors in making decisions about providing resources to the entity (see Figure 1). In order to assess an organization's prospects for future net cash inflows, current and potential investors, lenders, and other creditors must have information about the organization's resources, demands on the organization, and how efficiently the organization is using its

⁴ Composed by author

resources for the strategic management and the governing board fulfilled their responsibilities

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ԿԱՅՈՒՆ ԶԱՐԳԱՑՄԱՆ ՀԱՇՎԱՊԱՀԱԿԱՆ ՀԱՇՎԵՏՎՈՒ- ԹՅՈՒՆՆԵՐԻ ՄԻՋԱԶԳԱՅԻՆ ԿԱՐԳԱՎՈՐՈՒՄՆԵՐԸ

Սահականուշ Ավետիսյան

Հայաստանի պետական տնտեսագիտական
համալսարան, տ.գ.թ.

Բանալի բառեր - կայուն զարգացում, ֆինանսական հաշվետվությունների միջազգային ստանդարտներ (ՖՀՄՍ - IFRS), SASB ստանդարտներ, «բնապահպանական-սոցիալական-կառավարման» (ESG) հաշվետվողականություն

Կայուն զարգացման միջազգային ստանդարտների խորհուրդը (ISSB) հրատարակեց 2023 թվականին «Կայունության առնչվող ֆինանսական տեղեկատվության բացահայտման ընդհանուր պահանջներ» և «Կլիմային առնչվող» ֆինանսական հաշվետվությունների միջազգային S2-ի ՖՀՄ-ստանդարտները, որով հաշվապահների համայնքը պահանջ զգաց լրացուցիչ մեկնաբանությունների: Հոդվածում վերլուծվում են կայուն զարգացման ստանդարտների ներդրման նախապայմանները և կիրառման հնարավորությունները: Մասավորապես, պարզաբանվել են կազմակերպությունների կայուն զարգացման առնչվող տեղեկատվության առաջնահերթությունները հրապարակվող ինտեգրված ֆինանսական հաշվետվություններում: Ինչպես ընդհանուր նշանակության ֆինանսական հաշվետվությունների, այնպես էլ կայուն զարգացման ստանդարտների պատրաստման և ներկայացման նպատակն է տրամադրել տեղեկատվություն հաշվետու կազմակերպության վերաբերյալ, որն օգտակար է ներկա և պոտենցիալ ներդրողների, փոխատուների և այլ կրեդիտորների համար՝ կազմակերպությանը ռեսուրսներ տրամադրելու գծով որոշումներ կայացնելիս:

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PERSPECTIVES OF ACCOUNTING VALUATION OF THE ECOSYSTEM OF SUSTAINABLE DEVELOPMENT

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Abstract: Ecosystems in nature are excellent examples of ensuring balance and stability of activity. Therefore, when the business activity of organizations is considered by the ecosystem model, an additional opportunity is created to assess the potential for sustainable development of economic activity and to make appropriate strategic decisions. And the most important source of information for making such decisions can be published accounting reports.

The article presents the challenges, that currently arise in the preparation of accounting reports with sustainable development information. For this purpose, the activities of organizations were observed in the context of sustainable business development and appropriate analyzes were performed. New approaches to prospective evaluations of the activity potential of the ecosystem of sustainable development with accounting information have been proposed.

Keywords: ecosystem, sustainable business development, competitive environment, accounting reports, strategic decisions, IFRS

JEL code: M40

Research objectives: identify opportunities for presenting sustainable development information in accounting reports published by organizations.

Research novelty: in the context of the ecosystem of sustainable business development, ways to improve accounting information, taking into account ESG principles, were proposed.

Introduction

When developing a sustainable development strategy, organizations look for informational bases for strategic decision-making. Accounting reports published today do not include the necessary information, that would strategically assess the sustainable development of organizations in the foreseeable future [1]. Perhaps, some of the published financial indicators partially represent the degree of sustainable development of organizations, but they still do not sufficiently relate to the criteria, that characterize the potential for sustainable development by current standards, which are presented by the ESG concept. And according to that concept, the stability of business activity is considered not only by the narrow economic interests of entrepreneurs, i.e. profit-making goals, but also by such issues, that concern the public, such as environmental protection, a reliable partnership social

environment, as well as an effective management system [3]. Therefore, organizations will now consider the evaluation of their activities also in the ecosystem of sustainable development, which in turn presents new challenges to the formation of accounting reports. In doing so, accounting already overtakes not only financial information in published reports, but also non-financial information related to sustainable development, on the basis of which internal and external stakeholders of business activities make realistic decisions.

Research results

Strengthening the competitive positions of organizations is not current in nature and is strategically oriented towards the future. The market competitive environment undergoes dynamic changes and forces organizations to accumulate resources that ensure sustainable development. Moreover, these can be of both financial and non-financial nature. Today, it is already obvious, that only by securing stable financial positions, organizations do not succeed in gaining competitive positions in the market, because in the business environment, complementary qualities of business are also required, which will satisfy not only the interests of business partners, but also the public [2].

In this sense, it is necessary not only to observe the activities of organizations in the ecosystem of sustainable development, but also to evaluate the competitive opportunities of business in it [5]. Any ecosystem implies the functional interconnection of the components operating in it and the harmonization of interactions in such a way

as not to disturb the balanced state of the system's activity. Moreover, each component operating in the ecosystem ensures its stable operation at the expense of other components operating in the system layer, which is most prominently manifested in nature (food supply chain, water resources circulation chain, etc.).

Taking into account the efficiency of ecosystems operating in nature, many attempts have been made in economics to combine the life support processes of biological and economic organisms. Humanity has always tried to understand the miracles of nature, the perfect functioning systems of natural organisms, learn lessons from all of that and reproduce them in economic activities organized by itself. And that aspiration should be considered justified, because the economic system is an anthropogenic environment, which is still quite far from the biological environment in its perfection, and in that sense always needs improvement.

According to this logic, back in 1993, James Moore's "Predators and Preys. the article "new ecology of competition" in which parallels were drawn between biological ecosystems and human-controlled economic systems, thereby suggesting ways to make economic systems manageable with the principles of managing biological ecosystems [4]. Then, in 1996, the author's "Death to Competition. leadership and strategy within the business ecosystem" monograph, where entrepreneurship was interpreted in the complementary activities of buyers and producers within the business ecosystem, in the center of which is a large leading

organization. And today, in connection with this, the term "business eco-system" has become widespread in economics.

It is known that one of the key principles of biological ecosystem activity are:

- ✓ in the struggle for the survival of individual biological components, to establish competition in order to occupy favorable positions in the life support environment,
- ✓ with each biological component, become a participant in the chain of life support operating within the ecosystem and be an interconnected link for other biological components included in the system,
- ✓ ensure balance within the ecosystem, so that it has sustainable development at the expense of balancing the interaction of individual components operating in the system,
- ✓ to have the scenarios of the following solutions in the struggle for survival with the competition for life support; develop and expand the range of activity of the biological system, ensure the stability of life support, disintegrate and cease to function.

From the point of view of the above-mentioned key principles of the biological system's lifestyle, economists consider the development possibilities of the business ecosystem, ecosystems that can operate both in micro and macro-economic levels, be large or small, have dominant positions in the business environment, or just establish a local sustainable activity [6].

And what kind of strategy should organizations choose in order to correctly navigate the ecosystem of sustainable business

development and not only secure competitive positions, but also gain opportunities for further expansion? Before answering these questions, we first consider it necessary to briefly present the ecosystem of sustainable development of organizations (see diagram 1).

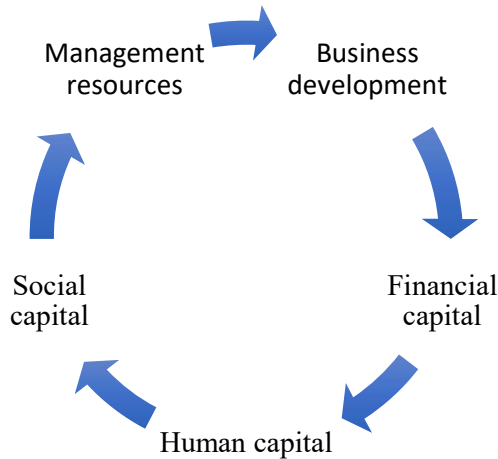


Figure 1. The chain of potential for sustainable development ecosystem activities in organizations⁵

For the sustainable development of the business, the formation of the necessary financial capital is considered a priority for the organizations, which, by the way, makes its evaluations in the published accounting reports. However, the same cannot be said about other components of the sustainable development ecosystem.

⁵ Composed by author

In particular, the human capital used by the organizations still does not find its value recognition in the published accounting reports, although in the professional literature, ways are proposed to monetize the labor resources involved and to recognize them as an asset of the organizations [6].

The same can be said about the social capital of business activities, which is a critical part of the sustainable development ecosystem (see Figure 1). Partner trust creates stable prerequisites for business development. If the internal and external beneficiaries of the organization's activities (employees, banks, suppliers, buyers, shareholders, etc.) have a high degree of mutual trust in business partnerships, then it can be an important resource for sustainable development for entrepreneurship [5]. However, accounting still has the problem of monetary valuation terms and presenting in published reports the social capital held by managers, which is a driving force for sustainable development [3].

The most important stimulating factor for sustainable development is also the use of an effective business management system. When the management system implements participative-based decisions, acts with transparent accountability, provides feedback with the beneficiaries of business activities, then it creates the foundations for ensuring the future stability of the business. However, here too, accounting faces the problem of how to evaluate and value the existing management system so that its efficiency becomes monetary measurable terms and is presented in published

reports as a potential for supporting the sustainable development of organizations [7].

Therefore, if any component of the sustainable development ecosystem loses its vitality or is incompletely formed, the prospective business development of the organizations will be disrupted. On the contrary, when each type of capital used in ecosystem works harmoniously with other factors, it will contribute to the prospective development of the organization's business (see Figure 1).

Therefore, in the accounting reports published by the organizations, special emphasis should be placed on the qualitative changes of human, social, organizational and financial capitals contributing to business development. Possessing such information, the internal and external stakeholders of the economic activity of the organization can assess the risks of sustainable business development, their management opportunities, making appropriate behavioral decisions within ecosystem partnership environment.

Conclusion

Organizations are also considered in the context of a sustainable business development ecosystem while securing compotator positions. Under these circumstances, accounting faces the challenge of valuing the components of the ecosystem and presenting them in the reports published by the organizations. Currently, the preparation and presentation of published

accounting reports are governed by international standards (IFRS), where financial resources supporting sustainable development receive their disclosures. But the non-financial information of the sustainable business development ecosystem falls outside the reporting scope of accounting. Therefore, it is considered relevant not only to analyze the activities of the sustainable business development ecosystem of organizations, but also to recognize and evaluate the components of this system in published accounting reports, which enables information users to make realistic decisions in the directions of commerce development.

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ԿԱՅՈՒՆ ԶԱՐԳԱՑՄԱՆ ԷԿՈՀԱՄԱԿԱՐԳԻ ՀԱՇՎԱՊԱՀԱԿԱՆ ԳՆԱՀԱՏՄԱՆ ՀԵՌԱՆԿԱՐՆԵՐԸ

Վահե Գասպարյան

Հյուսիսային համալսարան, ասպիրանտ

Բանալի բառեր - էկոհամակարգ, բիզնեսի կայուն զարգացում, մրցակցային միջավայր, հաշվապահական հաշվետվություններ, ռազամավարական որոշումներ, ՖՀՄՍ (IFRS)

Մրցակցային դիրքեր ապահովվելիս կազմակերպությունները դիտարկվում են նաև կայուն զարգացման էկոհամակարգի համատեքստում: Այս պայմաններում հաշվապահական հաշվառումը կանգնում է էկոհամակարգի բաղադրիչների գնահատման և կազմակերպությունների կողմից հրապարակվող հաշվետվություններով ներկայացման մարտահրավերների առջև:

Ներկայումս, հաշվապահական հաշվառման հրատարակվող հաշվետվությունների ներկայացումը կարգավորվում է միջազգային ստանդարտներով (IFRS), որտեղ իրենց բացահայտումներ են ստանում կայուն զարգացմանը օժանդակող ֆինանսական պաշարները: Սակայն կայուն զարգացման էկոհամակարգի ոչ ֆինանսական տեղեկատվությունը դեռևս դուրս է մնում հաշվապահական հաշվառման հաշվետվողական շրջանակից:

Ուստի, արդիական է համարվում ոչ միայն կազմակերպությունների կայուն զարգացման էկոհամակարգի գործունեության վերլուծությունը, այլև այդ համակարգի բաղադրիչների ճանաչումն ու արժևորումը հրապարակվող հաշվապահական հաշվետվություններում, որը հնարավորություն է տալիս տեղեկատվության օգտատատերերին իրատեսական որոշումներ կայացնելու բիզնեսի կայուն զարգացման ուղղություններով:

Բնության մեջ գործող էկոհամակարգերը գործունեության հավասարակշռություն և կայունություն ապահովման տեսանկյունից հիմնալի օրինակներ են: Հետևաբար, երբ կազմակերպությունների բիզնես գործունեությունը դիտարկվում է էկոհամակարգի մոդելով, լրացուցիչ հնարավորություն է ստեղծվում գնահատելու տնտեսական գործունեության կայուն զարգացման պոտենցիալը և կայացնելու համապատասխան ռազմավարական որոշումներ: Իսկ նման որոշումների կայացման տեղեկատվական կարևորագույն աղբյուր կարող են հանդիսանալ հաշվապահական հրապարակվող հաշվետվությունները:

Հոդվածում ներկայացվում են այն մարտահրավերները, որոնք ներկայումս առաջացել են կայուն զարգացման տեղեկատվությամբ հաշվապահական հաշվառման հաշվետվությունների կազմման ժամանակ: Այդ նպատակով դիտարկվել է կազմակերպությունների գործունեությունը բիզնեսի կայուն զարգացման համատեքստում և կատարվել են համապատասխան վերլուծություններ: Առաջադրվել են նոր մոտեցումներ հաշվապահական տեղեկատվությամբ կայուն զարգացման էկոհամակարգի գործունեության պոտենցիալի հեռանկարային գնահատումների գծով:

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COST FLOW FINANCIAL ANALYSIS ISSUES

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Abstract: The financial measurements of the results of the influence of various factors on the cost flows can carry out with analytical methods of chain replacements or differences. However, in case of managerial decisions, it should be considered that the simultaneous influence of quantitative and qualitative factors is completely attributed to the qualitative factor. Therefore, is suggested application of integral analysis of cost flows, which introduces a clear separation between the resulting measurements of quantitative and qualitative factors.

Keywords: cost analysis, expense, financial management, profit, factor analysis

JEL code: M40

Research objectives: propose effective methods of financial analysis and management of costs flows in production.

Research novelty: presented the advantages and limitations of the chain instolment factor analysis tool in the costs flows financial management process.

Introduction

Recently, revolutionary technologies have significantly changed the logic, chain and continuity of business and production processes. Therefore, cost flow analysis remains relevant to identify the dynamics of work with the latest technologies, business adaptation, impact on costs and their management.

In a constantly evolving and changing market, cost financial analysis at the academic level holds its place from the point of view of identifying potential gaps and conducting timely research, the relevance and effectiveness of analysis methods. An expense in manufacturing, research, retailing, and accounting is money that has been used to produce something or provide a service and is therefore no longer available for use. The amount spent for the implementation of the business is calculated as an expense.

Cost effectiveness analysis is the comparison and comparison of the business plan or project and the actual costs, which enable us to understand whether they have been implemented effectively from a business perspective. The aim of the research is to assess the efficiency of cost flow management, as well as to identify possible ways to reduce costs and increase efficiency in order to increase profits.

Research results

Each organization chooses a unique cost management system that will be suitable for the organization's operating style, accounting policy, but few can analyze this system and evaluate what elements it consists of and how it relates to profitability indicators. saying cost management, we mean accounting, control, management of all types of costs, as well as reducing them as much as possible. The unique rules of the cost management system and the composition of its elements depend on the goal set before the organization and considering cost management as a separate part of the business function [1].

