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Research paper

Comparative Analysis of Tax Regimes for Foreign Businesses Across Global Economies

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Abstract

The study is aimed at analysing the tax regimes of the world's leading economies and their impact on the choice of jurisdiction for conducting foreign business. A comparative analysis of the tax systems of the world's leading economies, such as the United States, Germany and France, China, Brazil, and India, is conducted, as well as the tax regimes of developing countries, including Albania, Ukraine, and Uzbekistan. The methodological approach is based on an analysis of the tax burden, the structure of taxation, administrative requirements, and the availability of tax benefits. The results of the study show that tax policy plays a key role in shaping the investment attractiveness of countries. High-tax jurisdictions such as Germany and France offer stable and transparent tax systems, but simultaneously create substantial tax burdens for businesses. On the contrary, low-tax regimes attract international companies, but they face international regulation and the need to comply with transparency standards. Special attention is paid to the introduction of a global minimum corporate tax (15%), which affects competition between countries and the tax planning of multinational corporations. The factors determining the attractiveness of jurisdictions for international business are not only the level of taxation but also the predictability of the tax system, administrative costs, the rate of refund of value-added tax, and the availability of double taxation agreements. The paper offers recommendations for developing countries on modernising tax systems, considering the international experience of leading economies. The results obtained led to the conclusion that effective tax regulation should ensure a balance between the fiscal interests of the state and the creation of favourable conditions for doing business.

Keywords: *Administrative Barriers; Electronic Reporting; Foreign Economic Activity; International Standards; Preferential Rates; Taxation System; Transparency.*

1. Introduction

In the context of globalisation and international competition, choosing the optimal tax jurisdiction is becoming one of the fundamental factors for successful business. Different countries offer different tax regimes to foreign companies in an effort to attract investment and create a favourable business environment. However, substantial differences in tax systems, tax reporting requirements, and tax burden levels can both contribute to business development and create additional barriers. Tax policy plays a pivotal role in shaping corporate decisions regarding entry into foreign markets. The variability in tax rates, incentives, special tax regimes, and residency requirements, even among leading global economies, significantly influences these decisions.

The main problem was the need for a comprehensive analysis of the tax systems of the world's leading economies to determine the most favourable conditions for doing foreign business. Despite the existence of numerous ratings and comparative studies, there is no universal answer to the question of choosing the optimal tax jurisdiction. Companies face the need to consider not only tax rates but also administrative requirements, the possibility of tax planning, the stability of legislation, and the prospects for changing tax policy.

Tax regimes can be classified according to various parameters, including the level of corporate tax, the availability of special tax regimes for foreign companies, the system of taxation of dividends, and the specifics of taxation of income earned abroad (Rexhepi et al. 2024a). A comparative analysis of tax regimes can help identify the main trends in tax regulation, determine the strengths and weaknesses of different jurisdictions, and offer recommendations for international businesses.

A number of researchers have devoted their work to the analysis of tax regimes and their impact on international business. Wang (2020) investigated the impact of corporate tax rates on foreign investment inflows and concluded that countries with lower rates attracted more multinational corporations, especially in the technology sector. Therewith, Zhang et al. (2022) examined not only tax rates but also administrative barriers, revealing that the complexity of tax administration often had a greater impact on business decisions than the size of the tax burden itself. Similar conclusions were presented by Ha et al. (2022), who have researched tax policy in Southeast Asian countries.

The authors noted that the stability of tax legislation plays a crucial role in choosing a jurisdiction for long-term investments. Chan and Meunier (2022) focused on preferential treatment for foreign companies in Europe and established that the flexibility of the EU tax system contributed to the growth of the number of companies. Gjokutaj (2024) examined the impact of tax agreements on the avoidance of double taxation and concluded that the existence of such agreements substantially reduced tax risks for international business. Similarly, Chen et al. (2021) reviewed the Chinese taxation system and emphasised that special economic zones with special tax conditions have become one of the key factors in the influx of foreign companies.

Albertus et al. (2022) analysed changes in US tax policy after the 2017 tax reform and discovered that corporate tax cuts did not lead to the expected increase in investment, as companies preferred jurisdictions with more predictable tax conditions. In turn, Shamborovsky (2021) investigated offshore zones and determined that, despite the pressure from international organisations, such jurisdictions continue to play a substantial role in the tax planning of large corporations. Yangibayevich et al. (2022) concentrated on the tax burden of small and medium-sized businesses and found that it is for such companies that the complexity of tax regulation becomes a key obstacle when entering foreign markets. Jensen (2022) compared the tax regimes of world economies and came to the conclusion that there is no universal ideal option: the choice of jurisdiction depends on the specific goals of the business, the economic sector, and the level of regulatory risks.

Previous research has demonstrated significant variability in tax policies, with the selection of a jurisdiction being influenced not only by tax rates but also by administrative complexity, legislative predictability, the presence of international agreements, and special tax regimes. Despite a large number of studies, a number of important aspects of tax regimes have remained poorly understood. No comprehensive comparative analysis of the world's leading economies has been conducted, considering the dynamics of changes in tax policy. There is little research on the impact of tax agreements and administrative barriers on business. Another gap was the lack of research on the impact of global trends, such as the digitalisation of tax administration and increased international tax regulation, on the choice of jurisdiction by foreign companies.

The purpose of the study was to conduct a comprehensive comparative analysis of the taxation regimes of developed world economies, accounting for their impact on the choice of jurisdiction by foreign companies. The objectives of the paper were to characterise the main tax regimes in the world's leading economies, identify the impact of tax agreements, administrative barriers, and regulatory trends on international business decisions, and analyse the tax policies of developing countries such as Albania, Ukraine, and Uzbekistan.

2. Materials and methods

A systematic approach was used to analyse tax systems as complex, interrelated elements that affect the investment climate of countries. The study included successive stages aimed at identifying the interrelationships between tax policy, administrative procedures, tax benefits, and digitalisation, as well as their cumulative impact on attracting investment.

The USA (U.S. Department of the Treasury 2025), Germany (Federal Office of Justice 1977), France (General Tax Code 1950), and China (Nan County People's Government 2015) were selected to analyse the tax systems of countries with highly developed economies. Countries such as Brazil (Santander Trade 2025) and India (High Commission of India 2025) were also analysed. These states represent a variety of economic models, which allows for a comprehensive analysis. Corporate tax rates, the value-added tax (VAT) system, mechanisms of tax benefits and incentives, and administrative aspects of taxation are evaluated.

For an in-depth analysis, data provided by international organisations such as the Organisation for Economic Cooperation and Development (OECD) (2025a; 2025b), the World Bank (2025), and the International Monetary Fund (2025) were used. This allowed assessing the degree of transparency of tax systems and measures to improve the tax climate in the countries. For a more objective analysis, changes in tax rates were considered since the tax regimes of the countries under study have undergone many reforms and changes.

