
Legal Aspects of Financial Risk Management of an Oil Company in the Field Of International Law

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Abstract

For some time now, the creation of international convergence in accounting laws has been raised as one of the topics of the day in the field of financial management and on the agenda of major international institutions and assemblies, such as the Board of International Accounting Laws, the Board of International Auditing and Insurance Standards, the International Federation of Accountants and The foundation committee of international accounting rules has been placed. A look at the world trade laws and the current economic conditions of the world clarifies the reason for this global determination, with the increasing expansion of multinational companies and the increase in the number of international audit financial institutions, as well as the increase in international financing cases, the convergence of accounting laws in order to reduce procedures. The variety of financial and legal management is presented as the undeniable foundation of such an environment. But does the mere formulation of uniform international laws lead to the creation of uniformity in financial legal procedures and meeting the needs of today's global environment? The answer is negative, because one of the two basic dimensions of accounting, i.e. the human dimension, is affected by environmental factors. In this regard, the researchers believe that the adoption of the same financial and accounting laws will lead to legal uniformity, which means uniformity in laws and regulations, but there will be no guarantee of uniformity in the application of these standards or practical uniformity. The job doled out to the oil business with regards to the improvement of the modern area and the economy of the state in general is certain. The worth of the made products lies in the way that later on their utilization is likewise workable for cutting edge businesses, globalization is vital in the improvement of the business, which tracks down its demeanor during the time spent changing the financial space into a solitary zone open to free and unhindered development of merchandise, administrations, data and capital. The Coronavirus pandemic abused the unification of the principles of monetary life and the arrangement of worldwide financial participation. There has been a change of the mechanical, coordinated factors and business chains of oil organizations, which may adversely influence the consequences of tasks from here on out. Consequently, one of the needs of the Russian oil-delivering enterprises is the turn of events and arrangement of good authoritative and monetary circumstances as long as possible. The motivation behind the article is to explore the organization's monetary dangers with regards to worldwide ecological changes. The review utilizes strategies for investigation and amalgamation, factual information examination as well as relapse examination. The principal objective of the exploration is to concentrate on the fundamental sorts of monetary dangers of an oil organization, break down the econometric model, and recognize the primary factors that influence the organization's dissolvability with regards to worldwide changes.

Keywords: International law, financial law, legal business, global changes, globalization, , financial risks.

Introduction

Towards the finish of the 20th hundred years, quickly developing mechanical, financial, political, social, ecological and social cycles among others introduced another period named by researchers as the time of globalization. Its pith lies in the financial, political and social existence of public states to that point divided being woven into a solitary "planetary ball" alongside philanthropic difficulties and social and monetary cycles obtaining common nature for most states. The sign of present day correspondences is anything anyplace on the planet can be arrived at through the worldwide Web and contemporary transportation.

Globalization of articulation during the time spent the worldwide space changing where it is changing into a solitary zone open to unhampered development of merchandise, administrations, data, and capital. The

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worldwide space works with the spread of thoughts with their transporters moving around easily in this manner adding to the advancement of significant institutional substances and setting up frameworks to guarantee cooperation between them. The bottom line is that you don't know what the future holds. Your job as a trader is to predict the future based on half the information available to you right now. Most of that information is based on what has already happened in the past, and finally you will be able to make scenarios based on future economic events or information release; But the point is that we are trying to predict the future using old information. But the question is, do similar events always happen in the same way? of course not. Whether we like it or not, everything changes, and this makes analyzing the markets a challenge that is attractive to many market participants who have a long-term horizon; Remember that with constantly changing market conditions, a forecast will never be perfect and anything is possible. As a result, although we do not want to underestimate the importance of your analysis in calculating the best probabilities and conditions, you must remember that your analysis may turn out to be completely wrong because no analysis method will work in all situations and times. This is where risk management comes into play so that if your analysis fails, you can save your remaining capital by reducing losses.

The result of globalization is the development of a solitary social, instructive, legitimate and monetary climate at the worldwide level. That being said, the course of globalization in accordance with the improvement of monetary, social, political, and data coordination isn't totally portrayed by a homogeneous "climbing" pattern. Examination into the cycles of globalization continuing from the case of world exchange advancement have highlighted there having been something like three influxes of globalization beginning around 1795 [1]. The creators of the exploration have noticed a huge element of the contemporary course of globalization that is underlying globalization which is described by the rising thickness of enormous scope organizations of connection all around the world when contrasted with the thickness of more modest organizations [1].

