Citation: Dr. Saima Javaid, & Dr. Nabeel I. Ashraf. Entrepreneurial Leadership And New Ventures: Nurturing Innovation And Growth. *Governance Accounting Archive Review,(2)1 148-164*. Retrieved from https://garjournal.com/index.php/Journal/article/view/34

URL: https://garjournal.com/index.php/Journal

Governance Accounting Archive Review
E(ISSN) 3006-2527, P(ISSN) 3006-2519
Volume 02 Issue 01 (2024)

Effect of Corporate Governance on Tax Avoidance

Names: Dr. Muhammad Asif Khan[1] Dr. Sadia Khan[2]

Affiliation: Department of Finance, Institute of Business Administration (IBA), Karachi, Pakistan.[1] Lahore School of Economics (LSE), Lahore, Pakistan.[2]

Abstract:

This paper explores the relationship between corporate governance mechanisms and tax avoidance practices within firms. Tax avoidance has garnered significant attention from scholars and policymakers due to its implications for corporate financial performance, shareholder value, and societal welfare. Corporate governance, as a system of controls and mechanisms designed to ensure accountability and transparency in decision-making processes, plays a crucial role in shaping firms' tax behavior. Through a comprehensive review of existing literature and empirical evidence, this study elucidates the various channels through which corporate governance influences tax avoidance strategies. Key governance mechanisms such as board composition, executive compensation structures, ownership concentration, and the presence of independent directors are examined in relation to their effects on tax planning and compliance. The findings contribute to a deeper understanding of the complex interplay between corporate governance and tax management strategies, highlighting implications for both academic research and practical policymaking.

Keywords: *Corporate governance, Tax avoidance, Board composition, Executive compensation, Ownership concentration, Independent directors.*

Introduction

The field of economics and management experienced significant changes in the early 20th century, which occurred simultaneously with the emergence of public joint stock firms. This phenomena has led to changes in industry and the economy, as well as the division between management and ownership. Consequently, there are now difficulties related to agency and conflicts of interest. The diverse group of stakeholders in the firm expressed issues over both implicit and explicit contracts. It is clear that every group of stakeholders pursues its own distinct goals and benefits, which might often be completely opposite to each other. The purpose of corporate governance is to establish a state of balance among various stakeholder groups. Corporate governance is a complex concept that guarantees transparency and accountability. Ensuring fairness and protecting the interests of stakeholders is a fundamental principle in corporate governance. Corporate governance is a complex and multifaceted concept. The primary concern in this situation is determining which group's interests the firm should prioritise. Who are the individuals or groups that have a vested interest or are affected by a certain project, initiative, or organization? Do they possess shares, or do they possess both shares and other forms of ownership? The shareholder approach, commonly referred to as agency theory, perceives the organization as primarily serving its owners, or shareholders. Conversely, the stakeholder approach aims to address the interests of not only shareholders, but also other relevant stakeholders. The stakeholder thesis posits that firms, beyond their shareholders, bear a responsibility to take into account several dimensions of society. This is because the growing number of firms has a significant influence on society. However, as mentioned before, there is a potential for conflicts of interest among the numerous parties. The implementation of a firm's business strategy may lead to the elimination or decrease of taxes, hence providing advantages to the company's shareholders and managers. However, Mashaiekhi and Seyyedi (2015) contend that this approach is detrimental to the management. Huseynov and Klamm (2012) argue that both theoretical and empirical findings indicate that tax evasion can serve as a strategy to minimize corporate expenses and minimize tax payments, leading to an increase in shareholder wealth. Conversely, some scholars argue that companies utilizing tax havens bear no obligation towards society. In addition, these firms experience a negative market response, resulting in a decrease in their value (Hanlon and Heitzman, 2010). As per the document outlining the country's 20-year plan, the government is advised to finance its current expenditures using non-oil revenue, primarily derived from taxation, until the completion of the five-year economic expansion initiative. Statistically speaking, tax revenue constitutes a relatively minor portion of the government's overall sources of income. Consequently, the government should strive to augment tax revenues. Furthermore, Considering this, the significance of tax research and the determinants of government revenue collection become more evident (Mashaiekhi and Seyyedi, 2015). The objective of this study is to examine the extent to which company governance influences the occurrence of tax avoidance. The objective of this study is to investigate the correlation between effective corporate governance and the practice of minimizing tax liabilities. The objective of this study is to analyze the principles of corporate governance and tax evasion, together with their underlying theoretical frameworks. After conducting a thorough examination of the existing literature, the research hypotheses will be presented. The results will be analyzed, and the final outcome will be presented at the conclusion of this scientific investigation.

