

BOOK REVIEW

Leonid Tymchenko, ScD in Law

Research Institute of Fiscal Policy, University of the State Fiscal Service of Ukraine

**REVIEW OF THE MONOGRAPH: LEPETYUK, O.V. (2016).
*LEGAL SUPPORT OF UKRAINE'S COOPERATION
WITH THE EUROPEAN UNION AND ITS MEMBER
STATES IN THE FIELD OF DIRECT TAXATION.*
ODESA, FENIKS.**

At the present stage of development of international community is obvious importance of the question of international cooperation in the field of taxation. Evidence of this is n. 27 of the Final Document agreed at the Third International Conference on Financing for Development (Addis Ababa, 13-16.07.2015). In the elaboration of which experts from over 150 countries were involved. In the mentioned provision the representatives of member states confirmed: "We commit to scaling up international tax cooperation. We encourage countries, in accordance with their national capacities and circumstances, to work together to strengthen transparency and adopt appropriate policies, including multinational enterprises reporting country-by-country to tax authorities where they operate; access to beneficial ownership information for competent authorities; and progressively advancing towards automatic exchange of tax information among tax authorities".

The establishment and development of relations on association of Ukraine with the EU and its member States in the context of international tax cooperation set before our State a number of challenges. They are associated with the need to ensure consistency, coherence and systematic approach in the process of implementation of Ukraine's commitments to its European partners in the context of requirements of international law and legal order of the EU. That is why the selected topic by the researcher is important and relevant in terms of the needs of modern national state building.

The content of the research indicates that its purpose is to provide a comprehensive description of the legal cooperation between Ukraine and the EU and its member States in the field of direct taxation. The aim of the research led to putting forward the appropriate tasks which determine the structure of the work. The latest is fully consistent with logic of the research and gives an opportunity to disclose the chosen topic adequately.

In the first Chapter, the focus is concentrated around the isolation and characteristics of specific features of formation and development of a modern regulatory and legal framework for regulatory mechanism of relations in the field of taxation within the EU. The author notes that although in the EU founding treaties the issue of direct taxation is not straightly devoted a single article, they should be considered as an important source of legal regulation of direct taxation. Significance of the provisions on harmonization of legal rules in the field of direct taxation are underlined in the book.

It is known that one of the "four freedoms of the EU" is the freedom of free movement of capital and payments. It is the only freedom which is fixed in the founding treaties and is aimed at regulating relations with third countries. Therefore, treaties on avoidance of double taxation not only between member States but also with third countries should be consistent with the requirements of freedom of free movement of capital and payments. At the same time, up to this day, as the author writes, it remains uncertainty about the possibility of using different modes of implementation of these freedoms in relations between the member States with one other and with third countries.

The second Chapter is devoted to investigation of contractual and legal bases of cooperation of Ukraine with the EU and its member States in the field of direct taxation. The author points out that Ukraine agreements on avoidance of double taxation with the EU member States is the basis for the development of bilateral cooperation in the field of taxation. On example of provisions of the taxation of royalties, it is singled out a number of similarities between the concrete contracting norms due to the use of

the model acts of the OECD and the United Nations to develop the text of agreements on avoidance of double taxation between Ukraine and the EU member States.

The third Chapter highlights the features of implementation international obligations of Ukraine and the EU and its member States in the field of direct taxation. The author correctly points out that the constitutional and legal framework of the mechanism of implementation of treaty norms in our country includes the provisions of Art. 9 of the Basic Law of Ukraine. However, the created legal mechanism for implementing the treaty rules based on it, particularly in taxation, does not give a clear answer to the issues of: 1) the legal status of treaties that do not require consent to be bound by the Verkhovna Rada of Ukraine; 2) the legal status of decisions of international organizations which may play an important role for the interpretation of contractual provisions; 3) providing succession of Soviet Ukraine under the agreements to avoid double taxation and their relationship with the following similar agreements concluded by Ukraine. The author does not stop only at isolating these problem areas, but also formulates recommendations and proposals to improve the legal framework to ensure realization of contractual rules in the field of taxation.

Taking into consideration pragmatic needs, it is particularly important generalization of domestic jurisprudence relating to Ukraine agreements on avoidance of double taxation. It made possible to single out the negative characteristics: 1) lack of clear methodology and uniform interpretation of contractual rules in the resolution of disputes related to their use; 2) low level of compliance within the process of formation of jurisprudence on the interpretation of contractual rules in taxation concerning requirements of coherence and consistency; 3) lack of a unified approach to understanding the nature of certain contractual norms due to lack of normative interpretation as in the relevant agreements and in the national legislation.

Thus, the research by O.V. Lepetyuk is relevant, deep and interesting scientific paper on important issues of public life, not only will impress a reader, but encourage him to seek his own answers to the questions put in the work. We can only hope that the number of similar studies in Ukraine will increase, as they contribute to formation of appropriate scientific foundations of Ukraine's integration into the European legal space.