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PREDICTIVE ANALYSIS OF INVESTMENT FLOWS AND TRANSFER PRICING IN THE CONTEXT OF INCREASING GEOPOLITICAL AND DIVERGENCE RISKS IN THE APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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The PhD thesis and the abstract can be consulted at the Scientific Library of the Academy of Economic Studies of Moldova, on the ASEM website (www.irek.ase.md) and on the ANACEC website (www.cnaa.md).

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CONCEPTUAL RESEARCH MILESTONES

The topicality of the research topic and the importance of the problem addressed. The intensity of geopolitical changes in recent times, amplified by overlapping crises (economic, health, energy and military) have created a new economic reality with direct repercussions on the national and international business environment. Major geopolitical shifts, accentuated by the military conflict in Ukraine, have divided the world into two opposing poles, East and West. These negative effects have been felt in particular by the economic environment, which has been strongly affected by changing market conditions, price volatility, rising inflation, supply chain disruptions and, not least, a number of factors with a direct impact on business performance. In this context, we are witnessing a reduction in FDI flows and socially responsible investment (SRI), while investment risk is increasing. At the same time, worsening geopolitical and economic tensions over the past year have led to *over-regulation* and increased controls imposed on companies by national governments, especially those operating in countries directly affected by the crisis. Under these conditions, there is an increase in compliance costs and the risk of financial penalties on companies that breach these regulations.

Therefore, it can be said that the new economic and geopolitical context emerging at global level may be an impediment to the reporting process of companies, in the sense that the financial and non-financial information provided may be of lower quality, with a number of its characteristics being visibly affected, such as credibility and accuracy. In such circumstances, given that companies rely on a number of estimates and assumptions in the preparation of their annual accounts, it is possible that certain uncertainties and risks assumed by investors and stakeholders in general may become more pronounced. In order to avoid such problems, it is recommended that company management is aware of the potential impact of the current geopolitical crisis, which generates a number of vulnerabilities and risks, with a prevalent indirect impact on financial reporting. Therefore, in order to prevent these situations, strategies should be built in advance, including the establishment of an effective risk management system and the strengthening of relationships with stakeholders .

The process of globalisation of national economies and internationalisation of companies is a multidimensional phenomenon, influenced by various factors, including geopolitical risks. The amplification of geopolitical risks in recent times has disrupted the global economic system, generating an unprecedented economic and political crisis, which in turn has divided the major powers and highlighted the weaknesses and vulnerabilities of the process of globalisation of national economies and internationalisation of companies. Against the backdrop of the military conflict in Ukraine and the economic sanctions imposed on Russia, we are witnessing in the political and international arena the consolidation and rise to prominence of a new political and economic power - the BRICS group (Brazil, Russia, India, China and South Africa).

In this context, we believe that a possible process of decentralisation of the world's economies will redefine the global political and economic balance, leading to a redefinition of the international financial reporting framework (IFRS), which will inevitably be exposed to the risk of divergence in some countries of the world, depending on their affinity or membership of certain international structures (economic, geopolitical, cultural or other interests). The creation of new political and economic blocs at international level will lead to a new grouping of national economies in relation to social and regional interests, with an emphasis on developing intra-group relations and maintaining relations with countries outside the group according to group interests. The creation of these geo-economic aggregates will facilitate access to flows of investment, raw materials and labour. In order to facilitate intra-group capital flows, member countries will need to develop tax, financial-accounting and other regulations, as well as create common supervisory bodies. At the same time, in order to meet the needs of intra-group investors for common, *comparable* and *verifiable financial reporting* requirements, these countries may be tempted or even driven to develop common accounting rules, which will be valid only within the group. It can therefore be argued that the redefinition of the geopolitical context will also lead to a redesign of companies' financial reporting, as they will have to adapt to the policies and regulations of the group in which they operate or the jurisdictions in which they have subsidiaries. In the aftermath of the COVID-19 pandemic, the geostrategy of multinational corporations plays a significant role in the recovery and restoration of power in the globalised economy, as it can lead to stronger business relationships and the pursuit of more sustainable partnerships built around improving public health and digital resilience. In this context, it is natural to ask questions such as: *how will things evolve in terms of the financial reporting system? To what extent will deglobalisation, or the shift from a single pole of power, centred in the US, to an economic multipolarity in which the BRICS countries will dominate, affect the financial reporting journey*?

At the same time, as the geopolitical scenario tends to escalate, the business environment is increasingly facing new risks and challenges that can affect their ability to attract foreign direct investment and achieve long-term investment returns. In other words, paradigm shifts in the current global context require analysis of the impact of geopolitical risks and overlapping crises on the predictability of FDI flows and transfer pricing (TP), which in turn will influence financial reporting information, both quantitatively and qualitatively. Such an approach calls for an examination of the ramifications of geopolitical risks on the internationalisation process of companies and hence on the international accounting benchmark or even the creation of a new concept: "*geo-accounting."*

The main *motivation* for choosing this research topic is the need to identify mitigating measures for major emerging geopolitical risks that companies need to take into account in their decision making, such as changes in the international financial reporting framework, lack of predictability of information on foreign investment flows and transfer pricing, or destabilisation of the interconnectivity network of the global economy. The internationalisation of companies and the globalisation process as a whole have contributed to the creation of inter-state economic chains represented by trade and investment relations, which is why the actions and decisions of one country can have significant consequences for others. Another phenomenon emerging in the international arena is the growth of multinational companies and the increasing use of transfer pricing strategies to erode the tax base. The lack of an adequate and globally adopted regulatory framework on related party transactions hampers the traceability and accurate forecasting of outbound cash flows. Another motivation for the research is the need to analyse the potential for the current crises to overlap in exacerbating existing economic challenges. We believe that it is now essential to carefully monitor the geopolitical changes that have occurred, as well as successive and overlapping crises impacting the international financial reporting benchmark, as companies are facing unprecedented situations, with no possibility to extract themselves from the world's geopolitical equation. As a result, we can expect trade sanctions, increased tariffs, disrupted supply chains, more and more regulation, and barriers to new investment, and we may soon see the formation of regional alliances that give preferential treatment to countries with the same geopolitical affinity. In response, companies may need to diversify and localise their supply chains and rethink their cross-border strategies.

Description of the situation in the field and identification of research problems. The issue of transfer pricing and the analysis of the process of iterationalization of companies, foreign direct investment flows and the role of geopolitical changes in the development of IFRS have been addressed in the research work of foreign and domestic scholars, as well in *Moldova*: Mihaila, S., Grigoroi, L.; from *Romania*: Grosu, V.; Teodorescu, A., Socoliuc, M.; Feleagă, L., Botez, D., Ciubotariu, M.S.; from the *United Kingdom*: Caldara, D., Wolfers, J., Camfferman, K., Dallyn. S.; from *USA*: Nikkinen, J., Whang, T., Claussing., K.A. etc.

Transfer pricing is a critical area that has attracted the attention of experts and policy makers over the years. However, transfer pricing has become a controversial issue in recent years because of its potential impact on the tax revenues of different countries and the distortions it creates in world trade. While the literature has extensively examined the implications of transfer pricing on tax revenues, the relationship between transfer pricing and geopolitical changes has not received much attention. Thus, the issue of transfer pricing and its relationship with geopolitical change is an area that has not been fully explored by scholars. In addition, the subject of adapting the international financial reporting framework to geopolitical changes is a new topic for academia, having been addressed in only one paper by Camfferman. This is a crucial gap for the literature, as the dynamics of international politics and economics can significantly affect transfer pricing practices and regulations as well as the development of the international financial reporting framework. Therefore, this research adds value to the business and academic environment by analyzing and assessing the impact of geopolitical changes on transfer pricing and accounting practices, as well as developing the predictability index and trend matrix of investment flows and transfer pricing.

The important scientific issues addressed in the thesis are to identify methodological and applied mitigation measures for major emerging geopolitical risks that companies need to take into account in their decision making, such as changes in the international financial reporting benchmark, lack of predictability of foreign investment flows and transfer pricing information or destabilization of the global economy's interconnectivity network, materialized in the investment flows and transfer pricing predictability index and matrix.

The aim of the research is to identify and assess the effects of geopolitical and divergence risks in the application of IFRS as a result of changes in the internationalisation process of companies, in particular on foreign direct investment flows and transfer pricing. Thus, in order to achieve the proposed aim, the following **objectives** have been outlined:

- Analysis of paradigm shifts in the process of internationalisation of companies;
- Analysis of the role of financial and accounting information in attracting socially responsible foreign direct investment.
- Analysis of accounting and tax policies related to transfer pricing;
- Designing the predictability index of foreign direct investment flows and transfer prices for emerging/developing, developed and underdeveloped economies;
- Constructing trend matrices on FDI flows and transfer prices for emerging/developing, developed and underdeveloped economies.

Research methodology. In order to achieve the research aim and objectives, a triangular research strategy has been adopted which includes the combination of quantitative and fundamental research techniques, which allows us to have a more robust validation of the research results. This approach facilitates the understanding of the motivations, perceptions and drivers behind the present research theme. In summary, the research strategy applied in the development of this scientific approach is carried out in 6 stages: *definition of the research problem* ; *literature review* ; *identification and selection of appropriate research methods* ; *establishing and constructing the research sample and determining data collection methods; collecting, processing and identifying data analysis methods*; *interpreting the results and drawing conclusions*.

In order to design the FDI flows and transfer pricing predictability index, data were collected on FDI inflows and outflows, level of transfer pricing regulation, level of IFRS adoption, tax burden, tax rate, economic freedom, country risk and level of underground economy of a sample of 69 countries applying OECD transfer pricing recommendations over the period 2013-2021. Data were obtained from publicly available sources such as the World Bank, International Monetary Fund, OECD, etc. and analysed using SPSS statistical software. The index projected on the basis of the collected data is based on the weighted average of the variables included in the analysis, which are determined on the basis of the correlations between the endogenous variables and the exogenous variable. In order to ensure the credibility and validity of the study, a number of strategies were used, such as: sample checking, mutual questioning and triangulation of data. The methods and techniques applied provide a comprehensive examination of the research problem, allowing a multidimensional understanding of the correlation between FDI, transfer pricing, adoption of the international accounting benchmark and other factors listed above. The research strategy adopted allows for an in-depth examination of paradigm shifts in the process of internationalization of companies and the influence of geopolitical risks on the international accounting benchmark, thus providing valuable information for companies, investors and other stakeholders and useful in identifying new opportunities for attracting FDI and mitigating investment risks.

This PhD thesis is an interdisciplinary work, which includes elements from accounting, economics, finance, geopolitics, statistics and mathematics. Given the complexity of the research topic, we can appreciate that a strictly accounting approach to it would diminish its value and originality, since its independent analysis, without referring to other related research areas, could generate erroneous and inadequate results in the current global context characterised by hyperconnectivity in many areas of social and economic life.

The research hypothesis is based on identifying and assessing the effects of geopolitical and divergence risks in the application of IFRS as a result of changes in the internationalisation process of companies, in particular on foreign direct investment flows and transfer pricing.

The novelty and scientific originality of the results obtained lies in :

▪ Designing an index and predictability matrix of investment flows and transfer prices. This work aimed to develop tools to assess and monitor the trends and behaviour of these flows in the context of international business. Thus, visible changes in the international business environment were analysed, in particular from the perspective of the internationalisation of companies. Emerging geopolitical risks that may influence this perimeter were also considered and the impact and consequences of these risks on investment flows and transfer pricing were identified.

