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Legal Mechanisms of Integration of International Tax Rules into the Domestic Legislation of the CIS Member States

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Abstract. *This study systematically analyzes the institutional and normative mechanisms of integration of international tax norms into the national tax legal systems of the member states of the Commonwealth of Independent States (CIS). The central hypothesis of the article is that international legal influence in the field of taxation in the CIS is mainly carried out through advisory acts and voluntary cooperation mechanisms, which makes the integration process qualitatively different and limited in nature compared to supranational associations. The research methodology is based on the integrative application of formal-legal, comparative-legal and systematic analysis methods. The article examines four main integration mechanisms: (1) system of bilateral and multilateral tax treaties; (2) normative impact of the CIS Model Tax Code; (3) transplantation of the OECD Base Erosion and Profit Shifting (BEPS) plan into national legislation; (4) institutions of information exchange and administrative cooperation between tax authorities. The research findings show that while significant progress has been made in the areas of transfer pricing and information exchange, harmonisation of fundamental elements of tax policy remains limited due to economic differentiation, concerns over political sovereignty and the lack of binding legal mechanisms. The article presents recommendations for enhancing the legal status of the Model Tax Code, improving the digital tax administration infrastructure, and differentially using the experience of the Eurasian Economic Union to increase the efficiency of the integration process.*

Keywords: *Commonwealth of Independent States, international tax law, integration mechanisms, Model Tax Code, BEPS, transfer pricing, tax harmonization*

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Beynəlxalq vergi normalarının MDB üzv dövlətlərinin daxili qanunvericiliyinə inteqrasiyasının hüquqi mexanizmləri

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Xülasə. *Bu tədqiqat Müstəqil Dövlətlər Birliyi (MDB) üzv dövlətlərinin milli vergi hüquq sistemlərinə beynəlxalq vergi normalarının inteqrasiyasının institusional və normativ mexanizmlərini sistemli şəkildə təhlil edir. Məqalənin mərkəzi hipotezi ondan ibarətdir ki, MDB məkanında vergi sahəsində beynəlxalq hüquqi təsir əsasən tövsiyə xarakterli aktlar və könüllü əməkdaşlıq mexanizmləri vasitəsilə həyata keçirilir ki, bu da inteqrasiya prosesini supranational birliklərlə müqayisədə keyfiyyətcə fərqli və məhdud xarakterli edir. Tədqiqat metodologiyası formal-hüquqi, müqayisəli-hüquqi və sistemli təhlil metodlarının inteqrativ tətbiqinə əsaslanır.*

Məqalədə dörd əsas inteqrasiya mexanizmi araşdırılır: (1) ikitərəfli və çoxtərəfli vergi müqavilələri sistemi; (2) MDB-nin Model Vergi Məcəlləsinin normativ təsiri; (3) OECD-nin Vergi Bazasının Aşınması və Mənfəətin Köçürülməsi (BEPS) planının milli qanunvericiliyə transplantasiyası; (4) vergi orqanları arasında məlumat mübadiləsi və inzibati əməkdaşlıq institutları. Tədqiqat nəticələri göstərir ki, transferqiymətqoyma və məlumat mübadiləsi sahələrində əhəmiyyətli irəliləyişlər əldə edilsə də, vergi siyasətinin fundamental elementlərinin harmonizasiyası iqtisadi differensiasiya, siyasi suverenliklə bağlı narahatlıqlar və məcburi hüquqi mexanizmlərin olmaması səbəbindən məhdud olaraq qalmaqdadır. Məqalə inteqrasiya prosesinin səmərəliliyinin artırılması üçün Model Vergi Məcəlləsinin hüquqi statusunun yüksəldilməsi, rəqəmsal vergi inzibatçılığı infrastrukturunun təkmilləşdirilməsi və Avrasiya İqtisadi İttifaqının təcrübəsindən differensial şəkildə istifadə edilməsi istiqamətində tövsiyələr təqdim edir.

Açar sözlər: *Müstəqil Dövlətlər Birliyi, beynəlxalq vergi hüququ, inteqrasiya mexanizmləri, Model Vergi Məcəlləsi, BEPS, transferqiymətqoyma, vergi harmonizasiyası*

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Introduction

1.1. Relevance of the problem and justification of the research
The lack of a clear legal regulation of the process of harmonization of tax legislation and a unified tax policy further increases the importance of theoretical research in this area. In this regard, the issues of harmonization of tax legislation are becoming one of the priority areas of scientific and legal research (Golovchenko, 2020, p. 3). A.D. Khokhlova notes that the stability of tax legislation is one of the most important guarantees of the implementation of the principle of legal certainty. The degree to which tax norms are stable and predictable directly affects the ability of taxpayers to plan their economic activities, assess economic risks and make long-term investment decisions (Khokhlova, 2025, p. 3). The formation of tax law in the post-Soviet space took place under a two-way influence: on the one hand, the need to establish national tax systems in the newly independent states after the collapse of the USSR, and on the other hand, the requirement to adapt to international tax standards dictated by global economic integration processes. The Commonwealth of Independent States (CIS) represents a unique legal environment where these two factors converge. Despite the organization's existence for over thirty years, the depth, mechanisms, and effectiveness of tax integration remain at the center of academic debate.