Organizations may face various problems during their activities that may be related to effective cost management. For example, how to attribute incurred costs to a specific product or service or, how to identify hidden costs. Similar issues are resolved by determining the cost of goods and forming an internal management system. Another stage of cost management is the analysis of the composition and structure of costs, considering limited financial opportunities [2].

The main goal of creating a cost management system is not to reduce costs, but to achieve the goal set before the organization through their optimization. It turns out that the priority issue of cost management and reduction is only the tip of the iceberg and includes a number of issues such as increasing organizational efficiency through cost management [3].

What do we mean by sunk costs? In practice, expenses are the outflow of funds from the organization, but from an accounting point of view, not all expenses incurred generate profits. For this reason, the amounts classified as expenses in the expense report differ from the actual cash outflows. When determining the rate of return on costs, the profit of the company is compared only with the part of the entities that provide profit according to accounting standards [4]. The specifics of such calculations are determined according to the organization's accounting policy, and the composition of capitalized costs may differ depending on the direction in which the profitability of costs needs to be calculated.

Indicators of cost profitability do not reflect the profitability of all types of costs incurred by the organization in the reporting period, but show the compensation of the spent resources that participated in the formation of profit. In general, a high rate of cost effectiveness indicates maximum return and efficient use of resources [5].

Calculation the profitability of the costs incurred for the formation of the cost price:

$$\text{Return on Costs 2020} = \text{Gross Profit} / \text{Cost of goods sold} * 100\% = 1,843,938 / 3,732,332 * 100 = 49.4\%$$

$$\text{Return on Costs 2021} = \text{Gross profit} / \text{Cost of goods sold} * 100\% = 2,754,659 / 5,265,154 * 100 = 52.3\%$$

Table 1. The changes in cost of goods sold, administrative, selling and other expenses

Indicators	Value /thousands AMD/		Changes
	2020	2021	
A	1	2	3
Cost of goods sold	3.732.332	5.265.154	+1.532.822
Realization costs	247.051	367.998	+120.947
Administrative costs	439.226	557.464	+118.238
Other costs of continuing operations	216.496	102.064	-114.432
Gross profit	1.843.938	2.754.659	+910.721
Net profit before tax	1.030.256	1.875.389	+722.032
Profit from sale	1.081.539	1.920.282	+838.743

Sales efficiency

Return on Costs 2020 = Profit from sales / (Cost of goods sold + realization costs+ administrative costs) * 100% =
 $1.081.539 / (3.732.332 + 247.051 + 439.226) * 100 =$
 $1.081.539 / 4.418.609 * 100 = 24.4\%$

Return on Costs 2021 = Profit from sales / (cost of goods sold + selling expenses + administrative expenses) * 100% =
 $1.920.282 / (5.265.154 + 367.998 + 557.464) * 100 =$
 $1.920.282 / 6.190.616 * 100 = 31\%$

How much profit does all the expenses incurred by the organization provide?

Return on Costs 2020 = Net profit before tax / (Cost of goods sold + Cost of sales + Cost of sales + Other expenses from continuing operations) * 100% = 1,030,256 / (3,732,332+247,051+439,226+216,496) * 100 = 1,030,256/4.635.105*100= 22.2%

Return on Costs 2021 = Net profit before tax / (Cost of goods sold + Cost of sales + Cost of sales + Other expenses from continuing operations) * 100% = 1,875,389 / (5,265,154+367,998+552,464+102,064) * 100 = 1,875,389/6.292.680*100= 29.8%

From the calculations made above, it is clear that the profitability of the cost price increased by 2.9% compared to 2020, despite the fact that the costs incurred for the formation of the cost price increased by 1,532,822 drams in 2021 compared to 2020, which is mainly due to the increase in sales volumes.

On the other hand, sales profitability also increased by 6.6%. The profit from sales increased by 838,743,000 drams compared to the previous year, which is quite a good indicator, therefore, the increase in sales profitability is related to the volume of sold goods compared to the previous year.

Now let's analyze to what extent the point of covering all kinds of expenses has changed in the reporting period compared to the previous one. In 2021, the Cost increased by 7.6% compared to 2020, that is, in 2021, 1,000 units costs provided 7.6% more profit.

As I have already mentioned, effective cost management does not come down to only identifying possible ways to reduce costs,

but it consists in ensuring high profitability of the company's expenses. Using the method of chain installations, let's try to understand the effect of work factors on the change in the volume of beer production.

Table 2. Data for determining the impact of work factors on the volume of product

Indicators	2020	2021	Deviations	%
Product volume thousands. V	15.668	15.750	+82	100,52%
Average number of workers, person, P	289	315	+26	108,99%
Average number of days worked by 1 worker during the year, D	251	252	-1	100,3%
Days worked by workers, DW	72.539	79.380	+6.841	109,43%
Average hours worked by workers, HW	580.31	635.040	+54.728	109,43%
Length of working day, hour, H	8	8	-	100%
Average hourly productivity per worker, thousands AMD, P _H	0,027	0,025	-0,002	

Chain replacements and calculations:

$$V^0 = P_0 \times D_0 \times H_0 \times P_{H0} = 15.668,42$$

$$V^I = P_1 \times D_0 \times H_0 \times P_{H0} = 17.078,04$$

$$V^2 = P_1 \times D_1 \times H_0 \times P_{H0} = 17.146,08$$

$$V^3 = P_1 \times D_1 \times H_1 \times P_{H0} = 17.146,08$$

$$V^4 = P_1 \times D_1 \times H_1 \times P_{H1} = 15.876$$

Various factors following influences will be:

Average number of workers $P_1 - P_0 = -1.409,62$

Average number of working days per worker $D_2 - D_1 = -68,04$

Length of working day $H_3 - H_2 = 0$

Average hourly productivity per worker $P_{H4} - P_{H3} = -1.270,08$

The sum of these factors will be equal to $P_4 - P_0 = 139,54$

During 2020-2021, the largest deviation in beer production alone is accounted for by the production volume, which has increased compared to the previous year. The duration of the working day has remained constant (8 hours). The average number of workers increased by 26 compared to 2020. If we talk about the effects of individual factors, we will notice, that the change in the average number of workers working in the brewery had the biggest impact on the production volume. The number of days worked by one worker has undergone little change, in 2021 the number of days decreased by 1. However, this minor change has had an impact on the output volume.

Now let's use both the method of absolute differences and percentage difference method at the same time and understand the effect of work factors on the change in the volume of beer production.

Absolute differences method:

$$V_0 = P_0 \times D_0 \times H_0 \times P_{H0} = 15.668,42$$

$$V_1 = (P_1 - P_0) \times D_0 \times H_0 \times P_{H0} = 1.409,61$$

$$V_2 = P_1 \times (D_1 - D_0) \times H_0 \times P_{H0} = 68,04$$

$$V_3 = P_1 \times D_1 \times (H_1 - H_0) \times P_{H0} = 0$$

$$V_4 = P_1 \times D_1 \times H_1 \times (P_{H1} - P_{H0}) = 1.270,08$$

Percentage difference method:

$$V(t) = P_0 \times (D\% - HW\%) : 100\% = 26,38\%$$

$$V(P) = P_0 \times (P\% - 100\%) : 100 = 25,98$$

$$V(D) = P_0 \times (DW\% - P\%) : 100 = 1,27\%$$

$$V_3 = P_1 \times D_1 \times (H_1 - H_0) \times P_{H0} = 0$$

$$V_4 = P_1 \times D_1 \times H_1 \times (P_{H1} - P_{H0}) = 1.270,08$$

Conclusion

Analysis of costs, as well as their competent adjustment, is one of the most important conditions for the financial means of the organization, the uninterrupted flow of the production process, and avoiding risks as much as possible [6].

The analysis shows that the effectiveness of cost management is determined by both the change in the speed of profitability of costs and their structure, also different items in the composition of costs have different speeds of profitability and each change has a significant impact on the financial condition of the organization [7]. In this regard, we emphasize the financial measurements of the results of the influence of various factors on the cost flows, which

we can carry out with analytical methods of chain replacements or absolute differences.

However, case of making managerial decisions, it should be considered that, the simultaneous influence of quantitative and qualitative factors is completely attributed to the qualitative factor.

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ԾԱԽՍԱՅԻՆ ՀՈՍՔԵՐԻ ՖԻՆԱՆՍԱԿԱՆ ՎԵՐԼՈՒԾՈՒԹՅԱՆ ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ

Դիանա Մինասյան

Հայաստանի պետական տնտեսագիտական համալսարան,
տ.գ.թ

Սոնա Հովսեփյան

Հայաստանի պետական տնտեսագիտական համալսարան,
մագիստրոսական ծրագրի ուսանող

Բանալի բառեր - ծախսերի վերլուծություն, ծախսումներ, ֆինանսական կառավարում, շահույթ, գործոնային վերլուծություն

Ծախսային հոսքերի ֆինանսական վերլուծությունը կարևորվում է կազմակերպությունների կողմից թողարկման ինքնարժեքը կառավարելիս և շահութաբերության բարձրացման ռեզերվները բացահայտելիս:

Այս առումով արդիական են ծախսային հոսքերի վրա տարբեր գործոնների ազդեցության արդյունքների ֆինանսական չափումները, որոնք կարող ենք իրականացնել շղթայական տեղադրումների կամ տարբերությունների վերլուծական եղանակներով:

Մյուս կողմից, կառավարչական որոշումներ ընդունելիս պետք է հաշվի առնել, որ քանակական և որակական գործոնների միաժամանակյա ազդեցությունն ամբողջովին վերագրվում է որակական գործոնին: Ուստի, շղթայական տեղադրումներին զուգահեռ կարևորվում է ծախսային հոսքերի ինտեգրալային վերլուծության կիրառումը, որը հստակ տարանջատում է մտցնում քանակական և որակական գործոնների արդյունքային չափումների միջև:

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ISSUES OF ACCOUNTING INFORMATION DISCLOSURES FOR ECOSYSTEM SERVICES (IFRS-S1 INTERPRETATIONS)

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Abstract: Measuring and reporting the results of ecosystem services is currently challenging accounting. On the one hand, the business activity takes advantage of ecosystem services, creating entrepreneurial benefits, on the other hand, business tries to restore the damage to ecosystems and ensure sustainable development, that need accountability for their results. The article interprets the core provisions of the IFRS-S1 standard in the framework of ecosystem services, presenting the priorities of sustainable development information disclosures. In particular,

emphasis is positioned on information disclosures of ecosystem services in the financial reports published by organizations in the short-term, medium-term and long-term.

Keywords: ecosystem services, sustainable development, IFRS-S1 standard, accounting reports, non-financial information

JEL code: M40, M41

Research objectives: to identify the possibilities of presenting the results of ecosystem services with the accounting reports published by the organizations

Research novelty: the accounting information possibilities of changes in the financial results of businesses related to ecosystem services in the short-term, medium-term and long-term have been identified

Introduction

Information provision of ecosystem services is currently a challenge for society. By using natural goods in their lives, business activities, and even recreation and restoration processes, people must ultimately be aware of what they have taken from nature and how they are trying to restore natural use. Therefore, recording, coordinating and evaluating information related to ecosystem services creates new complications for accounting, as until now it reported information on the financial results of business activities, bypassing financial and non-financial information, related to ecosystem services.

Obviously, the accounting reports published according to the current IFRS international standards mainly presented the financial

side of the organization's activities, sidestepping the reflection of ecosystem service providing information, which interested the stakeholders of this field. Moreover, in such a case, the value of capital of organizations was interpreted purely by financial and commercial criteria, without taking into account the attitude of the beneficiaries of sustainable development towards the ongoing business. Therefore, somewhere there was a gap between the financial and real value assessments of the organization, if the risks of sustainable development and the possibilities of their prevention were not presented in the published reports.

Convincingly, is essential to submit sustainable development reports based on the related international standards alongside the published financial reports. Therefore, in 2023, the International Sustainable Development Standards Board (ISSB) published the "General Requirements for Disclosure of Financial Information Related to Sustainability" IFRS-S1 and the "Climate-Related" International Financial Reporting Standards S2, which in organizations will be applied in parallel with IFRS standards.

By applying these standards, organizations will be able to present in their published financial statements results from ecosystem services that will be used by stakeholders in making decisions.

Research results

Any system consists of separate components that are interconnected with each other in such a way that even a change in one of them has an effect on the other components. Ecosystems

operating in nature are formed by this very principle, because in them, for reasons of life support and harmonious activity, such natural components are interconnected, which, interacting with each other within the framework of one system, ensure the stability of life support.

The inactivity, or absence of each component of the ecosystems can disrupt the level of biodiversity, lead to the violation of the ecological balance, and thus, to the disruption of the planned eco-functions. In this sense, human intervention in ecosystem structures should be carried out carefully, so as not to disrupt not only the environmental balance, but also the set of ecosystem functions, which is extremely important for the survival and sustainable development of mankind. And the functions carried out by nature itself, which, by the way, humanity uses for free, are presented as ecosystem services.

In the professional literature, ecosystem services are interpreted from different perspectives, presenting them as means contributing to the well-being of mankind [1], functions of reproduction and expansion of natural resources by mankind [2], services contributing to sustainable development [3]. However, all of these are based on a general definition, according to which ecosystem services are the various benefits provided by nature to people, the consumption of which ensures the socio-economic sustainable development of the population [4].

In general, ecosystem services are presented in the following groups: providing natural resources, regulating the environmental

processes, and related to recreation and restoration activities (see Figure 1).

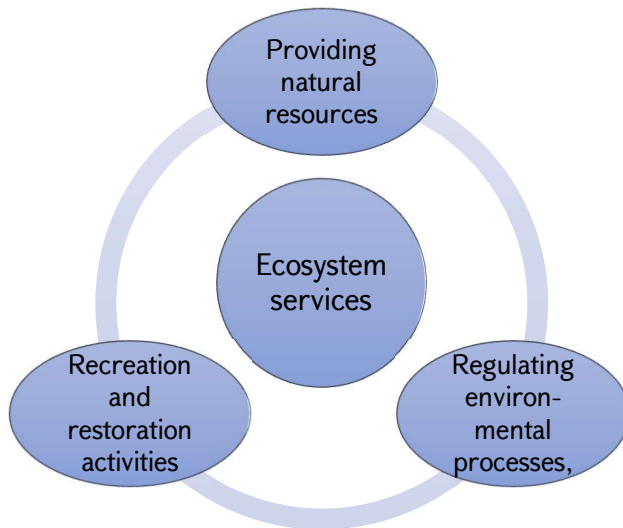


Figure 1. Ecosystem services activities framework⁶

At first glance, it may seem that the majority of ecosystem services provided to humanity fall on the supply of natural resources [5]. Every day it becomes visible to us, what kind of benefits man receives from nature in the form of natural wood, water resources, biological components, minerals, which are used in everyday life and production. In this sense, the ecosystem

⁶ Composed by authors

services of natural resource provision are also referred to as direct services in the professional literature [6].

However, indirect ecosystem services, which may not be straightforwardly visible to people, but perform regulatory and environmental support functions (pollination, water purification, erosion and flood prevention, climate regulation, etc.) are no less valuable. Thus, the forest cover of the Amazon river basin is called the "lungs of the planet Earth", because a huge mass of spent oxygen is reproduced there, or the evaporation of the oceanic layer ensures the atmospheric circulation of water resources, etc.

On the other hand, often enjoying our native nature and spending time on the shore of the lake or in the high mountains, we do not always realize the fact of providing ecosystem services specifically addressed to us. On the other hand, nature provides us with services that contribute to recovery, to which there is a need to show a proper attitude, without polluting the environment, without violating environmental norms. And it turns out that, having received various ecosystem services, humanity consumes them as much as possible for the benefit of socio-economic prosperity and thus feels the need to manage this process, otherwise, relentless consumption of services provided by nature leads to environmental disasters.

The purpose of preparing and presenting both general financial and sustainability statements is to provide information about the reporting entity, that is useful to current and potential investors, lenders, and other creditors in making decisions about providing

resources to the entity. In order to assess an organization's prospects for future net cash inflows, current and potential investors, lenders, and other creditors must have information about the organization's resources, demands on the organization, and how well they are using the establishment's resources.