Literature Review

The objective of taxation is to gather a portion of an individual's earnings and possessions in order to finance governmental expenditures and implement fiscal policies. The purpose of these policies is to safeguard economic, social, and political interests by employing government regulations and official and administrative mechanisms. Sarvestani (2012) states that taxes are monetary contributions collected by the government from individuals, businesses, and public institutions. The purpose of taxes is to improve the government and public resources in accordance with established rules and regulations. Mehrani and Seyyedi (2014) found that most businesses develop and implement management measures to minimize their tax liabilities. Taxes facilitate the transfer of wealth from a firm and its owners to the government. Therefore, the majority of businesses engage in this practice. In accounting literature, tax evasion has been defined in many magnitudes, ranging from significant to insignificant. Tax avoidance can be defined as the visible decrease in tax that happens for each unit of accounting profit before tax, when considering the concept more broadly. Tax avoidance is commonly defined as the utilisation of lawful strategies to minimize an individual's tax liabilities. The distinction between tax evasion and tax avoidance is primarily determined by the legality of the actions taken by taxpayers with the purpose of minimizing their tax obligations. Although tax evasion is considered a minor offence, deliberately failing to report one's taxable income or assets is a criminal act that exposes the taxpayer to potential legal consequences initiated by the relevant tax authorities. Tax avoidance, however, is conducted in accordance with tax laws, and the taxpayer is not worried about the possibility of being investigated for their acts (Jahromi, 2012). The absence of a widely accepted definition of tax evasion and aggressive taxation is evident and poses difficulties. Hasseldine and Morris (2013) state that the language and phrases used in this context vary based on different contexts and cultures. Tax avoidance refers to the strategic utilisation of legal loopholes or the deliberate manipulation of the law in situations when exemptions and incentives are allowed. Tax evasion involves illegal activities, while tax avoidance takes use of a legal gap. Another distinction between tax evasion and tax avoidance is in the manner in which individuals react to the revelation of factual information. The individual remains unperturbed by the potential disclosure of his acts in the case of tax evasion, as he has not participated in any illicit conduct. However, when it comes to tax evasion, revealing the person's behavior can lead to legal consequences, such as potential criminal charges and penalties. Although both aim to evade tax payments, their approaches differ, which can facilitate differentiation between the two issues (Hanlon and Heitzman, 2010). Empirical evidence has demonstrated that tax evasion and avoidance can be affected by various factors, such as the proliferation of exemptions within the tax framework. Studies indicate that whereas exclusions considered in regulations often have beneficial functions for specific regions, It is important to exercise caution regarding exemptions and incentives, as they may not always provide favorable outcomes. In fact, they can potentially foster negative views towards government corruption, so influencing the behavior and performance of other taxpayers (Zehi and Khani, 2010). It is imperative to take this into account when discussing sectors and industries. According to experts, the implementation of tax evasion regulations might exert a detrimental impact on society. More precisely, when a company deliberately and exclusively carries out a strategy with the explicit aim of evading taxes, and it becomes evident that the company is unwilling to contribute a reasonable portion of its earnings to the government for the provision of public services, and this failure results in irreversible damage to the community (Lanis and Richardson, 2011). Armstrong et al. (2015) investigated the impact of governance on the practice