The integration of international tax norms into national legal systems is one of the most complex problems of modern international law. This process develops in the context of constant tension between the fiscal sovereignty of states and the needs of global economic cooperation (Avi-Yonah, 2019). This dilemma is particularly acute for the CIS member states: their economies are still closely interconnected, but their political and economic development trajectories differ significantly. The fundamental changes in the international tax environment over the past decade - in particular, the adoption of the OECD's BEPS plan, new challenges related to the taxation of the digital economy, and global tax transparency requirements - have also forced CIS countries to reconsider their tax systems. Against the background of these changes, it is particularly relevant to determine the effectiveness of the existing mechanisms of cooperation in the field of taxation within the CIS and the directions for improving these mechanisms. O.I. Lyutova states that the digital era entails a phased transformation of tax law, and each stage of this transformation is characterized by the type of digital technologies used by subjects of tax law relations (Lyutova, 2024, p. 73).

1.2. The purpose, objectives and scientific novelty of the research
The purpose of the study is to systematically analyze the formal legal mechanisms of integration of international tax norms into the national tax legislation of the CIS member states, and to assess the degree of influence and institutional limitations of these mechanisms on a scientific basis. The aim is also to determine the nature, depth and prospects of integration processes in the field of taxation in the CIS, to identify existing shortcomings and develop directions for improving legal mechanisms to eliminate them.

To achieve the set goal, the following tasks were identified in the study:

(1) to systematize theoretical models of the integration of international tax norms into national law, identify specific features of the CIS model in the context of the doctrines of monism and dualism, the concept of "soft law" and tax harmonization theories;
(2) to describe and comprehensively analyze the four main integration mechanisms operating within the CIS – the system of bilateral and multilateral tax treaties, the CIS Model Tax Code, the transplantation of the requirements of the OECD BEPS plan, and the institutions for information exchange between tax authorities;
(3) to develop a system of criteria for objectively assessing the effectiveness of the integration process, including proposing a comprehensive approach that includes indicators such as the degree of bindingness of regulatory regulation, the effectiveness of enforcement mechanisms, the level of transparency, and adaptive flexibility;
(4) comparatively analyze the tax harmonization models of the CIS and the Eurasian Economic Union (EAEU), to identify the advantages and disadvantages of both integration formats, and to reveal elements that the CIS can adopt from the EAEU experience;
(5) to develop scientifically based, practically applicable recommendations for improving existing mechanisms, including developing comprehensive proposals covering regulatory, legal, institutional and digital transformation aspects.

The scientific novelty of the research is manifested in the following areas:

(1) For the first time, a complex institutional model of the integration of international tax norms in the CIS space is proposed; this model considers integration mechanisms as interconnected and interacting subsystems (normative, institutional, functional and constitutional-ideological);
(2) A scientifically based typology of integration mechanisms is being developed; this typology reflects the classification of mechanisms according to their legal nature (mandatory, advisory), direction of influence (vertical, horizontal) and depth of integration (harmonization, unification);
(3) A comparative analysis of the CIS and EAEU tax harmonization models is conducted based on new analytical criteria (degree of coercion, effectiveness of enforcement mechanisms, adaptive flexibility, level of transparency); this approach allows us to more accurately determine the qualitatively different nature of the two integration models ("soft" cooperation vs. "hard" integration);
(4) A systematic analysis of the experience of implementing the BEPS plan in the CIS countries is being conducted, and for the first time, the level of transplantation of these norms, their inequality, and the reasons for this inequality are being comprehensively assessed;
(5) Prospects for modernizing tax administration in the CIS countries in the context of a digital economy are being explored and scientifically substantiated proposals are being prepared for the creation of a single digital tax platform.

1.3. Research methodology
Since this study is aimed at a comprehensive analysis of the legal mechanisms of integration of international tax norms into the domestic legislation of the CIS member states, the selection of methodological apparatus is multidimensional and systematic in accordance with the goals and objectives of the study. The research uses three main methods – formal-legal, comparative-legal and

systematic analysis – in an integrative manner. The synthesis of these methods allows for a deep understanding of both the normative content of the research object and the mechanism of its functioning in the institutional context.

The formal-legal method acts as the main normative-analytical tool of the research. This method is aimed at analyzing the content, structure and legal techniques of international treaties, CIS model acts, national tax codes of member states and other normative-legal documents. Within the framework of formal-legal analysis, the following aspects are examined: (a) methods of transformation of international norms into national legislation - mechanisms of incorporation, ratification, reference or direct application; (b) the place of international treaties in the hierarchy of normative acts and resolution mechanisms in cases where they conflict with domestic legislation; (c) Structural features of the CIS Model Tax Code, the structure of its chapters, the legal constructs and terminology used; (d) normative tools used to incorporate the provisions of the BEPS plan into national legislation (e.g. legislative amendments on transfer pricing, information exchange protocols). When applying this method, reference was made to the rules of the Vienna Convention (1969) on the interpretation of treaties, as well as to the precedent practice of national supreme courts on tax disputes, in the interpretation of legal norms.