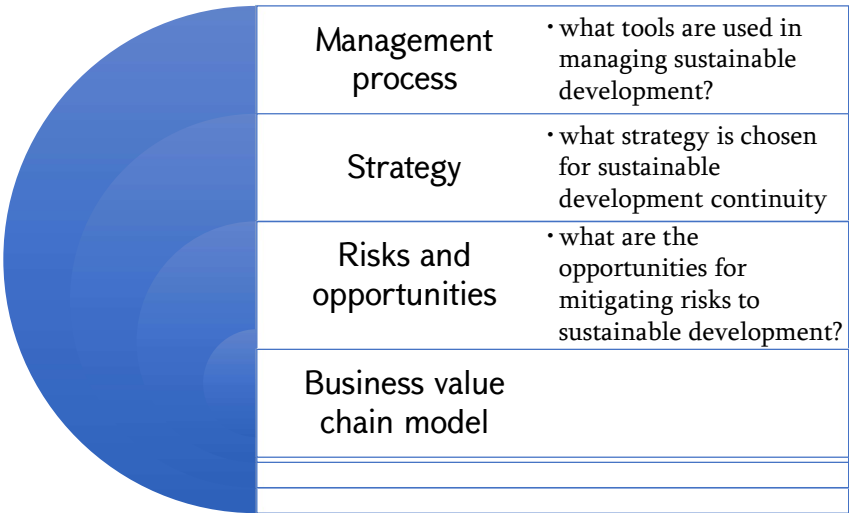


Figure 2. Key disclosing’s identified in the sustainable development reporting standards⁷

For sustainability-related financial reporting must be relevant and credible. The usefulness of sustainability-related financial information is enhanced, if the information is comparable, verifiable, relevant and understandable. These certainly increase

⁷ Composed by authors

the qualitative characteristics of useful financial information related to sustainability. However, unlike general purpose financial reporting standards, sustainable development standards require additional disclosures related to sustainable business development management tools, sustainable development strategy adopted by the organization, risks and opportunities for its implementation, as well as about the value chain of business, where the foundations of sustainable development are formed (see Figure 2).

It is remarkable, that the international standards for the preparation of sustainable development reports require the disclosure of management tools. Beneficiaries using information should understand, how much the organization manages to make the process of sustainable development under control, in what ways the process is monitored, what kind of management device and reporting measures are used [7].

The international standards of sustainable development reporting also emphasize the disclosure of the organization's sustainability strategy. The risks and opportunities, that are formed during the implementation of the sustainable development strategy are especially highlighted.

In contrast to general purpose financial reports, which traditionally present information characterizing the internal condition of organizations, sustainable development standards require the disclosure of sustainable development outside the organization in other parts of the business value chain and ecosystem services. The consequences of the acquisition, which

arise as a result of changes in the economic management of the reporting organization. By doing so, the beneficiaries are informed about the extent to which the reporting organization affects the sustainable development of other business organizations included in the business value chain, or how business activity effected on ecosystems services.

The purpose of the standard "General requirements for the disclosure of financial information related to sustainability" (IFRS-S1) is to present information about risks and opportunities, related to sustainability in the published reports of organizations, which is useful to the main users of financial reports, making decisions (IFRS-S1, item 1).

In fact, the standard is mainly addressed to potential investors, so that they can make decisions based on the findings in the published reports when providing financial resources to an organization on the path of sustainable development. However, by using the standard, valuable information related to the sustainable development of the organization is presented to other stakeholders, who evaluate both partnership risks and business success.

The IFRS-S1 standard requires an entity to disclose information about sustainability risks and opportunities, that may affect the entity's cash flows, access to financing, or cost of capital in the short, medium, or long term. Financial disclosures related to the stability of the organization should be made in the same period as the period in which the published financial statements are presented.

Case study [7]

In the forested area the “Z” hotel complex was founded in 2021, which works for profit and provides tourist services (overnight stay, horse trekking, forest walks). Back in 2022, the company's shareholders' meeting decided to make a transition to sustainable development, expanding the business, guided by a number of sustainable development goals from the United Nations in 2015.

In particular, it was decided to implement resort services along with hotel and tourist services, for which huge investments would be required. In order to make the published financial statements of the company in terms of sustainable development understandable to potential investors and creditors, it was decided to include disclosures according to the IFRS-S1 standard "General requirements for financial information related to sustainability" in the set of financial statements published in 2023.

Thus, the chief accountant of "Z" hotel complex had already prepared financial statements according to the requirements of IFRS standards (see tables 1-2), and now he was going to present additional disclosures in that package. guided by the requirements of the IFRS-S1 standard and addressed to the beneficiaries of sustainable business development.

Table 1. Financial position report at the January 1, 2024 (mln AMD)

Assets	Sum	Capital, liabilities	Sum
Fixed assets	300	Share capital (2000 shares)	200
Debtors	10	Profit	50
Stocs	70	Loan liabilities	140
Cash	20	Dividend liabilities	10
Balance	400	Balance	400

Table 2. Report on financial results for 2023 (million AMD)

Sales revenue	550
Cost of sales	(350)
Operating profit	200
Financial expenses	(70)
Investment costs	(80)
Profit before tax	50
Profit tax (18%)	(9)
Net profit	41
Earnings per share	0.02

Disclosures with the requirements of IFRS-S1 standard

General description:

"Z" hotel complex aimed to expand business, and in addition to tourist services, to provide resort services, for which it has drawn up an investment plan for 6 years. The plan envisages the construction of two additional buildings, one of which will be used as a hotel, and the other for medical and health restorative needs. Moreover, in this case, a number of environmental problems arise. In particular, if before the expansion of the business, the sewage of the hotel was discharged into the river flowing through the forest, for which an environmental penalty was paid, then in the case of the resort complex, with the increase of guest's number, the removal of waste water should have already been carried out through the common sewer line, which was far from the hotel. 15

km, so the construction of an additional sewer line through the forest area was required.

The forest cover would also be damaged by the construction of two residential buildings, which would require cutting down trees, changes in the natural landscape, and loss of biodiversity.

On the other hand, the operation of the resort complex required a qualified service staff, which he planned to form from the population of the neighboring villages, conducting special training courses for them. It is noteworthy that the workforce of the community is dominated by men and mostly women will be invited to work in the resort complex. In this way, it is planned to solve not only the problems of gender inequality, but also the problems of "decent work" and "stable communities", because the employment in the resort complex will help to find a job and emigration of the national population from the communities intended to stop.

"Z" hotel complex also plans to implement innovations in the provision of health services, applying new rehabilitation technologies, which will increase the income and supplement the community budget with additional payments from the sanatorium's profits, contributing to the socio-economic condition of the community. improvement.

Management procedure

"Z" hotel complex applies a special strategic management procedure, which is implemented within the framework of the "Environment Protection and Development" management department. There are 3 people working in the department, whose

scope of responsibility in the field of management of risks and opportunities related to sustainability is specified. The department uses a toolkit for identifying risks related to sustainability and monitoring the implementation of opportunities, which provides feedback between the stakeholders of sustainable development, and improves the procedures for managing risks and opportunities related to sustainability every 2 years.

The strategic management framework

Aiming to expand its activities and provide healthcare services, "Z" hotel complex will pursue a number of directions of sustainable development, which will generate both risks and opportunities in the short term (2024-2025), medium-term (2024-2026) and long-term (2024-2029). Moreover, all these risks are manageable, and the opportunities for sustainable development are achievable by the organization.

Goal 1: Health and well-being - To ensure healthy lives and promote well-being for all, regardless of age.

When achieving this goal, sustainable development risks are formed, which are related to the long-term construction of the resort buildings. During the 6 years of construction, financing is planned at the expense of long-term loans, which increases interest costs by 4 million drams per year and thereby decreases the net profit. Moreover, at the start of the health care complex, the company will completely repay the loan obligations and will not have any interest expenses. In addition, it is planned to use innovative technologies in healthcare services, which increase operational

costs by 5% annually. After the start of the health care complex, there is an opportunity to increase the revenues of the hotel by 70% per year, after which the profit per share will increase intensely. The design cost of the construction of the resort complex is 180 million AMD, which is expected to be compensated approximately during the 6 years of construction at the expense of credit funds.

The number of people using regional health services is projected to increase by 15%.

Goal 2: Quality Education - Ensure inclusive and relevant quality education for all and promote lifelong learning opportunities.

"Z" hotel complex plans to recruit a workforce providing health care services from the population of the community and for this purpose will organize trainings and provide special educational services. As a result, around 35 employees will undergo additional training, which will be financed by company, and thus the annual operating costs will increase by 2%.

Goal 3: Gender Equality - Achieve gender equality and empower all women and girls.

"Z" hotel complex plans to recruit a workforce providing health resort services from the population of the community, 90% of which should be women.

Goal 4: Affordable and clean energy - Ensure access to affordable, reliable, sustainable and modern energy for all.

The power supply of the resort complex will be carried out with solar panels, which will reduce the annual operating costs by 3%,

but the installation of batteries will require 60 million drams, which will be carried out over the next 6 years with equal amounts. At the same time, the company will not make any more investment costs at the start of the healthcare complex.

Goal 5: Decent work and economic growth - Promote robust, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Recruiting labor from the local community and implementing proper wages, a 40% increase in the socio-economic well-being of community families is predicted.

Goal 5: Sustainable cities and communities - Make cities and human settlements inclusive, resilient, safe and sustainable.

After the operation of the resort complex, the emigration of the population of the community due to work motives will be reduced to zero.

Goal 6: Life on land - Conserve, restore and promote sustainable use of terrestrial ecosystems, ensure sustainable forest management, halt biodiversity loss.

With the construction of the health complex, around 2 km² area of forest area will be cut and natural biodiversity will be disturbed. In order to mitigate these risks, the "Z" hotel complex plans to carry out forestation every year, continuously spending 8 million drams annually. In addition, with the construction of the sewer line and connecting to the community network, the company will no longer pay environmental damages in the amount of 1 million drams for polluting the nature with waste water.

Measurements

The company primarily uses financial indicators to measure and monitor sustainability risks and opportunities. In addition, some indicators of sustainable development are also represented by non-financial indicators (area of forest restoration, involvement of additional labor force, number of trainees, increase in the number of recipients of preventive services, etc.).

Financial risks consequences

The reflection of the risks and opportunities of sustainable growth in the financial statements are presented in the short-term, medium-term and long-term terms (see table 4). In fact, in the short and medium term, the company will have risks of forming a shareholder bond, as it will operate at a loss in 2024-2029 and will not be able to pay dividends.

However, starting from 2030, the company's profit will increase intensely, due to the completion of construction and authorizing of the power plant complex, which will give an opportunity to increase earnings per share by 11.3 times ($0.226/0.02$). In other words, in the short and medium term (2024-2029), the lost profit of 0.12 million AMD per share (6 years \times 0.02) can be recovered in 1.88 years ($0.226/0.12$), which is quite a reduction share related risks.

**Table 4. Tendency of financial results during the years of establishment and operation
of the resort complex (million AMD)**

Indiators	2023	2024	2025	2026	2027	2028	2029	2030
Sales from revanew	550	550	550	550	550	550	550	935
Cost of sales	(350)	(371)	(371)	(371)	(371)	(371)	(371)	(371)
Operational profit	200	179	179	179	179	179	179	564
Percentage expenses	(70)	(74)*	(74)	(74)	(74)	(74)	(74)	0
Investment costs	(80)** **	(120)	(120)	(120)	(120)	(120)	(120)	0
Profit before tax	50	(15)	(15)	(15)	(15)	(15)	(15)	564
Profit tax (18%)	(9)	0	0	0	0	0	0	(101,52)
Net profit	41	(15)	(15)	(15)	(15)	(15)	(15)	462,48
Profit per share	0,02	0	0	0	0	0	0	0.231*****

*70+4 **550x1,7 ***350+350x(5%+2%-3%) +8-1 ****80+ 180/6+60/6
*****462,48/2000

Table 5. Risks and opportunities of sustainable development of "Z" hotel complex in the long term

#	Risks	Manageable	Opportunities
1	A decline in earnings per share	Yes	Is improving from 2030
2	OJSC capital increase	Yes	Gradually happening in 2024-2029.
3	Recruiting qualified workforce	Yes	Gradually happening in 2024-2029.
4	Environmental improvements	Yes	Continuous
5	Improving the socio-economic condition of the community	Yes	Continuous
6.	Promotes gender equality	Yes	Constantly

Thus, the disclosures required by the IFRS-S1 standard are summarized in table 5.

Conclusion

Thus, in the framework of ecosystem services, it is important to interpret the core provisions of the IFRS-S1 standard, presenting the priorities of disclosure of sustainable development information. In particular, it becomes necessary to emphasize the information

disclosures of ecosystem services in the financial statements published by organizations in the short, medium and long term.

In addition, it is necessary to analyze the types of ecosystem services provided and the possibilities of measuring their results. At the same time, present the evaluations of the results of restoration of damages caused by business to the ecosystems in the financial reports published by the organizations. As a result, it is important to develop financial reporting formats in which the beneficiaries of ecosystem services can make informed management decisions based on the information contained in them.

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**ԷԿՈՀԱՄԱԿԱՐԳԱՅԻՆ ԾԱՌԱՅՈՒԹՅՈՒՆՆԵՐԻ
ՀԱՇՎԱՊԱՀԱԿԱՆ ՏԵՂԵԿԱՏՎԱԿԱՆ ԲԱՑԱՀԱՅՏՈՒՄՆԵՐԻ
ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ
(IFRS-S1 ՄԵԿՆԱԲԱՆՈՒԹՅՈՒՆՆԵՐ)**

Իլուտա Արբիդանե

Ռեգեկների տեխնոլոգիական ակադեմիա, Լատվիա
տ.գ.թ., դոցենտ

Նոննա Խաչատրյան

Երևանի պետական համալսարան, տ.գ.թ., դոցենտ

Նարինե Մարտիրոսյան

Հայաստանի պետական տնտեսագիտական համալսարան
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Բանալի բառեր – էկոհամակարգային ծառայություններ, կայուն զարգացում, IFRS-S1 ստանդարտ, հաշվապահական հաշվետվություններ, ոչ-ֆինանսական տեղեկատվություն

Էկոհամակարգային ծառայությունների արդյունքների չափումը և հաշվետվություններով ներկայացումը ներկայումս մարտահարվերների առջև է կանգնեցրել հաշվապահական հաշվառմանը: Մի կողմից, գործարար աշխարհն օգտվում է ուղղակի կամ անուղղակի էկոհամակարգային ծառայություններից, ձևավորելով ձեռնարկատիրական օգուտներ, մյուս կողմից գործարարության կողմից փորձ է արվում վերականգնելու էկոհամակարգերին հասցված վնասները և ապահովելու կայուն զարգացում: Հենց այս նկատառումների իրագործումները իրենց արդյունքներով հաշվետվողականության կարիք ունեն, որն իր կարգավորումներն է ստանում IFRS-S1 միջազգային ֆինանսական ստանդարտով:

Հոդվածում էկոհամակարգային ծառայությունների շրջանակում մեկնաբանվում են IFRS-S1 ստանդարտի առանցքայն դրույթները, ներկայացնելով կայուն զարգացման տեղեկատվության բացահայտումների առաջնահերթությունները: Մասնավորապես, շեշտադրումներ են կատարվում կազմակերպությունների կողմից հրատարակվող ֆինանսական հաշվետվություններում էկոհամակարգային ծառայությունների տեղեկատվական բացահայտումներին՝ կարճաժամկետ, միջնաժամկետ և երկարաժամկետ կտրվածքով:

Բացի այդ, վերլուծվել են մատուցվող էկոհամակարգային ծառայությունների տեսակները և դրանց արդյունքների չափման հնարավորությունները: Զուգահեռաբար, ներկայացվել են գործարարության կողմից էկոհամակարգերին հարուցած վնասների վերականգնման արդյունքների ներկայացման

ուղիները կազմակերպությունների կողմից հրապարակվող ֆինանսական հաշվետվություններում: Ներկայացվել են ֆինանսական հաշվետվությունների ձևաչափեր, որոնցում ընդգրկված տեղեկատվության հիման վրա էկոհամակարգային ծառայություններ ստացող շահառուները կարող են կայացնել հիմնավոր կառավարչական որոշումներ:

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ISSUES OF INTERNAL AUDIT DEVELOPMENT

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Abstract: Internal audit receives different interpretations among professionals. Currently the functions of internal audit have expanded so much that they have penetrated into the field of consulting, management and evaluation of business results. As a result, operational, managerial and performance audit functions have been put into practice, which in their objectives are sometimes mixed, cross with each other and give rise to different opinions.