▪ To assess the contribution of the quality of financial information in attracting foreign direct investment (FDI), the impact of accounting policies on the quality of financial statements was carefully examined. The importance and influence of these policies on a company's ability to attract FDI by providing reliable and relevant financial information was examined. At the same time, the possibility of reducing information asymmetry between stakeholders through the application of appropriate and transparent accounting policies was examined.

▪ Assessing and highlighting the importance of the transfer pricing file as a tool for assessing the legality and compliance of intra-group transactions. It was also examined how the transfer pricing file can help ensure compliance with tax regulations and avoid the risks of inappropriate profit shifting. It has also identified the determinants in the construction of the transfer pricing file and analysed how to attract foreign direct investment through the implementation of appropriate transfer pricing policies and practices.

This scientific approach has integrated multiple aspects related to the internationalisation of companies, geopolitical risks, quality of financial information, transfer pricing and foreign direct investment attraction. Through this approach, a deeper understanding of the interconnections and influences between these areas has been sought and recommendations for improving practices and policies in the context of international business and socially responsible FDI attraction have been formulated.

The application value of the work consists in the development and application of the index and predictability matrix of investment flows and transfer prices at the level of the 4 research clusters. Practically, the research provides a concrete and applicable tool for assessing and forecasting trends and behaviour of investment flows and transfer prices. These tools allow policy makers to gain a clearer understanding of the influences of geopolitical changes on the internationalisation process of companies and the business environment in general.

The theoretical importance derives from the theoretical and practical applicability of the index and the predictability matrix of investment flows and transfer prices. The theoretical significance of the index and the investment flow predictability matrix lies in their ability to provide a comprehensive understanding of the factors influencing investment flows and transfer prices. We can easily see that this research is relevant not only for macro-level decision-makers, but also for reporting entities that are and will be confronted with novel situations characterised by uncertainty and even lack of predictability. This is because, as the global economic environment becomes increasingly complex and difficult to manage, financial information may increasingly lack accuracy, timeliness, verifiability and comparability, which will obviously alter the confirmation value and predictability value.

The main scientific results submitted for support stem from the objectives of the thesis and are to identify methodological and applied measures to mitigate major emerging geopolitical risks that companies need to take into account in their decision making, such as changes in the international financial reporting framework, lack of predictability of foreign investment flows and transfer pricing information or destabilisation of the global economy's interconnectivity network, materialised in the investment flows and transfer pricing predictability index and matrix.

Implementation of scientific results. The results of this research have been implemented in the entities: Add Consult Daniel Rata (Belgium), Autodel Holding S.R.L. (Romania), Lusek S.R.L.

(Romania), Casa Grup S.R.L. (Romania), First Audit International S.R.L. (R. Moldova), Compania de Asigurări Donaris Vienna Insurance Group S.A. (R. Moldova), Agat S.A. (R. Moldova).

Approval of the results of the work. The main results of the research carried out have been presented and approved at 7 national and international scientific conferences and symposia.

Publications on the thesis topic. The results of the scientific research are presented in 31 publications, of which: a collective book in accredited publishers, 5 articles in scientific journals in the Web of Science and SCOPUS databases indexed in quartile a 3; 14 articles in scientific journals in other databases accepted by ANACEC indexed B.D.I.; 2 in journals in the National Register of journals, with indication of category; 5 articles in the proceedings of conferences and other scientific events included in the Web of Science and SCOPUS databases - ISI Proceedings publications; 2 articles in the proceedings of conferences and other scientific events included in other databases accepted by the ANACEC; 2 articles in the proceedings of scientific events included in the Register of materials published on the basis of scientific events organised in the R.M. The total volume of papers published on the thesis topic is 14.05 author sheets.

Volume and structure of the thesis. The thesis includes: annotation, introduction, 4 chapters, conclusions and recommendations, bibliography (352 titles), 11 appendices, 145 pages of basic text, 34 tables and 8 figures.

Keywords: financial reporting; foreign direct investment; quality; information asymmetry; emerging economies; accounting policies and practices; tax policies; transfer pricing; International Financial Reporting Standards; stakeholders; geopolitics; geo-accounting; geo-financial reporting; internationalisation; globalisation; multinationals; performance; sustainability; geopolitical changes; overlapping crises; predictability.

THESIS CONTENT

The **Introduction** highlights and argues the topicality of the research topic and the importance of the problem addressed, as well as the important scientific issues addressed, while outlining the aim and objectives of the research.

Under **Chapter 1. Theoretical Foundations on Foreign Investment and Transfer Pricing,** paradigm shifts in the process of internationalization of companies and the influence of geopolitical risks on them are analyzed, highlighting the need to adapt the international financial reporting framework to changes in the global geopolitical structure. The role of transfer pricing and foreign direct investment flows in the internationalisation of companies and the reallocation of financial resources to low tax rate environments is also analysed.

The process of globalisation of the world's economies is on the rise, confirmed by the formation of an increasing number of multinationals and the intensification of economic relations between countries, which has implicitly led to the creation of new economic relationships and new supply chains, thus fluidising the movement of capital and labour. The removal of economic barriers between countries has facilitated the development of multinational companies through the opening of new subsidiaries, while at the same time offering the possibility of access for all national economies to the international market, which brings with it a number of advantages for economies, especially emerging or developing economies which are perceived as a magnet for investors from developed countries due to the abundance of cheap resources, especially raw materials and labour. In turn, they benefit from a relatively steady flow of foreign investment in key areas of the economy, which contributes to the economic and social development of the country through the creation of new jobs, the development of human capital, the transfer of know-how, etc.

In the last two decades, the process of internationalisation of companies has intensified, mainly due to market liberalisation in several controlled economy countries, which have opened up the domestic market to foreign investors. At the same time, various international bodies have started to emerge or consolidate in the political arena, with the aim of strengthening bilateral and multilateral relations between states and facilitating access for all national economies to the global market. The positive effects of the internationalisation of companies and the increase in cross-border investment flows have also highlighted the political, economic, fiscal, social and environmental problems faced by these entities in their efforts to enter a new market. Thus, the problem raised by potential investors wishing to open a business in a new jurisdiction is access to information, both macroeconomic information on the country's economic and social indicators and microeconomic information on the economic and social behaviour of companies. Under these circumstances, it is up to the political factor to intervene in the eradication of these problems by creating a regulatory framework that facilitates access to quality information for all interested parties on fair terms. An important step in this direction is the harmonisation of national accounting standards with the International Financial Reporting Standards (IFRS). Progress in this direction varies from country to country and is strongly influenced by political, cultural and social factors. As a rule, it is the political factor that has all the leverage needed to bring about accounting reforms, but there are still emerging or underdeveloped countries where this process is stagnating.

Due to the intensification of political dissension at the level of geopolitical and economic groupings, some countries or groups of countries have been excluded from certain economic and political alliances, which has affected the global economy and thus the flow of foreign direct or socially responsible investments. Political and economic disagreements have arisen as a result of the intensification of the monopoly of some countries, such as Russia, China and India on the commodities market, which was initially heavily affected by the COVID-19 pandemic and later by the military conflict at the borders of the European Union. Russia's growing appetite to display its power in the international political arena led to the outbreak of military conflict in Ukraine in February 2022, thus intensifying the global energy crisis. At the same time, as the main supplier of energy to several European countries, Russia has stopped supplying it to European Union countries that have applied economic and political sanctions because of the invasion of Ukraine, as well as to other countries that have condemned its actions. In this regard, Russia has called on the BRICS countries (Brazil, Russia, India, China, South

Africa) to strengthen bilateral relations between these countries and condemn the economic sanctions imposed on it. The BRICS group was set up in the wake of the 2008 financial market crisis as a new geopolitical and geo-economic power competing on the world stage alongside the US and the EU. The dominance of the world economy by the BRICS countries has led to their incorporation into various international economic bodies, with the group always managing to express a unified position in various international economic and political forums. At the same time, these countries have also changed the architecture of the international financial system through the creation of the New Development Bank, thereby strengthening economic and financial relations between them and reducing their dependence on other international financial institutions. China's foreign ministry spokesman said *"BRICS member countries agree to strengthen cooperation with emerging markets and ensure that these governments can make their voices heard on major international issues. China actively supports the enlargement process, promotes the formulation of standards and procedures to this end, and looks forward to the accession of partners with a similar view to the BRICS.*"

In this vein, we believe that we are currently witnessing a process of decentralisation of the world's economies that will redefine the global political and economic balance, leading also to a redefinition of the international financial reporting system. The consolidation of political and economic groupings such as the BRICS will lead to their isolation from the global economic and political context, by reorienting policies towards intra-group development and at the same time maintaining a reduced multipolarity in relations with countries outside the group. Thus, the creation of these geo-economic aggregates facilitates access to intra-group investment as well as the transfer of raw materials and labour. In order to make intra-group capital more fluid, member countries are already developing tax, financial and accounting regulations and building common supervisory bodies. To satisfy intra-group investors' demands for "*single and comparable reporting*", these countries are likely to develop common accounting and financial reporting standards that will be valid within the group. It should therefore be borne in mind that the redefinition of the political context will also lead to a redefinition of the financial reporting system of companies, as they will have to adapt to the policies and regulations of the group of countries in which they operate or in which they wish to maintain their existing subsidiaries, or possibly open new subsidiaries. In this context, it is natural to ask how things will evolve in terms of the financial reporting system, and to what extent deglobalisation or the shift from a single pole of power, concentrated in the US, to an economic multipolarity, in which the BRICS countries will dominate, will affect the financial reporting path.

As regards foreign direct investment and socially responsible investment, these are two important resources in the sustainable development of national economies, and the breakdown of economic, trade and political relations between countries contributes to the stagnation of foreign direct investment flows or their redirection to more stable economic environments. Geopolitical risk, which is made up of a number of other risks, is a bottleneck to accessing sources of finance, with investors being more vigilant in periods of major geopolitical change, which is also characterised by a slowdown in business activity due to changing consumer behaviour, with consumers postponing consumption and investment, which can lead to uncertainty in the national and international economy. Thus, we can state that geopolitical risk is a threat to the financial stability of companies, because it contributes to the reduction of the economy's sources of financing generated by uncertainties in the global economic circuit. The impact of geopolitics on companies' sources of financing is undeniable, especially for multinational companies whose operational activity is largely conditioned by geopolitical changes. In other words, multinationals are connected to the international business environment by the 'geopolitical tightrope', because as political frictions in the international political arena increase in intensity, the likelihood that they will affect companies' domestic and foreign operations increases, through share freezes, prohibitions on the transfer of capital or even prohibitions on the operation of foreign-owned companies.

The analysis of geopolitical risks and their impact on the process of internationalisation of companies and the financial reporting framework, carried out in Chapter 1, highlighted the main particularities in terms of changes in the pradigm resulting from the intensification of geopolitical risks and divergence in the application of IFRS to the business environment, as well as the role of transfer pricing in the redistribution of financial resources between subsidiaries of groups of companies. Thus, the research conducted in this chapter has led to the following conclusions:

1. Being unpredictable and associated with a high degree of other risks, geopolitical risk is considered a threat to global economic stability. In this context, the business community together with regulatory institutions must adopt optimal strategies that are adapted to economic realities, to cope with the effects of geopolitical risk on economic, financial and social structures. This includes building a customised framework of international financial reporting standards to cope with new paradigm shifts in financial reporting.