Measures to combat tax abuses and international tax coordination were considered. The Global Intangible Low-Tax Income (GILTI) (Tax Foundation 2025b) and Base Erosion and Anti-Abuse Tax (BEAT) (Tax Foundation 2025a) taxes in the USA, Anti-Tax Avoidance Directive (ATAD) (2025a) directives on combating tax evasion in the EU countries, mechanisms of taxation of goods and services, including Goods and Services Tax (GST) (Government of India… 2025) in India were analysed. The impact of these mechanisms on cross-border taxation and the investment attractiveness of jurisdictions was assessed.

An analysis of tax administration was conducted, including the complexity of fulfilling tax obligations and the degree of digitalisation of tax processes. The digitalisation of tax reporting was reviewed, such as the e-filing system in the EU (European Commission… 2021) and the Internal Revenue Service (IRS) e-file system in the USA (Internal Revenue Service 2025). Tax incentives and incentives aimed at attracting investments have also been investigated.

Tax transparency and international cooperation in the field of taxation were evaluated. The mechanisms of automatic exchange of tax information (AETI), including the Common Reporting Standard (CRS) (2025), Foreign Account Tax Compliance Act (FATCA) (2025), and the participation of countries in international initiatives to combat tax evasion, were examined. The degree of compliance with the OECD and EU standards on tax transparency was assessed.

Data from local tax authorities were used to analyse the tax systems of developing countries such as Albania (Stanbic Bank Trade Club 2025), Ukraine (State Tax Service of Ukraine 2011), and Uzbekistan (National legal information… 2020). The dynamics of changes in the tax legislation of the countries and their impact on the investment climate are elaborated. Additionally, the Corruption Perceptions Index (Transparency International 2024) for Ukraine, Albania, and Uzbekistan is analysed since the level of corruption could substantially affect the transparency of the tax system and the investment climate.

3. Results

3.1 Types of tax regimes, investment factors

The impact of a tax regime on a business depends on the structure of the system: it can either contribute to its development through preferential rates and simplified procedures or, conversely, create serious tax burdens and administrative barriers. There are several approaches to classifying tax regimes. One of the main criteria is the level of the tax burden. In this case, high-tax and low-tax regimes are distinguished. High tax rates are typical for advanced economies such as France, Germany, and the United States. They assume high corporate tax rates and progressive taxation of income, which ensures substantial government spending on social needs, but may reduce the attractiveness of doing business (Laplane & Mazzucato, 2020). On the contrary, the low-tax regimes applied, for example, in Ireland and Singapore, offer reduced tax rates, which make them profitable for foreign investors. A special category consists of offshore and preferential jurisdictions such as the Cayman Islands and Bermuda, where taxes are either minimal or non-existent. However, such countries often face international regulation and restrictions. This refers to the increased scrutiny and regulatory measures imposed by international bodies and other countries on offshore and preferential tax jurisdictions. These measures are aimed at combating tax evasion, money laundering, and aggressive tax avoidance strategies. (Garcia-Bernardo et al. 2021). For instance, initiatives like the CRS (2025) require countries to automatically exchange financial account information annually, making it more difficult to conceal assets offshore. The EU has implemented directives to counter tax avoidance, including measures to limit strategies that shift profits to low or no-tax jurisdictions. The U.S. legislation known as the FATCA (2025) mandates that foreign financial institutions report on accounts held by U.S. taxpayers, with penalties for non-compliance.

Additionally, some countries are blacklisted by international organizations, facing increased monitoring and transaction restrictions. Many jurisdictions now require companies to demonstrate real economic activity to benefit from tax advantages, necessitating physical offices and local employment (Rexhepi & Murtezaj, 2024). The OECD's Base Erosion and Profit Shifting project aims to reform international tax rules to prevent corporate profits from being artificially shifted to low or no-tax environments. These regulations enhance transparency and ensure fair tax contributions, reducing the advantages of using offshore jurisdictions for tax avoidance.

Another approach to classification is based on the degree of tax transparency and administrative requirements. In this context, classical tax regimes can be distinguished, in which companies are required to pay income taxes in full in the country of their registration. There is also a territorial taxation system applied, for example, in Hong Kong (China), where taxes are levied only on income earned within the country (Bin-Nashwan et al. 2020). In Uzbekistan, the territorial system operates for non-residents. In addition, substantial tax benefits are provided for IT companies, including full exemption from all types of taxes until 2028, a reduction in the tax on dividends of foreign companies to 5% and income tax to 7.5% (National legal… 2020).

One of the main factors determining the interest of a foreign business in a country is the level of the tax burden, especially the corporate tax rate. In countries with a high tax burden, such as France (corporate tax – 25%) and Germany (the combined corporate tax rate, including trade tax and the solidarity surcharge, is about 30%), large businesses face substantial obligations to the state. This makes such jurisdictions less attractive compared to low-tax countries such as Ireland (corporate tax on trading profits is 12.5%) or Singapore (the standard corporate tax rate is 17%). However, a simple reduction in the tax rate does not always lead to an increase in investment. For example, the United States implemented tax reform in 2017, reducing the corporate tax rate from 35% to 21%, which caused an increase in interest in the American market (Department of the Treasury 2025). However, there was no substantial inflow of investments, as the business also accounted for administrative costs and the level of regulatory risks.

In addition to the level of taxes, the predictability of the tax system is of crucial importance. Foreign companies prefer jurisdictions where tax legislation is stable and does not undergo frequent changes, as tax uncertainty can substantially increase business risks. For example, in countries with unstable tax environments such as Argentina or Venezuela, drastic changes in tax rules and increased fiscal pressure in response to macroeconomic crises led to capital outflows and a decrease in foreign investment (Barlow & Peña, 2022). Switzerland and the Netherlands exemplify nations with stable tax regimes, rendering them preferred locations for the headquarters of international corporations (Van de Vijver et al. 2020).

An additional tool for attracting investments is tax incentives and special regimes for certain industries or business types. Many countries use flexible tax systems to boost economic growth in strategically important sectors (Derkenbaeva et al. 2024). Thus, tax incentives have been introduced in Uzbekistan for IT companies and manufacturers of high-tech products, which contribute to the development of an innovative economy (National legal information… 2020). Ukraine has launched the "Diia City" (2025) project for the same purpose, which offers reduced tax rates and benefits for technology start-ups, making the country more attractive to international IT investors. The United Arab Emirates has an extensive system (more than 40) of free economic zones, each of which is focused on specific sectors of the economy. In these zones, companies can be exempt from corporate tax for up to 50 years, which helps attract international business and reduce the tax burden (Mogielnicki 2021).