The article attempts to clarify the scope and objectives of each of the types of internal audit. In particular, the features and unique functions of operational, managerial and performance audits within the framework of internal audit are recorded, emphasizing their development stages and the tools used. The development directions of internal audit are analyzed based on the changing goals of entrepreneurship and the requirements of effective development.

JEL code: M43

Keywords: internal audit functions, operational audit, managerial audit, performance audit, internal audit toolkit

Research objectives: interpret the objectives of implementation of various types of internal audit and determine the directions of development of internal audit, based on dynamic changes in business motivations.

Research novelty: the principles of diversification of operational, managerial and performance audits were revealed and presented the features of internal audit development stages.

Introduction

The requirement to form an internal audit is conditioned not so much by checking the reliability of information as by strengthening the control functions of economic activity in order to increase the degree of efficiency of entrepreneurship. With the above-mentioned consideration in mind, business owners, shareholders and beneficiaries of organizations created internal audit structures, which, as a rule, should act independently of the executive management circles, evaluate the work of the latter, identify the weaknesses of entrepreneurship and make recommendations.

Internal audit developed especially in the 80s of the last century, when the scope of operations of that structure was regulated, then the standards of internal audit, the rules of conduct of internal auditors and the legislation on the implementation of internal audit came into use. Internal audit is an independent, objective assurance and advisory function aimed at increasing and

improving the performance of the organization. It supports the organization in achieving its objectives through systematic and systematic assessment and improvement of risk management, control and management processes.

Research results

The internal auditing profession evolved steadily with the progress of management science after World War II. It is conceptually similar in many ways to financial auditing by public accounting firms, quality assurance and banking compliance activities.

Internal auditing has evolved to the present day. In its origins, the main functions of internal audit were supervisory in nature and pursued the identification of business efficiency reserves. For these reasons, internal audit was considered operational (see Figure 1).

Operational auditing refers to the evaluation of a company's performance, both on a day-to-day basis and over a wider time frame. Unlike the external audit, through which the degree of reliability of the company's financial statements is determined, the operational audit studies the business activities of the given company with the aim of increasing the level of entrepreneurial efficiency.

An operational audit can be performed by both an external and an internal audit team. Ultimately, its purpose is to identify ways to improve management.

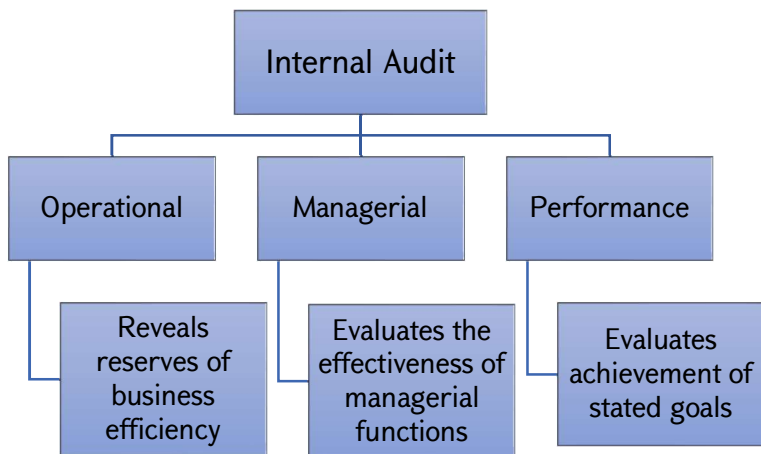


Figure 1. Classification of internal audit types⁸

By auditing its internal policies and procedures, the company can highlight the problematic points of its own activity and operate more efficiently. The result of the audit can be more useful for the management team, which, considering recommendations, will enable them to simplify further processes.

Let's present three main results of a successful operational audit:

- ✓ maximize the level of entrepreneurial efficiency by gaining a better understanding of how future policies and procedures can promote competitive business;

⁸ Composed by author

- ✓ identify and prevent risks as much as possible, as organizations typically bear many operational risks, from health and safety issues to cyber threats;
- ✓ promote the internal control system, examine each operation, delving into the impact of each change in internal control.

Based on operational weaknesses, the auditor may conduct interviews with managers, who oversee potential risk areas. He can also plan and implement audit procedures at the control level, apply tests to find out how much new processes or objectives can improve the organization's performance.

Business owners should be aware that operational audits may reveal unexpected problems (such as the need for a complete overhaul of existing systems or employee training) that take time to resolve. Such interruptions in long-term remote operation can lead to various difficulties.

The operator of the operational audit, having met with the relevant managers of the company, understands the subtleties of the business and the possible concerns related to it during discussions with them. The areas of entrepreneurship that need improvement are then identified. Thus, thanks to the discussions, the auditor defines the scope and schedule of the operational audit.

Managerial audit is a type of internal audit, that has been used relatively recently. It practically aims to identify the weak links of the organization's management and to improve the managerial functions. When examining the corporate goals, the managerial

audit is aimed at analyzing and evaluating the competences and abilities of the organization's management, considering the management performance. Therefore, it can be said that the audit evaluates how effectively the management team of the organization uses its strategic and tactical capabilities and resources.

On the other hand, management audit is a method of independent and systematic assessment of the activities of all levels of management, which aims to find out the effectiveness of management functions and the recorded achievements compared to the established standards.

Therefore, we can say that management audit is an investigation of management from the highest to the internal level. The scope of the study of managerial auditing is much wider than that of finance, as it is related not only to the financial sphere, but also to various aspects of business.

Thus, one of the activities of the managerial audit is to find out how much the management of the organization follows the principles and policies formulated by itself, to analyze the ineffectiveness of the management and the fulfillment of the goals, to present proposals for the improvement of certain areas (for example, sales, purchases, finance, human resources, administration, etc.).

Therefore, the managerial audit should assess the organization's management processes and present appropriate recommendations for their improvement in order to achieve the following goals.

Currently, performance auditing is widely used in practice (see Figure 1). Performance auditing is an independent, unbiased, and reliable study, that reveals how appropriate and timely management initiatives are, how certain systems, operations, programs, measures, or organizations are performing. Are the roads operating in accordance with the principles of economy, targeting and cost efficiency, and is there room for improvement or not?

The principles of economy, target and cost effectiveness can be defined as follows:

"The principle of economy means to minimize the expenditure of resources. The resources used must be available at the right time, in the right quantity and quality, and at the best price.

"The principle of cost efficiency means getting the most out of available resources. This refers to the relationship between the used resources and the output in terms of quantity, quality and time.

"Targeted effectiveness is related to the realization of the defined goals and the achievement of the intended result.

Thus, the main purpose of the performance audit is to constructively promote effective management in terms of economy, achievement of objectives and costs.

Along with the evolution of the types of internal audit, the tools of audit implementation and the relationships between them also evolve (see Figure 2). Thus, if at the initial stage of internal audit application, attention was paid to control regulations, then along with the development of audit activity, there was a need to develop

and implement internal audit standards and regulate the whole process by law.

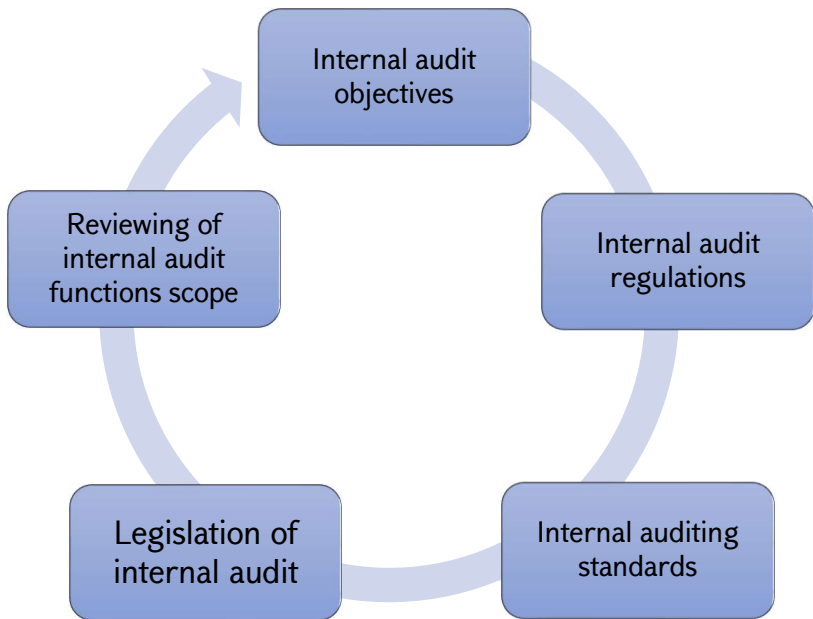


Figure 2. Interrelation of internal audit implementation tools⁹

Conclusion

Internal audit currently is in the stage of dynamic development. If the objectives of the external audit are clear, to present a reasonable opinion on the reliability of the financial statements published by the organizations, then the objectives of the internal audit are different. Nevertheless, the internal audit is not limited to

⁹ Composed by author

only control functions, but also evaluates the effectiveness of the activities of the entity management units, reveals business development reserves. Therefore, in practice, there is a need to clearly separate the functions of operational, managerial and performance audits, that are part of internal audit. This problem is complicated by the fact, that the functions of various external audits are often intertwined. Therefore, the management of the organization should clearly identify, which type of internal audit will be used based on the priorities of the business organization.

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ՆԵՐՔԻՆ ԱՌԻԴԻՏԻ ԶԱՐԳԱՑՄԱՆ ՀԻՄՆԱԽՆԴԻՐՆԵՐՆԵՐԸ

Զուլիետա Քալաշյան

Հայաստանի պետական տնտեսագիտական համալսարան
ասպիրանտ

Բանալի բառեր - ներքին աուդիտի գործառույթներ, գործառնական աուդիտ, կառավարչական աուդիտ, կատարողականի աուդիտ, ներքին աուդիտի գործիքակազմ

Ներքին աուդիտը տարբեր մեկնաբանումներ է ստանում մասնագետների շրջանում: Հիմնականում այն դիտարկվում է որպես վերահսկողական գործիք, որը գործադիր կառույցներից անկախ գործում և հաշվետու է սեփականատերերին: Սակայն, ներկայումս ներքին աուդիտի գործառույթներն այնքան են ընդլայնվել, որ ներթափանցել են խորհրդատվական, կառավարչական և գործարարության արդյունքների գնահատման դաշտ: Արդյունքում, կիրառության մեջ են դրվել գործառնական, կառավարչական և կատարողականի աուդիտորական գործառույթները, որոնք իրենց նպատակադրումներով երբեմն միախառնվում են, խաչվում են միմյանց հետ և տարաբնույթ կարծիքների տեղիք են տալիս:

Ներկայումս ներքին աուդիտը դինամիկ զարգացման փուլում է գտնվում: Եթե արտաքին աուդիտի նպատակադրումները հստակ են՝ ներկայացնել ողջամիտ կարծիք կազմակեր-

պությունների կողմից հրատարակվող ֆինանսական հաշվետվությունների արժանահավատության վերաբերյալ, ապա ներքին աուդիտի նպատակադրումները տարաբնույթ են:

Ներքին աուդիտը չի սահմանափակվում սոսկ վերահսկողական գործառույթներով, այլ կատարում է նաև կառավարման օղակների գործունեության արդյունավետության գնահատում, գործարարության զարգացման ռեզերվների բացահայտումներ:

Ուստի, գործնականում անհրաժեշտություն է ծագում հստակ տարանջատելու ներքին աուդիտի մաս կազմող գործառնական, կառավարչական և կատարողականի աուդիտների գործառույթները:

Հոդվածում փորձ է արվում հստակեցնել ներքին աուդիտի տեսակներից յուրաքնչյուրի շրջանակը և նպատակադրումները: Մասնավորապես, արձանագրվում են գործառնական, կառավարչական և կատարողական աուդիտի առանձնահատկություններն ու յուրահատուկ գործառույթները ներքին աուդիտի շրջանակում՝ ընդգծելով դրանց զարգացման փուլերը և կիրառվող գործիքակազմը: Վերլուծության են ենթարկվում ներքին աուդիտի զարգացման ուղղությունները, ելնելով ձեռնբեցության փոփոխուն նպատակներից և արդյունավետ զարգացման պահանջներից:

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ISSUES OF SUSTAINABLE DEVELOPMENT AUDITING

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Abstract: Financial auditing has traditionally been regarded as a tool for verifying the truthfulness of accounting statements published by organizations. Currently, accounting reports present not only financial, but also information disclosures, related to sustainable development of entities, which also require assertion assessments by the audit. The article presents the directions for the auditing of information on the sustainable development of organizations and the current problems related to them.

Keywords: financial statements audit, internal audit, sustainable development risks, strategic opportunities, IFRS-S standards

JEL code: M40

Research objectives: clarify the key directions of the audit related to sustainable development information in the financial statements of organizations.

Research novelty: the problems of auditing of sustainable development information in the financial statements of organizations were identified and the ways of their solution were proposed.

Introduction

The formation and development of audit activity has been a long process. In the initial period, and it was formed with control observations of the results of management. As for the term "audit", experts define it in different ways. The word audit is translated from Latin and means "listener". Even in the early Middle Ages, when the financial inflows and outflows of royal treasuries were under the control of monarchs, professional accountants periodically presented reports on the treasury's cash flows. regarding the tiuty, and the kings thus formed an image of the financial situation of their countries [1].

In another interpretation, the term "Auditor" is associated with the judicial process. The point is that since the early Middle Ages, when examining court cases in the financial and economic sphere, reliable independent experts were invited to the court, whose opinions became "audible" during the trial sessions, informing on making verdicts. Surprisingly, in the Middle Ages, the concept of "auditing" was also applied to the spiritual school, where teachers instructed the best students to "listen" to the feedback of other students. and give an unbiased opinion about the progress of the class.

Research results

To this day, the audit is first of all associated with an impartial opinion, which an experienced specialist voices for this or that client. Therefore, it is not by chance that the audit function is defined according to the features of impartiality, independence and professional quality.

It should be noted that, in addition to the financial sphere, at the end of the 20th century, audit occupied a special place in other areas of business. In particular, the administrative audit is currently

widely used, which helps to increase the level of efficiency of the management system used in organizations. runner. In this case, the audit is already transferred from the external field to the internal environment of the organization's business and performs its functions throughout the year and not only once a year, in the form of financial statements. to the shipping company. Managerial audit activities are by no means limited to financial sector audits, but cover a wider range of business, providing business owners with an independent and unbiased opinion. Giving information about the level of efficiency of the organization's management [2].

Currently, the culture of corporate management has made it a requirement to apply environmental audit in large joint-stock companies, the purpose of which is to convey an impartial opinion to the public about the extent to which the given organization is While pursuing the economic interests of its business, And if it is recorded in the published conclusions that any organization bypasses the environmental norms and only strives for "its greatness" profit, then the latter's business authorship is questioned. thereby reducing the level of attractiveness of acquiring shares.

Currently, the audit of entrepreneurial quality is also widely used in practice, when the non-financial results of the organizations' activities are continuously monitored. It is especially manifested in the field of services, when independent evaluation institutions publish scientific conclusions about this or that organization (universities, tourism, financial intermediaries and companies of other sectors) about the activity and quality of service delivery [3].

Thus, a number of conclusions can be drawn from the analysis of the audit development history. First of all, auditing, due to its independence and professional potential, primarily creates an

atmosphere of trust in the business community. In addition, nowadays it is no longer considered as a mere control tool, as it provides more expert evaluations than performs control functions [4]. And, finally, as a result of the regulation of auditing activities according to the current international standards, uniform procedures have been introduced everywhere, thus making each audit conclusion acceptable to both the internal and external stakeholders.