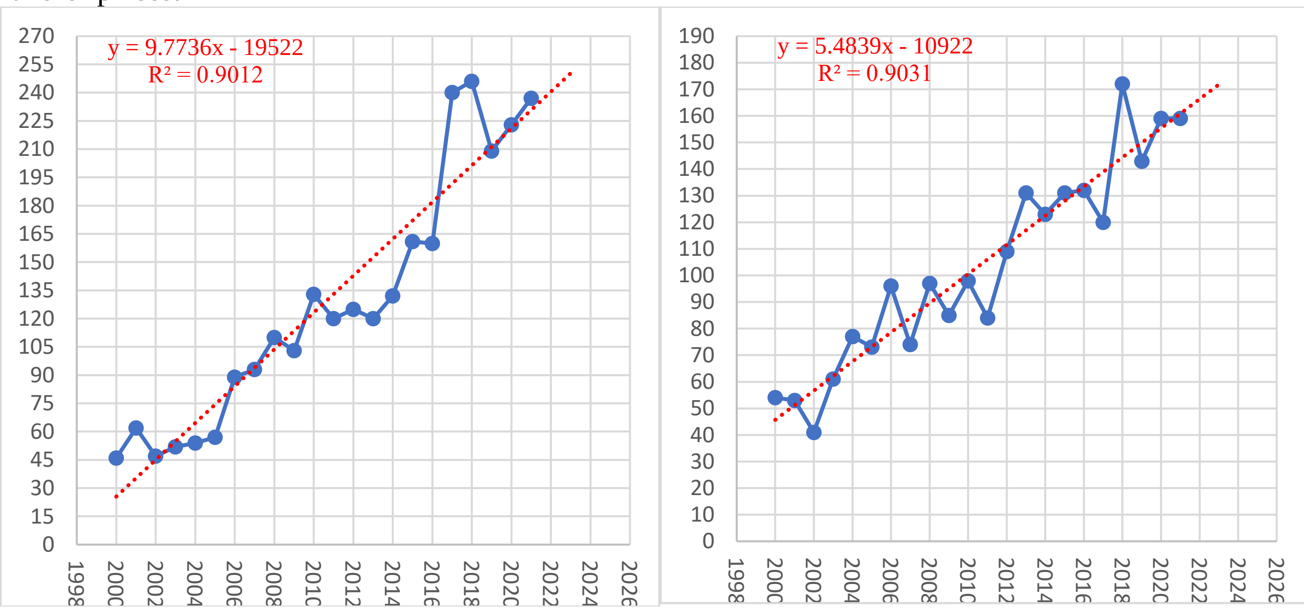
2. Geo-accounting can be considered as a possible scenario for the evolution of accounting standards and the functionality of multinationals in the context of the rewriting of the new world order, i.e. the shift of the centre of power.

3. The current geopolitical context may be a major issue for the IASB's development as it needs to adapt to the geopolitical situation and adapt IFRSs to economic realities, i.e. to support companies in applying accounting policies and practices in a crisis context. The development and sustainability of International Financial Reporting Standards and their integration into the global system is possible if the IASB declares itself to be an apolitical institution, i.e. if it reviews its sponsors, which are mainly the USA and Europe, which are directly involved in the political changes of recent times.

4. Analysing the effects of geopolitical changes on accounting systems is a view that should be considered and developed as we witness an increasing impact of geopolitical risk on accounting. At the same time, we believe that these reflections could be a prerequisite in the reconfiguration of national and/or regional accounting systems, that accounting valences will develop in parallel with the geopolitical interests of the world's major powers, and that a new global economic reset will also decide a new accounting reset.

5. With the transition from US hegemony to a global political multipolarity in which BRICS will perhaps be the strongest pillar, we will also witness a paradigm shift in accounting, influenced simultaneously by the geopolitical factor and artificial intelligence in which countries/groups of countries will impose their own rules according to national or group interest, moving from global accounting to geo-accounting.

6. The analysis of the literature has shown an increased interest of researchers in the issue of transfer pricing and the need to implement clear regulations on how to establish transfer prices (see Figure 1), while at the same time emphasizing the need to identify tools to assess the predictability of transfer prices.



a) Web of Knowledge b) SCOPUS

Fig. 10 . Evolution of the number of publications with the topic transfer prices on Web of Knowledge and Scopus

7. The critical analysis of the transfer pricing phenomenon has highlighted the discrepancy between the idealistic nature of the legal regulations and the practical situations in which multinational companies may find themselves and in which it is quite difficult to make decisions that reflect the principles underlying the legal basis of the transfer pricing mechanism. This context offers a high degree of interpretability and is nothing more than an opportunity for multinationals to strengthen their tax minimisation and avoidance strategies. Regulators must therefore review transfer pricing regulations and adapt them to national economies.

8. Given the evolution and the direction of development of the international business context, which is increasingly subject to the process of globalisation and digitisation, it goes without saying that this context generates or highlights certain problems and challenges specific to it, which derive from the very complexity and scope of the existing system, given the multitude of actors involved and their different interests, the need for communication between them, the level of territorial extension, and the legislative systems that make it up.

Chapter 2, The Role of Financial and Accounting Information in Attracting Socially Responsible Foreign Direct Investment, focuses on identifying new opportunities to attract socially responsible foreign direct investment through financial and accounting information, leveraging the quality of financial statement information.

Financial accounting information is the main tool for ensuring communication between the company and its stakeholders, the effectiveness of which is determined by the quality of the financial accounting information reported and the way it is disseminated to stakeholders. The role of financial reporting is to strengthen the relationship between the company and its stakeholders through an appropriate presentation of management's ability to create value and raise its profile in the market in which it operates.

A question that remains open is whether *economic and financial reporting that complies with the requirements of the legislative framework and specific accounting principles is sufficient for the needs and requirements of users of financial and accounting information, or whether additional information needs to be provided.* From the literature, as well as from reporting practice in multinationals and larger companies in general, there is a growing interest among users of financial and accounting information in integrating non-financial, qualitative and quantitative information with "accounting" information.

It has been found that effective economic and financial communication fosters a correct perception of the returns and results achieved and expected, as well as the associated risks, including a full and true appreciation of the company in terms of its economic value. Therefore, if the analysis carried out, taking these aspects into account, shows that the expected return exceeds the cost of capital, then the investment can be considered economically viable and creates value for the investor.

The need for timely disclosure of performance and qualitative reporting of financial statement data requires the involvement of different categories of stakeholders or professional personalities according to the regulatory framework of reference in the preparation, oversight, approval, review, analysis and use of reports that communicate information and data about a particular company.

Economic-financial communication that focuses on the current and future economic, financial and capital aspects of a company can be: basic, which responds to regulatory legislative requirements (mandatory communication) and voluntary or supplementary, which represents the shift from a culture of compliance to a culture of transparency. Mandatory disclosures or mandatory disclosures derive from legislative constraints aimed at protecting third parties and ensuring a certain level of security for the company's stakeholders. The IASB Board believes that annual financial statements prepared in accordance with International Accounting Standards effectively meet the common and basic information needs of most users.

On the other hand, voluntary disclosure is that part of the information provided that is not subject to reporting and certification obligations, regardless of its quantitative (expressed in value or not) or qualitative nature or the channel through which it is transmitted, which can take different forms such as financial statements, press releases, websites and others. Voluntary disclosure of economic and financial information therefore aims to meet stakeholders' expectations by activating a feedback process on the information they receive.

Taking into account all the aspects mentioned above, we can appreciate that the economic-financial communication process plays a fundamental role in creating, optimising and maintaining relations between companies and their investors, as well as other categories of users of financial information. As mentioned above, in the context of the economic-financial communication process, the annual financial reports play a key role in facilitating and building a transparent and effective relationship between a company and its stakeholders, as they present the financial position and performance of the company.

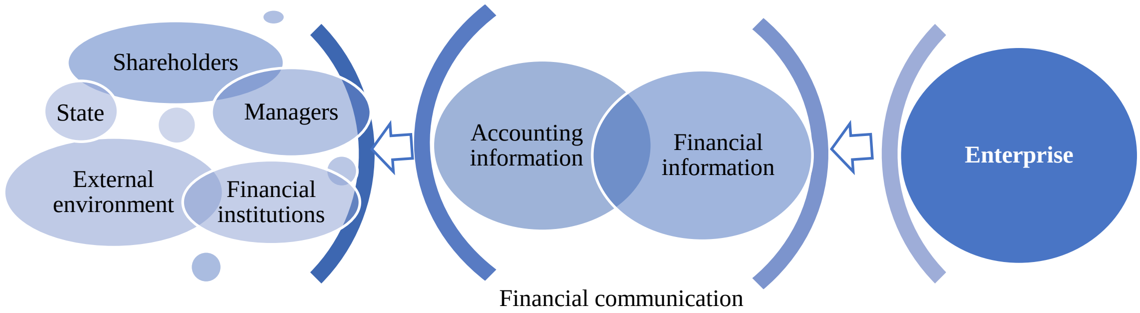


Fig. 20 . Graphical representation of financial communication

Source: adapted from Lezeu (2004) [1]

For effective communication with stakeholders and meeting their information needs, the enterprise needs to prioritise stakeholders according to their connection to the enterprise and at the same time classify their needs into primary, secondary and tertiary. An example of classifying these needs can be Maslow's pyramid, which can be adapted to the needs of stakeholders. For example, the common and primary need for all stakeholders is survival or safety: employees want a safe working environment and optimal working conditions, while investors want security of investment or trustworthy relations with the company. The social, political, military and health upheavals of recent times have reshaped the entire international business environment by redirecting investment flows towards business environments that offer greater security of invested capital at the expense of access to rich and cheap resources. In the context of the military and social crisis at the border of the European Union, the main concern of stakeholders is "security", whether we are talking about investors who want "investment security" or civil society who wants "security of a stable livelihood in fair and peaceful conditions." Basically, in these times, stakeholders are seeking to meet survival, security and social needs, and the need for information is circumscribed around these needs. Thus, the enterprise must provide information to stakeholders that underpins this security, connecting all stakeholders around this need. By providing security assurance to stakeholders, the enterprise credits its own security.

Integrity of financial reporting and accounting standards are considered essential components of the financial regulatory framework in an economy. In general, it has been argued that financial and accounting information prepared in accordance with generally accepted principles or standards will ensure or contribute to transparency and accountability, optimal corporate governance, the stability of the financial system, the efficient functioning of financial markets and the proper allocation of capital and resource flows.

Investors are the main consumers of financial and accounting information and the quality of this information and the way in which it is communicated to them can to some extent influence their attraction to investment projects, especially in crisis situations, when the predictability of returns and the risk of invested capital is the main concern. At the same time, high quality financial statements increase not only the confidence of investors, but also of lenders and other stakeholders, thus contributing to a favourable investment climate. In order to increase the quality of information in financial statements, a key role is attributed to the harmonisation of accounting policies and treatments that facilitate financial-accounting communication between stakeholders around the world, thereby removing information barriers to the flow of socially responsible foreign direct investment.

The quality of information presented in financial statements therefore plays a key role in promoting global economic stability. In an economy characterised by large and rapid international capital flows, transparency and fairness in the timely provision of economic data can reduce uncertainty and improve the ability of the market and investors to assess risks.

