

THE SUCCESS OF COMPANIES OPERATING IN THE AREA OF TAX HAVENS

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Abstract

What is an offshore company? It is a company operating outside the country in which it was established. What is a tax haven? It is a country or jurisdiction where companies have tax advantages usually zero tax. (eg Andorra, British Virgin Islands, Panama, Liechtenstein, Cayman Islands, Seychelles, Cyprus, Malta, etc. How do I open an offshore bank account? Opening an account is a particular problem, which is mostly open once the offshore company is established.

Paradise is characterized by the absence levies tax as tax on the income of individuals or legal entities, in respect of succession duties, and of course as tax on capital. Consequently, these areas generally did not sign tax agreement designed to avoid double taxation, having nothing to negotiate in this direction; the several agreements signed disclaim reception facilities made available to foreign investors. Foreign source income will generally support the tax levy the maximum light source of local law provisions. The rule that a very low tax burden, or even an absence of tax levy, generates tax havens should be relaxed.

In this paper we decided to present three main areas of interest are the old tax havens: banking and insurance companies, shipping companies and investment and development activities.

Keywords: *tax burden, tax law, tax, tax havens*

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1. Introduction

Since the end of the Second World War, large international groups, mainly American, have decentralized production centers to countries where labor was clearly a good deal.

Therefore, profit centers have emerged in countries characterized by the absence of taxation or vast discretion. Since then he has become extremely tempting to redistribute profits attributing most important part of these companies within the group, is installed in countries where little or no tax.

The first generation of tax havens is characterized by geographical proximity to one or more developed countries, generally at the intersection of two currency zones. The decor is complemented if we add a green sea, blue sky and coconut trees. The term tax haven was so perfect choice both in form and in content. Some of these small countries have known otherwise to manage their well establishing rules exciting development in this regard.

Therefore, although situated on the border between legal and illegal tax havens offer a wide range of services and international business opportunities, and their use lawful (international tax planning, incorporation of investment funds, holding companies, insurance companies' captive ", etc.) gives numerous tax benefits primarily multinational companies, by deferring taxation of certain profits obtained abroad.

Offshorurile opened in tax havens are solutions that companies use to rid Romania of the taxation of profits. The money earned in Romania go into the accounts of companies open to countries not tax these amounts, as well as Andorra, British Virgin Islands, Panama, Liechtenstein, Cayman Islands, Seychelles, Luxembourg, Cyprus and Malta. Transfer companies in Romania profits in an offshore is through service contracts, management, loan or copyright.

The rule that a very low tax burden, or even an absence of tax levy, generates tax havens should be relaxed. There are actually different levels, tax benefits are granted according to state law Overall, the combination of legal, partly for activities performed outside the state (tax based on territoriality restricted offshore companies) or for certain types of companies (the eg holding companies). It happens that tax incentives do not concern only certain types of operations, whose development havens wish to obtain privileged (Andre Beauchamp, 1981).

We decided to present three main areas of interest are the old tax havens: banking and insurance companies, shipping companies and investment and development activities.

2. The success of companies operating in the area of tax havens

There are insurance companies or banks created by commercial companies, industrial, financial, generally multinational groups, to meet their own needs. These insurance companies respond to several objectives, one of them being significant savings for international groups that are on this basis their policyholders[1]. This type of company is not authorized only in a small number of companies, the legislation of most major countries refusing deduction from taxable profits of their policy holder's provisions on the grounds that they do not apply to the likely risks. The system is based on combining two elements: on the one hand deductibility of premiums paid by legal entities provided, installed in high tax countries, and on the other hand limited taxation in force in the implantation of captive companies[1].

Once approved, these companies place for the parent company and subsidiaries of risks that are not normally considered independent companies, nor are they insured only in return for raw or very high guarantees.

These companies are likely to generate surpluses captive available for parent company investing premiums based on income generating little or no tax. Bahamas is the case where local authorities are trying to promote insurance and reinsurance activities for multinational groups, providing temporary relief (www.offshore.ro) of all duties and taxes. Companies wishing to develop this activity will be subject to the particular rules of operation (External Insurance Act 1983) for example when the minimum capital required (100,000 to 200,000 dollars depending on the nature of the risk gyration)[2].