Currently, the organization of internal and external audits of sustainable development in enterprises is becoming a problem, when the IFRS-S international standards already require organizations to disclose information related to sustainable development in published financial reports. Moreover, these problems are formed in two directions: internal and external audit. If the internal audit of sustainable development aims to assess the organization's resources for the organization of sustainable business in the visible future, then the external audit sets itself the task of identifying and presenting the risks and opportunities of sustainable development to the users of financial statements (see Figure 1).

Information on the financial performance of the reporting entity helps users to understand the balance created by the entity as a result of the use of its economic resources. The information on the structure formed by the organization shows, how well the management of the organization has fulfilled its responsibilities in using the resources of the reporting organization effectively and purposefully [5]. Information about the changes and components of that component is also important, especially when assessing the uncertainty of future cash flows.

Information about the reporting entity's past financial performance and how management has performed its responsibilities is usually useful in predicting the entity's future performance from economic resources.

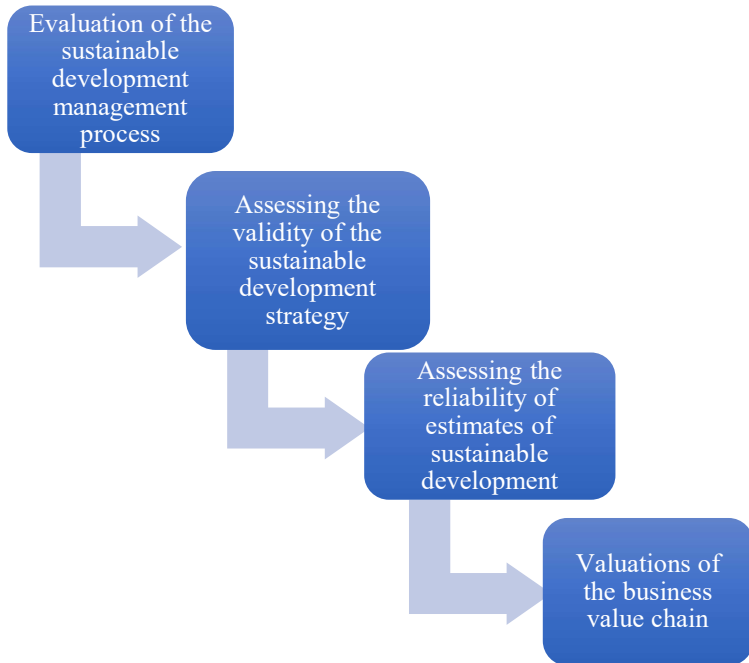


Figure 1. Priorities for conducting a sustainable development information auditing¹⁰

For sustainability-related financial information to be useful, it must be relevant and credible. The usefulness of sustainability-

¹⁰ Composed by author

related financial information is enhanced if the information is comparable, verifiable, relevant and understandable. These certainly increase the qualitative characteristics of useful financial information related to sustainability. However, in contrast to general purpose financial reporting standards, sustainable development standards require additional disclosures related to the management toolkit of sustainable business development, the sustainable development strategy adopted by the organization, the risks and opportunities of its implementation, as well as about the value chain of business, where the foundations of sustainable development are formed (Figure 1)

It is noteworthy, that the international standards for the preparation of sustainable development reports require the disclosure of management tools. Beneficiaries using information should understand how much the organization manages to make the process of sustainable development manageable, in what ways the process is monitored, what kind of management control and reporting measures are used.

The international standards of sustainable development reporting also emphasize the disclosure of the organization's sustainability strategy. The risks and opportunities that are formed during the implementation of the sustainable development strategy are especially highlighted [6].

In contrast to general purpose financial reports, which traditionally present information characterizing the internal situation of organizations, sustainable development standards require the disclosure of sustainable development outside the organization in other parts of the business value chain. The consequences of the acquisition, which arise as a result of changes in the economic management of the reporting organization. By

doing so, the beneficiaries are informed how much the reporting organization affects the sustainable development of other business organizations included in the business value chain.

Conclusion

Key points of accountability by sustainable development organizations are emphasized by international standards IFRS-S. Based on the requirements of the standards, the audit representing the credibility of the sustainable development reporting, such as:

- ✓ the management process, by which the audit is faced with the problem of assessing the effectiveness of the use of sustainable development management tools in the organization,
- ✓ the justification of the sustainable development strategy, by which the audit is faced with the problem of establishing the realism of the sustainable development strategy adopted by the organization.
- ✓ sustainable development risks and opportunities, by which the audit assesses the authenticity of sustainable development risks and opportunities presented in published financial statements
- ✓ the disclosures of the value chain of business, when the auditor's conclusion shows a reasonable opinion about the interrelationships occurring in the business chain of the organization.

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ԿԱՅՈՒՆ ԶԱՐԳԱՑՄԱՆ ԱՌԻԴԻՏԻ ԽՆԴԻՐՆԵՐԸ

Սահականուշ Ավետիսյան

Հայաստանի պետական տնտեսագիտական համալսարան
տ.գ.թ.

Բանալի բառեր - ֆինանսական հաշվետվությունների աուդիտ, ներքին աուդիտ, կայուն զարգացման ռիսկեր, ռազմավարական հնարավորություններ, IFRS-S ստանդարտներ

Ֆինանսական աուդիտն ավանդաբար համարվել է կազմակերպությունների կողմից հրատարակվող հաշվապահական հաշվետվությունների ճշմարիտ տեղեկատվության հավաստման գործիք: Սակայն, ներկայումս հաշվապահական հաշվետվություններում ներկայացնում են ոչ միայն ֆինանսական,

այլև կայուն զարգացմանն առնչվող տեղեկատվական բացահայտումներ, որոնք նույնպես աուդիտի կողմից հավաստության գնահատականներ են պահանջում: Հոդվածում ներկայացվում են կազմակերպությունների կայուն զարգացման տեղեկատվության աուդիտի իրականացման ուղղությունները և դրանց հետ կապված հիմնախնդիրները:

Աուդիտի կողմից կայուն զարգացմանն առնչվող տեղեկատվության հավաստիության առանցքային կետեր են համարվել.

- ✓ կառավարման գործընթացը, որով աուդիտի առջև խնդիր է ծագում գնահատելու կազմակերպությունում կայուն զարգացման կառավարչական գործիքակազմի կիրառման արդյունավետությունը,
- ✓ կայուն զարգացման ռազմավարության հիմնավորվածությունը, որով աուդիտի առջև խնդիր է ծագում հմնավորելու կազմակերպության կողմից որդեգրած կայուն զարգացման ռազմավարության իրատեսությունը
- ✓ կայուն զարգացման ռիսկերն ու հնարավորությունները, որով աուդիտը գնահատում է հրապարակվող ֆինանսական հաշվետվություններում ներկայացված կայուն զարգացման ռիսկերի և հնարավորությունների իսկությունը
- ✓ գործարարության արժեքային շղթայի բացահայտումները, երբ աուդիտորական եզրակացությունով ողջամիտ կարծիք է հայտնվում կազմակերպության բիզնես շղթայում տեղի ունեցող փոխկապակցվածությունների առնչությամբ:

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FINANCIAL INFORMATION ISSUES OF BUSINESS IMPACTS ON CLIMATE CHANGE

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Abstract: The impact of business on climate change has now become too risky. Emissions of greenhouse gases, indiscriminate processing of forest wood, the impact of unaccounted use of water and land resources on climate change, require business to publish special information, which is currently being regulated by international accounting standards (IFRS-S2).

In the article, the regulation of financial information flows of business impact on climate change is discussed. In particular, proposals are presented in the direction of publishing financial information on climate change risks and opportunities by organizations as a result of business. Is presented a methodology for scenario analysis of climate change as a result of business.

Keywords: business financial reporting, sustainable development, climate change risks and opportunities, business scenario analysis, value chain model

JEL code: M40

Research objectives: comment on the possibilities of including the results of business impact on climate change in the financial statements of organizations.

Research novelty: the directions of disclosure of the results of the impact of climate change in the financial statements of the organizations' activities were presented, simultaneously using value chain model.

Introduction

Business goals are presently not limited to financial results, but are also considered in terms of sustainable development opportunities [2]. The objectives of private interests and profits of entrepreneurs are already opposed to the public expectations of business, when the task is to prevent environmental risks formed as a result of business, to increase the efficiency of natural use, to prevent the negative impact of management on climate change [3]. In this regard, the problem is set to coordinate the information related to sustainable development, which will be included the reports published by the organizations. And since the potential of sustainable business development is characterized by non-financial and financial information, problems of presentation of the accountability format of sustainable business development information also arise in practice, which are waiting for their solutions [2].

Currently, the International Climate-Related Financial Reporting Standard S2 has been implemented [6], which sets clear

requirements for organizations to publish disclosures and opportunities for business impact on climate change.

Research results

Business stakeholders seek information from organizations on how economic activity affects climate change in order to make decisions about future collaboration with a concrete company (see Figure 1). Moreover, international financial reporting standards require organizations to present not only risks of impact on climate change, but also opportunities to mitigate them [4].

The objective of the International Standard on Climate-Related Financial Reporting S2 is to require an entity to disclose risks and opportunities, that can reasonably be expected to affect the entity's cash flows, its availability of financing or the formation of the value of capital in the short, medium and long term. at cut-off (IFRS-S2, article 2).

Furthermore, climate-related risks and opportunities that cannot reasonably be expected to affect the entity's prospects are outside the scope of the standard's requirements (IFRS-S2, article 4).

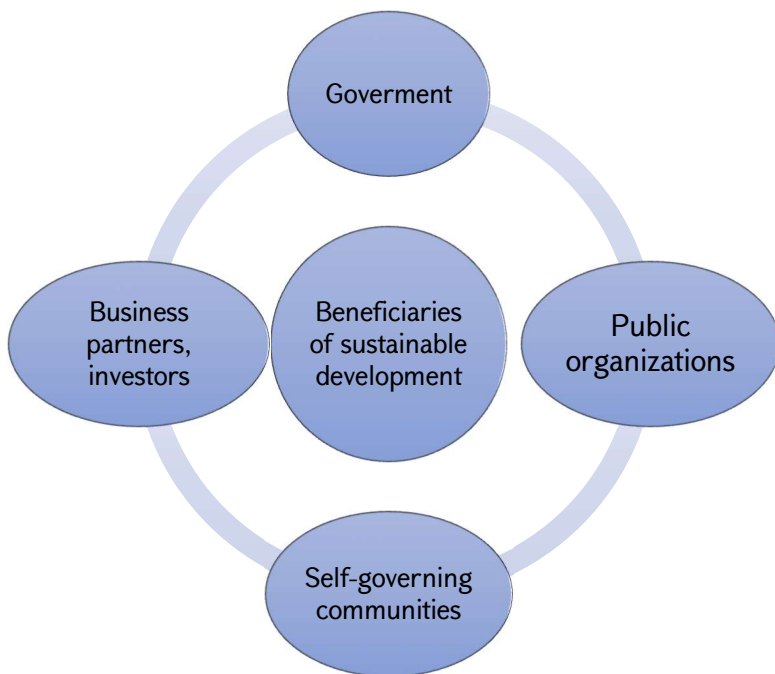


Figure 1. Stakeholder framework for business-induced climate change accountability

It is noteworthy, that the structure of the international S2 standard of "Climate-related" financial statements is consistent with the IFRS-S1 standard, and involves of "Management", "Strategy", "Risk Management", "Measurements and Targets" sections [5].

The purpose of climate-related financial **disclosures on management** is to enable users of financial statements to understand the management processes, controls and procedures an entity uses to monitor, manage and control climate-related risks

and opportunities (IFRS - S2, article 5). The commitment of climate-related financial disclosures on strategy is to enable users of financial statements to understand the organization's strategy for managing climate-related risks and opportunities.

In particular, the organization should:

a) describe climate-related risks and opportunities that will affect the organization's prospects;

(b) explain the nature of each climate-related risk, and clarify whether the entity considers the risk to be a physical climate-related risk or a climate-related transition risk;

(c) explain how the organization defines the "short-term", "medium-term" and "long-term" domains and how they are used by the entity to make strategic decisions (IFRS-S2, article 9).

Business model and value chain

An entity shall disclose information that enables general users to understand the current and expected climate-related risk impacts and opportunities on the applicable business model and value chain (IFRS-S2, article 13). At the same time, the standard proposes to apply a scenario analysis on the impact of the climate on the part of the organization with the existing risks, by which the business model will be subject to changes in the foreseeable future (IFRS-S2, point 22).

Case study [1]

Smelter company publishes financial reports for the year 2023, in which it also presents information related to climate change in

accordance with the requirements of the IFRS-S2 international standard.

The metal smelter emits greenhouse gases during technological processes, currently at an intensity of 60%. However, moving its activities to the field of sustainable development, it was aimed to reduce greenhouse gas emissions as much as possible and bring them to 0% intensity by 2030 (2023 - 60%, 2024 - 55%, 2025 - 40%). , 2026 - 30%, 2027 - 25%, 2028 - 15%, 2029 - 10%, 2030 - 0%). Moreover, for every 1% of emission intensity, the smelter company pays an environmental penalty of 0.5 million annually.

For this purpose, the metal smelter plans to purchase gas filtering equipment from the "Z" engineering factory at a cost of 360 million AMD and a useful life of 6 years.

If "Z" LLC uses "green energy" obtained from solar panels during the production of filters, the smelter is obliged to pay 6% more when purchasing air filters. Moreover, if foundry takes full advantage of the useful life of the air conditioners and continues to use "green energy", then the purchase of new air conditioners for the second time (in 2030) will already be carried out at the expense of the government grant.

Buyers of the finished products of the metal foundry are also on similar terms, and in their long-term purchase contracts, they specify a 2% increase in the sales price, if "green energy" is used during metal casting and greenhouse gas emissions are reduced by at least 5%, compared to the previous year.

Taking into account all this, the metal smelter plans to include in the value chain of its business model "X" LLC, which produces and services solar panels (see Figure 2), to which it will supply metal pillars on preferential terms, if "X" LLC will also cooperate with "Z" hardware factory.

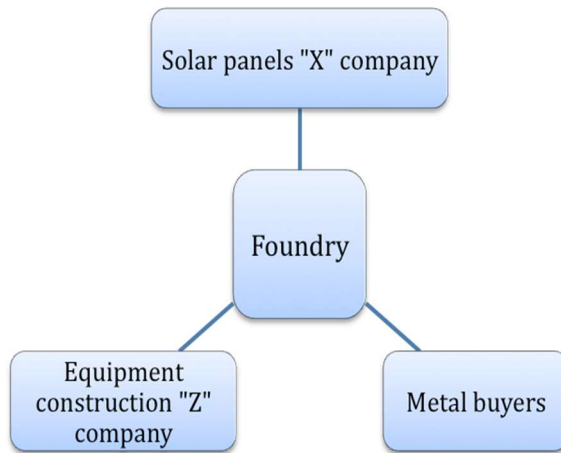


Figure 2. Shortened value chain of the business model of foundry

The financial results of foundry for 2023 are briefly presented as follows:

- income from sale:	300 million AMD
- cost of sale:	(200) million AMD
- taxable profit:	100 million AMD
- profit tax (18%)	(18) million AMD
- environmental fines:	(30) million AMD
- net profit:	52 million AMD

Scenario 1: – when "green energy" is not used in the business value chain.

Scenario 2: – when "green energy" is used in the business value chain.

For the two scenarios listed, the formation of the smelter's financial results in the short-term (2023-2025), medium-term and (2023-2028) long-term (after 2030) is presented in table 1 as an exposure to climate-related risks.

Financial disclosures with the requirements of IFRS-S2 standard

Foundry emits greenhouse gases into the atmosphere with its activities, paying environmental fines for it. Starting from 2024, the company adopts the path of sustainable development by installing air filters in metal casting technologies and using "green energy". Climate-related environmental risks are formed in the industry.