The overlapping crises of the last three years have shown us that financial statements should provide users with financial information with a higher level of usefulness in making management decisions. The question therefore arises of redesigning IFRS standardised accounting policies and treatments so as to enhance the transparency and efficiency of global capital markets. Today's financial markets are not fully transparent and prices do not reflect all the information held by management and often do not directly correlate with their fundamental value. The need for tools to measure company performance is growing, as it is clear that valuations based on cost alone are significantly limited by the presence of volatile values to ensure the quality and transparency of financial information.

The research conducted in Chapter 2 has emphasised the value and importance of information reflected in financial reports in informing investment decisions, while emphasising the role of investors. The following conclusions were drawn in this context:

1. In order to meet the information needs of stakeholders, companies need to design financial reports in accordance with accounting rules, principles and standards, as financial communication plays an important role in the company's relationship with stakeholders.

2. In the context of economic and financial communication, financial statements are considered the main information tool for stakeholders, as they play a fundamental role in determining the level of corporate transparency. However, financial statements cannot fully satisfy the information needs of stakeholders, which is why, in addition to the key financial statements, other information on various non-financial indicators (social, environmental and governance) are reported, which underline the level of corporate responsibility of the reporting company, while at the same time having the capacity to enhance the value of the company.

3. Stakeholders have different information needs and of these it is certainly the shareholders who most need a clear overview of the company's business development strategies, path and directions, but also a more in-depth view focusing on the performance indicators achieved and the practical results in reaching the performance targets set by the different development strategies.

4. Meeting the information needs of all stakeholders is not a simplistic process, but one that requires effort, study, involvement and initiative on the part of those responsible, who of course must have the knowledge and skills to do this effectively.

5. Another very important aspect for stakeholders is the quality of the information reflected in the financial reports, the level of which is determined by whether the qualitative characteristics analysed above, namely relevance, comparability, reliability and comprehensibility, are reflected in their content. It is possible to take decisions that really contribute to the competitiveness of economic entities if they are based on quality financial and accounting information.

6. Investment performance is directly influenced by the quality of information, the fair representation and the correct application of accounting practices and policies so that they do not distort information but accurately reflect the position and performance of the enterprise, which is the primary concern of users of financial information, as a tool for assessing risk and determining the effectiveness and efficiency of activities carried out**.**

Chapter 3. Assessing accounting and tax policies applied to transfer pricing, presents the analysis of accounting and tax policies applied to transfer pricing in the BRICS countries, including valuation policies and transfer pricing methods according to OECD guidelines, with a parallel to Moldova.

In the current global economic context, the business environment shows an increasing tendency towards complex organisational forms, evidenced both in the structure of these companies and in the geographical location of their activity, which are determined by the medium and long-term economic objectives of these companies. They typically form multinational groups operating in global markets and tending to expand into different jurisdictions. In these situations, various economic, legal and tax issues obviously start to arise, given the strong level of centrality at the decision-making level which determines certain revenue management policies which in turn generate various particular situations of legal relevance. Although formally and legally independent, the expansion of these subsidiaries or branches entails a number of special legal relationships due to the fact that they are part of a multinational group, and certain taxes and duties cannot be determined and calculated independently of the entity to which they are attributable. In recent years, the number of multinational entities has increased significantly and their role in world trade has doubled. This trend is also due to the phenomenon of globalisation, which is constantly expanding and has major implications for countries involved in international trade.

So, in addition to the positive effect of stimulating the economy, from a tax perspective, this trend also implies difficulties for both tax administrations and entities, as tax systems differ from country to country. An important role here is played by the transfer prices at which multinational entities sell goods, intangible assets and services to associated enterprises.

Transfer pricing remains the most widely used and the simplest and most common method of minimising taxes. They represent the price set in commercial transactions between different subsidiaries of a company or between members of a group or conglomerate of companies. In practice, transfer pricing and the artificial shifting of the tax base by redistributing the indicators that make up the tax base between the subsidiaries of the enterprise allow the entity - without violating regulatory provisions - to use a preferential tax regime. Transfer pricing has thus become an important issue for tax authorities who want to ensure that income has been subject to taxation where it was earned. The aim of this chapter is to analyse the accounting and tax policies related to transfer pricing practised by companies in BRICS countries. To this end, in order to achieve the proposed purpose, the following objectives have been outlined: O1: to document transfer pricing from the perspective of legality and compliance of intra-group transactions; O2: to analyse valuation policies and transfer pricing methods according to the OECD; O3: to analyse valuation policies and transfer pricing methods in emerging BRICS economies; O4: to identify the determinants in building the transfer pricing case and attracting foreign direct investment.

The overlapping crises of the recent period have led to a downturn in economic activity, i.e. a fall in corporate profits, which has increased the pressure on multinationals to find ways to reduce their tax liabilities, leading them to eventually resort to transfer pricing strategies aimed at shifting profits to low-tax jurisdictions. To meet these challenges, governments around the world have implemented new transfer pricing regulations, strengthened existing regulations and stepped up tax controls and enforcement. They also continue to monitor the impact of the crisis on transfer pricing policies and practices to ensure that multinational companies meet their tax obligations. The current crisis has highlighted the importance of transfer pricing and the need for governments to ensure that multinational companies pay their fair share of taxes in each country where they operate. Most commonly, multinational companies use transfer pricing to artificially shift profits to jurisdictions with flexible tax systems, charging high prices for goods and services sold to subsidiaries in high-tax jurisdictions and low prices for those sold to subsidiaries in low-tax jurisdictions.

Establishing and identifying an optimal method for setting and determining transfer prices is the main concern for multinationals and regulators. In selecting an optimal transfer pricing method, multinationals should consider the advantages and disadvantages of methods recognised by the Organisation for Economic Co-operation and Development as well as other methods applied at national level. The appropriateness of a method is determined primarily by a functional analysis and the availability of reliable data needed to implement the chosen method or alternative methods.

Transfer pricing methods refer to how the prices at which transactions between two or more affiliated companies are carried out are calculated, and the choice of the most optimal method among those available may be determined by various internal or external factors, such as the overall profit of the company, the interest of the host country subsidiary and its requirement to maintain adequate cash flows, demographic and behavioural characteristics, as well as differences in general tax and transfer pricing regulations in the respective countries. The transfer pricing methods proposed by the OECD Transfer Pricing Guidelines can be seen in *Figure 3*:

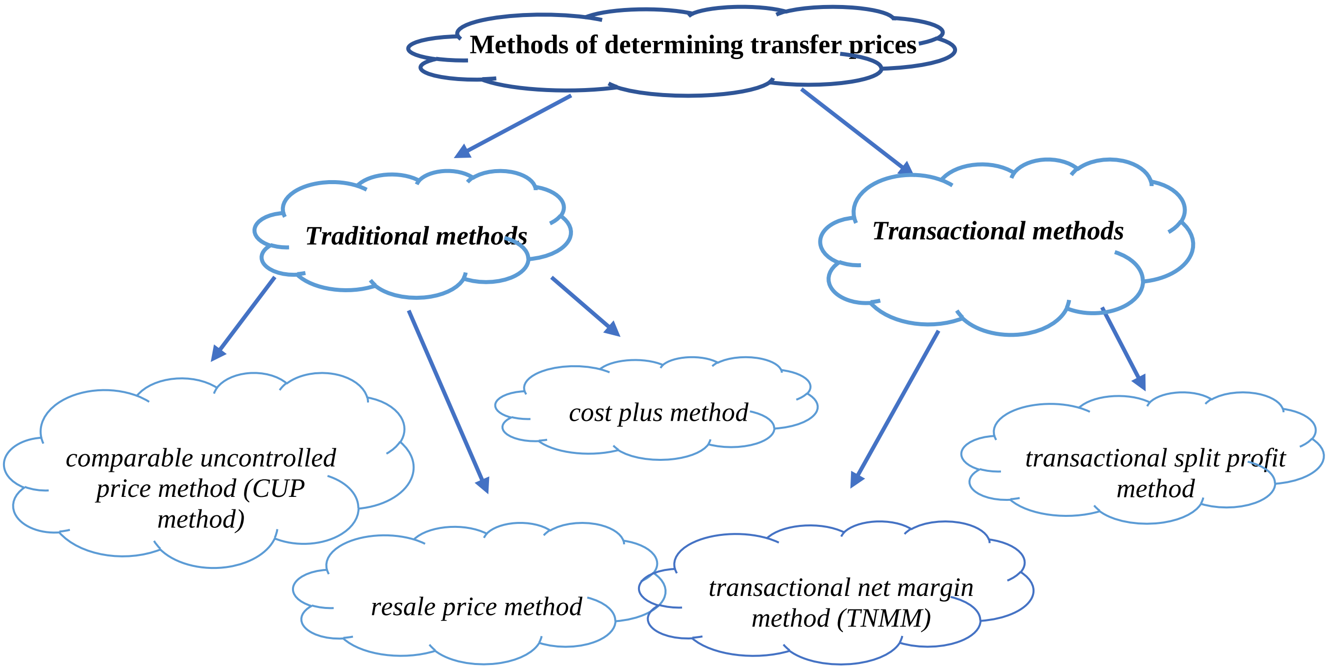


Fig. 0 . Transfer pricing methods
Source: adapted from OECD

However, the reglations regarding the transfer pricing file are elusive and difficult to apply across economies. Certainly, with the increasing digitisation of the international trading system and with the increasing introduction of artificial intelligence in international economic relations, the economic and fiscal environment will face new and demanding challenges which, once overcomed, will add value and efficiency to the knowledge, procedures and regulations related to this area, allowing the creation of a more transparent, secure and business-friendly international economic system.

Transfer pricing documentation is one of the main tools that can be used to assess the legality and compliance of intra-group transactions with existing national and international principles, guidelines and regulations. The documentation is useful to a variety of stakeholders, but especially to auditors and government authorities as they have a high interest in the reality, fairness and legality of transfer pricing policies practised by entities, as they can significantly influence various reported performance indicators and the amount of corporate income tax paid.

Thus, the assessment of accounting and tax policies applied to transfer pricing in this chapter has highlighted the main aspects of current transfer pricing regulations at the international level as well as in the BRICS economies. The analysis leads to the following conclusions:

1. Transfer pricing strategies and methods are quite complex and their application is associated with certain difficulties due to restrictive and diverse legislation from one country to another, as well as the lack of clear methodologies on the preparation of the transfer pricing file. The complex and restrictive transfer pricing legislation has a discouraging effect on the ability of multinationals to develop a correct transfer pricing record and to charge market prices.

2. We believe that OECD and G20 countries contributing to the implementation of the BEPS Action Plan should establish a globally valid tax code whereby countries involved in international transactions ensure that profits are subject to taxation where the activities took place and where they created value, thus making it possible to avoid or reduce tax avoidance. The use of transfer pricing involves checking the reasonableness of prices for export and import transactions.

3. Defining a comprehensive legislative framework, a comprehensive tax code and their correct application ensures the attraction of investment, sets fair rules to maintain a balance between the state and the participants in transactions. Undoubtedly, the desire for such a balance means mutual trade-offs,

enshrined in regulatory and enforcement practice. At the same time, new geopolitical shifts in recent times are shaping tax policies, further accentuating the transfer pricing issue.

4. Moldova has taken an important step in the implementation of transfer pricing regulations, being a country with a high level of economic crime, but it is essential that the authorities adapt this framework to the needs of the national economy and provide guidance in their application, as they represent a novelty for the business environment in Moldova.