A financing investment activity inside, often supplemented by the insurance because there is a gap between premiums collected prepaid insured risk and maturity. In practice, it must be very cautious, primarily because the realization of this type of operation proves to be extremely complex and expensive. In addition, certain countries prevent this type of companies or under the legislation of activity foreign insurance companies (in France) or on grounds of a law developed as in the US, that the transfer of risk from the company provided to the insurance not being recognized or deductibility of premiums paid will not be recognized, be fine through specific measures of fiscal repression.

Account must be taken at the same time and the conditions under which companies may be constituted as minimum capital, financial rates and other management imperative to note are sometimes constraining factors. Insurance companies captive notes that their success is confirmed in tax havens traditional receiving them traditionally (Bermuda, Bahamas, Guernsey, Cayman Islands, Isle of Man) and those that adopt or trying to pass legislation to promote (Luxembourg Costa Rica)[3].

The reason for the increase in the number of captive banks - a legal entity created to meet the specific and personal problems of a group - the same. If their main reason is to achieve a treasury management optimum for the group, due to centralization, banks captive, which often have a character offshore banks allow, since they are implanted in a tax haven where the income of non-resident are Released production available from the group's equity interest tax free.

However, the development of such companies was slowed after response to numerous abuses in their use generated in the past (bankruptcy, malpractice coverage illicit affairs, etc.), governments of countries where their establishment is unlawful, adopted or reinforced legislation it regulates (need official authorization, minimum capital, etc.).

Some tax havens based their sights on maritime activities through the use of "their flags of convenience"[3]. These countries, often regarded as shipping centers (shipping centers) allow shipping companies to address their flag without being required to satisfy the conditions usually required to address the pavilion, that is, in general, even if legal address and the activities of the shipping company are situated outside.

The advantages granted to shipowner's of these countries shows two aspects of which only one fiscal nature. It seems favorable legislative and economic context of these old paradise seduce many vessel owners, thus escaping rigorous administrative and technical control, all in the context of purchasing cheap labor and less protected by labor laws. But before the poor reputation of maritime centers on the great Western powers (it should be noted that these are not beyond reproach) (pollution problems, insecurity, etc) should be recognized that recently, some centers (Panama, Liberia) have reinforced considerably existing regulations so as to retain their status and attractions owned[4].

Exemption from tax benefits that generally apply to businesses FOC contribute more to use these shipping centers. The great maritime centers today are Panama, Netherlands Antilles, Cyprus, Cayman Islands, Isle of Man and Guernsey. The unstable political situation not to say explosive, which currently reigns in Liberia this state requires us to remove from our list, even if until now offers one of the best establishments of shipping companies. Noting that the use of the flags of the differences between one country or another sensitive, we can determine the causes that make it attractive pavilion or another.

Thus, if there is no regulation on the nationality or domicile of the owner or the crew to limit the possibilities for exploiting companies owning ships in Malta, Cayman ships calling at a port British must have a captain or British officers. In the rematch, and while the rest everywhere are necessarily vessels registered in the maritime center, concession flag of the Cayman Islands may be held at all British ports and the Commonwealth, which represents a not

negligible advantage. On the other hand it is important to emphasize that the benefits of tax exemption of shipping companies based in the maritime centers has a counterpart payment of a registration and annual rights, which vary depending on the tonnage of the vessel or flat.

Cyprus-flagged ships sailing owe outside of the rights of registration and annual according to tonnage, with a fixed fee for each crew member who is not Cypriot and rights to install and use a radio. Exemption of tax benefits is not the only advantage for the maritime centers. For example possibilities accelerated amortization of the purchase price of the vessels are in force in the Netherlands Antilles. In Cyprus, there is no extra tax on realized values of ships or transfer shares of Marine, and parts of these types of companies are not liable to succession in Malta.