In particular, due to the amortization allocations for the operation of expensive air conditioners, the net profit of the company is sharply reduced (see table 1), which may partially affect the shareholders' investment intentions in the future. But on the other hand, when foundry considers its activity on climate change in the value chain of the business model, it becomes clear that if "green energy" is used in the partnership framework, then after 6 years there will be an opportunity to receive from the state a grant to purchase toxic waste gas filtration equipment, which will dramatically increase the company's net profit. According to the requirement of IFRS-S2, the smelter will include scenario interpretations of climate-related risks.

Table 1. The dynamics of financial results in case of "green energy" use scenarios (million AMD)
[1]

Indicators	2023	2024	2025	2026	2027	2028	2029	2030
First scenario								
Sales income	300	300	300	300	300	300	300	300
Cost of sales	(200)	(260)**	(260)	(260)	(260)	(260)	(260)	(260)
Profit before tax	100	40	40	40	40	40	40	40
Profit tax (18%)	(18)	(7,2)	(7,2)	(7,2)	(7,2)	(7,2)	(7,2)	(7,2)
Penalties	(30)**	(27,5)	(20)	(15)	(12,5)	(7,5)	(5)	0
Net profit	52	5,3	12,8	17,8	20,3	25,3	27,8	32,8
Second scenario								
Sales income	300	306	306	306	306	306	306	306
Cost of sales	(200)	(263,6)	(263,6)	(263,6)	(263,6)	(263,6)	(263,6)	(200)
Profit before tax	100	42,4	42,4	42,4	42,4	42,4	42,4	106
Profit tax (18%)	(18)	(7,6)	(7,6)	(7,6)	(7,6)	(7,6)	(7,6)	(19)
Environmental penalties	(30)**	(27,5)	(20)	(15)	(12,5)	(7,5)	(5)	0
Net profit	52	7,3	14,8	19,8	22,3	27,3	29,8	87

* $300 \times 1.02 = 306$, ** 60×0.5 , 55×0.5 etc., *** $200 + 360/6$, **** $200 + (360/6) \times 1.06$

Conclusion

Thus, it is no longer enough to present in the financial statements published by organizations what compensations are made when using natural resources or when polluting the environment as a result of business. Currently, there is a challenge for financial statements to interpret how business is affected by climate change, what opportunities the organization has to mitigate negative climate changes not only within itself, but also in the value of the business. And such information will become available to business partners if the organization organizes sustainable development accounting and presents scenario analyzes of changes in financial indicators caused by environmental activities.

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**ԿԼԻՄԱՅԻ ՓՈՓՈԽՄԱՆ ՎՐԱ ԳՈՐԾԱՐԱՐՈՒԹՅԱՆ
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ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ**

Նունե Սահակյան

Երևանի պետական համալսարան, տ.գ.թ.

Բանալի բառեր - գործարարության ֆինանսական հաշվետվություններ, կայուն զարգացում, կլիմայի փոփոխման ռիսկեր և հնարավորություններ, գործարարության սցենարային վերլուծություն, արժեշղթայի մոդել:

Գործարարության ազդեցությունը կլիմայի փոփոխության վրա ներկայումս դարձել է չափազանց ռիսկային: Զերմոցային գազերի արտանետումները, անտառափայտի անխա վերամշակումը, ջրային և հողային ռեսուրսների անհաշվենկատ օգտագործման ազդեցությունը կլիմայի փոփոխությունների վրա արձանագրելիս, գործարարության առջև պահանջ է դրվում հրապարակելու հատուկ տեղեկատվություն, որը հաշվապահական հաշվառման միջազգային ստանդարտներով (IFRS-S2) ներկայումս իր կարգավորումներն է ստանում:

Ձեռներեցների մասնավոր շահերի և գերշահույթների ձեռքբերումների նպատակադրումներն արդեն իսկ հակադրվում են գործարարության հանրային սպասումներին, երբ խնդիր է դրվում կանխարգելելու բիզնեսի հետևանքով ձևավորվող բնապահպանական ռիսկերը, բարձրացնելու բնօգտագործման արդյունավետությունը, կանխելու կլիմայի փոփոխության վրա տնտեսավարման բացասական ազդեցությունը: Այս առումով

խնդիր է դրվում համակարգելու կայուն զարգացմանն առնչվող տեղեկատվությունը, որն իրականացվելու է կազմակերպությունների կողմից հրապարակվող հաշվետվություններով: Իսկ քանի որ գործարարության կայուն զարգացման ներուժը բնութագրվում է ոչ ֆինանսական և ֆինանսական տեղեկատվությամբ, ապա գործնականում առաջանում են նաև բիզնեսի կայուն զարգացման տեղեկատվության հաշվետվողականության ձևաչափի ներկայացման հիմնախնդիրներ, որոնք իրենց լուծումներին են սպասում:

Ներկայումս, գործողության մեջ է դրվել «Կլիմային առնչվող» ֆինանսական հաշվետվությունների միջազգային S2 ստանդարտը, որով կազմակերպությունների առջև հստակ պահանջներ են դրվում կլիմայի փոփոխության վրա գործարարության ազդեցության բացահայտումների և հնարավորությունների հրատարակման գծով: Ստանդարտում ընդգծվում է կլիմայի փոփոխման վրա գործարարության ազդեցության սցենարային վերլուծությունների անհրաժեշտության մասին, որոնց արդյունքները կազմակերպությունները ներկայացնում են իրենց ֆինանսական հաշվետվություններում:

Հոգվածում, իրենց մեկնաբանություններն են ստանում կլիմայի փոփոխման վրա գործարարության ազդեցության ֆինանսական տեղեկատվական հոսքերի կարգավորումները: Մասնավորապես, ներկայացվում են առաջարկներ՝ կազմակերպությունների կողմից գործարարության արդյունքում կլիմայի փոփոխման ռիսկերի և հնարավորությունների ֆինանսական տեղեկատվության հրապարակման ուղղություններով: Ներկայացված է գործարարության արդյունքում կլիմայի փոփոխության սցենարային վերլուծության մեթոդաբանություն:

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THE ISSUES OF HIGHER EDUCATION FINANCING MANAGEMENT IN THE RUSSIAN FEDERATION

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Abstract: The article analyzed the higher education financing system of the Russian Federation and highlighted the issues that limit the management and financing of higher education, strengthening and development, improving the quality of education and increasing the efficiency, competitiveness, financing and transparency of the higher education system in the Russian Federation.

The study of the higher education management financing system in the Russian Federation shows that education financing has gaps and does not correspond to the current realities, so it is urgent to review the management of these problems. Although the Russian Federation joined the Bologna process in 2003 and is trying to transition to the new model, the problems revealed by this research reflect that there are still a number of obstacles in the management organization and implementation of higher education in the Russian Federation.

It is recommended to use the application tool of financing university activities through the endowment, when with the investments of philanthropists and successful graduates, they create targeted funds that are handed over to trust management.

Keywords: higher education, financing of higher education, educational fee, education reform

JEL Code: G28

Research objectives: to analyze the management framework of funding of higher professional educational services in the Russian Federation and to present development proposals

Research novelty: a number of obstacles in the management of the financing of the educational system of the Russian Federation were identified and relevant recommendations for improvement were made in the field of endowment implementation.

Introduction

To date, the law regulating the federal norms defining the financing of educational institutions has not been adopted in the Russian Federation, which greatly complicates the relationship between the founder and the higher educational institution [4]. Emphasizing the measures aimed at the financing system of higher education management in the Russian Federation, the purpose of this article is to examine the field of management and financing of higher education in the Russian Federation and to bring out the problems in it.

The object of the research is the legislative field of higher education financing of the Russian Federation, and the subject is the study of the latter and the impact of existing problems on the operation of the higher education system of the Russian Federation. Therefore, the search for alternative ways of financing higher education and the assessment of the possibilities of applying international best practices in this direction are considered relevant

Research results

Since the 50s of the previous century, stable systems of secondary, middle and higher education have been operating in the Russian Federation. Beginning in the 1960s, education management professionals turned their attention to the Soviet system of education. In the 1980s and 1990s, serious reforms were implemented in the field of education, which were required by the new socio-economic and political systems of the Russian Federation [2]. This implied the formation of a standardized and unified educational system. In particular:

1. differentiated network of educational institutions, free choice of educational programs and professions,

2. division of the education system between different municipal regions,

3. support to the national school, ensuring development and at the same time development of the general educational area, which gave the student the opportunity to continue his studies in another educational institution located in the territory of the Russian Federation.

In recent years, the number of state-funded and private universities in the Russian Federation has been distributed almost equally (see table 1).

Table 1. The number of universities in Russia

Academic years	2016/17	2017/18	2018/19	2019/20	2020/21
Total number of universities	1090	1108	1134	1114	1115
including					
state and community	660	658	660	662	653
non-public (private)	430	450	474	452	462

According to experts, in order to improve the efficiency of financing, it is necessary to ensure the economic independence of universities, create the necessary conditions for the competitiveness of universities and implement regulated financing [3]. The Law of the Russian Federation "On Education" (1992) was designed to ensure the economic independence of all educational institutions. Educational institutions were forbidden to take loans, and extra-budgetary funds were considered non-tax revenues of the budget system. All this ensured the free management of budgetary and extra-budgetary funds. In practice, universities were given considerable freedom to manage extrabudgetary funds. In 2006, according to the federal law, a new type of institution was formed: autonomous institutions. The latter had to be financed on the basis of a subsidy (endowment), could open accounts in credit organizations and receive loans. By the beginning of 2012, about 0.35% of educational institutions became autonomous.

The main sources of funding for public educational institutions are federal and local budgets. Non-public educational institutions may access these sources after state accreditation. State educational institutions have the right to use other sources of funding, including:

- ✓ income from additional educational programs provided (additional educational programs, special courses, educational programs not included in the main educational programs),
- ✓ money received from education fees,
- ✓ income from economic activity (purchase and sale of goods and equipment, provision of intermediary services).

Educational institutions are financed at the expense of the founder(s). For example, the Ministry of Health finances medical educational institutions, the Ministry of Education finances ninety pedagogical universities, eighty-eight colleges, two hundred and seventy professional educational institutions.

The main principles of financing the university's activities are defined in the Law of the Russian Federation on "Higher and Post-University Professional Education". In particular, Article 28 of the law defines the procedure for financing the educational activities of state universities. It is established that the financing of educational activities carried out by state universities is carried out at the expense of the federal budget. This, in turn, is carried out by the federal governing body of higher education or the executive authority, depending on who the university is under. It should be noted that this norm does not unequivocally indicate from which budget (federal or any subject of the Russian Federation) the university is financed [5].

Article 41 of the same law states that the activity of the educational institution is financed by its founder, according to the contract signed between them. The founders of state universities are the Government of the Russian Federation in the form of the Federal (Central) Education Management Authority. The above funding is subject to the availability of a state order for vocational training and training offered by the state. Implementation of the state order by the university is a necessary condition for funding. At the same time, the amount of university funding depends not only on the volumes of the state order for professional training and training, but also on the norms of university funding.

It is clear from Article 28 of the law that the financing of the university is carried out according to the state and local financing norms, in the amount determined for one student.

Funding levels for educational institutions are established based on federal and local norms, with a set amount per student. The amount of federal funding is established each year by federal law in conjunction with the adoption of the state budget for the coming year. The amount of financing of private educational institutions cannot be lower than the norm established for state educational institutions [4]. The state funding norm (standard) consists of the federal funding norm and the regional funding norm. Federal funding regulations are enacted annually by federal law along with the following year's budget law. However, to date, the law regulating the federal norms defining the financing of educational institutions has not been adopted in the Russian Federation, which greatly complicates the relationship between the founder and the higher

educational institution. Regional funding norms are established by the authorities of the Russian Federation in accordance with the law.

Local funding norms are set by self-government bodies. The university that exceeds the state funding norm, the Law on "Higher and Post-University Professional Education" stipulates that additional funding is carried out at the expense of the local budget. According to the law, universities have the right to request and receive funding necessary for educational activities from the federal budget or from the budget of the relevant subject of the Russian Federation, in exchange for a state order implemented by the state. At the same time, no less than 170 students per 10,000 inhabitants should study in state universities at the expense of the federal budget. Unfortunately, it should be noted that the law in this regard is not applied today.

The state controls the activity of the educational system in Russia at three levels: federal, regional and municipal. Federal budget expenditures on education have also increased significantly (see table 1).

**Table 1. Funds allocated to education from the federal budget
(thousands of rubles)**

Items	2019	2020	2021
professional preparation, training and upgrading of qualifications	6407 546,90	6437 240,10	6469 233,90
higher and post-graduate professional education	477 238 473,70	484 106 114,10	513 536 938,00

applied research in the field of education	12 521 722,20	9426 335, 00	9824 604,70
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Funds allocated to education from the federal budget are not enough to cover the entire cost-effectiveness of universities. Gaps and issues still to be resolved:

- ✓ inadequacy of education to the modern world
- ✓ improper scope and efficiency of financial management of the educational system
- ✓ problems of integration into the European higher education area,
- ✓ lack of alternative funding sources.

Conclusion

Thus, summarizing the analysis of the higher education financing management system in the Russian Federation, it can be concluded that the gaps in the current legislation hinder the effective management of the higher education financing system, which in turn causes a number of obstacles to the effective management of higher education. According to the results of the study, the concepts related to the financing of education in the existing laws are outdated and do not correspond to the current realities, therefore it is urgent to revise these concepts.

In addition to the above, according to the current law, higher education financing processes in the Russian Federation are limited, measures aimed at the internationalization of higher education are affected. In general, the mentioned legislative problems hinder the

easy integration of higher education management, bringing up a number of obstacles in the management process.

We highlight the use of the practical instrument of financing university activities through the endowment, which has a history of several hundred years. Universities, with contributions from philanthropists and successful alumni, create trust funds that are placed in trust management. With the invested money, assets with a stable yield are acquired, the interest of which is directed only to financing the activities of universities [6]. It turns out that, by implementing an endowment at the initiative of universities, long-term use capital is formed, the principal amount of which is constantly growing at the expense of donations, and the interest income is provided to universities. Moreover, the universities themselves make partial deductions from that capital, from the sale of the scientific research results they have already implemented.

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ԲԱՐՁՐԱԳԱՆ ԿՐԹՈՒԹՅԱՆ ՖԻՆԱՆՍԱՎՈՐՄԱՆ ԿԱՌԱՎԱՐՄԱՆ ԽՆԴԻՐՆԵՐԸ ՌՈՒՍԱՍՏԱՆԻ ԴԱՇՆՈՒԹՅՈՒՆՈՒՄ

Լիանա Օսիպյան

Հայաստանի եվրոպական համալսարան, հայցորդ

Բանալի բառեր - բարձրագույն կրթություն, բարձրագույն կրթության ֆինանսավորում, վարձավճար, կրթական բարեփոխումներ

Հոդվածում վերլուծվել է Ռուսաստանի Դաշնության բարձրագույն կրթության ֆինանսավորման համակարգը և վեր են հանվել այն հիմնախնդիրները, որոնք սահմանափակում են բարձրագույն կրթության կառավարումը և ֆինանսավորումը, ամրապնդումը և զարգացումը, կրթության որակի բարելավումը ու բարձրագույն կրթության համակարգի արդյունավետության, մրցունակության, ֆինանսավորման ու թափանցիկության բարձրացումը Ռուսաստանի Դաշնությունում:

Բարձրագույն կրթության կառավարման ֆինանսավորման համակարգի ուսումնասիրությունը Ռուսաստանի Դաշնությունում ցույց է տալիս, որ կրթության ֆինանսավորումն ունի

բացթողումներ և չի համապատասխանում ներկայիս իրողություններին, ուստի հրատապ է այդ խնդիրների կառավարման վերանայումը: Թեև Ռուսաստանի Դաշնությունը Բոլոնիայի գործընթացին միացել է 2003 թվականին և փորձում է անցում կատարել նոր մոդելին, սակայն սույն հետազոտության արդյունքում բացահայտված խնդիրներն արտացոլում են, որ Ռուսաստանի Դաշնությունում բարձրագույն կրթության կառավարման ֆինանսավորման համակարգում առկա են դեռևս կառավարման կազմակերպման և իրականացման մի շարք խոչընդոտներ:

Առաջարկվում է համալսարանական գործունեության ֆինանսավորման կիրառական գործիքի կիրառումն **ինդուամենթի** միջոցով, երբ բարերարների և հաջողակ շրջանավարտների ներդրումներով, ստեղծում են նպատակային ֆոնդեր, որոնք հանձնվում են հավատարմային կառավարման: Ներդրված գումարներով ձեռք են բերվում կայուն եկամտաբերությամբ ակտիվներ, որոնց տոկոսներն ուղղվում են միմիայն բուհերի գործունեության ֆինանսավորմանը: Ստացվում է այնպես, որ, համալսարանների նախաձեռնությամբ իրականացնելով ինդուամենթ, ձևավորվում է երկարաժամկետ օգտագործման կապիտալ, որի մայր գումարն անընդհատ աճում է նվիրատվությունների հաշվին, իսկ տոկոսային եկամուտը տրամադրվում է բուհերին: Ընդ որում, բուհերն անգամ իրենք են այդ կապիտալին մասհանումներ կատարում՝ իրենց կողմից արդեն իսկ իրականացված գիտահետազոտական արդյունքների վաճառահանումից:

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TAX SHELTERS AND THE ECONOMIC SECURITY OF COUNTRIES

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Abstract: Globally, tax havens have become a global phenomenon related to tax evasion, tax fraud and money laundering. The article analyzed their scope and assessed the economic and social consequences in the global society, global economy, international and national tax systems. Many analyzes of the current situation and recorded cases show that tax havens threaten the sustainable development of the world economy, causing negative consequences of a global economic, social, security and humanitarian nature. The fight against tax evasion, fraud and evasion through tax havens needs to be stronger and more effective worldwide.