5. The withdrawal of capital from environments heavily affected by geopolitical risks, as well as the introduction of protectionist taxes and trade policies by several economies, is changing the outlook for companies' external activities, as they shift their business to environments that offer optimal security and predictability of invested capital.

6. Changes in the international political and economic arena, as well as the deepening economic and energy crisis, are increasing national interests in taxes paid by multinationals, and the erosion of the tax base through the transfer pricing file has triggered a series of tax reforms.

In **Chapter 4. Designing the FDI flows and transfer prices predictability index** presents the conceptualization of the predictability index and trend matrix of FDI flows and transfer prices at the level of developed economies, developing/emerging economies, and underdeveloped economies.

The political, economic and social instability of recent times has created a difficult situation for global business. The COVID-19 pandemic has come as a shock to many industries, with a significant number of them collapsing as a result of partial or complete shutdowns. As the relevant national and international bodies set up various programmes and policies to provide financial support to the most affected industries, a significant number of bankruptcies and insolvencies were recorded. To all this, we can add the economic crisis amplified by the energy crisis and the military conflict in Ukraine, which have practically changed the global investment context. At the same time, the overlapping crises (health crisis, economic crisis, energy crisis and geopolitical crisis) have led to a migration of investment to safer areas that offer a more stable and predictable investment environment. Thus, with investment security and predictability of returns being the main determinants for investors, the need for a tool to assess investment risks at macro- or micro-economic level becomes evident.

The reallocation of investments from high-risk environments to environments offering investment security is subject to transfer pricing, which in practice is the process of transferring tangible and intangible assets between companies belonging to the same group. For example, the military conflict in Ukraine and the economic sanctions imposed on Russia have led to the relocation of investments or even the entire activity of several companies in these countries, due to the impossibility of doing business and the extremely high risks. The economic sanctions imposed on Russia by the EU and other political and economic partners in response to the military aggression in Ukraine have affected not only the sanctioned country, but also the penalisers, creating a boomerang effect, as Russia in turn has responded with a different type of measures, such as: cutting off gas supplies to some countries, which has led to a worsening of the energy crisis; forcing customers to pay for energy in Russia's national currency, etc. All these phenomena primarily affect multinational chains and their investment activity.

Ensuring a favourable and secure development environment for investors is or should be the fundamental objective in the implementation of national economic development strategies, by strengthening bilateral relations with other partner countries and implementing policies that facilitate investment reallocation between enterprises. One of the most important factors in the reallocation of investments is the level of their taxation, which is why, in order to avoid double taxation, several countries have concluded agreements to this effect, thus encouraging the development and reallocation of investments or long-term development partnerships between different business environments. Among the determining factors in investment allocations or reallocations are economic freedom, country risk, level of regulation, tax burden, information asymmetry, etc. Economic freedom is the free access to carry out economic and commercial activities by ensuring compliance with the legislation governing the conduct of that activity. The level or quality of regulation is crucial for investors, as a very tough regulatory framework that does not offer protection to investors may even repel them. However, in analysing the investment context, it is also necessary to take into account the principles of business ethics, as investors frequently seek to maximise their profits at all costs, trying to avoid or identify loopholes in legislation that allow them to avoid taxation. For example, transferring capital to offshore companies or to jurisdictions that allow them to avoid tax on profits is one method of reallocating investments. Usually these countries either have 0% tax rates or the level of the underground economy is quite high, which explains the possibility of money laundering and tax avoidance without paying regulated taxes.

Transfer pricing is a taboo subject when it comes to the correct application of transfer pricing methods and avoiding economic crime. National and international bodies have developed various transfer pricing strategies and methods in order to facilitate the transfer of capital between related parties and at the same time to have leverage to control these transactions. Given the complexity of the methods and the risks associated with these transactions, the question arises of identifying a complex model for assessing and determining transfer prices by bringing together all the determining factors, which would provide predictability to all parties involved in the transaction.

In this context, the ***purpose of the research*** developed in this chapter was set, namely to identify the conditions of investment security in various economic contexts, under certain levels and types of crisis. In order to achieve the proposed goal, the following **objectives** were set**:** *O1* - analysis of the global economic context and the determinants of opening subsidiaries abroad; *O2* - identification and determination of potential influencing factors in attracting foreign investment; *O3* - analysis of the determinants of transfer pricing. Achieving the objectives was made possible through a review of the main studies in the field of transfer pricing and a comprehensive analysis of the current economic context, the contribution of financial information on decision-making processes in the design of an investment security index, based on financial and non-financial information reported by 69 countries belonging to different economic and political groups.

For the conceptualization of the predictability index and the trend matrix of FDI flows and transfer prices, the following **assumptions were** drawn and tested**:**

H1: *Fiscal pressure has a negative impact on the reallocation of investments and the opening of new subsidiaries.*

H2: *Country risk is a key determinant in reallocating investments and opening new subsidiaries***.**

H3: *Increased FDI flows lead to higher levels of underground economy.*

H4: *Adoption of IFRS increases FDI inflows and reduces investment risk.*

H5: *OECD transfer pricing regulations have a positive impact on socially responsible foreign direct investment, helping to avoid economic crime*.

This research is quantitative based on a sample of 69 countries applying OECD transfer pricing regulations, classified by level of economic development into: developed economies (24), developing economies (18), emerging economies (18) and underdeveloped economies (9). Moldova was excluded from the analysis because at the time of the survey it did not apply OECD transfer pricing regulations nsfer, which are completely missing from the national regulations and will only be introduced in early 2023.

The period of analysis was between 2013-2021, as it was considered to be a representative period, in the sense that both periods of economic stability, with positive increases in the economic and financial and non-financial indicators specific to the sample analysed, and periods characterised by economic, health and political crises, which had different repercussions on the global economy, were included. In order to homogenise the database, all economies applying OECD transfer pricing regulations were applied as *inclusion criteria, excluding* other economies not subject to transfer pricing under OECD regulations. Also, as the sample population has different particularities, countries were grouped into research clusters.

To analyze the data and design the predictability indices of FDI inflows, outflows and transfer prices, the multiple linear regression model defined by the function:

$$Y_i = \alpha + \sum_{j=1}^{9} \beta_{ij} X_{ij} + \varepsilon_i \text{ , i=1,..,n.} \qquad (1)$$

where, *n* is the custom sample size for each model. The level of FDI inflows was considered as the independent variable representing the predictability and valuation index of transfer pricing, and the following were considered as independent variables: the level of the underground economy, tax rate, general country risk, tax burden, return on invested capital, IFRS, overall economic freedom score and the level of transfer pricing regulation according to OECD (*see Table 1*).

Table 1. Description of independent variables

Variable	Description
ShE	Level of the underground economy
Tr	Tax rate
Cr	General country risk
Fb	Tax burden
ROIC	Return on invested capital
IFRS	Level of adoption of International Financial Reporting Standards
IEF	Overall economic freedom score
TPr	Level of transfer pricing regulation according to OECD guidelines
CPI	Level of corruption

Source: authored by

To project the predictability index of FDI inflows and transfer prices for each type of economy (developed economy, developing economy, emerging economy, underdeveloped economy) the multiple linear regression model was used (*see Table 2).*

Table 2. Dependent variables and regression equations for predictability indices of FDI inflows and transfer prices

Variables dependent	Model type
Overall predictability index of FDI inflows and transfer prices	$Igptp = \alpha_1 + \beta_{11} \cdot \mathrm{ShE} + \beta_{12} \cdot Tr + \beta_{13} \cdot Cr + \beta_{14} \cdot Fb + \beta_{15} \cdot ROIC + \beta_{16} \cdot IFRS + \beta_{17} \cdot IEF + \beta_{18} \cdot TPr + \beta_{17} \cdot CPI + \varepsilon_1$
FDI inflows and transfer price predictability index for developed economies	$Iptpde = \alpha_3 + \beta_{31} \cdot \mathrm{ShE} + \beta_{32} \cdot Tr + \beta_{33} \cdot Cr + \beta_{34} \cdot Fb + \beta_{35} \cdot ROIC + \beta_{36} \cdot IFRS + \beta_{37} \cdot IEF + \beta_{38} \cdot TPr + \beta_{37} \cdot CPI + \varepsilon_3$
Predictability index of FDI inflows and transfer prices for developing economies	$Iptpdev = \alpha_4 + \beta_{41} \cdot \mathrm{ShE} + \beta_{42} \cdot Tr + \beta_{43} \cdot Cr + \beta_{44} \cdot Fb + \beta_{45} \cdot ROIC + \beta_{46} \cdot IFRS + \beta_{47} \cdot IEF + \beta_{48} \cdot TPr + \beta_{47} \cdot CPI + \varepsilon_4$
FDI Inflows and Transfer Price Predictability Index for Emerging Economies	$Iptpee = \alpha_2 + \beta_{21} \cdot \mathrm{ShE} + \beta_{22} \cdot Tr + \beta_{23} \cdot Cr + \beta_{24} \cdot Fb + \beta_{25} \cdot ROIC + \beta_{26} \cdot IFRS + \beta_{27} \cdot IEF + \beta_{28} \cdot TPr + \beta_{27} \cdot CPI + \varepsilon_2$
Predictability index of FDI inflows and transfer prices for LDC economies	$Iptppde = \alpha_5 + \beta_{51} \cdot \mathrm{ShE} + \beta_{52} \cdot Tr + \beta_{53} \cdot Cr + \beta_{54} \cdot Fb + \beta_{55} \cdot ROIC + \beta_{56} \cdot IFRS + \beta_{57} \cdot IEF + \beta_{58} \cdot TPr + \beta_{57} \cdot CPI + \varepsilon_5$

Source: authored by

In terms of projecting the predictability index of FDI outflows and transfer prices related to each type of economy, we used the multiple linear regression model as in the previous case (*see Table* 3).

Table 3.Dependent variables and regression equations for predictability indices of FDI outflows and transfer prices

Dependent variables	Model type
Overall predictability index of FDI outflows and transfer prices	$IEgptp = \alpha_1 + \beta_{11} \cdot \mathrm{ShE} + \beta_{12} \cdot Tr + \beta_{13} \cdot Cr + \beta_{14} \cdot Fb + \beta_{15} \cdot ROIC + \beta_{16} \cdot IFRS + \beta_{17} \cdot IEF + \beta_{18} \cdot TPr + \beta_{17} \cdot CPI + \varepsilon_1$
Predictability index of FDI outflows and transfer prices for emerging economies	$IEptpee = \alpha_2 + \beta_{21} \cdot \mathrm{ShE} + \beta_{22} \cdot Tr + \beta_{23} \cdot Cr + \beta_{24} \cdot Fb + \beta_{25} \cdot ROIC + \beta_{26} \cdot IFRS + \beta_{27} \cdot IEF + \beta_{28} \cdot TPr + \beta_{27} \cdot CPI + \varepsilon_2$
Predictability index of FDI outflows and transfer prices for developed economies	$IEptpde = \alpha_3 + \beta_{31} \cdot \mathrm{ShE} + \beta_{32} \cdot Tr + \beta_{33} \cdot Cr + \beta_{34} \cdot Fb + \beta_{35} \cdot ROIC + \beta_{36} \cdot IFRS + \beta_{37} \cdot IEF + \beta_{38} \cdot TPr + \beta_{37} \cdot CPI + \varepsilon_3$
FDI Output and Transfer Price Predictability Index for Developing Economies	$IEptpdev = \alpha_4 + \beta_{41} \cdot \mathrm{ShE} + \beta_{42} \cdot Tr + \beta_{43} \cdot Cr + \beta_{44} \cdot Fb + \beta_{45} \cdot ROIC + \beta_{46} \cdot IFRS + \beta_{47} \cdot IEF + \beta_{48} \cdot TPr + \beta_{47} \cdot CPI + \varepsilon_4$
Predictability index of FDI outflows and transfer prices for LDC economies	$IEptppde = \alpha_5 + \beta_{51} \cdot \mathrm{ShE} + \beta_{52} \cdot Tr + \beta_{53} \cdot Cr + \beta_{54} \cdot Fb + \beta_{55} \cdot ROIC + \beta_{56} \cdot IFRS + \beta_{57} \cdot IEF + \beta_{58} \cdot TPr + \beta_{57} \cdot CPI + \varepsilon_5$

Source: authored by

In order to construct the FDI *predictability index* and transfer prices (related to each research cluster) considered as the dependent variable of the model, a series of influencing variables considered to be the most relevant in the current context of multiple crises were established, such as: The level of underground economy (ShE); tax rate (Tr); general country risk (Cr); tax burden (Fb); return on invested capital (ROIC); level of adoption of International Financial Reporting Standards (IFRS); overall economic freedom score (EFS); level of transfer pricing regulation according to OECD regulations (TPr) and level of corruption (CPI).