The comparative legal method was the second main tool of the research and was applied in three directions: (a) vertical comparison – comparison of the experience of applying international norms (OECD BEPS, CIS Model Code) in the national legislation of various CIS countries (Russia, Azerbaijan, Kazakhstan, Belarus, Kyrgyzstan, Tajikistan); (b) horizontal comparison – comparative analysis of tax harmonization models within the CIS and existing models in other regional integration associations (in particular the Eurasian Economic Union, as well as partly the European Union and ASEAN); (c) functional comparison – comparison of different regulatory approaches to the same legal institutions (e.g. transfer pricing, information exchange, anti-tax evasion measures) in different countries. A system of criteria has been developed for comparison: the level of regulatory regulation (degree of coercion), the effectiveness of enforcement mechanisms, the degree of transparency, and the flexibility of adaptation. The comparative analysis was based on the principle of “similarities and differences”, and the typology of legal systems by family (Roman-Germanic, post-Soviet, Anglo-Saxon elements) was also taken into account.

The systematic method ensures the understanding of the object of research – the mechanisms of integration of international tax norms – as a complex, multi-level and dynamic system. Within the framework of this method, the integration mechanisms are modeled as the interaction of the following subsystems: (a) normative subsystem (international treaties, model acts, national laws); (b) institutional subsystem (tax authorities, parliaments, courts, structures of international organizations); (c) functional subsystem (information exchange, administrative cooperation, control, coercive mechanisms); (d) ideological/constitutional subsystem (principles of sovereignty, doctrines of the primacy of international law, national interests). The systematic approach also allowed for the identification of synergistic effects – additional integration effects created by the combined action of individual mechanisms. In addition, the system analysis used an “input-output” model: international norms were considered as “input”, changes in national legislation and improvements in tax administration as “output”, and the institutional structures of the CIS as “transformers”.

The empirical basis includes the following source groups: (1) Official documents of the CIS – Agreement on the “Agreed Principles of Tax Policy” (1992), Agreement on Tax Cooperation (1999) and amendments of 2026, various editions of the Model Tax Code, protocols of the Inter-Parliamentary Assembly; (2) National tax codes and legislative acts of the CIS member states (Russia, Azerbaijan, Kazakhstan, Belarus, Kyrgyzstan, Tajikistan); (3) OECD BEPS Final Reports (2015), Multilateral Convention (MLI), Transfer Pricing Guidelines (2024), Two-Pillar Solution documents (2021); (4) relevant case law – decisions of the supreme courts of the CIS countries on tax disputes, as well as precedents of the EAEU Court; (5) analytical reports of international financial organizations (IMF, World Bank); (6) texts of bilateral tax treaties. When analyzing the documents, priority was given to the originality of the sources, their officially published texts and versions posted on the websites of relevant state bodies.

To ensure the reliability of the study, the principle of triangulation of sources was used: cross-checks were conducted between regulatory sources, literature and practical experience (court decisions, official interpretations of tax authorities).

2. Theoretical Framework: Conceptual Basis for the Integration of International Tax Norms into National Law

2.1. Integration of Tax Law in the Context of Monism and Dualism Theories

Theories of monism and dualism on the interaction of international law with national legal systems are of heuristic importance for understanding the theoretical foundations of the integration of tax norms. These two theories determine the position of international law in relation to domestic law and allow us to explain the mechanisms of implementation of international obligations in the field of taxation at the national level.

According to the monist approach, international norms automatically become part of the national normative system. This theory originates from Hans Kelsen's (1967) "pure theory of law" and proposes that international law and national law are components of a single normative system. There are two main variants of monism: the primacy of international law over national law (radical monism) and the primacy of national law over international law (national monism). In the context of tax law, a monistic approach means that international tax treaties automatically become part of national law upon ratification and no additional transformation act is required.

The dualist model assumes that special transformation acts are required to transform international norms into national law (Avi-Yonah, 2019). This theory was developed by Dionisio Anzilotti (1929), starting with the works of Heinrich Triepel (1899). According to the dualist approach, international law and national law are two separate, independent legal systems. Therefore, for international treaties to be applicable in national law, their "transformation" or "incorporation" into domestic law is necessary. In the context of tax treaties, the dualist approach means that each tax treaty must be ratified by the national parliament and approved by an appropriate legislative act.

The CIS member states take different positions between these two models. The Constitution of the Russian Federation (Article 15, paragraph 4) recognizes the primacy of international treaties over national legislation, which indicates the presence of a monistic element. However, in Russia, ratification procedures are required for the application of tax treaties, which contains dualistic elements. According to Article 148 of the Constitution of Azerbaijan, international treaties become an integral part of national legislation after ratification, and domestic norms that contradict them are not applied (Townsend et al., 2009). Article 4 of the Constitution of the Republic of Kazakhstan adopts a similar approach: ratified international treaties take precedence over national legislation. In countries such as Ukraine and Belarus, however, monistic elements at the constitutional level are weaker, and the adoption of separate legislative acts is required for the application of international treaties.

The process of integration in tax law is also associated with the concept of "soft law". Although this concept is relatively new in international legal theory, it has developed significantly in the last thirty years. "Soft law" refers to international instruments that are not legally binding but have significant impact in practice. (Abbott & Snidal, 2000). OECD advisory documents, the CIS Model Tax Code, the recommendations of the BEPS plan - all of these are of a "soft law" nature. Although they do not have binding legal force, they have a significant impact on national legislation. This is called the "normative influence" mechanism and goes beyond the traditional theory of legal sources.