Keywords: offshore, economy, taxes, competition, tax haven, tax evasion

JEL code: F23

Research aim: analyze the positive and negative aspects of the operation of tax havens and evaluate their impact on the macroeconomic impact

Research novelty: the spheres of influence of the activities of tax havens on the macroeconomic environment were assessed and the ways of preventing risks arising from tax shelters were interpreted.

Introduction

Although there is no universally agreed definition of what a tax haven is, it usually refers to a country or jurisdiction that allows multinational corporations and individuals to avoid the rule of law in the countries, where they operate and live and pay less tax than they should.

The term "tax haven" refers to countries (territories) where minimal or zero taxes are applied. These are countries with non-standard, very beneficial tax regimes aimed at attracting foreign capital to their territory.

Tax havens are attracting more and more attention from countries today due to the large scale of the phenomenon. Although reliable data on tax havens is still difficult to obtain, quarterly statistics from the Bank for International Settlements (BIS) showed, that since the early 1980s, about half of international banking assets and liabilities have been transferred through offshore financial centers. About a third of foreign direct investment (FDI) by all multinational corporations goes through tax havens. Estimates of gross tax avoidance through tax havens are difficult to ascertain. Individual tax evasion is estimated at between \$800 billion and \$1

trillion annually. Tax havens are also used as a major route through which laundered money escapes from developing countries.

Research results

Globalization significantly affects all current processes of the world economy, while its positive and negative consequences can be observed in the entire society. Gabriel Zukman focused on the tax havens of the world [1] accordingly maintained, that tax havens are used for various purposes, namely to achieve tax savings, exploit anonymity, protect assets and hide wealth. Tax savings may suggest tax evasion. Many authors have defined tax evasion as the reduction of taxes, which is a criminal offense. However, tax evasion is frowned upon by progressive tax jurisdictions. The series of transactions in which the tax legislation is abused leads to an unacceptable level of tax evasion. According to Graham and Tucker, many tax law provisions encourage or discourage companies from making certain decisions [2]. But some disproportionate incentives, such as direct support, are akin to tax evasion. According to Ozil, the factors that encourage tax evasion are high tax rates, weak tax enforcement strategies, inaccurate tax data/records, and corruption [3].

The economic literature notes a number of positive aspects related to tax havens. In principle, tax havens can have a positive effect on the prosperity of both non-tax haven and tax haven countries. The economic literature mainly mentions effects that only targeted the prosperity of tax havens.

1. Beneficial tax competition Some commentators argue, that the political system has an underlying tendency to set the level of

taxation too high. This view stems from the idea that politicians are not only concerned with serving the wishes of voters, but that they have a vested interest in high tax rates. Such private motivations may be a desire for power, reinforced by a large public sector. In such circumstances, tax havens with low or no taxes can help keep taxes low in other countries. This is because other countries will lose part of their tax base to tax havens if they set too high a tax rate. In other words, tax havens discipline politicians so that they do not raise taxes above the level desired by voters.

2. Increasing investment in high-tax countries Tax havens can help increase activity in high-tax countries. This argument is advanced by Foley and Hines [4]. They note, that tax havens can positively contribute to higher levels of investment if investors can shift taxable profits from a high-tax country to a tax haven. This will increase the effective return on investment in high tax countries and thereby make them more attractive for further investment. Alternatively, the use of tax havens can be a source of tax incentives that will also reduce the effective tax rate of investments in high-tax countries.

Foley's analysis is based on the assumption, that an investor can make real investments in tax havens at the real level of activity. In fact, foreigners benefiting from the preferential tax regime are not allowed to invest locally, have local employees or use the country's currency [5].

3. Economic development in tax havens. Dhamika and Hines study which countries are becoming tax havens [6]. They find, that these countries often exhibit political stability, a well-functioning legal system, a democratic form of government, little corruption,

and a relatively well-qualified bureaucracy. One reason countries become tax havens may be that low taxes are not the only important attraction for mobile capital. Institutional conditions that ensure the safety of investments and the implementation of financial transactions can also be important. The study shows that tax havens are well organized and that competition for capital exacerbates the demands for institutional quality and good policy. Since institutional quality is an important factor in economic expansion, competition for capital among tax havens helps to improve their growth prospects.

Wide use of tax havens can have both positive and negative effects on countries' economies. Their negative effects on economies are as follows:

1. Damage to tax competition. Economic integration has made it easier to avoid taxation in one country by moving movable taxable objects to other countries. In particular, increased capital mobility has enabled countries to attract capital by offering favorable tax conditions. The welfare economics perspective suggests that when countries compete to attract taxable facilities, taxes will be set too low because each country will not take into account the fact that they hurt other nations. Tax havens have contributed to increased tax competition by offering secrecy rules and fictitious domiciles combined with "zero tax" regimes. This is not tax competition in the normal sense, as low taxes are combined with legal structures that are a major encroachment on the sovereignty of other countries.

The degree of "harmful" tax competition largely depends on the mobility of the tax base. It is commonly assumed that people, for example, are less mobile than capital, and that tax competition

presents a correspondingly greater problem for capital taxation. Governments can fundamentally reduce the competition problem associated with capital taxation by reserving the right to tax capital gains to the country where the owner of the capital is located, rather than to the country where the capital is invested (the source country). Most OECD members have accordingly chosen to apply the domestic principle to taxation, which means that taxpayers are subject to taxation in their country of residence on all their income, regardless of where it is earned.

Tax competition makes the national tax base more sensitive. Some fear that tax competition will lead to a "race to the bottom," where tax rates become so low that countries with large public sectors must make drastic cuts to their welfare systems. However, the impact of tax competition on the overall level of taxation is more limited than assumed. In general, tax competition has led to higher taxes on immovable property and lower rates on movable properties.

Changing the composition of the tax base has two secondary effects. First, it affects the way the tax burden is distributed among different groups in society, such as capital owners and wage earners. Taken in isolation, a reduction in the capital tax means that owners of capital pay a relatively smaller share of total taxes, while wage earners pay a higher share.

Second, a change in the tax structure may cause an increase in the social costs of taxation if reduced capital taxes are offset by higher taxes on other parts of the base. In that context, it is important to emphasize that a significant understanding of economic research is that taxes direct the allocation of resources

by both firms and employees away from the social optimum. A tax can have an effect on earned income, for example, it can induce wage earners to want to work less than they would without the tax, implying a loss of efficiency relative to a position where the income earned is not taxed. The effect on labor supply and hence the efficiency loss from taxing earned income will generally increase with the tax rate. Furthermore, it is the case that the impact on resource allocation and hence economic efficiency differs between different tax types. Tax havens increase the loss of tax efficiency by reducing the tax base and thereby encouraging higher taxes for the rest of the base. It should also be emphasized that competition for capital from tax havens is particularly harmful due to the practice of secrecy by tax havens, which hinders the ability of other countries to access information and thus causes additional harm.

2. Inefficient allocation of investments. To maximize contribution to value creation, investment should be made where it yields the highest pre-tax return, in other words, where the socio-economic return is best. Ideally, the tax system should be designed to match private and socio-economic investment decisions. This will result in maximum possible value creation. However, taxes do affect investor behavior. The greater the difference between private and socio-economic incomes, the more inefficient the tax system will be on the economy.

Tax havens can change investor behavior and thereby widen the gap between socioeconomic and private income. This is because the return on some investments can be enhanced by targeting them with tax breaks. The existence of such powers and low/nil tax can mean that investments that would not have been made if they were

taxed under normal rules are made anyway. This reduces the socio-economic return on investment actually made, so that tax breaks have reduced the overall value creation for society.

3. Secrecy Implications rules mean, that tax havens can easily become transient places where investors achieve anonymity from their home country's tax authorities and potential creditors. The effect of such rules on other countries is that the costs of committing economic crimes are reduced because both the criminal activity and the proceeds of it can be hidden. Moreover, the tax base has become more sensitive to tax changes.

In fact, jurisdictions where there is no real activity and where technology is provided to promote transfer pricing and tax avoidance offer investors "weapons" to avoid taxes in their country of residence. This is not good for the global economy because it has no other effect than to harm national and international prosperity while infringing on national rights to the tax base. Creating "safe houses" to hide criminal activity is not an acceptable competitive setting.

From the above, we can conclude that the positive effects of the mentioned tax havens are in no way sufficient to compensate for the identified harmful effects. In fact, the position is that the positive impact of tax havens is largely limited to these jurisdictions and therefore has no positive contribution from an overall perspective. We can therefore conclude that tax havens harm other countries because they weaken the capacity of tax systems to generate tax revenue and encourage transfer pricing, economic crime and, in general, transfers of income from high-tax countries to low-tax countries.

Based on the amount of wealth hidden offshore, the authors estimate the associated tax revenue losses. The results show that the EU lost around €13 billion in capital gains tax, €7 billion in wealth-related taxes and €103 billion in personal income tax in 2018, assuming that the initial income that makes up today's offshore wealth was also not taxed [7].

In professional literature is presents the results of research that looked at tax havens around the world and their role in widening inequalities [8]. His sharp criticism is mainly Switzerland, which hides more than 1/3 of the world's wealth. The analysis of tax havens is based on data from central banks in different countries, comparing the financial liabilities of banks with financial assets, and the difference between them is hidden in different ways in tax havens, in particular Luxembourg, the Cayman Islands and Ireland.

Table 1. The world's offshore financial wealth [10]

	Offshore wealth (\$billion)	Share of financial wealth held offshore (\$billion)	Tax revenue loss (\$billion)
Europe	2,600	10 %	75
USA	1,200	4 %	36
Asia	1,300	4 %	35
Latin America	700	22%	21
Africa	500	30 %	15
Canada	300	9 %	6
Russia	200	50%	1
Total	7,600	8,0 %	190

Since 2014, a huge number of documents have revealed how powerful corporations and super-rich individuals exploit a rigged

global system that allows them to avoid paying their fair share of taxes. And the world's poorest people are paying the price.

Yet the gap between the rich and the poor widens, with wealth at the top growing massively while the total wealth belonging to those at the bottom shrinks. Since 2015, the richest 1% have owned more wealth than the rest of the world combined. Such extreme economic inequality is fueled by an epidemic of tax evasion that has reached unprecedented proportions. While millions of people around the world live in poverty, wealthy individuals and companies continue to evade their taxes through the secrecy of tax havens, depriving the poorest countries of the ability to provide vital services.

Africa alone loses \$14 billion in tax revenue due to the super-rich using tax havens. This is enough money to save the lives of 4 million children and employ enough teachers to teach every African child in school [9].

Conclusion

However, it is not at all negative, that countries choose their tax rates and we are not against low taxes, but the problem here is that the competition between high and low tax countries is not on a level playing field. The fact, that very limited real economic activity is carried out by companies in tax havens, which are offered zero or very low tax rates, further supports this view. Tax havens serve as transit locations for capital, rather than locations that provide a stable basis for value creation and where capital is truly invested locally.

Previously, offshore companies served only to carry out such activities as construction, trade, etc. Now offshore is a way of

implementing investment projects and other important operations, it attracts the attention of buyers, legally avoids taxes, etc.

The initiatives and measures taken so far by the OECD and other international institutions and economic integration clusters are numerous, but not yet effective. Therefore, the fight against tax havens should be stronger and more effective for all competent professionals and politicians at the international and national levels. However, the experience of years shows, that it is not possible to completely eliminate the existence of offshores, because each country pursues certain self-interested considerations from the given sphere.

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ՀԱՐԿԱՅԻՆ ՀԱՆԳՐՎԱՆՆԵՐԸ ԵՎ ԵՐԿՐՆԵՐԻ ՏՆՏԵՍԱԿԱՆ ԱՆՎՏԱՆԳՈՒԹՅՈՒՆԸ

Աննա Փախյան

Հայաստանի պետական տնտեսագիտական համալսարան
տ.գ.թ., դոցենտ

Վիգեն Բողոյան

Հայաստանի պետական տնտեսագիտական համալսարան
ասպիրանտ

Բանալի բառեր - օֆշոր, տնտեսություն, հարկեր, մրցակցություն, հարկային հանգրվան, հարկերից խուսափում

Աշխարհում հարկային հանգրվանները դարձել են գլոբալ երևույթ՝ կապված հարկերից խուսափելու, հարկային խարդախությունների և փողերի լվացման հետ: Հոդվածում վերլուծվել է դրանց շրջանակը և գնահատվել տնտեսական ու սոցիալական հետևանքները հասարակության, համաշխարհային տնտեսության, միջազգային և ազգային հարկային համակարգերում: Ներկայիս իրավիճակի բազմաթիվ վերլուծություններ և արձանագրված դեպքեր ցույց են տալիս, որ հարկային հանգրվանները սպառնում են համաշխարհային տնտեսության կայուն զարգացմանը՝ առաջացնելով համաշխարհային մասշտաբի տնտեսական, սոցիալական, անվտանգության և հումանիտար բնույթի բացասական հետևանքներ: Հարկային հանգրվանների միջոցով հարկերից խուսափելու, հարկային խարդախությունների և խուսափելու դեմ պայքարը պետք է ավելի ուժեղ և արդյունավետ լինի ամբողջ աշխարհում:

Այսօր հարկային հանգրվանները դարձել են համաշխարհային տնտեսական համակարգի, այդ թվում, բարձր զարգացած երկրների ազգային տնտեսությունների անբաժանելի մասը:

Ուսումնասիրության հիման վրա կարող ենք եզրակացնել, որ այս տարածքները կշարունակեն զարգանալ մշտական քաղաքական եւ տնտեսական ճնշման պայմաններում, քանի որ նրանք պահանջարկ ունեն եւ հաճախորդներ ունեն, այդ թվում նաև նրանք, ովքեր պայքարում են նրանց դեմ, չնայած ֆինանսական համակարգի անկայունությանը, ֆինանսական ճգնաժամին, միջազգային համագործակցությանը:

Գործնականում բոլոր հարկային հանգրվաններն ունեն երկակի հարկային համակարգ՝ չափազանց բարենպաստ դրույքաչափերով օտարերկրացիների համար և ավելի նորմալ դրույքաչափերով՝ ռեզիդենտների համար: Բացի այդ, հարկային հանգրվանները միավորում են ցածր կամ զրոյական հարկերն իրավական կառույցների հետ, որոնք խոչընդոտում են այլ երկրների տեղեկատվության հասանելիությանը, և որոնք խզում են իրական սեփականության հետ կապը՝ միաժամանակ ապահովելով անանունություն, որը նպաստում է բնակության երկրում հարկերից խուսափելուն:

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STRATEGIC DIRECTIONS OF EFFICIENT TAX ADMINISTRATION DEVELOPMENT IN RA

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Abstract: In the Republic of Armenia, although the problems of improving the tax system, increasing competitiveness, improving the business environment of the national economy, and ensuring the necessary tax revenues for the state budget have always been solved with separate legislative amendments, nevertheless, the current trends in the development of the world economy, new challenges, regional developments and ongoing within the framework of economic unions integration processes have created an objective need to re-regulate tax relations. In the modern market economy, the tax policy of the state is oriented towards high-quality and competent tax administration, which significantly depends on the efficiency of the tax system. The article focused on the need for methodological reinterpretation of the theoretical problems of tax administration and tax administration was considered as a part of the management of the relations established between taxpayers and the tax authority.