Multiple linear regression was used to conceptualize the predictability index and the trend matrix, since it is the analysis tool that offers the possibility of establishing forecasts with reference to the indicators analyzed. Basically, multiple regression analysis correlates the behaviour of a set of factors, which are called independent variables, in order to see their impact - both at individual and group level - on the dependent variable. Although multiple linear regression analysis cannot indicate which predictors are most relevant, it is used to create and test predictive models [2]. In our case, the set of predictor variables (independent variables) were used to predict FDI inflows and outflows and transfer prices for the 69 economies that make up our research sample. The identification and selection of predictor variables is the most important process in multiple linear regression, because as Madden and Bottenberg (1963) state, in order not to lose practical predictive efficiency, from a large set of variables only a small subset of predictors should be selected that are most representative of the phenomenon under study [3]. Braun and Oswald (2011) argue that "*determining the relative importance of predictor variables is important for constructing regression models, both for the practical purpose of prediction and for building theoretical models to improve our understanding of behavioral phenomena*" [2].

After piloting the models, regression coefficients were obtained on the basis of which predictability indices of inflows, outflows of foreign direct investment and transfer prices were established for each research cluster (see Table 4).

Table 4 . Predictability indices of FDI inflows, outflows and transfer prices

Variables dependent	Model type
Overall predictability index of FDI inflows and transfer prices	$Igptp = -0.307 \cdot \mathrm{ShE} + 0.103 \cdot Tr - 0.439 \cdot Cr + 0.078 \cdot Fb + 0.058 \cdot ROIC - 0.075 \cdot IFRS + 0.163 \cdot IEF + 0.202 \cdot TPr + 0.159 \cdot CPI$
FDI inflows and transfer price predictability index for developed economies	$Itppde = -0.049 \cdot \mathrm{ShE} + 0.020 \cdot Tr \pm 0.201 \cdot Cr + 0.277 \cdot Fb + 0.095 \cdot ROIC - 0.186 \cdot IFRS - 0.101 \cdot IEF + 0.290 \cdot TPr - 0.149 \cdot CPI$
Predictability index of FDI inflows and transfer prices for developing economies	$Iptpdev = 0.081 \cdot \mathrm{ShE} + 0.023 \cdot Tr - 0.521 \cdot Cr + 0.147 \cdot Fb + 0.572 \cdot ROIC + 0.055 \cdot IFRS - 0.117 \cdot IEF + 0.136 \cdot TPr + 0.311 \cdot CPI$
FDI Inflows and Transfer Price Predictability Index for Emerging Economies	$Iptpee = -0.773 \cdot \mathrm{ShE} + 0.022 \cdot Tr - 0.618 \cdot Cr + 0.198 \cdot Fb - 0.285 \cdot ROIC + 0.487 \cdot IFRS - 0.028 \cdot IEF + 0.102 \cdot TPr + 0.118 \cdot CPI$
Predictability index of FDI inflows and transfer prices for LDC economies	$Iptppde = -0.181 \cdot \mathrm{ShE} - 0.825 \cdot Tr - 2.111 \cdot Cr - 0.186 \cdot Fb - 0.315 \cdot ROIC + 0.247 \cdot IFRS + 0.477 \cdot IEF + 0.240 \cdot TPr + 0.816 \cdot CPI$
Overall predictability index of FDI outflows and transfer prices	$\mathrm{IEgptp} = -0.201 \cdot \mathrm{ShE} + 0.103 \cdot Tr - 0.142 \cdot Cr + 0.015 \cdot Fb + 0.097 \cdot ROIC - 0.117 \cdot IFRS + 0.092 \cdot IEF + 0.224 \cdot TPr + 0.013 \cdot CPI$
Predictability index of FDI outflows and transfer prices for developed economies	$\mathrm{IEptpde} = -0.155 \cdot \mathrm{ShE} - 0.002 \cdot Tr - 0.134 \cdot Cr + 0.163 \cdot Fb - 0.006 \cdot ROIC - 0.351 \cdot IFRS - 0.148 \cdot IEF + 0.188 \cdot TPr - 0.239 \cdot CPI$
FDI Output and Transfer Price Predictability Index for Developing Economies	$\mathrm{Eptpdev} = -0.008 \cdot \mathrm{ShE} - 0.022 \cdot Tr - 0.960 \cdot Cr + 0.162 \cdot Fb + 0.809 \cdot ROIC + 0.055 \cdot IFRS + 0.082 \cdot IEF + 0.054 \cdot TPr + 0.462 \cdot CPI$
Predictability index of FDI outflows and transfer prices for emerging economies	$IEptpee = -0.761 \cdot \mathrm{ShE} - 0.070 \cdot Tr - 0.609 \cdot Cr + 0.173 \cdot Fb - 0.138 \cdot ROIC + 0.504 \cdot IFRS - 0.029 \cdot IEF + 0.173 \cdot TPr + 0.106 \cdot CPI$
Predictability index of FDI outflows and transfer prices for LDC economies	$IEptppde = -0.264 \cdot \mathrm{ShE} - 0.634 \cdot Tr - 1.600 \cdot Cr - 0.206 \cdot Fb - 0.651 \cdot ROIC + 0.307 \cdot IFRS + 0.539 \cdot IEF + 0.049 \cdot TPr + 0.861 \cdot CPI$

Source: authored by

The results obtained in this chapter support the fact that profit predictability and risk assessment are the main determinants of FDI flows, with the exception of LDCs and emerging economies which are largely used by multinationals in the transfer pricing file to erode the tax base. From country to country, these factors fluctuate according to the characteristics of the national economy. For example, where there is a developed underground economy, tax pressure is not of interest to investors, as there is the possibility of developing black businesses.

It is worth noting that the predictability of FDI outflows and inflows and transfer prices is subject to various exogenous factors such as economic conditions, political instability, fiscal policies and regulations. In addition, the accuracy of the predictability index also depends on the availability and quality of the data as well as the choice of the econometric model. In short, the predictability index is a measure of the confidence one can have in forecasting future values of FDI flows and transfer prices based on past data and serves as an assessment of the performance of the forecasting model built using historical data.

Regarding the hypotheses established in this chapter, according to the results obtained from piloting the models for each type of economy, we can state that:

Hypothesis	**General model**	**Developed economies**	**Developing economies**	**Emerging economies**	**Underdeveloped economies**
H1	Rejected	Rejected	Rejected	Rejected	Validated
H2	Validated	Validated	Validated	Validated	Validated
H3	Partially validated	Partially validated	Validated	Validated	Rejected
H4	Validated	Validated	Validated	Validated	Partially validated
H5	Validated	Validated	Validated	Validated	Validated

The sustainable development of all the world's economies depends on the economic, political and social links that govern the whole business environment. Although national and international bodies have taken important steps to combat economic crime, it still manages to reach high levels. On the one hand, the current global economy and the strong growth of multinational companies necessarily also require a reorganisation of international legislation to address and resolve the problem of the transfer of taxable assets (resources) to countries with privileged taxation. It is clear that tax planning strategies designed solely to gain an unfair tax advantage are extremely damaging to local economies; less tax revenue for the state translates into a greater tax burden for the community, especially for those who tax at source, hence a reduction in consumption with all the implications that this phenomenon entails. On the other hand, companies that evade corporate tax (in part or in full) are in non-compliance with transfer pricing legislation, which entails adjustments (positive and/or negative) to the profit components and, implicitly, the application of penalties directly proportional to the level of evasion. Operational difficulties in countering tax avoidance have led the OECD to repeatedly reformulate the recommendations contained in the Transfer Pricing Guidelines. This, in turn, is encouraging companies to change their attitude to the design, management and adoption of transfer pricing policies. We believe that it is only by doing so that the real conditions can be created for the creation of an international regulatory framework on tax policies that encourages bona fide investment and protects investors.

In this context, we would highlight the following:

1. The overlapping crises (health crisis, economic crisis, energy crisis and geopolitical crisis) have led to a migration of investment to safer areas that offer a stable and predictable investment environment;

2. Among the determinants of investment allocations or reallocations are economic freedom, country risk, level of regulation, tax burden, information asymmetry, IFRS, etc.; The level of the underground economy is the main indicator directly correlated with FDI flows, i.e. an increase in the level of the underground economy leads to a decrease in FDI flows;

3. The investment framework in developed economies is driven by the level of transfer pricing regulation; the impact of IFRS on FDI in emerging economies may vary depending on the individual country and its economic and institutional characteristics;

4. The major concern for investors is the quality of transfer pricing regulations, which explains why multinationals resort to transfer pricing practices to distribute/re-allocate profits from the home country in order to erode the tax base;

5. Increasing levels of regulation in terms of the transfer pricing record (TPr), as well as high tax rates (Tr) and tax burdens (Fb) and levels of corruption (CPI) lead to higher outflows of foreign direct investment, with investors preferring to invest in countries with lower indices of these indicators.

6. The predictability index is a measure of the confidence one can have in forecasting future values of FDI flows and transfer prices based on historical data and serves as an assessment of the performance of the forecasting model built using historical data.

7. Implementation of the predictability index and trend matrix of investment flows and transfer prices at Add Consult Daniel Rata (Belgium), Autodel Holding S.R.L. (Romania), Lusek S.R.L. (Romania), Casa Grup S.R.L. (Romania), First Audit International S.R.L. (Moldova), Donaris Vienna Insurance Group S.A. (R. Moldova), Agat S.A. (R. Moldova) has proven to be a real investment risk measurement and prediction tool, contributing to investment and transfer price prediction, as well as to the identification of safe investment areas and profit maximisation.

8. The predictability index and the trend matrix of investment flows and transfer prices are essential risk assessment tools, they can also be implemented in other economies, which have similar characteristics to the sample analysed.