The administrative complexity of tax accounting plays an equally important role. In countries with highly bureaucratic tax processes, companies are forced to spend substantial resources on tax compliance, which reduces the attractiveness of such jurisdictions. For example, Brazil is one of the most difficult countries in terms of tax administration, where businesses need, on average, more than 1,500 hours per year to fulfil their tax obligations. India also has a high level of bureaucratic burden, which creates additional costs for foreign companies (Dasgupta & Kapur, 2020). On the contrary, Hong Kong, Singapore, and Estonia offer the most simplified tax procedures, which makes them especially attractive for small and medium-sized businesses.

The speed and difficulty of refunding VAT are also important factors. In some countries, the VAT refund process can take several months and require extensive documentation, while in others, it is automated and takes only a few weeks. Foreign companies registered as tax residents of Germany can refund VAT when paying the entrance tax on goods and services. One must submit an electronic application to the Federal Central Tax Office (BZSt) by September 30 next year, enclosing correctly executed invoices to do this. The standard refund period is 4-6 weeks after filing the declaration; however, if it is necessary to clarify the data or request additional documents from the tax service, the process can take up to 4 months. Compliance with deadlines and the accuracy of documentation are key conditions for a successful return (Federal Office of Justice 1977).

In the Netherlands, companies registered in the country can request a refund of VAT paid in another EU country, subject to certain conditions. The request must be submitted by September 30 of the year following the year in which the VAT was paid. The minimum amount for an annual refund is EUR 50, and for a quarterly refund, EUR 400. The average processing time for a request varies from 30 to 90 days, but may increase depending on the requirements of the tax authorities of the relevant EU country (Planet 2025). In less efficient tax systems, for example, in Latin American countries, VAT refunds can be delayed for a period of several months to a year, which creates additional financial difficulties for businesses (van Oordt 2021).

An additional factor influencing investment decisions is the existence of international agreements for the avoidance of double taxation. Such agreements allow foreign investors to optimize their tax obligations by avoiding taxation of the same income in two countries. For example, the presence of more than 100 agreements for the avoidance of double taxation makes the UK one of the most profitable jurisdictions for international business (Winder 2024). Similarly, Ukraine, with more than 70 tax agreements, presents itself as an attractive jurisdiction for companies looking to operate in Eastern Europe, particularly in the fields of IT and manufacturing (Ministry of Finance of Ukraine 2025). This positions Ukraine favorably despite its relatively weaker economy compared to the UK. In contrast, countries with a limited number of such agreements, such as Uzbekistan or Albania, may face difficulties in attracting foreign investors. Businesses often have to consider potential additional tax costs, making these countries less appealing for international investment.

Global tax policy plays an important role in shaping the investment climate, including initiatives from organisations such as the OECD and the G20 (Naumenkova et al. 2023). The introduction of a global minimum corporate tax of 15%, initiated by the OECD, has an impact on tax competition between countries. The OECD and G20 countries have stepped up the fight against tax optimisation and tax evasion, which has led to the introduction of the AETI (Rootsma 2021). This mechanism allows the tax authorities of different countries to obtain information about the income of foreign citizens and companies, which complicates the use of offshore schemes. Many low-tax jurisdictions, such as Switzerland and Ireland, have adapted their tax systems to new international standards to maintain their status as reliable financial centres (Harpaz 2021).

Thus, tax policy is a complex mechanism that influences investment decisions through a variety of factors, including tax rates, legislative stability, administrative costs, tax incentives, and international agreements. An optimally structured tax system allows states to attract international capital, develop their economies, and increase their competitiveness in the global market.

3.2 Tax regimes of the USA, EU countries, China, Brazil, and India

The United States has one of the most developed but simultaneously complex tax systems in the world. The basic corporate income tax is 21% at the federal level, but companies are also required to pay taxes at the state level, which can increase the overall tax burden. Rates vary from state to state: for example, in Texas, the rate is 0%, while in California, it can reach 8.84%. This creates substantial differences in the tax burden for businesses in different parts of the country (Department of the Treasury 2025). One of the key reforms in American taxation was the introduction of the GILTI in 2017 (Tax Foundation 2025). This tax obliges American companies that own foreign assets to pay tax in the United States even on profits earned abroad at a rate of 10.5%. This innovation was aimed at combating capital flight offshore, but it increased the tax burden on multinational corporations.

Unlike most countries in the world, the United States does not have a federal value-added tax. Instead, there is a sales tax, which is set at the state level and ranges from 0-10%. As a result, companies operating in several states are forced to consider differences in tax laws, which makes doing business much more difficult. In the United States, the tax system is characterised by strict control over multinational corporations, which manifests itself in several aspects. Foreign companies operating in the United States are required to file annual tax returns, including Forms 1120 and 5472. Failure to comply with this requirement may result in fines. For example, a fine of at least USD 25,000 is provided for failure to submit Form 5472 on time or for incorrect completion. Serious penalties are provided for tax evasion or filing false tax returns. Legal entities can be fined up to USD 25,000, and individuals can be fined up to USD 5,000 or imprisoned for up to 1 year. In the case of more serious violations, fines and terms of imprisonment may be substantially higher (Department of the Treasury 2025).

In the USA, the BEAT mechanism (Tax Foundation 2025) was introduced to prevent the withdrawal of profits abroad and protect the country's tax base from erosion. This tax applies to multinational corporations that make payments to foreign-affiliated companies, such as interest payments or royalties. BEAT imposes an additional 10% tax (with an increase to 12.5% in 2026) on these payments if they reduce the US tax base. This limits the opportunities for aggressive tax planning and profit shifting to lower-tax jurisdictions.

In the USA, the business registration process is characterised by high speed and simplicity; for example, in Delaware, registration can be completed in just 1-2 days. The cost of registering a company in the United States ranges from USD 100 to 500, depending on the state and type of business. Although the process of registering a company in the United States is relatively simple, entrepreneurs may encounter differences in requirements between states, which adds additional steps and costs (Small Business Administration 2025).

The digitalisation of tax systems in the United States is aimed at improving control, transparency, and convenience for taxpayers. Most American taxpayers are required to file their tax returns electronically through the e-filing system, which simplifies the process and speeds up information processing. There is also an IRS e-file system (Internal Revenue Service 2025) that allows submitting various forms, including individual and corporate declarations. Taxpayers can pay taxes online using Direct Pay or via the Electronic Federal Tax Payment System (EFTPS), which makes the payment process safe and convenient. The IRS actively uses data analysis to identify tax violations and implements artificial intelligence and machine learning to improve work efficiency.