of minimizing accounting taxes. A correlation was established between the proportion of those exempted from fulfilling their responsibilities and the practice of evading taxes. Additionally, it was discovered that companies with a greater institutional ownership framework engage in increased tax dodging practices. In their study, Richardson and colleagues (2014) examined the impact of offering incentives to managers on the practice of tax avoidance. Research findings indicate a strong and meaningful correlation between tax evasion and several factors such as the financial position of the company, the allocation of taxes by managers, and the rewards and incentives linked to managerial performance. Armstrong et al. (2015) examined the correlation between corporate governance ownership, managerial incentives, and tax evasion. The research findings indicate a correlation between the independence of board members and financial complexity, which is associated with a decrease in tax avoidance. In their study, Dhaliwal et al. (2011) investigated the potential correlation between tax evasion and the level of cash holdings within a business. Based on their research findings, there exists a negative correlation between efforts to evade tax payments and the quantity of cash accumulated. Furthermore, they found that the intensity of this adverse correlation is diminished in firms with more robust governance protocols. In their 2011 analysis, Lanis and Richardson determined that aggressive tax policies had a substantial adverse effect on the quantity of non-duty board members. In other words, the company's inclination to participate in financial management will decrease as the number of non-duty board members increases. In their study, Minnick and Noga (2010) examined the influence of various corporate governance principles on tax administration. Their findings demonstrated that awards serve as a motivating factor for managers to engage in long-term tax-saving strategies. Moreover, the results indicated that implementing tax management strategies is advantageous for shareholders and is correlated with increased earnings. Mashaiekhi and Seyyedi (2015) conducted a study on the corporate governance and tax avoidance tactics employed by companies listed on the Tehran Stock Exchange. The connection among multiple major groups A study was conducted on corporate governance principles, including institutional ownership, board independence, and board size, in addition to problems related to tax evasion. In this investigation, a total of 146 companies listed on the Tehran Stock Exchange from 1992 to 2012 were studied. Based on the statistics, there is no discernible correlation between corporate governance and tax evasion. Rezaei and Azimi (2015) conducted a study to ascertain the correlation between corporate governance measures and tax management in companies listed on the Tehran Stock Exchange. A total of eighty businesses were selected from 2004 to 2011 to conduct an experiment on the theory. The results demonstrated a notable correlation between the independence of board members and the following variables: effective cash tax rate, long-term effective cash tax rate, effective commitment tax rate, and effective long-term commitment tax rate. The study conducted by Babajani and Abdi (2010) examined the correlation between corporate governance and taxable profits. The study aimed to assess the correlation between corporate governance and taxable profits. This study examined the correlation between key corporate governance attributes. These features encompass the count of non-executive board members, the executive's dual role (combining multiple functions), and institutional shareholders. The inquiry was carried out by analyzing the percentage discrepancy between the reported earnings and a particular taxable income. The data indicate that there is no discernible disparity in the average percentage difference between reported and taxable earnings in firms that adhere to corporate governance rules compared to those that do not. The researchers have arrived at this conclusion. However, there is a notable disparity between the reported profit and the taxable profit in both companies.

