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TAX INCENTIVES FOR FORMATION AND DEVELOPMENT OF SOCIAL-ORIENTED BANKING SYSTEM

The article develops a theoretical model of socially-oriented banking system. On transition from contemporary market economy to social-oriented market economy, new social-oriented model of banking system covers three main aspects of its implementation:

- establishment of the 6th institution of World Bank Group – “International Fund for social responsibility and economic justice”, which take legal authority to encourage and monitor ethics and social responsibility in financial sector;

- legal international differentiation of banks into two types: conventional and socially-oriented (social, ethical, green banking);

- development of social-oriented taxation system of banks and other financial institutions based on ethical criteria.

- The given analysis allows us to formulate conclusions concerning the impact and prospects of implementation of socio-oriented banking system:

- restructuring toward social-oriented market economy require development of authorized institutions to control and encourage corporate social responsibility and economic justice;

- global taxation system of financial institutions based on ethical criteria allows to avoid the problem of capitals outflow, double taxation and under-taxation;

- increase the tax burden on unethical financial institutions and, as consequence, government spending on social welfare programs;

- exemption of social-oriented financial institutions from “ethical” tax encourage social inclusion of corporations, ethical investment, makes positive social effect;

- social-oriented financial system, based on “ethical” taxation, differentiate the capital and consumers flows to social-oriented and conventional banks, encouraging growth and support of social-oriented banks by society.

The subject of the following researches should cover the worldwide initiatives and legal methods toward implementation of global tax on financial transactions based on ethical criteria and social restructuring of financial system.