The EU is also actively implementing electronic reporting, where in most EU countries the e-filing system is used for filing tax returns, which simplifies and speeds up the process (European Commission… 2021). One of the important elements is the digital VAT system, which is being developed to combat tax evasion and simplify transactions within the EU. Companies are required to submit information about their transactions through the VAT Information Exchange System (VIES) to do this (Matviichuk et al. 2023). In some EU countries, such as the UK, there is a single online portal for filing tax returns, where small and medium-sized enterprises can register, submit their tax reports, and receive notifications from tax authorities. Technologies such as mandatory electronic cash registers are actively used to increase control in the EU, for example, in Italy, which automatically sends transaction data to tax authorities, which helps to reduce shadow business and improve VAT collection (Kredina et al. 2022).

The tax systems of the EU countries are regulated at both the national and pan-European levels, which creates a balance between national interests and common economic standards. Germany and France represent the two largest EU markets, but their tax regimes differ substantially (Organisation for Economic… 2025a). In Germany, the effective corporate tax rate is 29.9%, including federal tax, business tax, and municipal tax. The country is also known for its complex tax administration system: companies are required to provide detailed reports, and the tax service has broad audit powers. Compared to other countries, such as the United States, where the IRS conducts inspections within 3 years of filing a declaration and requires detailed forms 1120 and 5472, or Albania, where the tax system is less complex but also requires accounting, Germany stands out for its more detailed requirements. However, the existence of numerous double taxation agreements makes the country attractive to international companies, especially in the manufacturing sector. Germany actively uses the transfer pricing control mechanism to prevent profit withdrawal through price manipulation within the group of companies. The tax authorities may request additional documents if there is a suspicion of manipulation of transfer prices (Federal Office of Justice 1977).

France, unlike Germany, has been implementing tax reforms in recent years to reduce the tax burden on businesses. In 2017, France began a phased reduction in the corporate tax rate from 33.3% to 25%, and this process was completed in 2022. In 2018, the rate was reduced to 31%, in 2019 to 28%, in 2020 to 26.5%, in 2021 to 26%, and in 2022 the rate became 25% (General Tax Code 1950). Despite the reduction in the corporate tax rate, France maintains a high level of labour taxation, which increases costs for employers. In 2023, social security contributions for employers in France accounted for about 45% of employees' salaries, depending on income level (General Tax Code 1950). This is substantially higher than in the United States, where the average level of tax and social contributions for employers is about 7.65% at the federal level, as well as in Germany, where tax and social contributions for employers are about 20-25% (U.S. Department of the Treasury 2025; Federal Office of Justice 1977). Thus, the taxation of labour in France is noticeably more burdensome compared to these countries.

One of the key taxes in the EU is the value-added tax. In Germany, its standard rate is 19% and in France, it is 20%, but for several goods and services, preferential rates apply (for example, 7% in Germany for books, food, and medical products). The EU's tax policy is focused on protecting the market from tax evasion. In 2016, the ATAD (European Commission 2025) was adopted, aimed at combating transfer pricing and offshore schemes. It aimed to establish minimum standards to prevent tax abuses such as transfer pricing and the use of offshore schemes by introducing mandatory anti-tax evasion measures at the EU level.

Despite the high tax burden, EU countries remain attractive to businesses due to stable legislation and extensive tax planning opportunities, namely the use of various strategies to minimise tax obligations, such as choosing favourable jurisdictions for company registration, applying tax incentives and exceptions, optimising transfer pricing, and using international agreements to avoid double taxation (Mishchenko et al. 2025; Shtal et al. 2024). The process of business registration in EU countries depends on the specific jurisdiction. It can take about 7 business days to register a company in Germany, and 10 business days in France. The cost of registration also varies depending on the country, but usually ranges from EUR 50 to 400. In some EU countries, such as Germany, companies are required to follow more complex administrative procedures, which increases registration time (European Union 2025).

The Chinese tax system combines a relatively high basic corporate tax rate (25%) with the possibility of substantially reducing the tax burden for priority industries such as information technology, biotechnology, new energy technologies, environmentally friendly manufacturing, and pharmaceuticals. For example, for high-tech companies, the rate can be reduced to 15%, and for small businesses, benefits are provided in the form of a temporary tax exemption for up to 2 years (International Monetary Fund 2025). China uses the territorial principle of taxation, which means that the tax is levied only on income earned in the country. For foreign companies, this simplifies tax administration, but they are required to pay tax on dividends at a rate of 10%, which limits the possibility of withdrawing profits abroad (Nan County People's Government 2015).

The standard VAT rate in China is 13%, but there is a gradation: 6% and 9% for certain categories of goods and services. China actively uses tax incentives to encourage investment, including VAT exemption in free trade zones. There are 21 free trade zones in the country, among which the main ones are Shanghai, focused on the development of the financial and digital sectors, Guangzhou, focusing on trade and logistics services, Shenzhen, known for its innovations in high technologies, Chengdu, developing high-tech and environmentally friendly projects, and Hainan, focused on tourism and environmentally friendly production. These zones offer tax benefits and simplified procedures to attract investors.

The Chinese tax system is characterised by a high level of government control, especially in relation to multinational companies. Tax audits are conducted regularly, and they can be either selective or at the request of the tax authorities in case of suspected violations. The audits analyse accounting documents, financial statements, and compliance with tax laws. Violations are subject to severe penalties, including fines that can reach substantial amounts (for example, up to CNY 5 million for serious violations), and possible prison terms that depend on the severity of the crime. In rare cases, in the case of large-scale fraud or tax evasion for very large amounts, more stringent measures may be applied, including long prison terms (Nan County People's Government 2015).

It takes an average of 20 to 60 business days to register a business in China. The main difficulty lies in the need to go through several stages, such as registration with tax authorities, obtaining licenses, and business permits. Registration costs can range from USD 1,000 to 2,000, including the cost of legal services and fees. For foreign companies, the registration process may be more difficult due to strict requirements for documents and inspections (PTL group 2025).

The Brazilian tax system is known for its complexity. Corporate tax includes several levels of taxation: federal tax (15%), additional taxes and social contributions, which bring the effective rate to 34%. Brazil also has a confusing system of indirect taxation: value-added tax is levied at different levels (ICMS state tax, IPI federal tax, ISS municipal tax). The total rate, which can reach 40%, includes all these taxes and depends on the specific industry and region. This high rate and complexity of the system make doing business in the country more difficult (Santander Trade 2025).

In Brazil, the business registration process is notably complicated and can be quite lengthy, often taking between 30 to 60 business days to complete. This extended timeline is largely due to the necessity of registering with multiple government agencies, including tax authorities and municipal bodies. (Multiplier 2025). The costs associated with business registration can also be substantial, ranging from USD 500 to 1,000, depending on the specific type of business being established. Despite ongoing efforts to streamline and simplify the registration process, it remains a time-consuming endeavour, particularly for foreign investors who may be less familiar with the local regulatory landscape.