CONCLUSIONS AND RECOMMENDATIONS

In this PhD thesis, not only the process of global financial and accounting harmonisation was analysed and explored, but also the political, economic and social phenomena that occurred and evolved simultaneously. The rationale for the research aim and objectives was achieved by reviewing the literature in the fields of economics, politics and law in relation to the changes that have occurred over the last three years. This period is characterised by a series of overlapping crises, such as the health crisis caused by the Sars-COV-2 virus, the energy crisis, the military conflict in Ukraine and the economic crisis, events that have reshaped national and international business interests from the perspective of attracting foreign direct investment. Due to the complexity and interconnectedness of the phenomena that took place in 2019-2022, the research path was shaped in such a way as to cover the entire area of interest. Therefore, this PhD thesis is an interdisciplinary work that includes elements related to accounting as well as finance, geopolitics, international economics and social policies.

Summarising the main results of the research, we highlight the following **conclusions and recommendations**:

1. It has been found that the business environment is becoming sensitive to geopolitical changes, which is why mechanisms need to be developed to assess and prevent these threats so that the impact can be minimised.
2. It has been noted that geopolitical risks may pose a threat to the international accounting framework, i.e. its purpose of meeting the information needs of all stakeholders by providing accurate, meaningful, comparable, verifiable, timely and understandable information.
3. The critical analysis of the transfer pricing phenomenon has highlighted the discrepancy between the idealistic nature of the legal regulations and the practical situations in which multinational companies may find themselves and in which it is quite difficult to make decisions that reflect the principles underlying the legal basis of the transfer pricing mechanism. This context offers a high degree of interpretability and is nothing more than an opportunity for multinationals to strengthen their tax minimisation and avoidance strategies. Regulators must therefore review transfer pricing regulations and adapt them to the level of national economies.
4. It has been found that meeting the information needs of all stakeholders is not a simplistic process, but one that requires effort, study, involvement and initiative on the part of the people responsible, who of course need to have the knowledge and skills to do this effectively.
5. Investment performance is directly influenced by the quality of information, the fair representation and the correct application of accounting practices and policies so that they do not distort information but accurately reflect the position and performance of the enterprise, which is the primary concern of users of financial information, as a tool for assessing risk and determining the effectiveness and efficiency of activities carried out**.**
6. The increasing role of the emerging BRICS economies in the international political and economic arena, or their separation from major international economic bodies, raises a question mark over the path of harmonisation of their national accounting rules with the International Financial Reporting Standards (IFRS).
7. Transfer pricing strategies and methods are quite complex and their application is associated with certain difficulties due to restrictive and diverse legislation from one country to another, as well as the lack of clear methodologies on the preparation of the transfer pricing file. The complex and restrictive transfer pricing legislation has a disruptive effect on the ability of multinationals to develop a correct transfer pricing record and to charge market prices.
8. We believe that OECD and G20 countries contributing to the implementation of the BEPS Action Plan should establish a globally valid tax code whereby countries involved in international transactions ensure that profits are subject to taxation where the activities took place and where they created value, thus making it possible to avoid or reduce tax avoidance. The use of transfer pricing involves checking the reasonableness of prices for export and import transactions.
9. Defining a comprehensive legislative framework, a comprehensive tax code and their correct application ensures the attraction of investment, sets fair rules to maintain a balance between the state

and participants in transactions. Undoubtedly, the desire for such a balance means mutual trade-offs, enshrined in regulatory and enforcement practice. At the same time, new geopolitical shifts in recent times are shaping tax policies, further accentuating the transfer pricing issue.

10. Increasing levels of regulation in terms of the transfer pricing record (TPr), as well as high tax rates (Tr) and tax burdens (Fb) and levels of corruption (CPI) lead to higher outflows of foreign direct investment, with investors preferring to invest in countries with lower indices of these indicators.

11. The predictability index is a measure of the confidence one can have in forecasting future values of FDI flows and transfer prices based on historical data and serves as an assessment of the performance of the forecasting model built using historical data.

Implementation of the predictability index and trend matrix of investment flows and transfer prices at Add Consult Daniel Rata (Belgium), Autodel Holding S.R.L. (Romania), Lusek S.R.L. (Romania), Casa Grup S.R.L. (Romania), First Audit International S.R.L. (Moldova), Donaris Vienna Insurance Group S.A. (R. Moldova), Agat S.A. (R. Moldova) has proven to be a real investment risk measurement and prediction tool, contributing to investment and transfer price prediction, as well as to the identification of safe investment areas and profit maximisation.

The objectives and the purpose of the research have been achieved as follows:

In the first chapter, objective 1 has been achieved, which provides an overview of geopolitical risks and their influence on the internationalisation process of companies, sources of financing, volatility of financial assets and stock markets, and threats to the international accounting framework (IFRS). The chapter also discusses the pros and cons of the need to adapt the international financial reporting system to global geopolitical changes, as well as ideas on the definition and development of the concept of geo-accounting as a result of the separation of world economies and the emergence of new economic and political powers, such as the BRICS group of emerging economies.

Objective 2 was achieved in the second chapter where new opportunities for attracting foreign direct investment and building the transfer pricing record by leveraging financial and non-financial information were analysed and identified. At the same time, the stakeholder theory was discussed in this scientific approach, especially from the perspective of positioning investors in relation to other users of financial-accounting information, with a focus on the contribution of this information in attracting foreign direct investment.

Research objective 3 was achieved in the third chapter by examining accounting and tax policies related to transfer pricing. In order to complement the literature and to draw new research directions, a bibliometric and statistical analysis of scientific publications on the topic of "transfer pricing" was carried out.

Finally, objective 4 and 5 of the paper were achieved in the last chapter by designing the predictability index and constructing the trend matrix of foreign direct investment flows and transfer prices using financial and non-financial information, the results of which were tested against the level of development of national economies.

The important scientific problems that were solved in the thesis, are materialized in some own contributions which are also reflected in the results obtained, such as:

1. Identifying paradigm shifts in the internationalisation of companies: outlining the perimeter affected by visible changes in international business (from a company internationalisation perspective) influenced by emerging geopolitical risks. At the same time, the effects of these risks on sources of finance and on the performance and sustainability of internationalised companies were analysed. It was also considered appropriate to introduce a new paradigm, in terms of "*geo-accounting*", which takes into account the need to adapt the international financial reporting system to the changes in the global geopolitical arena and to avoid the risk of divergence.

2. The analysis of stakeholder theory and the role of financial information in attracting foreign direct investment highlighted the relationship between stakeholders and financial information, correlated with the objectives of financial statements and the information needs of stakeholders. The results of this analysis identified the limitations and obstacles faced by stakeholders in meeting information needs and fostering sustainable business relationships. Also in this context, it was possible to assess the contribution of the quality of financial information in attracting FDI, by looking closely at the impact of accounting

policies on the quality of financial statements and the possibilities for reducing information asymmetry between stakeholders.

3. Synthesis and analysis of transfer pricing tax policies. To this end, a bibliometric and statistical analysis of the *transfer pricing* literature was carried out, complemented by a conceptual and applied approach to transfer pricing from an accounting, legal and tax perspective. The importance of the transfer pricing file as a tool for assessing the legality and compliance of intra-group transactions was also highlighted, together with the identification of the determining factors in the construction of the transfer pricing file and the attraction of foreign direct investment.

4. Building an econometric model of the predictability of FDI flows and transfer prices at the level of the 4 research clusters: developed economies, developing economies, emerging economies and underdeveloped economies.

5. Building a trend matrix of FDI flows and transfer prices that helps companies ensure that FDI flows and transfer prices comply with tax regulations in the countries where they operate. Careful trend analysis can help identify potential discrepancies and adjust policies and transfer pricing to comply with applicable tax laws. Analysis of trends in FDI flows and transfer pricing can reveal opportunities to optimise the cost structure. Companies can identify services or processes that generate significant costs and look for ways to make them more efficient, including renegotiating transfer prices or internalising certain services.

Future research directions. The accentuation of geopolitical risks in recent times and the visible and easily quantifiable effects on the continued activity of multinational companies by affecting investment activity have created a series of unprecedented crisis situations, which raises a number of questions that are currently unanswered, such as: *what will be the future of multinational companies when many governments will adopt a policy of nationalisation of resources and obviously of limiting the access of foreign operators in favour of resident ones*?*If business relations are limited and conditional on membership of a particular interest group, will the international financial reporting framework still be applied in its current form in countries that are today in open conflict with the Anglo-Saxon system, such as Russia*? To *what extent will the current geopolitical conflicts increase the risk of national/regional accounting standards diverging from international ones*?

In this vein, this research can be continued and developed by:

1. Further examination of the effects of geopolitical risks on different industries or specific companies, as well as on the evolution and development of the international accounting framework in line with the dynamics of change;

2. Exploring alternative methods to measure and mitigate the effects of geopolitical risks on the sustainability of companies' business;

3. Analysis of information needs and preferences of different types of stakeholders in the context of internationalisation;

4. Further research on the effects of IFRS adoption on FDI attraction in different types of economies, including various factors such as religion, culture, mother tongue, politics, membership of political and economic groups, etc.;

5. Examine accounting and tax practices and policies on transfer pricing in the context of the adoption of a single global tax regime for multinational companies, i.e. the 15% tax rate and possibly the application of common tax rates to interest groups that will escalate the OECD recommendations;

6. Application of the designed predictability index in different contexts and with alternative datasets;

7. Further examination of the relationship between the predictability index and the level of development of national economies through the use of financial and accounting information;

8. Extracting SRI from FDI to get a real picture of the interest of multinational companies to invest in emerging and economically weaker countries. We believe that this line of research is not only the most important but also the most emerging, because we have the possibility to objectively and truly know the true interest of these companies/investors, in the sense that we can verify whether they are interested in supporting local or regional economies and communities, or they are only concerned with profit maximisation, by whatever means.

Research limitations. Due to the fact that the paper focuses more on the process of internationalisation of companies, on the analysis of the existing threats to the current international IFRS financial reporting framework and on the impact of emerging geopolitical risks, the limitations of the research are drawn by the high level of economic, political and security uncertainty characterising national economies and the global context as a whole, in the sense that the changes that may occur are unpredictable and difficult to manage.

Another limitation comes into play when examining the predictability of FDI flows and transfer prices, as the financial and non-financial information used has been selected on the basis of its relevance, which does not exclude the existence of other data and information that may influence the predictability of investment flows and transfer prices to a greater or lesser extent, such as cultural, linguistic, historical, religious and legal differences.

This PhD thesis provides valuable insights for companies, regulators, investors and other stakeholders as it enables them to navigate the changing global geopolitical landscape and identify new opportunities for attracting foreign direct investment. At the same time, they have the opportunity to learn how to prevent tax avoidance through the correct use of accounting and tax policies related to transfer pricing (perceived as a tool to erode the tax base).

Although this topic is broad, it provides only a partial picture of the transfer pricing issue and the factors involved in setting transfer prices. Thus, we can state that another limitation of the research is the small number of variables taken into account in the analysis and establishment of the transfer pricing risk index. However, it is important to stress that only factors that can be quantified were considered in the design of the predictability index, but it should be borne in mind that there may be a variety of non-quantifiable factors of a qualitative nature that may influence the process of reallocation of investments.

