

## USING TAX POLICY TO ENSURE ECONOMIC SECURITY OF RUSSIAN FIRMS

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**Abstract:** The most important component of economic security of all business entities is their relationship with public authorities in the tax sphere. The role of tax policy, as one of the fundamental elements of the mechanism for ensuring the economic security of business entities, is undeniable. In modern conditions, any enterprise that is in the process of carrying out its business activities shall fulfill its obligations to pay taxes and fees to the budget; in turn, the tax policy allows forming the integrated work of the system of intra-company tax accounting. The problem relevance considered in this article is due to the presence of some regulatory failures and administrative features in the activities of business entities that impede their effective and legitimate development. The relationship between the tax policy and the economic security system of the enterprise is also determined by the fact that the issues that require formation of such an optimal tax policy that would reduce the tax burden of the enterprise and increase its economic security at the same time require a thorough approach at present. The purpose of this article is to identify possible areas for improving tax policy aimed at improving the efficiency of ensuring economic security in terms of optimizing the taxation of business entities and reducing tax risks.

**Keywords:** tax policy, tax security, tax risks, economic security, business entities.

### 1 Introduction

In modern economic realities, every Russian company, regardless of the type of ownership and degree of customer focus, is faced with the obligation to pay taxes and fees, which is formed in the process of carrying out financial and economic activities of the company. Obviously, a harmonious and complex tax accounting system is being formed in the company under such conditions. Tax policy is one of the dominant instruments that can significantly adjust the financial result, and thereby affect the economic security of a business entity (Kanke & Koshevaya, 2013). Thus, the protection of tax policy from threats and risks that may result from exposure to internal factors and external persons is one of the elements in the structure of the economic security of the enterprise and has the generalized name "tax security". In most works, tax policy is not considered separately from the concept of "tax security". In addition, given the variety of methods available in the scientific literature for assessing the economic security of an enterprise, there is currently no methodology for assessing the effectiveness of the tax policy of an enterprise and for determining its relationship with the economic security level of an enterprise.

### 2 Methods

In the course of study, the following methodological foundations were used: analysis, synthesis, system analysis, systematization and generalization of facts, comparative analysis, comparative studies.

### 3 Results and Discussion

The analysis of scientific and reference literature indicates that insufficient attention is paid to the topic of applying tax policy to ensure the economic security of business entities in modern Russia. The representatives of both the economic and legal branches of knowledge are involved in the development of issues related to increasing the tax security of enterprises. It is worth noting R. Sh. Abakarova, D.V. Butylin, I.V. Borodushko, N. A. Goncharova, Yu.A. Loktionova, M.S. Mishenina, I.Yu. Timofeeva, E.A. Chelysheva, et al. among them.

The above authors identify two areas of using tax policy to improve the economic security of business entities:

- 1) taxation optimization for business entities;
- 2) reduction of tax risks.

Let us consider these directions in more detail, as well as analyze the problems noted by the economists as part of the implementation of each of these areas.

Taxation optimization includes all methods of reducing the tax burden of a business entity, both legal and illegal.

Illegal ways to taxation optimization for business entity include:

- using counterparties with a dubious reputation ("one-day firms") in the activities of business entity, i.e. the organization creates a formal document flow with these counterparties, the purpose of which is to increase expenses on profits and deductions for value added tax;
- dividing a business by creating organizations that can apply special tax regimes;
- concealing income by transferring revenue from customers not to the settlement account of the organization, but to the personal accounts of its management, etc.

It is worth noting that the use of illegal methods of tax optimization is one of the threats to economic security, because when the above-mentioned schemes are revealed during inspections organized by the government bodies, the organization incurs significant losses and risk of losing potential customers, reputation, which will affect the level of its profit.

In her article, N. A. Goncharova notes that businessmen, who prefer using a tax policy that contains illegal ways to optimize taxation, initially have no idea how wide the range of legislative assumptions is to legally optimize the taxation of enterprises (Goncharova, 2015). In particular, they include the use of the most profitable taxation system (i.e., the use of special tax regimes), the use of tax benefits, the involvement of third-party organizations to carry out certain works instead of using a huge staff of employees. These measures to optimize taxation, made within clear legal boundaries, contribute not only to reducing tax payments, but also to ensuring the economic security of the business entity.