On the other hand, India offers a more flexible tax system designed to accommodate a range of business sizes and types. The standard corporate tax rate in India is set at 22%, but smaller businesses can benefit from a discounted rate of 15%, provided they meet certain criteria. These criteria typically include having an annual turnover of no more than INR 250 million (approximately USD 2.8 million) and meeting other conditions related to the number of employees and assets. Additionally, India imposes a tax on dividends that can go up to 20% and has a minimum income tax rate of 15% (High Commission of India 2025. A significant development in India's tax administration was the introduction of the GST in 2017 (Government of India… 2025). The GST system features various tax rates, including 5%, 12%, 18%, and 28%, and has greatly simplified the tax landscape by consolidating multiple indirect taxes into a single system. This unified approach levies taxes at all stages of production and sale of goods and services, thereby avoiding the issue of double taxation and enhancing overall transparency. However, despite these improvements, businesses in India still face challenges due to the high bureaucratic burden and the complexity of meeting all regulatory requirements. The GST, while comprehensive, encompasses a broader range of taxes and applies to both goods and services, which can add layers of complexity for businesses navigating the system.

In India, the business registration process takes an average of 15 business days. Business registration costs start at INR 7,000 (about USD 100). However, due to the complex taxation system and bureaucratic procedures, the process can take a long time, especially if entrepreneurs are not familiar with local regulations (India Filings 2025). India continues to introduce digital tools to simplify registration, such as the GST system for taxation, which speeds up the process, but certain administrative barriers remain.

The United States and EU countries have stable tax systems but a high administrative burden and strict control over compliance with tax obligations, which includes regular inspections and mandatory reporting. China offers moderate tax rates and also applies strict controls, including regular inspections and harsh sanctions for violations, which makes doing business in the country more demanding in terms of compliance with tax regulations. Brazil and India remain bureaucratically complex countries with high tax burdens, presenting them as less attractive to foreign investors (Table 1).

Table 1: Tax regimes of the USA, Germany, France, China, Brazil, India

Parameter	USA	Germany	France	China	Brazil	**India**
Corporate tax rate	21% (federal) + state taxes (0-12%)	29.9% (federal + local)	25% (preferential 15% for small businesses)	25% (15% for priority industries)	34% (federal + local)	22% (15% for small businesses)
The principle of	Global (taxes on foreign income)	Territorial (taxes on income within the country)	Territorial (taxes on income within the country)	Territorial (taxes on income within the country)	Territorial (taxes on income within the country)	Global (taxes on income worldwide)

taxation						
Tax on dividends	15-20%	0-30% (depending on agreements)	0-30%	10%	0% (subject to change)	Up to 20%
VAT / Indirect taxation	No federal VAT, 0-10% sales tax (state level)	19% (preferential 7%)	20% (preferential rates for individual products, average 6.5%)	13% (preferential 6% and 9%)	Multi-level (ICMS, IPI, ISS) up to 40%	GST 5-28%
Administrative complexity	High (complex tax administration, strict control)	High (detailed reporting, strict control)	High (but improving due to reforms)	Medium (high control, but there are benefits)	Very high (multi-level system)	High (complex reporting, but digitalisation of processes)
Tax benefits	Research and Development Tax Credit (R&D Tax Credit) – up to 20% of R&D costs. Qualified Small Business Stock (QSBS) is an exemption from income tax when selling shares of small companies after 5 years of ownership	Benefits for innovative companies, including tax discounts on R&D (up to 25% of research costs)	Reduction of the income tax rate for small businesses: 15% rate for companies with income up to EUR 38,120. Reduction of the VAT rate: for food and some goods, the VAT rate is 5.5%	Benefits for high-tech companies: the income tax rate can be reduced to 15%. Free economic zones: tax benefits, including VAT exemption	Benefits for small businesses: the income tax rate is 15% for companies with a turnover of up to INR 250 million	Benefits for small businesses: the income tax rate is 15%

Source: developed by the authors based on Tax policy (2025), Tax code (1977), General Tax Code (1950), Tax Law of the People's Republic of China (2015), Brazil: Tax system (2025), Taxation System in India (2025), Global Intangible Low-Tax Income (GILTI) (Tax Foundation 2025b), Base Erosion and Anti-Abuse Tax (BEAT) (Tax Foundation 2025a), Anti-Tax Avoidance Directive: An EU Directive to counter corporate tax avoidance (2025), Goods and Services Tax (Government of India…, 2025).

Table 1 highlights the key differences between the tax systems of the world's leading economies. The United States offers a relatively low corporate tax rate, but a high level of tax control. EU countries such as Germany and France have high tax rates but stable legislation. China uses the territorial principle of taxation and offers tax incentives, attracting investors. Brazil remains one of the most difficult countries in terms of tax administration, while India is implementing reforms aimed at simplifying the tax system.

The analysis of tax regimes across various leading economies reveals significant differences that impact their attractiveness to foreign investors. The United States, with its relatively low corporate tax rate but complex administrative requirements and stringent controls, contrasts with European countries like Germany and France, which maintain high tax rates but offer legislative stability and extensive tax planning opportunities. China stands out with its territorial taxation principle and substantial tax incentives for priority sectors, making it appealing despite rigorous regulatory oversight. Conversely, Brazil and India present more challenging environments due to their complex tax structures and high administrative burdens, although India is making strides in digitalizing and simplifying its tax processes. Overall, the effectiveness of a tax regime in attracting investment hinges on a balance between tax rates, administrative efficiency, legislative stability, and the availability of tax incentives.

3.3 Tax regimes in Albania, Ukraine, and Uzbekistan

Developing economies such as Albania, Ukraine, and Uzbekistan are in the process of modernising their tax systems to increase their investment attractiveness and integrate into international economic processes. Unlike the world's leading economies, the tax systems of these countries are still being formed, facing challenges such as a low tax base, a high level of shadow economy, and insufficient digitalisation of tax administration. An analysis of their tax regimes in comparison with world leaders reveals both their advantages and possible areas of reform.

Albania uses a progressive taxation system. The standard corporate tax rate is 15%, but for small businesses with a turnover of up to ALL 14 million (about EUR 130,000), a reduced rate of 5% applies. In recent years, the government has sought to simplify tax administration to attract foreign investment, especially in the tourism and energy sectors. The value-added tax in Albania is set at 20%, but for some categories of goods and services, there are preferential rates of 6% and 0% (for example, for the tourism sector and exports) (Stanbic Bank Trade Club 2025).

The main problem of the Albanian tax system is the high proportion of the informal (shadow) economy (28.1%) (World Economics 2025), including unregistered activities and informal work, which reduces tax collection and limits the state's budgetary capabilities. Albania is actively implementing digital tax tools based on the experience of EU countries, but it still has difficulties with effective tax administration. The main challenge is the need to increase the transparency of the tax system, reduce bureaucratic barriers, and combat tax evasion.