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26. **MELEGA, A.,** GROSU, V., SOCOLIUC, M., BOTEZ, D. **Analysis of Stakeholders' Perception on The Quality of The Financial Information Reported by Companies from Emerging Countries**. In: *Proceedings of the 39th International Business Information Management Association (IBIMA)*, 30-31 May 2022, Granada, Spain, pp. 1-14, 0.61 c.a., ISBN: 978-0-9998551-8-8, ISSN: 2767-9640, ISI Proceedings, Ciation Index Web of Science, Available: https://ibima.org/accepted-paper/analysis-of-stakeholders-perception-on-the-quality-of-financial-statement-information-reported-by-emerging-country-companies/
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ADNOTARE

MELEGA Anatol, „Analiza predictivă a fluxurilor de investiții și a prețurilor de transfer în contextul intensificării riscurilor geopolitice și de divergență în aplicarea Standardelor Internaționale de Raportare Financiară (IFRS)", teză de doctor în științe economice, Chişinău, 2023

Structura tezei: adnotarea, introducerea, cinci capitole, concluzii şi recomandări, bibliografia (352 de titluri), 11 anexe, 145 pagini text de bază, 34 tabele şi 8 figuri. Rezultatele obţinute sunt publicate în 31 lucrări ştiinţifice.

Cuvinte-cheie: raportare financiară; investiții străine directe; calitate; asimetrie informațională; economii emergente; politici și practici contabile; politici fiscale; prețuri de transfer; Standarde Internaționale de Raportare Financiară; părți interesate; geopolitică; geocontabilitate; georaportare financiară; internaționalizare; globalizare; multinaționale; performanță; sustenabilitate; schimbări geopolitice; crize suprapuse; predictibilitate.

Domeniul de studiu: contabilitate.

Scopul tezei constă în identificarea și evalurea efectelor riscurilor geopolitice și de divergență în aplicarea IFRS ca urmare a schimbărilor geopolitice intervenite în procesul de internaționalizare a companiilor, în special asupra fluxurilor de investiții străine directe și a prețurilor de transfer

Obiectivele cercetării: analiza schimbărilor de paradigmă în procesul de internaționalizare a companiilor; analiza rolului informațiilor financiar-contabile în atragerea investițiilor străine directe și responsabile din punct de vedere social; evaluarea politicilor contabile și fiscale aferente prețurilor de transfer; proiectarea indicelui de predictibilitate a fluxurilor de investiții străine directe și a prețurilor de transfer pentru economiile emergente/în curs de dezvoltare, dezvoltate și slab dezvoltate; construirea matricii de trend privind fluxurile de investiții străine directe și a prețurilor de transfer pentru economiile emergente/în curs de dezvoltare, dezvoltate și slab dezvoltate.

Noutatea şi originalitatea ştiinţifică rezidă în proiectarea unui indice și matrice de predictibilitate a fluxurilor de investiții și a prețurilor de transfer; conturarea perimetrului afectat de schimbări vizibile la nivelul afacerilor internaționale (din perspectiva internaționalizării companiilor) influențat de riscurile geopolitice emergente, evaluarea aportului calității informațiilor financiare în atragerea ISD, prin examinarea atentă a impactului politicilor contabile asupra calității situațiilor financiare și a posibilităților de reducere a asimetriei informaționale între părțile interesate; evaluarea și accentuarea importanței dosarului prețurilor de transfer ca instrument de evaluare a legalității și conformității tranzacțiilor intragrup și identificarea factorilor determinanți în construirea dosarului prețurilor de transfer și atragerea de investiții străine directe.

Rezultatele științifice obținute care contribuie la soluționarea unei probleme științifice importante, constau în indentificarea unor măsuri metodologice și aplicative de atenuare a riscurilor geopolitice emergente majore pe care companiile trebuie să le ia în considerare în procesul decizional, cum ar fi de exemplu, schimbări intervenite în referențialul internațional de raportare financiară, lipsa de predictibilitate a informațiilor privind fluxurile de investiții străine și prețurile de transfer sau destabilizarea rețelei de interconectivitate a economiei globale, materializate în indicele și matricea de predictibilitate a fluxurilor de investiții și a prețurilor de transfer.

Semnificaţia teoretică și valoarea aplicativă derivă din aplicabilitatea teoretică și practică a indicelui și a matricei de predictibilitate a fluxurilor de investiții și a prețurilor de transfer. Semnificația teoretică a indicelui și a matricei de predictibilitate a fluxurilor de investiții constă în capacitatea acestora de a oferi o înțelegere cuprinzătoare a factorilor care influențează fluxurile de investiții și prețurile de transfer.

Implementarea rezultatelor ştiinţifice proiectate în teză, s-au materializat prin implementarea indicelui și a matricei de predictibilitate a fluxurilor de investiții și a prețurilor de transfer, în practica a unor entități din Republica Moldova și România. De asemenea, rezultatele cercteării pot fi utilizate și de către organismele naționale și internaționale de reglementare în materia prețurilor de transfer și a mobilității surselor de finanțare.

ANNOTATION

MELEGA Anatol, " Predictive analysis of investment flows and transfer pricing in the context of increasing geopolitical and divergence risks in the application of International Financial Reporting Standards (IFRS)", PhD thesis in economics, Chisinau, 2023

Structure of the thesis: annotation, introduction, five chapters, conclusions and recommendations, bibliography (352 titles), 11 appendices, 145 pages of basic text, 34 tables and 8 figures. The results are published in 31 scientific papers.

Keywords: financial reporting; foreign direct investment; information quality-symmetry; emerging economies; BRICS; accounting policies and practices; tax policies; transfer pricing; International Financial Reporting Standards; stakeholders; geopolitics; geo-accounting; geo-financial reporting; internationalisation; globalisation; multinationals; performance; sustainability; geopolitical changes; overlapping crises; predictability.

Field of study: accounting

The aim of the thesis is to identify and assess the effects of geopolitical and divergence risks in the application of IFRS as a result of geopolitical changes in the process of internationalisation of companies, in particular on foreign direct investment flows and transfer pricing.

Research objectives: analysis of paradigm shifts in the process of internationalization of companies; analysis of the role of financial-accounting information in attracting socially responsible foreign direct investment; assessment of accounting and tax policies related to transfer pricing; design of predictability index of foreign direct investment flows and transfer pricing for emerging/developing, developed and underdeveloped economies; construction of trend matrix on foreign direct investment flows and transfer pricing for emerging/developing, developed and underdeveloped economies.

The scientific novelty and originality lies in the design of an index and matrix of predictability of investment flows and transfer prices; the delineation of the perimeter affected by visible changes in international business (from the perspective of internationalization of companies) influenced by emerging geopolitical risks, the assessment of the contribution of the quality of financial information in attracting FDI, by carefully examining the impact of accounting policies on the quality of financial statements and the possibilities of reducing information asymmetry between stakeholders; assessing and emphasising the importance of the transfer pricing record as a tool for assessing the legality and compliance of intra-group transactions and identifying the determinants of transfer pricing record building and FDI attraction.

The scientific results obtained, which contribute to the solution of an important scientific problem, consist in the identification of methodological and applied measures to mitigate major emerging geopolitical risks that companies need to take into account in their decision-making process, such as, for example, changes in the international financial reporting framework, lack of predictability of information on foreign investment flows and transfer prices, or destabilization of the interconnectivity network of the global economy, materialized in the index and matrix of predictability of investment flows and transfer prices.

The theoretical significance and application value derives from the theoretical and practical applicability of the index and the predictability matrix of investment flows and transfer prices. The theoretical significance of the index and the investment flow predictability matrix lies in their ability to provide a comprehensive understanding of the factors influencing investment flows and transfer prices.

The implementation of the scientific results projected in the thesis materialized through the implementation of the indecision and predictability matrix of investment flows and transfer prices in the practice of some entities in the Republic of Moldova and Romania. The results of the screening can also be used by national and international regulatory bodies in the field of transfer pricing and mobility of funding sources.

АННОТАЦИЯ

МЕЛЕГА Анатол, " Прогнозный анализ инвестиционных потоков и трансфертного ценообразования в контексте растущих геополитических рисков и рисков расхождения в применении Международных стандартов финансовой отчетности (МСФО)", кандидатская диссертация по экономике, Кишинев, 2023 г.

Структура диссертации: аннотация, введение, пять глав, выводы и рекомендации, библиография (352 наименований), 11 приложений, 145 страниц основного текста, 34 таблиц и 8 рисунков. Результаты опубликованы в 31 научных статьях.

Ключевые слова: финансовая отчетность; прямые иностранные инвестиции; качество информации-симметрия; развивающиеся экономики; учетная политика и практика; налоговая политика; трансфертное ценообразование; международные стандарты финансовой отчетности; заинтересованые стороны; геополитика; гео-бухгалтерия; гео-финансовая отчетность; интернационализация; глобализация; транснациональные корпорации; эффективность; устойчивость; геополитические изменения; пересекающиеся кризисы; предсказуемость.

Направление обучения: бухгалтерский учет.

Целью диссертации является выявление и оценка влияния геополитических рисков и рисков расхождения в применении МСФО в результате геополитических изменений в процессе интернационализации компаний, в частности, на потоки прямых иностранных инвестиций и трансфертное ценообразование.

Задачи исследования: анализ смены парадигм в процессе интернационализации компаний; анализ роли финансово-бухгалтерской информации в привлечении социально ответственных прямых иностранных инвестиций; оценка учетной и налоговой политики, связанной с трансфертным ценообразованием; построение индекса предсказуемости потоков прямых иностранных инвестиций и трансфертного ценообразования для стран с формирующейся/развивающейся, развитой и слаборазвитой экономикой; построение матрицы трендов потоков прямых иностранных инвестиций и трансфертного ценообразования для стран с формирующейся/развивающейся, развитой и слаборазвитой экономикой.

Научная новизна и оригинальность заключается в разработке индекса и матрицы предсказуемости инвестиционнных потоков и трансфертных цен; очерчивании периметра, на который влияют видимые изменения в международном бизнесе (с точки зрения интернационализации компаний) под воздействием возникающих геополитических рисков, оценке вклада качества финансовой информации в привлечение ПИИ путем тщательного изучения влияния учетной политики на качество финансовой отчетности и возможностей снижения информационной асимметрии между заинтересованными сторонами; оценка и подчеркивание важности записи о трансфертном ценообразовании как инструмента для оценки законности и соответствия внутригрупповых сделок, а также выявление детерминантов построения записи о трансфертном ценообразовании и привлечения ПИИ.

Полученные научные результаты, заключаются в определении методологических и прикладных мер по смягчению основных возникающих геополитических рисков, которые компаниям необходимо учитывать в процессе принятия решений, таких как, например, изменения в международной системе финансовой отчетности, отсутствие предсказуемости информации об иностранных инвестиционных потоках и трансфертных ценах или дестабилизация сети взаимосвязей мировой экономики, материализованных в индексе и матрице предсказуемости инвестиционных потоков и трансфертных цен.

Теоретическая значимость и прикладная ценность вытекает из теоретической и практической применимости индекса и матрицы предсказуемости инвестиционных потоков и трансфертных цен. Теоретическая значимость индекса и матрицы предсказуемости инвестиционнных потоков заключается в их способности обеспечить комплексное понимание факторов, влияющих на инвестиционные потоки и трансфертные цены.

Внедрение научных результатов, разработанные в диссертации, материализовались посредством внедрения индекса и матрицы предсказуемости инвестиционных потоков и трансфертных цен в практику деятельности субъектов в Республике Молдова и Румынии. Результаты скрининга также могут быть использованы национальными и международными регулирующими органами в области трансфертного ценообразования и мобильности источников финансирования.

MELEGA ANATOL

PREDICTIVE ANALYSIS OF INVESTMENT FLOWS AND TRANSFER PRICING IN THE CONTEXT OF INCREASING GEOPOLITICAL AND DIVERGENCE RISKS IN THE APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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