

OFFSHORE IS FULL OF MONEY



Offshore

The title of the article is
“Offshore is full of
money”.

The author of the article
is Eugenie Belyakov.



The article was published
in the newspaper
“Komsomolskaya Pravda”
on 22nd of March 2012.



This text in macroeconomics focuses on the idea how to save money without paying taxes to the Government. The article consists of 3 parts including experts` opinion

1. BACKGROUND AND EXPLANATORY INFORMATION

- *Nowadays there are a lot of seminars, business courses training how to earn money, to spend it rightly and get excess profit and so on. The correspondent of the newspaper “Komsomolskaya Pravda”, Mr. Belyakov, received a spam e-mail, there was an invitation to one of these. He found this idea interesting and went to the seminar about offshores, where 20 persons from the whole country blinded their watches, clothes and extremely expensive gadgets.*

The main points are:

The offshore is a pile of papers binding to a bank account.

In many cases such companies only is on the paper, not really.

**The cheapest offshore is about 600\$.
Every student may present it to the girlfriend!**



2. Every country has its own offshore zone



Russia – Cyprus.



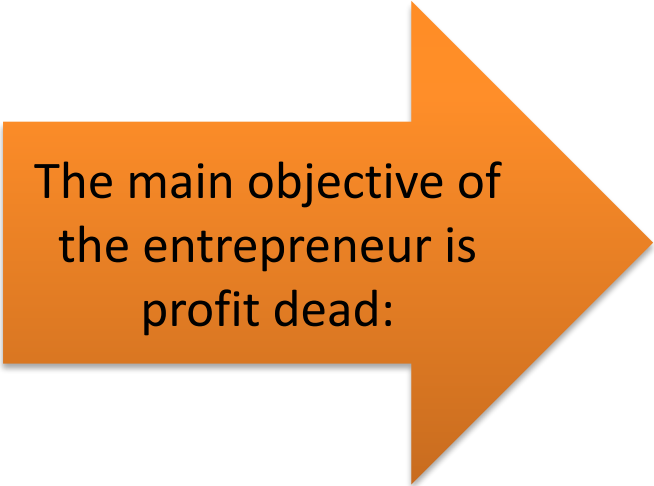
China – Macau and Hong Kong.



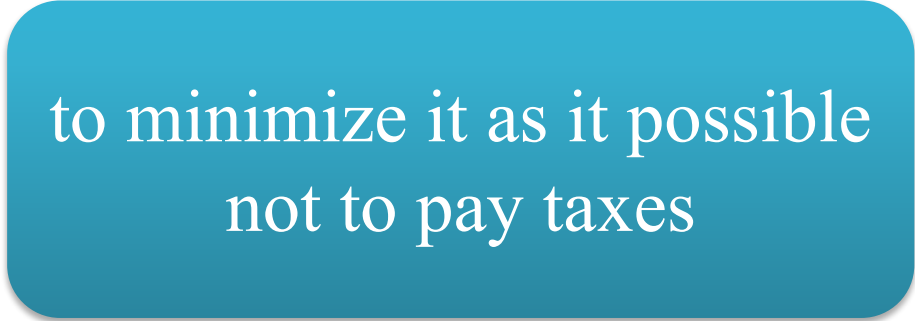
The UK - Virgin Islands.