It is worth noting that the tax policy applied in the organization shall help reduce existing tax risks and, as a result, increase the level of tax and economic security.

The tax policy shall include a list of methods for assessing and analyzing the tax risks and tax burden.

In their article, L.I. Khoruzhiy, Yu.N. Katkov, V.V. Khoruzhiy note that many business entities do not pay due attention to tax optimization issues and optimization processes mainly occur in accounting today. Moreover, the heads of organizations do not take into account the fact that the basis of economic security of an enterprise is tax security, which primarily consists in a competent assessment and analysis of tax risks and tax burden (Khoruzhiy, 2016).

Indeed, according to the authors, the tax policy of a business entity shall include methods for assessing and analyzing tax risks and tax burden, and these methods shall be used in practice.

The level of tax burden is one of the indicators of the tax security of an enterprise; it indicates how correctly the tax system of a business entity is organized (Savina, 2014).

It is worth noting that in order to assess the economic security of a business entity, many economists suggest calculating indicators of financial stability, liquidity, solvency, etc. According to the authors, this list shall be supplemented with an indicator of tax security, which indicates the effectiveness of the current tax policy to ensure economic security, and which can be represented through an indicator of tax burden.

The determination of the tax burden indicator of an organization can be carried out using various methods, the most used is the method of M.N. Kreynina, based on the calculation of the tax burden ratio.

Indicators of the tax burden indicate how many times the total amount of taxes paid by the organization differs from the profit that will remain at its disposal (Kashin & Aronov, 2015). In relation to the issue of using tax policy to ensure economic security, it should be noted that the level of the tax burden indicator indicates how well the tax policy of the enterprise is formed and to what extent it contributes to the tax and economic security of the business entity.

One of the fairly large-scale measures to ensure the tax security of the enterprise is the activity of the enterprise associated with the identification and assessment of tax risks. Accordingly, the tax policy of each business entity shall be aimed at timely identification of tax risks and mitigation of consequences from them. One of the important aspects of this area is also tax compliance - a special element of tax risk management, which, however, has not yet received the proper level of development in modern practice to date. It is assumed that, within the framework of the compliance system, the companies consciously carry out their activities in accordance with the principles of the current tax policy, taking responsibility for identifying violations, measures for monitoring violations, as well as measures to prevent these violations (Kormishkina et al., 2027; Plaskova, 2016).

There are many approaches to assessing and classifying tax risks. In most cases, the authors propose to classify tax risks by the type of consequences that arise. N.A. Pimenov suggests considering tax risks in as much detail as possible, i.e. identify the risk object, its content, as well as the risk factor and its consequences (Pimenov, 2015; Yesimbekova et al., 2016).

The authors L.I. Khoruzhiy, Yu.N. Katkova, V.V. Khoruzhiy recommend assessing the tax risks of the organization and evaluate them on a ten-point scale and, based on the points received, evaluate how a particular risk will affect the tax and economic security of the enterprise (Khoruzhiy et al., 2015).

According to the above studies, the main structural elements that shall ensure the tax security of the enterprise are the accounting and analytical department and the economic security department; delegation of authority on matters concerning tax security provision is noted between these structural units. In particular, the employees of the economic security department of a business entity shall conduct work on monitoring the tax security indicators of the organization and be in constant interaction with the accounting and analytical department, forming the tax security profile of the enterprise as an integral part of economic security. From our point of view, this mechanism is universal and can be applied in the practical activities of any business entity. However, this scheme shall be supplemented with a structural element responsible for measures to optimize tax policy, diagnose and support tax security. These functions shall be performed by a specially created commission consisting of both employees of the management apparatus and the accounting and analytical department, and the economic security department.

#### 4 Summary

Thus, improvement of the tax policy will increase the efficiency of the mechanism for ensuring the economic security of enterprises. The tax policy applied in the organization shall help reduce existing tax risks and, as a result, increase the level of tax and economic security.

#### 5 Conclusions

Summarizing all of the above, it should be noted that there are several areas of using tax policy to improve the economic security of business entities, namely, optimizing the taxation of business entities and reducing tax risks. Activities carried out by a business

entity in the framework of these areas shall be made in accordance with the applicable law and have a well-defined scheme of performers. Only in this case, the elements of tax policy will contribute to improving the economic security of the business entity.

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