Business registration in Albania takes a relatively short time – about 5 business days. The cost of registering a company includes government fees, which are affordable but may vary depending on the type of business. The process is quite simplified, but difficulties may arise due to high administrative barriers and bureaucratic procedures.

Over the past 5 years, Ukraine has implemented several tax system reforms aimed at reducing the burden on businesses and combating corruption. The standard corporate tax rate is 18%, which is lower than in most EU countries, but higher than in countries such as Albania and Uzbekistan. Ukraine uses a mixed taxation system that combines elements of classical taxation and a simplified system for small businesses. VAT in Ukraine is 20%, but the tax system remains complex due to the many exceptions and benefits, which create corruption risks (State Tax Service of Ukraine 2011). The Ukrainian authorities are introducing electronic tax administration (E-tax), which substantially improves the transparency of the system (State Tax Service of Ukraine 2025). Ukraine's main challenge is to increase the efficiency of tax administration and combat offshore schemes. In this context, the country could use the experience of the EU, in particular, Germany and France, in matters of tax control, as well as the United States, regarding measures to prevent capital withdrawal from the country.

The process of business registration in Ukraine takes from several days to several weeks and is not associated with substantial bureaucratic barriers. However, other aspects of doing business, such as trademark registration, remain complex and non-transparent. This process can take a year or more, and the high degree of bureaucracy and corruption creates additional obstacles for entrepreneurs.

Uzbekistan has a tax liberalisation system aimed at attracting investment and developing small businesses. Starting in 2022, the corporate tax has been reduced to 15%, which makes the country attractive for international companies. One of the features of Uzbekistan is a single tax for small businesses, which replaces several taxes and simplifies reporting. Tax incentives are provided for foreign investors, especially in the field of production and exports. VAT in Uzbekistan has been reduced from 20% to 12%, which is one of the lowest rates among the countries of the region (National legal information… 2020). This creates favourable conditions for the consumer market and reduces the tax burden on enterprises. The main challenge of the Uzbek tax system is the low tax base and the need for further digitalisation of tax administration. In this field, the country can use China's experience by introducing the territorial principle of taxation, which will enable the exemption of profits earned abroad from taxation. European practices such as ATAD directives and transfer pricing reporting can be applied to combat tax evasion, which allows limiting the use of offshore schemes and the withdrawal of profits to tax havens.

Business registration in Uzbekistan has become much easier in recent years, and it takes from 3 to 5 business days. Registration costs remain low, but in some cases, additional costs for notary services are required. Uzbekistan is actively working to improve the registration process and simplify administrative procedures, making the country more attractive for business.

The experience of the world's leading economies can be useful for developing countries in several critical areas. Reducing administrative barriers and digitalising the tax system, as in the EU, will allow countries to reduce the bureaucratic burden on businesses and increase the transparency of tax administration. Optimising VAT and indirect taxes by implementing a clear and transparent taxation system, adopting the EU experience, will help reduce corruption risks and increase tax collection (Organisation for Economic… 2026).

Attracting foreign investments is possible through tax incentives. Uzbekistan and Albania can benefit from China's experience by setting reduced tax rates for priority industries. In addition, an effective fight against tax abuses requires increased control. Ukraine and other countries may introduce mechanisms similar to the American GILTI or the European ATAD directives to reduce tax evasion opportunities. The development of simplified tax regimes also plays an important role. The Indian GST model can serve as an example for countries with high administrative burdens, helping to simplify the indirect taxation system.

Table 2: Comparative analysis of tax regimes in Albania, Ukraine, and Uzbekistan

Parameter	Albania	Ukraine	Uzbekistan
Corporate tax rate	15% (5% for small businesses)	18%	15%
Value-added tax	20% (preferential rates of 6% and 0%)	20%	12%
The main problems of the system	High share of the shadow economy (28.1%), low tax collection, and corruption (80th place in the Corruption Perception Index)	Corruption (105th place), complex administration, offshore schemes, high level of shadow economy (43.4%)	Low tax base, the need for digitalisation, corruption (121st place), and shadow economy (28.4%)
Modernisation measures	Introduction of digital tax instruments, fight against tax evasion	Improvement of electronic administration (E-tax), strengthening transfer pricing control, and automation of tax monitoring	Implementation of the territorial principle, expansion of electronic tax services
Focus on international experience	EU (digitalisation of the tax system)	EU (control and transparency), USA (fight against offshore companies)	EU (territorial taxation principle, anti-tax measures)
Investment attractiveness	High in the tourism sector, but held back by the shadow economy	Medium – tax reform improves the situation, but bureaucratic barriers remain	High taxes are reduced, and favourable conditions for investors are created

Source: developed by the authors based on Base Erosion and Anti-Abuse Tax (BEAT) (Tax Foundation 2025a), Anti-Tax Avoidance Directive: An EU Directive to counter corporate tax avoidance (2025), Goods and Services Tax (Government of India…, 2025), Corruption Perceptions Index (Transparency International 2024).

Albania, Ukraine, and Uzbekistan are modernising their tax systems, despite facing many challenges such as corruption, administrative complexity, and the need to attract investment. Using international experience, especially the tax practices of leading economies, can help improve their tax system, increase transparency, and create a favourable investment climate. Transparency and stability of tax systems are essential for foreign investors seeking to make long-term investments in different countries. In this context, the systems of Albania, Ukraine, and Uzbekistan are interesting examples of differences in approaches to tax administration, the frequency of changes in tax legislation, and the degree of transparency.

Albania's tax system has undergone several reforms in recent years aimed at improving the investment climate. However, the country's tax legislation is subject to changes, which can create uncertainty for businesses. Tax rates have been lowered, and the introduction of new tax incentives in certain sectors of the economy has attracted investors, especially in the tourism industry. The country's tax authorities are trying to increase transparency, but the high level of corruption, according to Transparency International reports, limits the degree of trust in the system. Albania ranked 80th out of 180 countries in the Corruption Perception Index in 2024 (Transparency International 2024). This indicates a substantial level of corruption, which, in turn, affects the effectiveness of tax control. For comparison, the United States ranked 28th, Germany – 15th, France – 25th, China – 76th, Brazil – 107th, and India – 96th.

Ukraine also faces challenges in the stability and transparency of its tax system (Shahini & Shtal 2023). In 2020, the Tax Code of Ukraine was amended to simplify taxation for small businesses, while new tax rates and accounting mechanisms for large companies were introduced. However, changes in tax rules often occur without prior extensive discussion with businesses and experts, which leads to uncertainty and negatively affects business activities. Ukraine consistently holds high positions in ratings reflecting the level of perception of corruption: in 2024, it ranked 105th out of 180 countries, which indicates more serious problems compared to Albania (Transparency International 2024). This level of corruption hinders the high-quality functioning of the tax system, reducing the level of business confidence. The creation of the Supreme Anti-Corruption Court (Judiciary of Ukraine 2025) in 2019 gave foreign investors some confidence that their interests would be protected, yet the high level of corruption and complexity in tax administration remain considerable challenges for Ukraine.

