***Multinational Enterprises and Cross-Cultural Management***

***Written Assignment***

***Background***

The well-known high street chain store “***Boots***”, primarily operating in the UK, is a typical example of a company which has moved its registered office between 2006 and 2012 from its original location to another country to reduce its tax liability. In this case, Boots GmbH was registered in the Swiss canton of Zug. As a result of this change, Boots’ liability for corporation tax in the UK has been dramatically reduced.

Task

Using ***appropriate*** economic and financial analysis and consulting the relevant literature, in no more than 1500 words:

***Examine*** the methods which multinational enterprises employ legitimately to avoid corporate taxes (relate to boots) (25%)

***What role*** do tax havens play in facilitating and enhancing the transfer pricing process

(relate to boots)? (20%)

Make an ***assessment and provide examples of the losses in tax revenue*** sustained by countries where companies have used tax avoidance measures.

(relate to boots)(20%)

What is ***meant by the OECD’s “arm’s length”*** principle and why is it important.

(relate to boots) (20%)

What means can be used by countries to ensure that multinational companies pay their fair amount of taxes in the countries where they undertake their principal trading activities?

(relate to boots) (15%)

**USE MIXED REFERENCES. EURPOEAN AND AMERICAN**

***Relation to Learning Outcomes for the Module:***

This assessment addresses the following learning outcomes:

1 ***Analyze*** the key motivating factors for firms to engage in international business

2 ***Evaluate*** various entry strategies and modes of operation employed by global companies

4 ***Understand*** organizational structure can have a substantial impact on the successful process of an international company.

***Poor marks will be obtained if you engage in a description of what occurs rather than an analysis of how and why it happens.***

***Marking Criteria for the Assignment***

Exceptional 1st

 100

Very well-structured and in an appropriate format

Content thoroughly researched

Sound and accurate and in-depth economic analysis

High level of academic rigor

High level of professional excellence

Properly referenced

Legible and carefully proofread (spelling mistakes and grammatical errors non-existent)

Very High 1st

 94

High1st

 87