

Ex.3. Translate the following Uzbek sentences into English

1. Ривожланган давлатларда аҳоли даромадининг 30-40% и даромад солиғини тўлашга сарфланади. 2. Жамиятда солиқнинг бу тури анча кенг жорий қилиниб, оммалашди. 3. Ўсувчи даромад солиғининг маъноси шуки, ким қанча кўп даромад олса ундан шунча юқори даражадаги солиқ ундирилади. 4. Сўнгги йилларда Буюк Британияда солиқ ставкаларининг максимал даражадан минимал даражага тушириш тенденцияси намоён бўлмоқда. 5. Давлат бюджетига солиқларни ўз вақтида тушишини таъминлаш солиқ органлари ходимларидан катта масъулият талаб қилинади. 6. Молия йили давомида барча солиқ тўловчилар ўз даромадлари бўйича солиқ декларацияларини тўлдириб тегишли солиқ идораларига тақдим қилишлари лозим.

Ex.4. Fill the column according to characteristic of income tax of the following countries.

	exemptions	allowances	scale of tax rate
Uzbekistan			
The USA			
Germany			
Sweden			
France			
The UK			

Ex.5. Types of companies

Find out the correct characteristic for different types of companies given in the box and place them on the suitable line.

associated company	letter box company or paper company	friendly society
partnership	base company	listed company
public enterprise	subsidiary company	joint-venture company

holding company	parent company	non-profit institution
innovation company		

1. More than 20% but less than 50% of the share capital is owned by another company

2. At least of the share capital is owned by another company

3. Owns all more than 50% of the shares of the company

4. Situated in a low-tax or no-tax country

5. Exempt from taxation

6. Eligible for tax holiday, exemption from duties, tax relief

7. Two or more people run a business together

8. Shares are sold on a recognized stock exchange

9. State company

•Read and translate the text “Tax Havens” in written form with the help of the dictionary.

UNIT 18.

TEXT TAX HAVENS

Tax havens are existed as long as tax systems. Some countries have derived substantial income from attracting businesses and individuals by offering low or no taxes. It is not unusual for companies to shift their headquarters to a tax haven when they fear political hazards in the country in which they are based. For example, a number of companies have been moving out of Hong Kong, due to revert to China in 1997, for just this reason. The Bahamas, Bermuda, the Cayman Islands and the Netherlands Antilles are all popular tax havens. In Europe, Switzerland has proved attractive to foreigners, partly because of low taxes and secrecy laws. Tax havens are also popular with criminal as means by which their ill-gotten gains can be “laundered” and come out clean. The BCCI failure in mid-1991 illustrated that even banks may sometimes indulge in illegal money transaction through these centers.

For the law –abiding, however, the suitability of a tax haven depends on where you are resident. Anyone resident in a country with a global system of taxation will

not benefit from transferring assets to a low-tax country. Where the tax system is territorial, however, there can be the considerable benefits in tax havens, or indeed any investment outside the resident's country.

The tiny principality of Liechtenstein, sandwiched between Switzerland and Austria, has everything an attractive tax haven can offer-not least, enviable political and economic stability (there is no point in transferring funds to avoid tax and then exposing them to a political risk). Unlike Switzerland, Liechtenstein has been able to keep its banking secrecy absolute, indeed, as has been described by one commentator, "well-nigh impenetrable". There are heavy penalties for breaching bank confidentiality, and the only exception allowed is by a decision of the High Court in the case of criminal offences, itself a rarity because of the burden of proof required.

Liechtenstein is too small to attract the attention of international financial authorities in the same way as Switzerland. There are only three banks, all of which are Liechtenstein –controlled and none of which has full branches outside the country. All are members of the Swiss Bankers' Association, to which not even all Swiss banks are admitted. The principality has excellent links with the major financial centers, but not to the extent that foreign authorities may feel inclined to exert pressure for change. No foreign bank has an office in Liechtenstein and none will be permitted.

Furthermore, there are no capital taxes, no withholding taxes (see above) and no exchange control. Distribution of profits is tax-free and non-active companies pay no income tax and a very low rate of capital tax – one currency Unit in every thousand, or a mere 0.1%.

Part of Liechtenstein's stability stems from its close ties with Switzerland, which have encouraged economic growth and a consequent high standard of living. A customs union was signed with Switzerland in 1923 and the rock-solid Swiss franc has been its national currency ever since, though the formal monetary treaty was not signed until 1981.

Trusts to enable individuals to avoid tax are one of the attractions of tax havens and the Principality has its own unique one, the anstalt (literally, "establishment"). This can be set up for a tax of 2% of the initial capital, with an annual tax of 0.1% on the capital and reserves. The funds can be administrated or applied for a special purpose, as the founder (or any one he delegates) wishes for as many beneficiaries as he names. The beneficiaries do not even have to be named. An anstalt must have a director and a legal representative, who can be the same person, domiciled in Liechtenstein. The principality has only one DTR agreement – with neighboring Austria.

(from "Guide to international Finance" by Alen M.)