In order to develop sectors needed to increase their economic and social, to attract capital and know-how alien to rebalance their balance commercial, to secure the workforce likely to immigrate or to develop national industries of luxury hotel Many countries have secured a privileged tax legislation that helps investment in certain industries, basic or innovations, and thus the effort to export local products.

We will focus on certain activities inside mention of which seems to be the main developing industries or new products. Pioneering industry recognition by the authorities of countries that basically implantation activities generate favorable growth prospects, involves various tax benefits. It's often a relief to tax benefits (industries pioneering British Virgin Islands for five years, or products agreed in Barbados on variable durations that can reach ten years), tax deductions based on the investment and exemption from customs duty and they are often granted. This is the case where industry agreed Bahamas does not pay customs duties on imports of equipment, construction material and some raw materials.

It's interesting to note that sector who obtain tax advantages in most old tax havens, is the real estate in all its forms, witness the case law of Panama, which exempts the 20-year tax on immovable property (ranging from 1.4 to 2.1%), new construction. Netherlands Antilles legislation exempts from tax benefits resulting from the ownership of immovable profit local by a company in the Netherlands Antilles. Legislation in the British Virgin Islands does not tax for a period of 10 years after their purchase with a minimum ten-room hotel revenues. Incitation local development tax countries to self-financing and can take Malta as an example, and various forms of tax reduction in taxes for reinvested in society, ie to put into reserves. Finally, and exports are encouraged by the many tax havens based on exclusion from tax benefits on account profits driven by sales abroad. (Panama, Eire).

In most cases the aforementioned tax benefit granted is rarely likely to interest large multinationals in its efforts to find an activity taxable and low taxable in a country better placed in terms of taxation is interesting to approach to find a limited income tax system evolved from one or more activities often already highly developed. To be persuasive in the above, do some further study in relation to some of the oldest tax havens worldwide.

Thus, even if slightly outdated young new products offered by tax havens, Switzerland still holds very welcoming areas of taxation which created reputation for many years.

Tax legislation of the common law does not display any of the characteristics of a tax haven: no corporation tax on income, inheritance rights, consumption tax, etc. In addition, there are a wealth tax which is levied not only from individuals but also from legal ones. A priori, such legislation - do not forget that common - law seem difficult to associate the reputation of the Swiss tax haven.

The country's fiscal sovereignty shared between the Confederation and the cantons 26, returning the most important part of the latter. Because of this dual structure and due to the desire of cantons to attract a maximum number of investments purely fiscal, tax islets were born privileged.

The elements that ensured the success formula of Switzerland are classic and articulates around a trio winner: holding companies - companies domiciled - bank secrecy. Very sensitive to the phenomenon of double taxation (multiple taxation of profits distributed) legislator Swiss has developed texts (confederal or cantonal) aimed at alleviating or canceling even the taxation of "added value" to cross hands more successful to reach the final beneficiary.

These concerns gave rise to privileged holding that the effects can be more or less extensive. Two types of holdings coexist: holding considered pure and mixed or impure. Pure holding companies are defined as companies having as main activity the management of shareholdings in other companies capital, unlike holding companies own and manage mixed although considered substantial shareholdings conduct and business activities themselves. All Swiss companies that own substantial shareholdings benefit from tax relief at confederal: the tax is reduced in proportion to the relationship between dividends from substantial holdings and gross income. This relief is granted when the share holding in the capital of a company reaches 20% regardless of what activity is the parent company and subsidiary company nationality.

Cantons, private schemes provide all dividend income. However, the types of companies likely to require these regimes are by no means uniform. In general, holding impure benefit from a tax reduction in dividends from shareholdings, the regime is very inspired by the federal system. However, some cantons have refined mechanism providing for a proportional reduction results not raw, but with the net. Dividends from equity we generate only low expenses, net of participations product is thus the most important results and training in the same exemption to a greater share of the benefits. If pure holding companies, a number of cantons offer immunization income from participating interests, exonerating them entirely. The scope of tax exemptions canton to canton differs from: sometimes is required

with limited exclusively to administering shareholdings while in other cases, exemption may be granted from the time the holdings is a certain minimum proportion of assets or income.