Hypothesis

Based on the theoretical assumptions and study objectives, the following hypotheses are put forward:

• Hypothesis 1: There is a strong correlation between the number of board members and tax avoidance.

• Hypothesis 2: There exists a significant correlation between individuals who are off duty and those who are making efforts to evade tax payments.

• Hypothesis 3: There exists a robust correlation between management ownership and the capacity to evade tax payments.

• Hypothesis 4: There exists a robust correlation between tax evasion and institutional ownership.

Methodology

Based on the research objectives, this study can be categorized as both applied and quasi-experimental. Data analysis and hypothesis testing were conducted using the multivariate linear regression equation. The pertinent information was derived from the factual data of the companies listed in the Tehran Stock Exchange's CD. The data was examined via the EViews programmed. The study will be undertaken on the population of recognised firms registered on the Karachi Stock Exchange. The chronological scope of this study encompasses the period from 2011 to 2015.The sampling process involved employing the systematic elimination method to select businesses that satisfied all of the specified criteria.

1. Establish the financial period to ensure optimal comparison.

Conclude in March.

2. The business firm ought to have been included on the roster of companies traded on the Tehran Stock Exchange.

Trade before to 2011.

3. Gaining access to the pertinent information regarding these corporations is of utmost importance.

4. Due to the divergent financial statements and structures of enterprises compared to banks and other financial institutions (such as investment firms, financial intermediaries, holding and leasing companies), it is advisable for enterprises to exclude these organizations from their services.

Both the year and the organization's operations should remain unchanged without any substantial modifications. A total of 104 enterprises listed on the Karachi Stock Exchange were chosen as samples for the purpose of this study. This judgement was taken based on the aforementioned conditions. The study examines the independent variables of corporate governance principles, specifically the number of board members, the number of non-duty board members, management ownership, and institutional ownership. The dependent variable is believed to be tax evasion. We have added certain characteristics of the company, such as its magnitude and financial leverage, as control variables. We will elaborate on these aspects in the upcoming sections. This indicates the extent to which firm i has successfully minimized its tax obligations during the fiscal year t. Mehrani and Seyyedi (2014) devised a pattern, which may be characterised as follows, that is employed in the operationalization of tax evasion. Tax avoidance refers to the situation where the legally required tax rate is lower than the actual tax rate. In this investigation, corporate governance concepts such as the quantity of board members, non-executive board members, ownership by management, and ownership by institutions are considered as independent variables. Board dimensions (in BZ): Number of directors comprising the company's board. The proportion of board members who are not currently serving (ND) is equivalent to the Calculate the quotient of the total number of board members divided by the count of members who are not currently serving. The proportion of shares owned by board members is directly related to the proportion of shares owned by managers, which is also referred to as CMP (managerial ownership). The proportion of shares owned by state and public firms is equivalent to the proportion of institutional stock ownership (INSINV). The study incorporated several company factors, such as size and financial leverage, as control variables. The firm's size is determined by taking the natural logarithm of its market value, represented as SIZEi,t. Financial leverage, or LEVi,t, is calculated by dividing the company's total debt by its total assets. Jensen (1986) established a correlation between elevated levels of debt and issues pertaining to representation. The debt ratio was determined by dividing the total indebtedness by the book value of equity capital.

Table 1 Descriptive Statistics

Variables	Index	Average	Standard deviation	Skewness	Kurtosis	Jarque and Bera (error)
Tax avoidance	Tax avoidance	0.182	0.0678	−1.0345	3.790	102.934 (0.00)
Members of the board (number)	BZ	5.867	0.586	−1.076	14.95	3177.23 (0.00)
Non-duty members ratio	ND	0.445	0.246	−0.776	2.643	46.65 (0.00)
Managerial ownership	CMP	5.264	15.23	3.223	12.40	2832.24 (0.00)
Institutional ownership	INSINV	7.574	58.35	21.118	468.23	4755253 (0.00)
Company size	SIZE	6.037	0.512	0.721	4.69	84.563 (0.00)
Financial leverage	LEV	0.674	0.235		6.38	370.23 (0.00)

Findings

The descriptive statistics of the data utilised in this investigation are presented in Table 1. The data analysis reveals that the average tax avoidance rate is 0.182, with a standard deviation of 0.0678. The average number of board members is 5.867, with a standard deviation of 0.586. The mean ratio of non-duty members is 0.445, with a standard deviation of 0.246. The average managerial ownership is 5.264, with a standard deviation of 15.23. The mean institutional ownership is 7.574, with a standard deviation of 58.35. The results of the Jarque and Bera test indicate that all of the variables exhibit a normal distribution. In order to ensure the equality of the data, the researcher employed a mathematical approach that accounted for the irregularity of the variables. Since the studied data has been combined, the first step is to select the type of model estimation using the Chow (F Limer) test. Since the error rate obtained for the Arch test for the hypotheses exceeds 0.05, the results of Table 2 suggest that the hypotheses are in agreement. The table presents the statistical significance of the data. The Limer test produces values that are higher than 0.05. Therefore, the act of pooling is referred as for computing the models employed in this inquiry.