Uzbekistan is also reforming its tax system, aiming to increase its efficiency and transparency. Specifically, a series of tax reforms have been implemented aimed at simplifying tax administration and reducing tax rates. However, in Uzbekistan, the tax system is also subject to changes, which adds uncertainty to business. For example, in 2020, tax incentives were introduced for certain categories of businesses and increased control over companies operating in the field of natural resource extraction. Despite the desire to improve tax administration, high tax rates and a low tax base remain challenges for the country. In 2024, Uzbekistan ranked 121st out of 180 countries in the Corruption Perception Index, which also reflects the substantial problems with corruption in the country (Transparency International 2024).

An analysis of global tax systems shows that current trends in international business tax regulation are aimed at balancing tax competition, combating tax evasion, and creating a transparent, digitalised environment for tax administration. The world's leading economies are striving to reform tax regimes to increase their efficiency, improve tax collection, and create favourable conditions for investment while minimising tax loopholes and offshore schemes (de-Almeida-e-Pais et al. 2023; Dohadailo et al. 2021; Tyukhtenko et al. 2024).

One of the major trends is the global minimisation of tax arbitration. In this area, the OECD Global Minimum Tax Initiative (Pillar Two) (2025) is of particular importance, suggesting the establishment of a minimum corporate tax rate of 15% for multinational companies. This innovation should reduce the incentives for business registration in low-tax jurisdictions and strengthen tax equity between countries.
The second important trend is the fight against tax abuse and digital evasion schemes. Leading economies, including the EU, the USA, and China, are implementing tax control mechanisms such as the ATAD in Europe, Global Intelligent Low-Tax Income (GILTI) rules in the United States, and digital taxation systems such as the Digital Services Tax (DST) (Seely 2024) in the EU. These measures are particularly relevant in the context of taxation of multinational IT companies such as Google, Amazon, and Meta, which have traditionally used offshore schemes to minimise taxes.
The third trend is the automation of the exchange of tax information. Programmes such as CRS (European Commission… 2021) and FATCA (Internal Revenue Service 2025) allow tax authorities in different countries to obtain data on the income of foreign residents, which reduces the possibility of tax evasion. Albania joined the CRS and began the automatic exchange of financial information with other OECD member countries. Ukraine has also implemented CRS and started exchanging data with the tax authorities of the participating countries in 2023. In addition, Ukraine has signed a FATCA agreement with the United States, which allows the transfer of data on American taxpayers' accounts in Ukrainian banks (Foreign Account… 2025). Uzbekistan is not yet participating in the CRS, but it is negotiating to join international tax transparency standards and has already signed an agreement with the United States on data transfer under FATCA (Common Reporting Standard 2025).
The fourth trend is tax incentives for sustainable development. In the context of the global fight against climate change, countries are developing tax incentive mechanisms for businesses investing in environmentally friendly technologies and renewable energy (Murtezaj et al. 2024). The EU is implementing a Carbon Border Adjustment Mechanism (CBAM) (2025b) to prevent "carbon leakage" and create equal conditions for producers within the EU and importers. The CBAM transition period began in October 2023 and will last until the end of 2025. And from 2026, importers of aluminium, cement, electricity, fertilisers, hydrogen, iron, and steel will be required to purchase CBAM certificates, the cost of which is linked to carbon quota prices under the EU Emissions Trading System (EU ETS). The United States has an Inflation Reduction Act (IRA) (Breckenridge et al. 2025) aimed at supporting clean energy and reducing greenhouse gas emissions, which provides tax credits and subsidies for energy efficiency improvements. Households can receive tax breaks of up to 30% of the cost of such improvements, with a limit of USD 1,200 to 2,000 and subsidies of up to USD 14,000, and the total amount of climate investments under the IRA is estimated at USD 391-900 billion. These measures support businesses investing in clean technologies, renewable energy sources, and emission reduction, with a particular focus on low-income regions, contributing to an accelerated transition to a sustainable economy.
Finally, the digitalisation of tax administration is becoming an important trend. The development of electronic tax platforms such as E-tax, e-Invoicing, and AI tax data analytics systems helps to increase transparency in tax accounting, simplify tax payment processes, and reduce administrative barriers for businesses. Ukraine has an electronic tax administration (E-tax) system that automates reporting and tax control. Uzbekistan has implemented the e-Invoicing system, which provides electronic invoice processing and reduces tax abuse. Albania is also developing the digitalisation of tax administration, including online tax declarations. These initiatives help countries adapt to international tax administration standards and improve tax collection efficiency.
Thus, current trends in the tax regulation of international business are moving towards the harmonisation of tax standards, digitalisation, the promotion of sustainable development, and the fight against evasion. These changes have a substantial impact on the tax strategies of both multinational corporations and emerging economies, which are forced to adapt to new global rules.

4. Discussion

The results of the study confirm that tax policy plays a crucial role in shaping the country's investment climate. However, its impact is not limited only to the level of tax rates: transparency of tax regulation, the degree of administrative burden, and stability of tax legislation are also important.
One of the most important aspects is the trade-off between tax rates and economic stability. Developed countries such as the USA, Germany, and France traditionally maintain relatively high tax rates, but ensure the predictability of the tax regime, which creates favourable conditions for long-term investments. In these countries, companies can rely on stable tax policies, which reduces uncertainty in business planning.
In turn, developing countries, including Ukraine and Uzbekistan, are trying to compete for capital by offering lower tax rates and various tax breaks (Antonenko et al. 2019; Kuzmenko et al. 2020). However, this strategy does not always produce the expected result. In some cases, low taxes do not compensate for the risks associated with frequent changes in tax legislation, bureaucratic obstacles, and low investor protection (Rexhepi et al. 2024b). This highlights the importance of not only the size of the tax burden but also the transparency of its administration. Shafiq et al. (2021) evaluated the impact of the stability of the tax regime on the level of foreign direct investment. The conclusions of the study confirmed that countries with predictable tax systems attract more long-term investments than countries where tax policies change frequently. These findings are consistent with the results of the current study, which also highlights the importance of the stability of the tax regime. However, the authors placed more emphasis on institutional factors such as the independence of tax authorities and their ability to ensure law enforcement.
Chow et al. (2022) investigated the impact of corporate tax on the decision of international companies to place their assets. It was concluded that low tax rates are not always a key factor – companies are more likely to choose jurisdictions with a favourable legal environment and developed infrastructure. This confirms one of the most important findings of the current study: low taxes in developing countries do not offset the risks associated with frequent reforms and bureaucratic barriers. In contrast to the current study, the authors argued that in some cases, tax holidays can temporarily increase the flow of investments.
The complexity of tax administration remains a substantial barrier for businesses, especially in developing economies (Kalambet et al. 2016; Malyarets et al. 2017). Despite relatively low tax rates, entrepreneurs in countries with inefficient tax systems face high transaction costs associated with the need to interact with tax authorities. Slattery and Zidar (2020) investigated how tax incentives really contribute to the development of priority sectors of the economy. The researchers concluded that in most cases, tax incentives do not have a long-term effect unless they are accompanied by comprehensive business support (for example, investments in infrastructure or simplification of administrative procedures). These results partially coincide with the conclusions of the current study: it was determined that in some countries, tax incentives for certain industries may not be effective enough due to high bureaucratic barriers. However, the researchers stressed the need to combine tax incentives with other forms of support.