The spread of the Coronavirus pandemic has brought about processes which oppose globalization. Universally, the world has been seeing de-globalization for quite a while at this point, basically with regards to viewpoints straightforwardly connected to global business and exchange. Loosening reliance in these two aspects suggests that states are less subject to labor and products or on speculations coming from different states when contrasted with homegrown monetary movement levels. "At the end of the day, exchange and speculation streams as rates of Gross domestic product ought to decline" [1].

The brought together guidelines of financial life have been disturbed with the arrangement of highway guideline of world monetary relations going through a change. De-globalization has transformed into an unquestionable reality achieving a critical subjective change in techniques, designs and examples of conduct saw across worldwide organizations [2]. The typical meaning of globalization is that of a course of developing reliance between states which suggests that de-globalization is the most common way of corrupting relationship between states [3]. The development of globalization, in any case, has caused a negative disposition of the number of inhabitants in numerous nations. Sadly, in famous stories, globalization has been related with another geology of discontent - generally absent any trace of a sound genuine premise. Indeed, even people in geographic areas getting a charge out of net effectiveness benefits from globalization seem to encounter discontent [4]. The world going on secure has brought about driving public economies encountering a disturbance in mechanical, calculated and business chains alongside countless monetary elements which worked in the "genuine economy area" being compelled to suspend tasks. These "pandemic-caused" factors have significantly abridged the earnings of organizations and those of their work force adding to joblessness. With regards to globalization, the undeniably perplexing course of the executives navigation has driven organizations to split their exercises up in unobtrusive ways to have each obviously characterized useful region perfectly positioned which effectively extends the worldwide division of work [5]. Chiefs at worldwide undertakings are currently seeking after different measures to alleviate the effect of the pandemic. These exercises are for the most part here and there associated with distance the board and rethinking limits whether it is at the large scale level or at the corporate level [6]. The worldwide difficulties confronting top administrators nowadays come down to the executives in a climate of vulnerability, advancement of global and, surprisingly, worldwide exercises, and audits of corporate productivity which have now come to the front as far as the board related choices which decide the fate of both worldwide and public organizations across different businesses [7-8].

With regards to the cutting edge market, the capacity to recognize and oversee emerging monetary dangers addresses a fundamental element to guarantee the fruitful improvement of a business. The ongoing temperamental monetary and political worldwide circumstance is constraining organizations to put specific accentuation on the arrangement of monetary gamble the executives and minimization. One of the key areas antagonistically impacted by the ongoing circumstance as far as financial movement is that of oil and gas organizations. Oil products and oil send out incomes are given in the charts (Fig. 1 and Fig. 2).

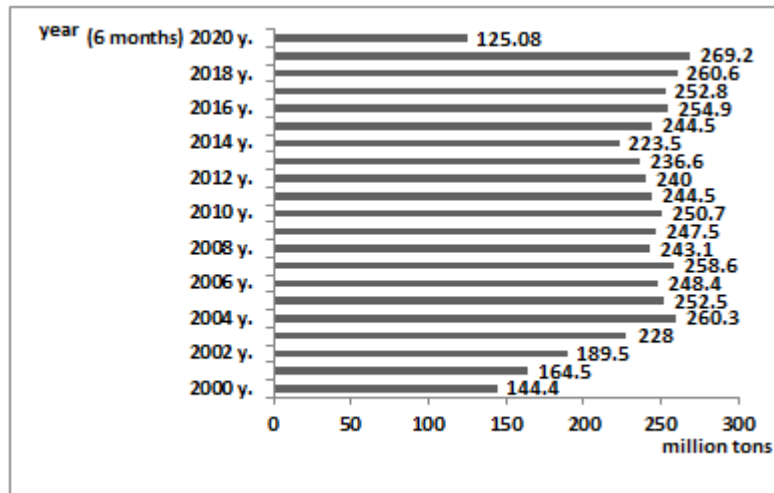


Fig. 1. Oil trades from Russia year-wise; information given by the Government Customs Administration and the Bureaucratic State Measurements Administration [9]

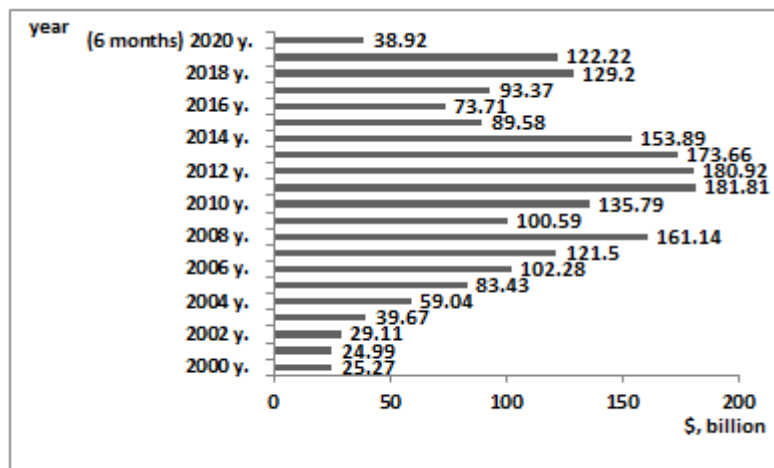


Fig. 2. Russian oil trade incomes; information given by the National Bank of the Russian Federation [9].