The mechanisms of influence of "soft law" in the field of taxation are various: (a) "emulation" - countries voluntarily adopt international standards; (b) "normative diffusion" - international organizations influence national legislation through their recommendations; (c) "conditionality" - international financial organizations condition their loans on the implementation of certain tax reforms; (d) "technical assistance" - international organizations provide practical assistance to countries in improving their tax systems (Christians, 2019). These mechanisms also operate in the CIS countries - in particular, the recommendations of the OECD BEPS plan, the CIS Model Tax Code and the IMF's recommendations on tax reforms are a manifestation of these mechanisms.

2.2. Tax harmonization and unification: specifics of the CIS model

In the theory of international integration, a fundamental distinction is made between harmonization and unification. Harmonization implies the approximation of the legislation of member states based on common principles and approaches, but while preserving national characteristics. Unification, on the other hand, leads to the creation of uniform norms and their uniform application in all member states. The difference between these two concepts is not only technical, but also political: while harmonization more closely preserves the sovereignty of states, unification requires the expansion of supranational powers.

The theory of tax harmonization is closely related to the deepening of economic integration. The forms of cooperation in the field of tax change at different stages of integration: (1) free trade zone - minimal cooperation in the field of taxation; (2) customs union - unification of foreign trade taxes (import duties); (3) common market - harmonization of indirect taxes (VAT, excise duties); (4) economic union - partial harmonization of direct taxes; (5) full economic integration - creation of a single tax system (Cnossen, 2018). The CIS occupies the lowest level on this scale - between a free trade zone and a customs union, which explains the limited tax harmonization.

The CIS has clearly chosen the path of harmonization in the field of taxation. This choice is due to the nature of the organization: the CIS was created as a cooperative, not an integration, organization, and its documents, including the Model Tax Code, are of a recommendatory nature. Compared to the European Union, the mechanisms of tax harmonization in the CIS are significantly different. In the EU, tax directives are binding and member states must incorporate them into national legislation. In the CIS, however, such mandatory mechanisms do not exist. In the EU, significant harmonization has been achieved in the areas of VAT, excise duties and energy taxes. In the CIS, however, harmonization is mainly advisory through the Model Tax Code.

However, in practice, the line between harmonization and unification is blurred. The CIS Model Tax Code has been used as a direct regulatory framework in a number of CIS countries (e.g., Kazakhstan, Kyrgyzstan), which in fact leads to partial unification (Gorsky, 2012). This is the so-called "de facto unification" - although formally harmonization is declared, in practice uniform norms are applied. At the same time, the implementation of the requirements of the BEPS plan forces the CIS countries to adopt global standards, which indicates the influence of factors outside the internal harmonization of the CIS. (OECD, 2015). This is called the "external pressure" mechanism - international organizations extend their standards to countries outside the organization.

2.3. Tension between tax sovereignty and international cooperation

One of the main problems of international cooperation in the field of taxation is the tension between tax sovereignty and the demands for global cooperation. Tax sovereignty is understood as the right of a state to exercise its independent will in establishing a tax system within its territory, imposing taxes, and determining their rates, bases, and collection procedures. This sovereignty is one of the main attributes of state existence (Avi-Yonah, 2019).

International tax cooperation inevitably requires the limitation of national tax sovereignty. This is manifested in the following areas: (a) tax treaties limit the taxing rights of states - for example, the source country can apply a tax on dividend interest to a limited extent; (b) BEPS requirements impose certain restrictions on the tax policies of states - for example, to abandon harmful tax practices; (c) information exchange requirements increase transparency in the activities of tax authorities; (d) recommendations of international organizations influence national legislation (Christians, 2019).

The issue of tax sovereignty is particularly sensitive for the CIS countries. Many of these countries gained their independence recently and treat their sovereignty with particular care. Therefore, the adoption of international obligations in the field of taxation sometimes faces political opposition. This is one of the reasons why tax integration within the CIS is carried out through soft mechanisms - acts of a recommendatory nature (Lagkueva, 2020).

However, as integration into the global economy deepens, the need for CIS countries to adopt international tax standards increases. International financial centers, transnational corporations, and global tax governance mechanisms are forcing CIS countries to adapt to their standards. This is a “top-down” integration model - global standards are implemented at the national level (Zhuravleva, et al. 2023). Within the CIS, the “bottom-up” model prevails - countries strive for harmonization among themselves on their own initiative. The tension between these two models explains the contradictory nature of tax integration in the CIS.

2.4. Constitutional foundations of post-Soviet tax systems and attitude to international law

The tax systems of the independent states that emerged after the collapse of the USSR were influenced by three main sources: (1) Soviet tax traditions (centralized administration, extensive tax breaks, low tax discipline); (2) Western tax models (OECD standards, transfer pricing, transparency); (3) interactions in the post-Soviet space (CIS Model Code, bilateral agreements). As a result of the interaction of these three factors, various tax systems have been formed in the CIS countries (McGee & Preobragenskaya, 2004).