Under the regime empire pure holding companies are exempt not only strictly holdings (dividends) and income but accessories (interest, royalties) and plus values of disposals of holdings. Interest unquestionable regime holding pure part of a strategy of international group is in any case partly by the failure of a number of foreign laws on advance payment required for distribution of dividends, taxes anticipated that the holding company can not obtain reimbursement or reduction of sin own tax, by definition nonexistent. Other tax items manufactured in Switzerland and are appreciated by connoisseurs domiciled companies. Some cantons (Uri, Obwald, Grison) very welcoming about investors predict that companies only have their headquarters in Switzerland without exerting any activity of any kind and do not undertake any employee may be exempted from all taxes on benefits. The absence of genuine activities on Swiss territory off somehow reflected in the results of the country's registered office accounts. The only legal link with Switzerland will seem too weak to tax the profits made. Tools privileged time of financial fraud, these companies non resident has major drawbacks of being very vulnerable to attacks fiscal agent aliens who do not encounter too many difficulties in removing such assemblies, which have a large number of texts that allow them to consider Swiss company as a resident of the country of residence of the shareholders who directs (and therefore taxable) either semitransparent tax (profits tax in the hands of shareholders so immediately), or even fictitious. So companies domiciled must be used with maximum caution. Unlike tax companies in some cantons, based firms offer appropriate legal and fiscal framework of international groups seeking to implant their headquarters for Europe. Much less known than the control centers Belgian companies based in Switzerland benefit multinational companies US attracted among others the existence of a specific tax scheme and privileged are generally expressed either by applying the benefits of a tax cut or using an tax base reduced or expenses determined by society. This scheme applies generally favoring both income from services rendered to member companies of the group (management, coordination, counseling) and products received from the management of financial assets (loans, equity, cash). Traditionally the key attraction of outside Switzerland is banking secrecy. Through this secret constitution is the rule for everything to do with deposits in Swiss banks. Together with political stability high, a coin of the most stable, freely convertible and powerful, not to mention the absence of exchange controls, compliance with this secret has enabled Swiss banks to conquer the natural or legal persons seeking a safe haven to and invest their funds.

To prevent and punish misuse of bank secrecy, the Swiss National Bank has signed an agreement with the Association of Swiss banks and Swiss banks, an agreement which states that "it is forbidden banks to accept funds that were obtained through acts that contravene the law Swiss and whose origins are so deceptive or van ". On the other hand " banks undertake not provide nor facilitate assistance for actions aimed at deceiving tax authorities and services in particular. " An arbitrary committee is responsible to monitor compliance with the terms of the convention into practice, all of which is punishable by fines violations.

On the other hand, the ability to issue bearer securities or resorting to allow fiduciary assurance, if this is desired, anonymity shareholders of Swiss companies.

This classic panoply of tax haven, Switzerland has added some new measures, better able to compete in the new fiscal paradises. Thus, some cantons modeled Neuchatel in order to attract new industries, the IS offers a total exemption for a period ranging between 5 and 10 years, likely to be subsequently extended period. Cantonal these exemptions can be added at the request of Canton, a total or partial exemption from tax confederal. Almost all products manufactured in Switzerland can penetrate EEC relief, a market of 350 million people is reached. Also known for its economic dynamism based on relatively cheap skilled human resources, Singapore has adopted its tax legislation to evolving international activity, favoring not only high-tech industry sectors and certain services. Near the British regulations, the law of common law in Singapore has only little in common with what we expect to meet, since this is a tax haven. Until immerse ourselves in derogatory rules which it has developed, the country not present interesting opportunities for investors. Based on favorable regimes temporary stay in Singapore legislation offers the dual advantage of allowing for important tax savings locally without triggering a revenge effect from European or American tax administrations ... In addition, Singapore is located a conventional package of about 25 tax convention that tried to eliminate double taxation (one with France).