Keywords: tax system, state budget, tax revenues, tax policy, tax administration, market economy, tax discipline

JEL code: P43

Research aims: based on the video-methodical analyzes of the tax administration in RA, to present the administration aimed at ensuring full and timely fulfillment of tax obligations by taxpayers, combating tax offenses, reducing the shadow economy and increasing tax discipline, main characteristics.

Research novelty: is expressed in the methodical justification of the modern directions of tax administration, the increasing role of the adjustment of the competitiveness of the RA tax system within the framework of its improvement strategy.

Introduction

The tax system of each state expresses the features of economic development, and the main lever for the implementation of tax policy is tax administration, which is a dynamically developing system that manages and regulates tax relations in the market economy and coordinates the work of tax authorities. In the conditions of market relations, the main task of tax administration is to promptly regulate various changes in economic and political relations. Since one of the preconditions for the development of the RA economy is to increase the efficiency of tax administration through legal regulation and changes in tax legislation, therefore, if any of the mentioned principles deviates from its essence, then informal relations arise. shadow economy and bureaucratic risks, which contribute to the decrease in the efficiency of tax administration, the disruption of tax system management. It is true that there is no systemic corruption in the RA tax system, but there are still corruption risks, misinterpretation of laws and omissions that prevent the desired level of effective tax policy. Consequently,

in order to increase the efficiency of tax administration, it is necessary to create a mutually beneficial cooperation aimed at the management of the tax system, the registration and accounting of taxpayers, the prevention of artificial bankruptcy of economic entities, as well as the increase of the efficiency of the RA tax authority.

Research results

Tax policy is the main guarantee of high economic growth and macroeconomic balance, stabilization and progress of the economy, that is, there is a direct connection between the tax system and the level of economic development. Ultimately, the tax policy can be considered effective if it contributes to the activation of investment activities and the increase of employment, is applied with liberal tax approaches and through strict tax administration, equal competitive conditions are created for all economic entities, based on the approach according to which: Taxes can be compared to a medicine, the therapeutic properties of which are manifested only in the case of its intelligent dosage" [3]. There are various definitions of tax administration in the scientific literature. Tax administration acts as a process of tax collection and distribution by tax authorities in the state administration system [4]. From another point of view, tax administration is considered as a state policy management system, which includes the principles of tax revenue forecasting, tax rate optimization and tax potential identification [5]. Therefore, the main goal of tax administration is the collection of maximum tax revenues in the state budget by tax officials. Tax administration can also be considered as a management system of

tax relations, the main goal of which is the development of new forms of tax accounting and control in those relations [6]. In that sense, tax administration is formal, purely administrative in management theory. is a set of imperative forms and methods [7]. In other words, tax administration can be defined as the consolidation of certain functions of tax authorities and the relationships formed between the participants of tax relations (tax authorities and taxpayers) within the framework of tax legislation in the tax system in the country [2]. This circumstance determines the necessity and relevance of the systematic theoretical analysis of the factors affecting the financial management priorities of the RA tax system in the context of the economic development of our country. Tax administration is carried out within the limits of its functions and powers, which are defined by the tax legislation. so tax administration is a set of activities carried out by the authorized body of the RA (state administration or local self-government body performing administration or control), on the basis of the tax code and other legal acts, which is aimed at ensuring the widespread and correct application of legal acts regulating tax relations [1] (the tax authority implementation of problems). In other words, it is practically the full implementation of the provisions of the tax law. The tax administration of Armenia is based on the principles of taxation accepted in modern world practice, the organizational foundations of the structure of the tax system and the types of taxes used.

At the current stage of tax reforms implemented in RA, the increase in business activity and the legal protection of taxpayers is also due to the increase in the efficiency of tax administration, as a

result of which such negative phenomena for the economy of RA have been significantly reduced, such as double bookkeeping by business entities, under-declared tax revenues and shady dealings, administrative and corruption risks, undocumented goods circulation, the number of unregistered workers, etc. One of the most important results of the economic reforms is the significant increase in the income level of the RA state budget (see Figure 1) [9].

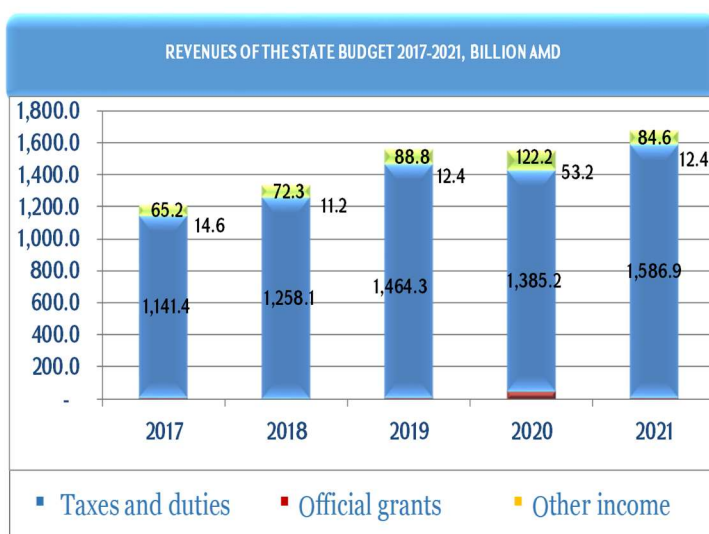


Figure 1. Revenues of the RA state budget in 2017-2021

At the same time, the implementation of tax reforms in RA fully demonstrated the relevance and relevance of the issues of further development of the tax administration system, as a result of which the reduction of the tax burden should be accompanied by an increase in the general level of tax administration. However, today it does not completely satisfy neither the state nor the

taxpayers. The situation is unacceptable for the state, when there are still many cases of tax evasion by taxpayers, for which they use more complex economic and modern technical schemes. And taxpayers generally complain not so much about tax rates, but about the applied tax administration. For example, the taxpayer in the countries of the European Union, the USA, and Japan is more demanding towards the tax authority [10], than in newly adopted post-Soviet countries, including Armenia. There is another important difference, according to which, if in Armenia the main expectations from the point of view of ensuring the revenues of the state budget are from the big business sector, then in developed countries the main taxpayer is the small and medium business, moreover, the middle class, which is still at the stage of formation in our country. In this regard, it is appropriate to conclude that the liberalization of the economy is one problem, its impact on social development is another. Thus, the social factor of development is a matter of serious concern in our country. That is why even the economic growth expressed in two-digit numbers still does not have its tangible impact on the improvement of the standard of living of the national population. according to which, if in Armenia the main expectations from the point of view of ensuring the revenues of the state budget are from the big business sector, then in developed countries the main taxpayer is the small and medium business, moreover, the middle class, which is still in the formative stage in our country. In this regard, it is appropriate to conclude that the liberalization of the economy is one problem, its impact on social development is another. Thus, the social factor of development is a matter of serious concern in our country. That is why even the

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Consequently, the formation of a qualitatively new system of tax administration in the long term should be the basis of tax administration reform. Since tax administration reforms are one of the main prerequisites for the development of any economy, increasing the efficiency of tax administration and improving legislation in the Republic of Armenia will contribute to the implementation of quality tax policy, collection of tax revenues, activity of entrepreneurial activities, reduction of the unemployment rate, optimal distribution of the tax burden, reduction of the volume of the shadow economy, etc. Establishing an efficient and modern tax administration in Armenia is one of the key prerequisites for sustainable economic growth and improving competitiveness. The State Revenue Committee of Armenia, as the RA tax authority, has come a long way for continuous improvement. Tax reforms in RA should, on the one hand, imply a relaxation of tax pressure and the solution of fundamental problems for business, and on the other hand, transparency of taxpayers' activities for the state and exclusion of opportunities for tax evasion.

In recent years, significant changes have taken place in the tax system of the Republic of Armenia. The biggest change in 2016 in October was the adoption of the tax code, which entered into force in 2018. from January 1. 2018 from July 1, the authority and responsibility for official clarifications on tax and customs issues was transferred from the tax authority, the RA State Revenue Committee (SRC), to the RA tax policy-making body, the RA Ministry of Finance. Tax and customs services in Armenia are currently provided by one department, the RA SRC. Since 2015, Armenia has been a member of the large regional economic union, EAEU, within

the framework of which unified policy and administration in the field of customs and indirect taxes are implemented. Armenia has signed several international agreements, including within the framework of the Organization for Economic Co-operation and Development (OECD), which relate to automatic data exchange and other tax administration issues that support the development of tax authority capacity and the improvement of services provided to taxpayers. In that regard, a number of important complex and integrated packages of information technologies aimed at the modernization of tax administration have been implemented. Thus:

- 1) Simplified tax payment procedures have been introduced, in particular, an electronic reporting system, as a result of which the range of services provided to taxpayers has been expanded, thereby eliminating obstacles to the fulfillment of their tax obligations. Thus, if in 2011 the share of users of electronic tax declaration was 20%, today it has already reached almost 98%, which is equal to the level of many member countries of the Organization for Economic Cooperation and Development. The services provided to taxpayers have been significantly improved thanks to the establishment of a call center and other internal reforms.

- 2) Within the framework of the reforms, the modernization of the main information technology systems was carried out, including the unification of databases, centralized data processing, backup (management of information accidents) and data exchange with third parties, for example, Cadastre, Police and Central Bank.

- 3) A modern (digital) system of tax audits and studies based on the assessment of indicators of the risk of tax violations was created, the purpose of which is to improve the law enforcement of the tax

obligations and to establish targeted mechanisms. This reform significantly reduces the opportunities for arbitrariness, thereby increasing the transparency and accountability of tax administration.

4) An up-to-date database with a large number of state-of-the-art servers was created, the teaching methodical base of the SRC training center was modernized, etc.

Conclusion

Summarizing the research carried out in the article, we come to the conclusion that in order to have an effective tax administration system in RA, in our opinion, it is necessary to apply the following measures:

1. It is necessary to take into account the attitude, perceptions and expectations of taxpayers towards the tax administration, because the manifestations of mistrust and disappointment towards different parts of the state administration system for objective and subjective reasons can have a negative impact on business activity. Regularly examining the opinions of taxpayers and being in constant contact with them are considered pillars of increasing efficiency and transparency for all progressive tax administrations. Therefore, we believe that the RA SRC will also make this approach an integral part of the tax administration of our country. We believe that this research initiative will also contribute to the improvement of SRC-taxpayer dialogue and further reform of tax administration.

2. At present, one of the priorities of the tax authority is the optimization of tax collection accompanied by the minimum

administrative costs of fulfilling tax obligations of taxpayers. In this process, it is important to regularly reflect on taxpayers' perceptions of tax administration and evaluate developments in revenue management. The RA tax authority should take into account all the opinions received from taxpayers, because the study of taxpayers' views aims to reveal the problems and possible inconveniences they face, which will allow to respond to the problems raised by taxpayers when developing the upcoming policy and formulating the tax administration development strategy.

3. One of the most important and priority goals of the SRC should be related to receiving regular feedback from taxpayers and ensuring constant dialogue with them, as a result of which it is expected to greatly expand the SRC's capacity to identify further ways to increase tax revenue collection while reducing the tax burden of taxpayers. That dialogue should be continuous, aimed at identifying problems, providing strategic objectives for improving tax administration, and assessing the impact of systemic changes on the part of taxpayers. The results of that dialogue will also allow to identify the main directions where there is a demand for improvement and modernization.

4. In order to increase the effectiveness of the tax policy in Armenia, the tax reforms should be aimed at eliminating the reasons that hinder the effective functioning of the tax system and ensuring the normal functioning of the system. The main goal of the tax reforms to be implemented in RA in the coming years should be the formation of a tax system that ensures sustainable economic growth and promotes the attraction of investments, which will ensure guaranteed budget revenues, both in the short term and in

the long term. Aimed at the stimulation and development of the economy, the main directions of the RA tax policy should be the gradual increase of the tax/GDP ratio, the expansion of the regulatory and stimulating functions of taxes, the promotion of SME's, assessment of the effectiveness of tax privileges and their revision based on this, transfer of some part of the taxable activities within the framework of the micro-entrepreneurship system to the general field of taxation, promotion of investments in the economy. In terms of increasing the efficiency of the tax policy, we believe that an important step can be (which is widely used in many foreign countries) to partially or completely exempt from the profit tax the part of the company's profit that will be invested in economic innovation projects.

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ԱՐԴՅՈՒՆԱՎԵՏ ՀԱՐԿԱՅԻՆ ՎԱՐՉԱՐԱՐՈՒԹՅԱՆ ՈԱԶՄԱՎԱՐԱԿԱՆ ԶԱՐԳԱՅՄԱՆ ՈՒՂՂՈՒԹՅՈՒՆՆԵՐԸ ՀԱՅԱՍՏԱՆԻ ՀԱՆՐԱՊԵՏՈՒԹՅՈՒՆՈՒՄ

Մարատ Մանուչարյան
Հայաստանի եվրոպական համալսարան, հայցորդ

Բանալի բառեր – հարկային վարչարարություն, ֆինանսական ռեսուրսներ, հարկ վճարողներ, հարկային քաղաքականություն, լիազորված մարմին, տնտեսական արդյունավետություն

Հոդվածը նվիրված է ՀՀ-ում կիրառվող հարկային վարչարարության համակարգին, որում կարևորվում է եկամուտների արդարացի բաշխման վերաբերյալ հասարակության պատկերացումները, գործող օրենքների պահանջների պահպանման նկատմամբ օպերատիվ վերահսկողության սահմանումը և հարկմանը չենթարկվող ստվերային տնտեսական գործարքների ու ապօրինի գործունեության կանխարգելմանն ուղղված քայլերի իրականացումը: Հարկման լավագույն համակարգի սահմանումը ենթադրում է բարեփոխումների ընթացքում հարկման տնտեսական արդյունավետության բարձրացման կարևորության գիտակցումը, որի դրսևորումը, նախ և առաջ, պետք է հանդիսանա հարկատու-հարկային ծառայող շփումների կրճատումը, հարկատուների կողմից ներկայացվող հաշվետվությունների քանակի և պարբերականության հնարավորինս նվազեցումը, ինչպես նաև դրանց լրացման համար ավելի մատչելի և պարզեցված պահանջների սահմանումն ու դրանով իսկ պայմանավորված՝ տնտեսական խաթարումների նվազագույն մակարդակի ապահովումը: Հարկային վարչարարությունը, որպես կառավարման լիազորված մարմնի գործունեություն, ընդգրկում է ոչ միայն գործող հարկային օրենսդրության կիրառումը, այլ նաև տեղեկատվության հավաքագրումն ու վերլուծությունը, այդ թվում՝ հարկային ստուգումների ընթացակարգերի իրականացման պրակտիկայի և հարկերի հաշվարկման մեխանիզմի բարեփոխմանն ուղղված միջոցառումների մշակումը, հարկային հսկողության ընթացակարգերն ու մեթոդները: Հարկային մարմնի որակյալ աշխատանքի շնորհիվ հնարավոր է բացահայտել հարկային օրենսդրության անկատարության

փաստերը, որոնք հնարավորություն են տալիս հարկ վճարողներին նվազագույնի հասցնել իրենց վճարումները կամ խուսափել վճարումից, ինչպես նաև կանխարգելիչ միջոցներ ձեռնարկել՝ վերացնելու այդ խախտումները:

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