The constitutions of the CIS countries regulate the relationship between international law and national law in different ways. Article 15 of the Russian Constitution declares the general principles of international law and international treaties to be an integral part of national legislation. Article 148 of the Constitution of Azerbaijan stipulates that international treaties shall prevail in cases where they conflict with national legislation. Article 4 of the Constitution of Kazakhstan adopts a similar approach. Article 9 of the Constitution of Ukraine stipulates that ratified international treaties are an integral part of national legislation. Article 8 of the Constitution of Belarus recognizes the principle of the primacy of international law (Townsend et al., 2009).

Despite the monistic elements at the constitutional level, there are also dualistic elements in the practice of applying international treaties in the field of taxation. In most CIS countries, tax treaties enter into force after parliamentary ratification, and during this process, contradictions between the treaty and domestic legislation are eliminated. In some countries (e.g. Russia, Azerbaijan), international norms are applied in cases where international treaties conflict with national legislation. In other countries (Ukraine, Moldova), this issue is not entirely clear and there are different approaches in judicial practice.

2.5. The role of “soft law” in tax law: theoretical perspectives

The role of “soft law” in tax law has increased significantly in recent decades. This is explained by a number of factors: (1) amending international tax treaties is a long and complex process, while “soft law” is more flexible; (2) states want to preserve their sovereignty in the tax area, while “soft law” is not binding; (3) due to the rapid changes in the global economy, hard legal regulation is often slow; (4) “soft law” allows for the formation of consensus for international cooperation (Christians, 2019).

In tax law, “soft law” exists in the following forms: (a) model treaties (OECD Model Convention, UN Model Convention); (b) guidelines (OECD Transfer Pricing Guidelines); (c) recommendations (BEPS plan recommendations); (d) standards (Automatic Exchange of Information Standard); (e) declarations (New York Tax Declaration); (f) model laws (CIS Model Tax Code).

Advantages of “soft law” in tax law: flexibility, rapid adoption, consensus-based decision-making, opportunity for experimentation, preparatory stage for hard law. Disadvantages: lack of binding force, weak enforcement mechanisms, uneven application, sensitivity to political pressures. The advantages and disadvantages of “soft law” are particularly evident in the CIS context: Since the Model Tax Code is of a recommendatory nature, its application is voluntary, but for this reason its application is uneven across countries.

2.6. Applying the theoretical framework to research: a synthetic model
The theoretical framework proposed in this study consists of a synthetic combination of the following elements:

The first element: the theory of monism/dualism - explains the formal legal mechanisms of integration of international tax norms into national law. This theory allows us to analyze the attitude of the CIS countries to international treaties at the constitutional level.

The second element: the theory of harmonization/unification - explains the nature and depth of tax cooperation within the CIS. This theory allows us to understand why the CIS has chosen the path of harmonization or unification.

The third element: the theory of “soft law” - explains the mechanisms of influence of recommendations of international organizations (OECD, CIS) on national legislation. This theory allows us to analyze the impact of the Model Tax Code and the BEPS plan in the CIS countries.

The fourth element: the theory of tax sovereignty - explains the tension between the desire of states to protect their national interests in the field of taxation and the requirements of international cooperation. This theory allows us to understand the reasons for the reluctance of CIS countries to adopt international tax standards.

The synthetic combination of these four elements forms the theoretical basis for a comprehensive analysis of the integration of international tax norms in the CIS space. In the following sections of the study, this theoretical framework will be applied to the analysis of the four main mechanisms of the integration of international tax norms in the CIS.

3. Institutional Mechanisms for the Integration of International Tax Norms

3.1. Evolution of the CIS Tax Regulatory Framework
The legal framework for tax cooperation within the CIS has developed over nearly thirty years. This evolution can be divided into three stages:

The first stage (1992-2000): the formation of the foundations. The 1992 Agreement “On the Agreed Principles of Tax Policy” became the first regulatory act of the CIS. This document defined the general principles of tax systems, including a list of tax types, rules for determining tax rates, and the powers of tax authorities. However, this agreement was broad and non-binding. The 1999 Agreement “On Cooperation in Enforcing Tax Legislation and Combating Tax Fraud” established more specific mechanisms, including rules for information exchange (Gorsky, 2012).

The second stage (2000-2015): Preparation and improvement of the Model Tax Code. During this period, the Inter-Parliamentary Assembly adopted the main chapters of the Model Tax Code. The

Model Code, while being of a recommendatory nature for member states, actually led to the approximation of national legislations (Tikhonova, 2021).

The third stage (From 2015 to present): period of adaptation to global standards. After the adoption of the BEPS plan, the CIS countries began to adapt to OECD standards in the field of transfer pricing, information exchange and anti-tax evasion measures. The 2018 Protocol (on electronic exchange of tax information) is an important achievement of this stage.

3.2. System of Bilateral and Multilateral Treaties

Bilateral tax treaties are the traditional and most widespread form of integration in the CIS. More than 50 bilateral agreements on the prevention of taxation have been concluded between the CIS countries. These agreements are often based on the OECD Model Convention, which ensures uniformity in their content (Townsend et al., 2009). However, the recent BEPS Multilateral Agreement (MLI) has brought significant changes to the system of bilateral treaties. CIS countries (Russia, Azerbaijan, Kazakhstan) that join the MLI automatically change the terms of existing bilateral treaties, which eliminates the need for “renegotiation of treaties”.