The tasks of oil and gas organizations will generally be presented to different dangers which are probably going to create an unfriendly effect on creation and monetary performance. Organizations look to decrease the dangers which are influenced quite a bit by while not failing to focus on the expected adverse consequences of dangers over which they have no control.

An examination of the reports of pioneers in oil creation and refining has distinguished the accompanying monetary dangers regular for organizations which work in that area:

1. Market dangers including cost chances, cash dangers and loan fee gambles.
2. Repayment dangers under agreements for supply of oil, oil based commodities, gas, gas handling items and petrochemicals.
3. Liquidity and dissolvability gambles.

Each dangers recorded affect corporate monetary execution straightforwardly influencing liquidity and dissolvability levels of a business. High unpredictability of costs and items delivered from these, cash rates, and charges of providers and different externalities might produce unevenness in the results of plans, spending plans and venture consequently prompting lacking liquidity and meager wellsprings of subsidizing.

192 Macroeconomic dangers past the control of organizations are likewise to be calculated in. The Covid plague started its spread all over the planet in late 2019. Measures embraced from one side of the planet to the other to control the spread of Coronavirus lead to the need to force limitations on business movement, which influences interest for energy assets and different items provided by organizations as well as the need to plan and set up measures outfitted at keeping up with great administration rehearses in a climate of vulnerability, advancing worldwide and, surprisingly, worldwide exercises and checking on corporate proficiency [10]. Other than that, the OPEC + bargain planned to restrict oil creation neglected to be stretched out in Walk 2020 losing impact as of April 1, 2020, which accounted for different oil-delivering states to add to the stockpile of endlessly oil items

available. This was joined by a critical drop in financial exchanges with product costs declining, specifically, oil costs. Simultaneously, the Russian ruble lost significant ground to the US dollar and the Euro and loaning rates spiked for the overwhelming majority organizations working in developing business sectors. The emergency demolished the effectiveness and long haul harmony of the raw petroleum market. [11-12-13].

Methods

Table 1. Changed gauge of the least-squares model

	Coefficient	Standard error	t-statistics	P-value	Significance value
const	19.2822	1.07289	17.97	<0.0001	***
X1	-0.0236305	0.00472772	-4.998	0.0008	***
X2	3.42484	1.00842	3.396	0.0010	***
X3	0.100337	0.0345472	2.904	0.0069	***
X4	-0.251845	0.0466045	-5.404	<0.0001	***
X5	-0.445316	0.0684558	-6.505	<0.0001	***
X6	0.225471	0.0730916	3.085	0.0026	***
X7	-13.7692	0.607612	-22.66	<0.0001	***
R-square		0.872118	Corrected R-square		0.863166
F(5, 102)		97.42401	P-value (F)		9,08e-42
			Stat. Durbin-Watson		1.9203

Source: Research Findings

All factors consolidated in the changed model are very nearly 100% huge.

$$y = 19,28 - 0,0236 \ln(\text{Price}) + 3,425R_{pr} + 0,1K_{pokr} - 0,252K_{act} - 0,445K_{deb} + 0,225K_{kred} - 13,769K_{avt} \quad (1)$$

Results

As shown before, the main monetary dangers of oil and gas organizations incorporate money gambles, cost chances, liquidity dangers and reimbursement gambles. The factors integrated into the model straightforwardly mirror the effect of these monetary dangers on the general level of dissolvability and, in outcome, corporate monetary adequacy.

It's a good idea to coordinate information related potential wellsprings of beginning of monetary dangers and apply the exhaustiveness standard while doing scientific work to drive up the effectiveness of evaluations of the effect created by monetary dangers upon the tasks of organizations. Continuing from this reason, rules should be created and set up to serve the capability of evaluating the monetary dangers of organizations in the oil and gas area.

The exhaustive idea of such rules is upheld by adhering to significant fragments: info and result information and examinations of monetary execution.