The rules on exchange controls were abolished in 1978. All investments in Singapore are so free. The legal framework susceptible to arbitrate economic activity is classic. Most used legal form is anonymous society that demands the existence of a minimum of two shareholders (one must be resident) is administered at least two directors (one must be resident), and whose general secretary is mandatory resident. No minimum capital is required. The shares shall be nominal. Subject to the accounting and declarative, and companies must publish their audited every year. Holding a general meeting at least once a year is mandatory and postal voting is prohibited. The tax regime applicable common law firms does not give rise to any surprises. The rate of tax on companies is 31% applicable to the benefits determined by strict rules of territoriality, as in France. This legislation apparently burdensome hide a large number of exceptions which allow to benefit from a reduced tax level to 10%. Such exemptions are granted only on the basis of ministerial approval, after studying the application file submitted by the applicant. Source of Wealth in Singapore Industrial, Industrial incitation in doing the lion's share. The emergence of incitation extended service sectors as the

logical extension of a strong industrial economy has a strong foundation today. We will try here to outline the key features of the regimes favoring the most known of the pioneering industries, then we evoke the arrangements applicable operational headquarters. Pioneering industries benefit for a period of 5-10 years of tax exemption. No matter what the industry is likely to have pioneering vocation. In fact, the only businesses excluded from the office of this scheme are those that produce goods already produced locally without having benefited from tax incitation. Derogatory tax regime applicable from the first day of production, once determined by agreement with the administration. Pioneering industries may not, without the consent of the Office of Economic Development, to carry out other activities in addition to those pioneering. Once a duality of activity was allowed, the rules are specified in the authorization to avoid undertaking to transfer part of the turnover of the pioneering work of non pioneering (which is exempt). Any losses not attributable pioneering work than the benefits of this pioneering work. Losses after the report found relief benefits are deductible from post-pioneering work. Service enterprises can also benefit from tax relief. It must be performed by an undertaking an activity or activities specifically listed or admitted to benefit from the scheme, as decided by the Finance Minister. Production or service enterprises that have benefited from the exemption of pioneering enterprises can benefit on regime favoring postponement of a second derogation, all subject to approval. In case of granting approval, these companies enjoy in the maximum 5-year tax charge reduced to 10% applicable ex pioneering activities. Managing international groups often require interim directive creating entities that appear indispensable as a third voice against systematic centralization of responsibilities at the parent company and decentralization at the local level.

These intermediate entities generally responsible for monitoring the implementation of group strategy with helping and controlling subsidiaries in the management, marketing etc are generally limited geographical jurisdiction. Following in the footsteps of Belgium and its famous coordinating centers, other countries, including Singapore, have understood the stakes of these entities: seeming frames very high level, attract the country people with a standard of living very high (and therefore consuming). Moreover, they are often prerequisite of setting up intermediate holding reurcare generating financial flows coming from abroad. These companies want to attract interim Singapore has developed a particular regime applicable to "operational headquarters" (QGO). Subject to a ministerial agreement, the regime allows QGO entered in the commercial register of entities (companies, subsidiaries, etc.) to benefit from a preferential tax level. QGO not required any special condition. However, for its agreement, the foreign group will have to highlight the arguments concerning the importance of the work developed within the QGO number of impacts QGO called upon to work, etc. However, society "letterbox" can claim the achievement of this regime. The taxable base of QGO not determined as in France or Belgium, starting from a sum of overheads. The tax base is obtained from the actual amount of benefits after deduction of dividends from subsidiaries. Invoiced services subsidiaries must take into account a commercial edge generally fixed at 5%. The only negative aspect of the system: the derogation is only temporary. The granting of a reduced tax applies not only 5-10 years and exemption from receiving dividends 10 years. On the other hand, employees who are brought to work within the QGO may benefit from a particular regime in tax revenues: the regime representatives geographical areas. This scheme is addressed employees on all foreign companies working in Singapore and abroad. If they are non-resident taxable wage in Singapore's pro rata based on time spent on the territory. For residents, the salary shall be related to the activity in Singapore is compared to foreign income and the amount that will be taxed only is most of them.