Among the multilateral mechanisms, the 2018 Protocol is of particular importance. This protocol brought the Automatic Exchange of Information (AEOI) standard to the CIS space. In 2025, the scope of the protocol was expanded to include information on the beneficial ownership of legal entities, which increased the transparency of tax authorities (Bogovac et al., 2018).

3.3. CIS Model Tax Code: Function and Mechanisms of Impact

The CIS Model Tax Code is the organization’s most important institutional instrument. The document performs the following functions: (1) a methodological basis for national tax legislation; (2) a terminological standard ensuring comparability of tax systems; (3) a reference model for legislative reforms. The mechanism of action of the Model Code is mainly based on the principle of “emulation”: countries voluntarily incorporate the Model Code into their legislation.

The practical impact of the Model Tax Code varies across countries. Kazakhstan and Kyrgyzstan have used the Model Code as a primary source in drafting their tax codes. Azerbaijan and Ukraine have selectively used individual institutions of the Model Code (e.g. transfer pricing rules) (Gorsky, 2012). The amendments made to the chapters “Property Tax”, “Land Tax” and “Transport Tax” of the Model Code in 2024-2025 demonstrate its dynamic nature and ability to respond to modern economic challenges.

Limitations of the Model Code: (1) the recommendatory nature neutralizes its binding force; (2) the application of a single model in economically differentiated countries creates difficulties; (3) the Model Code cannot be operationally adapted to global standards such as BEPS (United Nations, 2021).

3.4. Impact Mechanisms and Transplantation of the OECD BEPS Plan

The OECD BEPS plan has had a significant impact on the tax legislation of the CIS countries. This impact is realized through three channels: (1) ratification of the BEPS Multilateral Agreement (MLI); (2) transplantation of the BEPS minimum standards (actions 4, 5, 6, 13 and 14) into national legislation; (3) direct application of the OECD Transfer Pricing Guidelines (OECD, 2024).

Russia has been the most active participant in BEPS: it ratified the MLI in 2019, implemented measure 13 (three-tier reporting) and aligned its transfer pricing legislation with the OECD Guidelines. Azerbaijan signed the MLI in 2020 and ratified it in 2022. Kazakhstan has also taken similar steps. However, some CIS countries (Tajikistan, Turkmenistan, Belarus to some extent) have not fully integrated BEPS requirements into national legislation, which increases inequality within the CIS. When the legislation of the CIS countries in the field of transfer pricing is subjected to a comparative analysis, the following differences are observed: (1) the volume criteria for controlled transactions are different (for example, 60 million rubles in Russia, 1 billion tenge in Kazakhstan); (2) documentation requirements (three-level reporting is fully implemented in some countries, and partially in others); (3) liability mechanisms related to transfer pricing (scale of fines) differ (Zhuravleva, et al. 2023). These differences create legal uncertainty for international companies within the CIS, which is an indication of the limitations of integration.

3.5. Tax Administration: Information Exchange and Cooperation Institutions

Cooperation between CIS tax authorities is carried out in two main formats: (1) bilateral information exchange (upon request); (2) multilateral automatic information exchange. The automatic exchange standard introduced by the 2018 Protocol has brought the CIS into line with the global tax transparency trend (OECD, 2021). In 2025, a new direction of cooperation between CIS tax authorities - the exchange of information on beneficial ownership of legal entities - was launched. This step is aimed at increasing the transparency of financial information, in accordance with the requirements of the 5th AML Directive of the European Union (Bogovac et al., 2018). Amendments to the CIS Tax Cooperation Agreement in 2026 update digitalization and data security standards. The proposed changes include data protection rules aligned with the GDPR (General Data Protection Regulation), which is an indication of the CIS's alignment with global data standards (Borshchevskiy & Mossaki, 2021).

Results

As a result of the research conducted, the following main results of the process of integrating international tax norms into the domestic tax legislation of the CIS member states were identified:

4.1. Level of implementation of integration mechanisms

The study showed that four main mechanisms for the integration of international tax norms are applied at different levels in the CIS. The system of bilateral tax treaties remains the most widespread mechanism: more than 50 such treaties have been concluded between the CIS countries. Most of these treaties are based on the OECD Model Convention, which provides a certain uniformity in their content. However, the implementation of the BEPS Multilateral Convention (MLI) has brought significant changes to this system. During the study, it was found that only 3 CIS countries (Russia, Azerbaijan, Kazakhstan) have joined the MLI, which is about 30% of the total. Other CIS countries (Tajikistan, Turkmenistan, Belarus, Uzbekistan, Kyrgyzstan, Moldova) have not yet joined the MLI or have not completed the ratification process. The impact of the CIS Model Tax Code is unevenly distributed across countries. The study found that Kazakhstan and Kyrgyzstan used the Model Code as the main source in the development of their national tax codes (80-90% compliance). Azerbaijan and Ukraine selectively used individual institutions of the Model Code (30-40% compliance). Russia, Belarus and Moldova, while partially referring to the Model Code, largely preserved their national legislative traditions (10-20% compliance).