While building a monetary model, the emphasis should be on representing the potential outcomes accessible to dissect monetary dangers and to reflect accurately the reliance factors distinguished and investigated at Stage 3. The monetary gamble the board methods chose decide the ways of reducing the dangers distinguished. Resolving this issue calls for mastery in the field of monetary gamble the executives, including information on monetary gamble supporting devices accessible available. Obtaining data on monetary gamble the executives/supporting instruments might call for specialists from organizations which give such devices, or free advisors with proper ability.

Monetary gamble the executives results are evaluated in view of financial monetary execution or following the fulfillment of critical monetary exchanges. The following are huge apparatuses to be utilized to guarantee powerful evaluation of monetary gamble the board results: arranged/genuine examination of gauge functional and macroeconomic execution markers; arranged/genuine examination of how monetary gamble the executives proposals are being carried out; refreshing the monetary model with due respect for changes in estimates of macroeconomic and functional pointers.

Discussion

In large organizations, the legal unit is defined in the organizational chart. In small organizations, the services of legal consultants are used. The legal manager has knowledge of legal issues, examines the legal issues of

contracts and guides the organization in legal matters. This module, along with other managers, ultimately lead to the optimal performance of the organization and also determine organizational plans. The most important responsibilities of the legal director are listed below. Trying to realize the policy and goals set by the executive management. Proposing improvement solutions to superiors and CEOs to achieve the organization's goals. Examining the contracts concluded between natural or legal persons and expressing an opinion regarding the provisions of the contracts and following up on the legal cases related to them according to the legal cases. Participating in hearings and dealing with it as the company's legal representative in judicial authorities. Correspondence with judicial authorities if needed. Carrying out legal affairs related to properties, registration affairs and corporate documents and related files. Identification of legal advisors for cooperation in necessary cases. Providing legal advice and giving legal opinions about the inquiry of different units regarding legal issues. Collecting, reviewing and adjusting information to prepare and compile the required statutes, regulations and legal instructions. Cooperation and action in preparing and organizing legal archives and maintaining and classifying approvals. Preparation of meeting agendas and preparation of legal minutes. Continuous study and review of legal fields, laws and regulations and collection of necessary legal resources in order to quickly access the required information as well as update this information continuously. Filing complaints against natural and legal persons violating the rights of the company in various fields. Carrying out the necessary correspondence with judicial authorities (courts, police forces, etc.). Providing periodical and case reports on legal activities to the CEO. Other duties assigned at the discretion of the CEO. Developing dissolvability requires the organization to increase benefit by expanding incomes or reducing down expenses. Notwithstanding, this is hard to achieve with regards to the ongoing monetary circumstance as the monetary execution of oil organizations relies upon oil costs and the conversion standard. To sum up the data got, any reasonable person would agree that PJSC Tatneft is presented to the accompanying monetary dangers: cash chances, value dangers, liquidity and dissolvability gambles, reimbursement dangers and financing cost risk. The organization should find the accompanying ways to limit the adverse consequence of these dangers:

1. Manage money takes a chance by utilizing a complete methodology, including supporting and geological expansion. Dissect the gamble openness of changes in loan fees, including by demonstrating different situations to evaluate the impact of loan cost changes upon monetary execution.
2. Monitor liquidity records consistently alongside evaluating the responsiveness of files connected with plans, financial plans and venture projects to changes in macroeconomic files.
3. Apply an adaptable product supply the executives framework considering fast reaction to changes in the market structure and doing exchange shipments; support tasks while going about global exchanging exercises.

Conclusion

Agreeing the straightforward perception stays that the vast majority of even the world's biggest firms are unequipped for imitating a similar degree of home district achievement (as estimated by deals and resource levels) all through the world, since "distance" keeps on making a difference [14]. The development of cross-line monetary streams is unavoidably dependent upon monetary dangers of a more different nature and effect than when an organization works inside a solitary country. Subsequently, monetary gamble the board ought to be seen as a cycle pointed toward distinguishing and making powerful moves which render monetary gamble OK. Monetary gamble the board can be seen as a course of elective determination and show of a distinguished gamble enveloping killing the gamble factor, decreasing the gamble of unfriendly occasions emerging, limiting negative situations in case of chance occasions, moving dangers or circulating them among a few partners/business substances; tolerating dangers and endorsing measures to address its belongings. Changes in the worldwide economy brought about by the Coronavirus pandemic have changed the construction of the outer and inside climate of organizations administration will be connected to arising types of multi-partner foundations [15]. New difficulties have emerged that require the board choices pointed toward building new far off correspondences with outside and inner partners, presenting primary changes, including at the level of the organization's authoritative culture. The board definitiveness should be joined with adaptability in choices. These progressions in the administration framework ought to contribute not exclusively to endurance, yet additionally to the further development of the organization despite worldwide difficulties.

196

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