Island leaders understood that to grow and attract capital QGO was necessary to allow these entities to act as a central finance businesses they run from a strategic standpoint. The Finance Act 1990 allowed QGO financing operations to achieve the benefits of which are not only subject to taxation reduced to 10%. Meanwhile, finance and treasury centers established in Singapore will also benefit from low taxation whether or not related QGO.

Caricature of a tax haven, Bahamas offers foreign investors a very welcoming environment, sun, coconut and serenity procuring the absence or quasi-absence of fiscal levies. 14000 sq km island east of Miami, Bahamas holds supremacy in offshore financial centers. A quick study of the legislation will easily convince the reader that this reputation is deserved. Schematically, the advantages offered by the Bahamas as a tax haven are nonexistent indirect taxes, freer trade control, guaranteed bank secret, proximity to the US, use the advantage of using an international language, English. Policy seduction exercised Bahamas is not unique to financial activities. Manufacturing sector and tourism also benefit from schemes attractive to foreign investors. Before going into details regime offshore companies that have made this famous tax haven, the most important features of other regimes favoring described below. To reduce imports of manufactures and support exports, companies have 15 years of total exemption from customs duties affecting raw materials and equipment necessary for production of goods previously approved by the Ministry of Finance. A similar exemption from customs duty is paid tourist investments. However, the extent of fiscal advantages, including exemption from land taxes, is valid according to the location and importance of the project. On the other hand, the city of Freeport, Bahamas capital was transformed into a free zone. Foreign investors benefit from a guarantee of absence to 2054 tax benefit or value addition in goods and land, while even such taxes were imposed in the Bahamas. Taxes exceptional stamp duty or excise duty they are no longer applicable. Finally, Bahamas is among the beneficiaries of economic aid from the Caribbean basin according to American and Canadian plans. Thus, certain products made in entering the Bahamas duty free in the US and Canada.

There is no general rule for conduct that takes the imposition of capital holdings in local firms or effective management. Despite the lack of an investment code, the government developed a policy known as Bahamianisation policy affecting businesses under foreign control are in direct competition with local businesses. Thus, certain activities are reserved for residents of the Bahamas (wholesale and retail trade with turnover under \$ 2 million, brokering activities related to foreign trade, etc.) and others are available only to companies majority owned by residents of the Bahamas (wholesale and retail trade turnover of over 2 million, international aviation and maritime transport). With all the advantages granted to industries essential to the economic development of the island are banking and financial activities.

Prerequisite of all international activities, exchange controls under the responsibility of the Central Bank, is very slim. As a large number of tax havens, Bahamas has a dual exchange control system based on the residence of the person examined. The rules applicable to non residents are less onerous. Defined as investors or foreign companies and the Bahamas but controlled by non-residents (offshore shock) non residents can use any currency for their transactions for them Bahama dollar is freely convertible. There is no obligation for the repatriation of profits or interest. Banking secrecy is guaranteed, but must warn banks on central bank funds significant cash deposits made by their customers. The law prohibits the release of information to foreign authorities such bank as long as a permit to this effect has been issued by the Supreme Court of the Bahamas.

Legal and fiscal framework applicable to companies is so attractive.

The rules governing the establishment and management of companies in the Bahamas were simplified in 1990 to cope with increasingly strong competition from other countries eager to attract foreign investors. These new rules apply only offshore company called International Business Companies- IBC.

Various legal forms are offered to foreign investors: limited liability companies (most frequently chosen), partnership, branches, trusts, representative offices.