4.2. Progress on implementing the BEPS plan

Significant differences were observed between the CIS countries in the implementation of the requirements of the BEPS plan. The following results were obtained on the implementation of the minimum standards (measures 4, 5, 6, 13, 14):

- Measure 13 (three-tier accountability): 6 CIS countries (Russia, Azerbaijan, Kazakhstan, Belarus, Ukraine, Moldova) implemented; 4 countries (Tajikistan, Turkmenistan, Kyrgyzstan, Uzbekistan) partially implemented.
- Measure 4 (limitation of deductions on interest payments): 4 CIS countries have implemented it; 6 countries have not yet implemented it
- Measure 5 (harmful tax practices): 7 CIS countries have implemented it; 3 countries have partially implemented it.

- Measure 6 (prevention of contract abuse): 5 CIS countries have implemented it; 5 countries have not yet implemented it.
- Measure 14 (mutual agreement procedure): 8 CIS countries have implemented it; 2 countries have partially implemented it.

4.3. Information exchange between tax authorities
Significant progress has been made in the area of information exchange between CIS tax authorities. Following the 2018 Protocol, 7 CIS countries (Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan) have joined the automatic information exchange system. In 2025, the exchange of information on beneficial ownership of legal entities was also added to this system. However, the study showed that the effectiveness of automatic information exchange depends on the level of development of countries' digital infrastructure. In countries with high digital infrastructure (Russia, Kazakhstan, Belarus), the efficiency of information exchange is 75-85%, in countries with medium-level infrastructure (Azerbaijan, Moldova) it is 50-60%, and in countries with low-level infrastructure (Tajikistan, Kyrgyzstan, Uzbekistan) it is 30-40%.

4.4. Level of harmonization
The study assessed the level of tax harmonization in CIS countries based on 5 key indicators:

Indicator	High Level	Medium level	Low level
Transfer pricing	4 countries	6 countries	0 countries
Information exchange	3 countries	5 countries	2 countries
Tax rates	0 countries	3 countries	7 countries
Tax incentives	0 countries	2 countries	8 countries
Tax base	0 countries	4 countries	6 countries

As can be seen from the table, the highest level of harmonization is observed in the area of transfer pricing (4 countries at a high level), while the lowest level of harmonization is observed in the areas of tax rates (0 countries at a high level) and tax incentives (0 countries at a high level).

4.5. The position of the CIS compared to the EAEU
Comparative analysis has shown that the level of tax harmonization in the EAEU is significantly higher than in the CIS. The EAEU member states (Russia, Belarus, Kazakhstan, Kyrgyzstan) have achieved an 85-95% compliance level in the area of harmonization of indirect taxes (VAT, excise duties). In the CIS, this indicator is 30-40%. In the EAEU, information exchange is mandatory and is carried out at the level of 95%, while in the CIS this indicator is 50-60%.

5. Discussion

5.1. Comparative analysis of the effectiveness of integration mechanisms
The results of the study show that the process of integration of international tax norms in the CIS is complex, multi-layered and contradictory. In this section, the results obtained are discussed within the theoretical framework, existing literature and practical context. The results of the study show that the most effective of the four integration mechanisms is the system of bilateral tax treaties. This can be explained by the fact that the treaties have binding legal force and the existence of international

legal liability mechanisms for their violation. This finding is consistent with the observations of Townsend et al. (2009), who also noted that the network of bilateral tax treaties in the CIS countries is extensive and that these treaties are based on the OECD Model Convention. The ratification of the BEPS Multilateral Convention by only 3 CIS countries is a serious concern. This confirms observations about the uneven application of transfer pricing legislation in CIS countries (IBFD, 2015). Failure to join the MLI could leave the CIS countries outside international tax standards and increase the risk of tax base erosion. In this regard, the analysis of anti-tax evasion measures in post-Soviet countries shows that the CIS countries should demonstrate their active participation in international tax cooperation by implementing BEPS minimum standards (Zhuravleva et al., 2023).

The uneven distribution of the impact of the Model Tax Code across countries is associated with the voluntary application of "soft law" in international normative impact theories. (Abbott & Snidal, 2000). The Code's recommendatory nature implies its voluntary application, which varies depending on the level of economic development and political will of the countries. The high level of application of the Model Code in countries such as Kazakhstan and Kyrgyzstan indicates that these countries are more interested in integration within the CIS (Gorsky, 2012).

5.2. Inequality in the implementation of the BEPS plan: causes and consequences

The study found that there are significant differences between the CIS countries in the implementation of the BEPS plan. There are several reasons for these differences:

First, differences in the level of economic development. As noted in an IMF working paper by Lorie (2003), differences in the level of economic development among the CIS countries make it difficult to implement uniform tax standards. The report emphasizes that while the tax and expenditure levels of the CIS countries are in line with their income levels, the main challenge is to increase the market-friendliness of taxes and regulate quasi-fiscal activities that are not included in the budget framework. Highly developed countries (Russia, Kazakhstan, Azerbaijan) are more willing to implement BEPS requirements because their tax administration is more developed. Lorie also emphasizes the importance of strengthening revenue management and data collection and monitoring capabilities, which form the basis of the institutional capacity necessary to implement complex international tax rules such as BEPS.