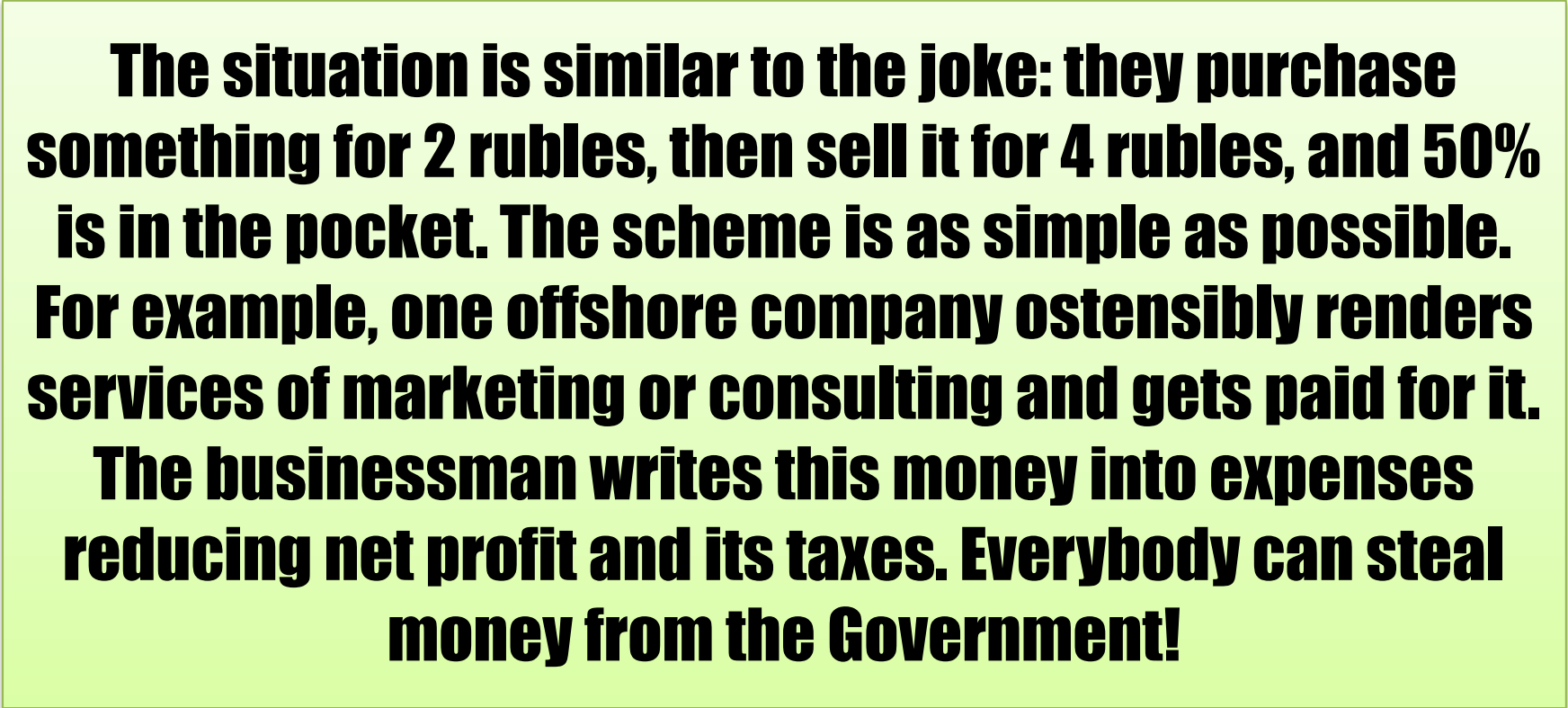
the USA – Manx Island and Panama.



The main objective of the entrepreneur is profit dead:



to minimize it as it possible
not to pay taxes



The situation is similar to the joke: they purchase something for 2 rubles, then sell it for 4 rubles, and 50% is in the pocket. The scheme is as simple as possible. For example, one offshore company ostensibly renders services of marketing or consulting and gets paid for it. The businessman writes this money into expenses reducing net profit and its taxes. Everybody can steal money from the Government!

THERE FOUR BASIC ADVANTAGES OF THE OFFSHORED BUSINESS:

+ income taxes and dividends are low there;

+ it isn't necessary to keep financial statements;

+ money is beyond the reach of national authorities;

+ privacy: the owner of such business is known by few persons.

3. WHY THE OFFSHORE IS PERMITTED IF IT CAUSES HUGE LOSSES OF THE BUDGET?



The answer is clear: public officers guard their money in such way.

As for experts, their opinion is obvious.

The Head of “Delovaya Rossiya” considers that if there was a desire to eliminate offshored business, its extermination would be extremely simple. But nobody wants to do it. And he suggests the way out: increasing of property tax abroad.

Another expert Marat Musin, professor of Moscow State University, believes that authorities fear changes of nationality and firm output in other countries.

THANK YOU FOR ATTENTION!