Overesch and Wolff (2021) analysed how the level of transparency of the tax system affects investor decisions. The authors established that countries with high reporting standards and international agreements on the exchange of tax information attract more sustainable investments than countries with opaque tax regimes. These findings partially mirror the current study, which also underscores the importance of transparency for foreign investors. However, in the current study, transparency is viewed more through the prism of predictability of tax policy and administrative simplicity.

The practice of digitalisation of tax administration is widespread in the EU and the USA, which substantially reduces the time and resources companies spend on tax reporting (Olendiy et al. 2023). In Germany, for example, tax reports can in most cases be submitted electronically, and tax audits are conducted using automated data analysis systems. Thereby, in some developing countries, taxpayers have to spend a substantial amount of time preparing reports and interacting with tax authorities, which reduces the effectiveness of the tax system even at relatively low tax rates (Borysiak et al. 2022; Brych et al. 2022). Uyar et al. (2021) assessed the level of digitalisation of tax authorities in different countries and its impact on the business climate. This paper indicates that countries with a high level of tax administration automation have lower transaction costs for businesses than countries where tax reporting still requires substantial time. Bassey et al. (2022) also pay special attention to the impact of digital tax platforms, such as online declaration, automated calculations of tax liabilities, and integration with enterprise accounting systems. The results of this publication demonstrate that in countries with a high degree of digitalisation, taxpayers spend substantially less time fulfilling their tax obligations. These statements are fully in line with the current study, which also highlights the importance of the digitalisation of the tax system. However, the researchers additionally focused on the level of taxpayers' trust in digital platforms.

Many countries use tax incentives as a tool to attract investment, but their effectiveness depends on the specific conditions of their application. In some cases, tax incentives can be useful for the development of key industries, for example, to support high-tech companies and start-ups (Istrefi et al. 2025; Shtal et al. 2018; 2023). However, there is a risk that excessive use of benefits will lead to the creation of complex and opaque tax regimes, which may reduce investor confidence. Choi et al. (2020) reviewed how tax competition between countries affects the business decisions of international corporations, identifying how tax cuts in one country often trigger retaliatory measures from neighbouring countries, which leads to a kind of "tax race". This is especially true in EU countries, where tax competition between member states has a notable impact on the placement of companies. The current study also examines the issue of tax system competition but with a focus on developing countries where tax rates are declining without properly stabilising the business climate. Thus, both papers conclude that low taxes alone do not guarantee an influx of investments.

In a number of developing countries, tax incentives are provided within the framework of special economic zones or individual sectoral programmes, but their long-term effect on the economy remains ambiguous (Aliyev et al. 2023). If tax benefits are accompanied by bureaucratic obstacles or frequent changes in the terms of their provision, they may lose their attractiveness to businesses. Song et al. (2020) analysed the effectiveness of tax incentives in developing countries and concluded that their impact on the economy depends on a number of factors: transparency of the mechanisms for granting benefits, stability of tax legislation, and the degree of integration of tax incentives into the overall economic development strategy. Qi et al. 2023, in turn, noted that in countries with clearly defined and predictable support measures, tax incentives do stimulate investment inflows and contribute to the growth of certain industries, such as electronics and automotive manufacturing. These conclusions partially echo the current study, as it also highlights that the instability of tax regulation reduces investment attractiveness. However, the authors emphasised the need for a comprehensive approach when tax incentives are part of a broader economic growth strategy.

Le et al. (2020) reviewed how tax policy affects small and medium-sized businesses. The authors concluded that in countries with high taxes but simple reporting procedures, businesses feel more comfortable than in countries with low taxes but complex tax administration. This result coincides with the current study, which also highlights that the complexity of tax procedures can become a more serious barrier for businesses than the tax rates themselves. However, the authors placed more emphasis on the problems of small businesses, whereas the current study examines a wider range of factors.

As a result, to increase investment attractiveness, countries must not only reduce their tax burden but also ensure the predictability of the tax regime, minimise administrative barriers, and create transparent tax regulation mechanisms. A balanced tax policy that considers the interests of both the state and business is a key factor for successful economic development.

5. Conclusion

The study conducted a comprehensive analysis of tax regimes across various global economies, with the primary objective of characterising the main tax regimes in the world's leading economies and identifying the impact of tax agreements, administrative barriers, and regulatory trends on international business decisions. The analysis revealed that tax policy significantly influences investment decisions through various factors, including tax rates, legislative stability, administrative costs, tax incentives, and international agreements. The attractiveness of a tax system for businesses is determined not only by the level of taxation but also by the predictability of tax policy and the availability of tax incentives and benefits.

Developed economies such as the United States, Germany, France, and China demonstrated resilient tax systems that employ mechanisms to combat tax base erosion and tax evasion. These countries exhibit high levels of digitalisation in tax administration, automation of reporting, and predictability in tax policy, which contribute to reducing tax risks and increasing attractiveness for investors. The OECD countries actively implement international tax standards, simplifying business operations for multinational companies.

In contrast, developing economies like Ukraine, Uzbekistan, and Albania are modernising their tax systems to increase investment attractiveness and integrate into international economic processes. These countries face challenges such as a low tax base, a high level of shadow economy, and insufficient digitalisation of tax administration. However, they are making strides in introducing digital tools, simplifying tax administration, and offering tax incentives for certain sectors of the economy. The research underscored that a balanced tax policy, which considers the interests of both the state and businesses, is crucial for successful economic development. To increase investment attractiveness, countries must ensure the predictability of the tax regime, minimise administrative barriers, and create transparent tax regulation mechanisms.

The limitation of the study was its focus on comparing tax regimes in several countries, which may not reflect all the nuances related to regional specifics or industry differences. For further research, it is recommended to delve into the analysis of the impact of tax changes on long-term investment decisions and conduct a comparative analysis of specific economic sectors in different tax jurisdictions. This will provide a more nuanced understanding of the complex interplay between tax policy and business decisions in a globalised economy.

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