Vocabulary list you may need

tax havens – солиқ имтиязлари	law-abiding – қонунни бузиш
headquarters – бош идоралар	money transaction – пул шартномаси
political hazards – сиёсий таҳдид	low-tax – қуй ставкали солиқ

moving out – кўчиб кетмоқ	heavy penalties – оғир жазо
secrecy laws – қонун махфийлиги	capital taxes – сармоя солиғи
illegal money transaction – ноқонуний пул шартнома	avoid tax – солиқдан “бўйин товлаш”
beneficiaries - манфаатдорлар	legal representative – қонуний вакил

• Complete the sentences with the appropriate words from the box.

to recover	was	from...to	of
reached	decreased rapidly	by	rose slightly
2007	stayed the same	20%	to go up

The rate of VAT (1) _____ 30% in 2002. Then it (2) _____.
 From 2002 to 2003 it fell (3) _____ 30% _____ 25%. Over the next years it
 decreased (4) _____ 7% and (5) _____ the point (6) _____ 17%.
 From 2006 it began (7) _____. The rate (8) _____ by 1% in
 (9) _____. After that it continued (10) _____. From 2008 it
 (11) _____ at (12) _____.

• Read and translate the following text, discuss the relative dimensions of the two main forms of taxation and social security shown in the table below

TEXT
DIRECT AND INDIRECT TAXES IN THE UK IN 2004
 Percentage of GNP

	France	Germany	Sweden	U.K.	U.S.A	Italy	Bel gium	Nethre- lands
Direct taxes	10.5	13.4	18.1	15.9	16.6	6.4	8.3	12.6
Indirect taxes	13.6	10.6	12.6	10.8	5.5	13.6	12.2	10.1
Social security Contributions	12.2	9.2	6.0	4.7	4.3	11.5	8.7	10.3
Total	36.2	33.2	36.6	31.4	26.4	31.5	29.2	33.0

Again the British position is close to the average. Ignoring Italy (where the economy is as yet hardly comparable), both Sweden and the US rely to a greater degree than ourselves on direct taxation while Belgium and France place far greater emphasis on indirect taxes. It must be remembered, however, that the burden of indirect taxation in the US falls particularly heavily on companies so that personal tax payers are not in fact so harshly treated as it might seem and indirect taxation is low. France and Belgium, at the other end of the scale, prefer to collect much greater revenue from taxes on spending. The British system appears from these figures to be a compromise between the “high direct” and “high indirect” systems and this general picture by itself hardly justifies the idea that the burden of tax in this country seems heavier than it is.

The middle-of-the-road approach to the tax system does have the serious defect of inflexibility. In some degree, we are vulnerable to the disadvantages of both forms of taxation. This comes about primarily because of the way in which we select the points at which the burden of our tax will fall most heavily. Our indirect taxes are more selective so that we reach saturation point more quickly. Because of this we lean more heavily on direct personal taxation where the combination of unpopularity and possible disincentive effect constitute great disadvantage.

(from “Britain’s Taxes. Some International Comparisons”)

Ex.1. After reading and translating the text above answer the questions.

1. What kind of taxes are compared in the text?
2. What countries are compared?
3. What country has the greatest tax revenue from indirect taxes?
4. What countries have a greater degree of direct taxation than the U.K.?
5. What countries have a smaller degree of direct taxation than the U.K.?
6. What countries put a far greater emphasis on indirect taxation than the U.K.?
7. What country has the lowest level of indirect taxation? Why?
8. What countries prefer higher indirect taxes on spending?
9. Is the tax burden in the U.K. heavier than in other countries?
10. Can we call the British system of taxation more flexible?
11. What do they lean on more heavily in the U.K.?
12. What constitutes great disadvantages for the government?
13. What does it mean when indirect taxes are more selective?

Vocabulary list you may need

average – ўртача	justify – оқламоқ, тасдиқламоқ
ignore – писанд қилмаслик	approach - ёндашув
rely – ишонмоқ	defect - нуқсон
emphasis – урғу бермоқ	inflexibility – эгилувчан бўлмаган
harshly – кескин	vulnerable – нозикб қалтис

scale – шкала	disadvantage – тўсиқ, ноқулай томони
figures – рақамлар	points - масала
hardly – қийинчилик билан	saturation – қаноатланиш, таъминламоқ
lean - унумсиз	constitute – таркиб топмоқ

Ex.2. Read and translate the following words and word-combinations into Uzbek and try to make up your own sentences in written form.

direct and indirect taxes; additional contribution; related to income; specific purposes; basic health care; effectively compulsory insurance; possible future deprivation; social security payment; industrialized nations; to operate effective social security system; people in paid employment; the newly emerging industrialize countries; substantial proportions; pensions as much; the release of funds; the highest rate of home ownership

Ex.3. Translate the words into Uzbek and pay attention original forms of the verbs. Analyze their word-formation.

taxing, finding, buying, drawing, avoiding, cutting, motoring, housing, withholding, spending, splitting, reducing, disposal, withdrawal, denial, renewal, approval, removal, employer, employee, employment, payer, payment, payee, assignee, assignment, trustee, voter, votee, addressee, presenter, presentee, grantee, transference, transferee, financier, deprivation, rarity, provider, provision, safety, retirement, existence, addition, agreement, achievement, coverage, reception, wage-earner

Ex.4. Identify, what parts of speech the following isolated words belong to, how is it called this kind of word-formation?

1. Governments **tax** individuals and companies on their income.
2. The government imposed an additional **tax**
3. The income tax payments of the highest earners **approach** the level of 80% in some countries.
4. Some newly emerging countries have taken a different **approach**.
5. The individual later on **transfers** his savings to the country in question.
6. Other **transfers** of capital may be subject to tax.
7. Some **cuts** of the tax burden are more apparent than real.
8. The local government never **cuts** payments of the projects for the common good.
9. A national insurance contribution has **spread** to most countries.
10. The **spread** of the safety net for those in need is very wide.

Ex.5. Complete the sentences with the appropriate words from the box.