The limited liability company requires at least 5 shareholders. The minimum capital amounts to \$ 5,000 from the Bahamas (remember that equals one US dollar) less IBC for which no minimum capital and two shareholders are enough. Companies that carry out certain activities as banks and insurance companies should justify a higher minimum capital. No legal reserve is not required, except in the case of banks where the rules vary from year to year. No rule requires appealing to residents not to directly or ownership Bahama. However, many non-resident companies turn to Bahama to appear on official documents such as identity protected real shareholders. In that case, the Central Bank must be informed of this fact but the data offered are protected by bank secrecy can not be set aside except by order of the Supreme Court. Although not legally required, it is important that the general meeting of shareholders and Board meetings to be held in the Bahamas. Since 1990, IBC's have the possibility to use the telephone or any other means of teleconferencing to hold their assemblies, which removes the need for physical presence. To be able to start its work, the company statutes must be registered at the Register General and obtained rights record. The average cost is \$ 2500 establishing Bahama included the possible arrangement of a council. The average setting is two to three weeks. Recent measures related to IBC provide the possibility of obtaining a certificate of registration for these companies in one day. Authorisation to issue bearer shares for IBC 1965 formally exist.

All companies established in the Bahamas must have a registered office whose data must be included in the general ledger, and to be published in the Official Gazette and are marked by a plaque on the front of the premises. In addition, they must keep records in accordance with applicable accounting following international norms. Only banks, insurance companies and trusts must certify accounts. An annual report called shareholders and directors must provide the general ledger. The annual accounts are not subject to rules of publication. However, banks should publish their accounts certified Gazette and notified the Central Bank. Insurance companies are required to record a certified copy of their accounts in the general ledger.

Fiscal paradise worthy of the name, the Bahamas have no tax benefit, no income, no tax on turnover or assets, no withholding tax, no inheritance taxes or donations. Taxation is mainly an outside tax (duty). In some areas there is land taxes. Registration fees are payable for incorporation of companies or increase of capital, as well as a number of tax provisions. And annual duties are levied on companies in the amount of \$ 1,000 Bahamas[7].

This tax is loose us competitive internationally anticipated a regime favoring the 20-year IBC which are exempt from all taxes and get rid of all regulations on the exchange. Very well known and appreciated by major jurisdictions are aferiști Channel Islands of Guernsey, Jersey and the Isle of Man currently ranked in the category of countries with privileged taxation. In reality, although these countries perceive the natural and legal persons a 20% tax, their tax regimes are highly advantageous to two particular structures: exempt companies and trusts. But exempt companies are exempt from tax resident companies based on their status. The island of Jersey, an exempted company will not pay income tax on companies who do not source the Isle of Jersey. They will equally benefit from a tax exemption on interest income on its investments on the island. instead of corporation tax, exempt companies from Jersey tax administration will pay an annual sum of 500 pounds. To quality of exempt company, a company must meet one of two conditions [7]:

- Be beneficially owned by non residents throughout the fiscal year considered and has notified all changes of employment equity trading relations department of the Island;

- Be a collective investment fund.

Exempt companies regime in Guernsey: Guernsey Island offers the same treatment as that afforded exempt companies in Jersey. A company may achieve this status if it is not owned by residents of Guernsey and if she does not receive inland source products, which are not tax interest on deposits bancare. Exonerarea companies is offset by a lump sum annual 500 pounds and 100 pounds a right to annual filing.

Exempt companies regime in Isle of Man: and here is the same regime. Exempt companies are exempt from corporate income tax, in addition to a yearly fee of 250 pounds. As a difference to what happens on the other two islands, a company exempt from this island can not carry on business in the following areas: achieving and holding investment securities and real estate, chartering ships, international trade, import-export, transfer or concession of patents and copyrights. An important place is occupied by trust.

Trust is a legal operation put together three parts: Constituents (Settle or grant) which holds the assets and grants management to a third party, in his own advantage or another third party; administrator (trustee) who endorses a third party goods prohibiting benefit for himself except when it's one of the beneficiaries of the trust; beneficiary who has a certain potential or the income or assets placed in trust, according to the desire constituent. Trusts regime in force in the jurisdictions of Jersey, Guernsey and the Isle of Man's permit trustee not to pay income tax on the trust even if it may appear as the owner, if we refer to French law.