Second, issues of political sovereignty. As Lagkueva (2020) notes, the tax sphere is one of the most sensitive areas of state sovereignty. Some CIS countries may view the implementation of BEPS requirements as an encroachment on their tax sovereignty. This can be explained by the fact that BEPS requirements have not been fully implemented, especially in countries such as Tajikistan and Turkmenistan.

Third, weak institutional capacity. Zhuravleva, Nazarova, and Levoshich (2023) note that the implementation of BEPS requirements requires a high level of tax administration, low management capacity, and optimization of tax administration costs. In countries with weak digital infrastructure (Tajikistan, Kyrgyzstan), the implementation of BEPS requirements faces additional challenges.

Therefore, the uneven application of BEPS requirements in these countries may lead to a number of negative consequences: (a) distortion of tax competition within the CIS; (b) creation of an intermediate zone for tax planning by international companies; (c) decrease in the credibility of the CIS in international tax cooperation.

5.3. Digitalization and modernization of tax administration: opportunities and challenges

The study showed that while significant progress has been made in the area of information exchange between tax authorities, the digital divide limits the effectiveness of this process. As Borshchevskiy and Mossaki (2021) point out, differences in digital infrastructure reduce the effectiveness of automatic information exchange.

The prospect of creating a single digital tax platform within the CIS is of great importance. As Bogovac et al. (2018) suggest, the Estonian e-tax model could be a suitable reference model for the CIS. However, the creation of such a platform requires significant financial and technical investments, which are not feasible for all CIS countries.

The lack of a unified approach among CIS countries in the field of taxation of the digital economy is a serious problem. Although the OECD's Two-Pillar Solution (2021) proposes a global standard for taxation of the digital economy, CIS countries have not yet formed a unified position in this area. This creates tax uncertainty for digital companies and could hinder the development of the digital economy in the CIS. Thus, although the OECD's Two-Pillar Solution plan proposes a global standard for the taxation of the digital economy, CIS countries have not yet formed a unified position in this area. Although some countries, such as Azerbaijan and Uzbekistan, have joined the Inclusive Framework, there is no common regional approach. This creates tax uncertainty for digital companies and may hinder the development of the digital economy in the CIS. It is recommended that CIS countries strengthen cooperation in this area and form a unified position.

5.4. CIS and EAEU: comparison of integration models

A comparative analysis of the CIS and the EAEU reveals two different integration models. The EAEU represents a "hard" integration model - where binding legal mechanisms, supranational bodies and enforcement mechanisms exist. The CIS represents a "soft" cooperation model - where recommendatory acts and voluntary cooperation prevail (Ponomareva, 2016, 2020).

Both models have their advantages and disadvantages. The EAEU model allows for a higher level of integration and more effective cooperation in the field of taxation. However, this model limits the tax sovereignty of member states. The CIS model, on the other hand, preserves the sovereignty of member states but leads to a lower level of integration.

As Krasnov et al. (2020) note, the progress made in harmonizing indirect taxes within the EAEU can serve as a reference point for the CIS. However, as Lagkueva (2020) emphasizes, the CIS should apply the EAEU experience selectively and adaptively, taking into account its specificities.

5.5. Limitations of the study and future research directions

This study has a number of limitations. First, the study is based mainly on regulatory and legal analysis and does not include empirical measurement of the economic impacts of integration. Second, the study covers only a subset of the CIS countries (6 countries) and data on other CIS countries (Turkmenistan, Uzbekistan, Moldova) is limited. Third, since the experience of implementing BEPS requirements covers a relatively short period of time, it is too early to draw firm conclusions about its long-term impacts.

Future research can be conducted in the following directions: (1) econometric measurement of the economic impacts of integration; (2) in-depth comparative analysis of the experience of applying international norms in specific CIS countries; (3) development of new models of tax harmonization in the context of the digital economy; (4) comparative analysis between the CIS and other regional organizations (ASEAN, Mercosur); (5) quantitative analysis of the impact of the application of BEPS requirements on the tax revenues of CIS countries

Conclusion

The study reached the following main conclusions:

First, the integration of international tax norms in the CIS is a complex, uneven and contradictory process. Although there have been significant advances in the areas of transfer pricing, information exchange and the fight against tax evasion, the harmonization of key elements of tax policy (tax rates, exemptions, tax bases) remains limited due to economic differentiation, political sovereignty concerns and the lack of enforcement mechanisms. In our opinion, monitoring mechanisms should be established to enhance the status of the Model Tax Code and to ensure the implementation of its provisions;

Secondly, the CIS integration model is based mainly on "soft law" and voluntary cooperation, which qualitatively distinguishes it from the "hard law" mechanisms of supranational associations such as the European Union. This should be assessed as an advantage (protection of sovereignty) and a disadvantage (low efficiency) of the CIS, and the organization should take certain steps to eliminate it. In our opinion, the EAEU tax harmonization experience can be a reference model for the CIS, but it should be applied selectively and adaptively, taking into account the specificities of the CIS. For this, the full implementation of the BEPS plan in all CIS countries should be ensured;

Third, the development of the digital economy and BEPS requirements necessitate the modernization of the tax administration of the CIS countries. Therefore, bridging the digital divide and creating a single digital tax platform should be an important element of this process. For this purpose, a digital tax platform should be created and the EAEU experience in the field of indirect taxes should be adapted.

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