

Tax Risks as a Threat to the Economic Security of Organizations: Theory and Global Trade Experience

Sergey B. Chernov, Alexandra V. Zakharova

PhD in Economics, Associate Professor, Department of World Economics and International Economic Relations, State University of Management, Moscow, Russia. Email: sb_chernov@guu.ru

PhD in Economics, Associate Professor, Department of Accounting, Auditing, and Taxation, State University of Management, Moscow, Russia. Email: av_zakharova@guu.ru

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Abstract

This article defines tax risks and analyzes their main types. It examines the potential consequences of protectionism and trade wars and considers tax optimization as both an improvement of organizational status and an integral part of business management. Reducing tax burdens is a desired but not always achievable managerial decision. The study analyzes tax optimization practices, identifies tax risks associated with possible optimization directions, and considers relevant issues in tax optimization during transaction execution. The research methodology is based on the study of tax dispute precedents, risk assessment using arbitration court and Federal Tax Service decisions, regulatory explanations, and practical tax consulting experience. The study emphasizes that understanding and managing tax risks is critical for ensuring the economic security of any organization.

Keywords: taxes, duties, tax risks, protectionism, trade wars, tax optimization, economic security

Introduction

Entrepreneurial activity is based on the active role of entrepreneurs, who must integrate all resources into a single technological process, using both their own and borrowed financial resources. Although many managerial functions are delegated to managers, entrepreneurs retain responsibility for core decisions that cannot be delegated.

In a market economy, entrepreneurs risk their reputation, capital, and borrowed funds. Bankruptcy risk is an inherent negative aspect of entrepreneurship, undertaken to maximize profit (Chernov, 2024). Bankruptcy risk represents the probability that an organization will fail to achieve self-sufficiency and economic profit, leading to an inability to meet obligations

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to creditors and the government, potentially triggering a chain reaction of bankruptcies among interconnected organizations.

Internal Causes of Bankruptcy and Tax Risks

Internal causes include:

- Low employee qualification and weak motivation;
- Outdated technology and production techniques;
- Poor organization of labor;
- Fraudulent actions by personnel, including top management;
- Insufficient internal control over technological and business processes, including taxation.

Tax risks are a key component of bankruptcy risk. They arise from poor tax planning, resulting in additional taxes, penalties, and denied VAT reimbursements; suspicion from tax authorities and subsequent audits; or sudden changes in tax legislation or customs tariffs affecting international business.

Classification of Tax Risks

Tax risks can be internal or external. Internal risks arise within the organization and can be mitigated through improved tax planning and controlling practices. To manage internal tax risks, organizations should:

- Appoint qualified personnel with at least five years of relevant experience;
- Continuously improve the qualifications of staff responsible for tax functions;
- Use modern accounting software and IT infrastructure.

External causes of bankruptcy include breaches by counterparties, low-quality employee preparation, and macroeconomic or regulatory factors, such as protectionist trade policies and sanctions. For example, U.S. tariffs and “mirror tariffs” introduced in 2025 in trade conflicts with China illustrate the impact of external tax risks on organizations.

Tax Risks and Organizational Practices

Firms must account for objective and subjective risks, internal and external risks, current and prospective risks, and financial and non-financial risks. Management approaches can be grouped into three models:

1. Full compliance with tax law and careful risk consideration;
2. Attempts to circumvent laws and incomplete risk consideration;
3. Complete disregard of tax risks, operating in the shadow economy.

Tax burden is influenced by both internal and external factors, including legislative changes, inflation, exchange rates, credit availability, and industry competition. Effective tax optimization considers these variables to ensure financial stability.

Tax Optimization and Risk Management

Tax optimization seeks to reduce tax obligations while minimizing risks. Proper implementation requires assessing business purpose beyond mere tax savings. High-risk optimization methods include business splitting, payroll tax savings, and tax migration.

Contracts such as freelance, loan, franchise, apprenticeship, agency, lease, and partnership agreements pose high tax risk if they resemble sham transactions.

Key measures to reduce tax risks include:

- Verifying each transaction for authenticity and business purpose;
- Exercising due diligence with counterparties;
- Ensuring transaction prices align with market norms;
- Using accounting policies to manage legal tax obligations;
- Avoiding excessive use of simplified taxation in business splitting schemes.

Conclusion

Organizations should approach tax optimization strategically, balancing legal tax reduction with risk management. Early identification of business purpose, thorough documentation, and due diligence are critical to minimizing tax risk and ensuring economic security. Tax optimization is a continuous process intertwined with accounting, controlling, and regulatory compliance.

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