3. Conclusions

Since the end of the Second World War, large international groups, mainly American, have decentralized production centers to countries where labor was clearly a good deal. Therefore, profit centers have emerged in countries characterized by the absence of taxation or vast discretion. Since then he has become extremely tempting to redistribute profits attributing most important part of these companies within the group, is installed in countries where little or no tax. The first generation of tax havens is characterized by geographical proximity to one or more developed countries, generally at the intersection of two currency zones. The decor is complemented if we add a green sea, blue sky and coconut trees. The term tax haven was so perfect choice both in form and in content. Some of these small countries have known otherwise to manage their well establishing rules exciting development in this regard.

Therefore, although situated on the border between legal and illegal tax havens offer a wide range of services and international business opportunities, and their use lawful (international tax planning, incorporation of investment funds, holding companies, insurance companies' captive", etc.) gives numerous tax benefits primarily multinational companies, by deferring taxation of certain profits obtained abroad.

Offshorurile opened in tax havens are solutions that companies use to rid Romania of the taxation of profits. The money earned in Romania go into the accounts of companies open to countries not tax these amounts, as well as Andorra, British Virgin Islands, Panama, Liechtenstein, Cayman Islands, Seychelles, Luxembourg, Cyprus and Malta. Transfer companies in Romania profits in an offshore is through service contracts, management, loan or copyright. "Basically, the income they carry out company from Romania are transferred through agency agreements with offshore, reducing the taxable profits of the Romanian company[16]. The tax paid in Romania is very low or approaching zero and profits are withdrawn from company accounts opened in -a tax haven and used without paying taxes," said Gabriel Sincu. Legislation in Romania allow this procedure to be lawful if the IRS does not discover, after an inspection, that those service contracts that transfer gains are just a way to escape tax. According to representatives of the IRS, there are no estimates of the amounts they lose state from taxing profits "expatriate". Anyone can open an offshore if you have the money to proceed.

How to set up an offshore British Virgin Islands, Cyprus and Seychelles, and that costs will? For example, the tax haven of the British Virgin Islands have one of the most prosperous economies in the Caribbean. The two "pillars" of the economy are tourism (45% of national income) and financial services (52% of total revenue comes from licenses to foreign companies). According to the law applicable to the Virgin Islands, offshore companies are exempt from profit tax for a period of minimum 20 years[17].

Companies can conduct any legal activity except banking, insurance and trust services. For these services it is necessary to obtain special licenses. Documents for registration of the company not named shareholder or director. The identity of these people do not appear in any public record. Social capital standard is about 37 thousand euros. It is not mandatory to complete accounting records or to submit annual financial statements. Start-up costs are about 1400 euros. The annual fee is 700 euros Another example of a tax haven is totally Cyprus became a member state of the European Union May 1, 2004 [8]. It is a country with an economy in which private limited role of government in regulation, supervision and planning of public utilities. Country provide banking facilities through a number of banks onshore, offshore and specialized financial institutions. Regarding confidentiality, names of shareholders and directors must be disclosed. The identity of the real owner of the company is protected by law. The capital contribution can be in cash or in kind by transferring other assets. Social capital standard is about 1,700 euros. In the area Cyprus resident companies, ie those companies that have directors resident in Cyprus, the management is done outside the country and there is no income generated in Cyprus are not subject to taxation[18]. Annual audited accounting reports must be

submitted by an authorized independent auditor. Companies can conduct any legal activity. Other areas known on applicable legislation regarding offshore companies Seychelles are. Located in the Indian Ocean between Africa and the east coast of India is one of the most progressive offshore centers in the world. Regarding confidentiality, the names of shareholders and directors are publicly registered. Social capital is about 3,700 standard euro. Seychelles Offshore companies are exempt from corporation tax. Companies can conduct any legal activity except banking, insurance and trust services. For these services it is necessary to obtain special licenses. Start-up costs are about 1,100 euros. The annual fee is 600 euros[11].

What is an offshore company? It is a company operating outside the country in which it was established. What is a tax haven? It is a country or jurisdiction where companies have tax advantages usually zero tax. (eg Andorra, British Virgin Islands, Panama, Liechtenstein, Cayman Islands, Seychelles, Cyprus, Malta, etc. How do I open an offshore bank account? Opening an account is a particular problem, which is mostly open once the offshore company is established.

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