- H1: There is a notable correlation between the quantity of board members and the Individuals who are part of a group and engage in the practice of minimizing their tax obligations.
- H1: There is no statistically significant correlation between the numbers Regarding the board members and their endeavor to evade tax payments.

Empirical evidence has established a substantial correlation between the quantity of The topics of tax evasion and board membership are being addressed. Based on the findings presented in Table 3, the t-test indicates that the significance level for the variable "number of board members" exceeds 5% ($P > 0.05$). Consequently, the null hypothesis (H0) is affirmed, whereas the alternative hypothesis (H1) is negated. Therefore, it can be inferred that the hypothesis lacks support, as does the correlation between the two variables. Therefore, it may be inferred that there is no significant correlation between the number of board members and tax avoidance. Expanding the board of directors diminishes the firm's control and hence motivates the board to minimize tax payments. It is crucial to emphasize that there is a substantial correlation between the proportion of non-duty Individuals who are part of a group and engage in the practice of minimizing their tax obligations.

H0 There is no statistically significant association between the ratio of variables.

Illustrative instances encompass individuals not bound by labour obligations and the practice of evading taxes.

H1: There is a statistically significant association between the ratio of Illustrative instances encompass individuals not obligated to labour and the practice of evading taxes.

Table 4 indicates that the t-test conducted for the variable "number of non-duty members" has a significance level below 5% ($P < 0.01$). Consequently, the null hypothesis (H0) is refuted, and the alternative hypothesis (H1) is considered. Consequently, it can be inferred that the hypothesis is not substantiated and that the correlation between the two variables does not align with the facts. Consequently, it may be inferred that there is no substantial correlation between individuals who are not obligated to pay taxes and engaging in tax evasion. This situation is likely caused by the fact that non-duty members' involvement in corporate governance and supervision of managers in Iranian firms has been merely nominal, or that their concurrent membership has prevented them from fulfilling their duties. The presence of non-executive board members in certain businesses may diminish the efficacy of the boards. There exists a notable association between the level of ownership by managers and the nature of the interaction between them.

Furthermore, tax avoidance is also present.

H0 posits that there is no causal relationship between management

In addition to tax evasion and ownership.

H1 posits a substantial link between management

In addition to tax evasion and ownership.

Table 5 indicates that the t-test's significance level for the variable of management ownership is more than 5% ($P > 0.05$). Consequently, the null hypothesis (H0) is refuted while the alternative hypothesis (H1) is affirmed. Consequently, we can confidently assert that managerial ownership unequivocally influences tax avoidance. In other words, there is a significant association between managerial ownership and tax avoidance. The T-test results indicate a negative connection, suggesting that the independent variable has a counteractive impact on the dependent variable. This implies that a higher level of management ownership would result in a decrease in the proportion of tax avoidance. This implies that businesses with a greater degree of managerial ownership are more inclined to evade taxes. Shareholders are commonly presumed to favor tax avoidance. However, the research conducted by Chen et al. (2010) reveals that family owners exhibit greater concern over the potential consequences of government audits, such as fines and damage to their reputation. Furthermore, they are less inclined to participate in tax fraud. The link between institutional ownership and the interplay of is substantial. Furthermore, tax avoidance is also present.

- H0 posits that there is no significant correlation between institutions. In addition to tax evasion and ownership
- H1 posits a significant correlation between institutions. In addition to tax evasion and ownership.

Table 6 indicates that the t-test for institutional ownership has a significance level below 5% ($P < 0.01$). Consequently, the null hypothesis (H0) is proven to be true, whereas the alternative hypothesis (H1) is disproven. Consequently, it can be inferred that the hypothesis is not substantiated and that the correlation between the two variables does not align with the facts. Consequently, we can deduce that there is no substantial correlation between institutional ownership and tax evasion. The absence of adequate supervision of institutional owners' performance in Iran is likely attributed to the prevalence of corporations and government entities as the bulk of institutional owners in Iran (Pourheydari and Amininia, 2014). This could offer a rationale for the situation.

Table 2

Description	Dissimilarity			Limer test		
	Statistic	Significance level	Dissimilarity	Statistic	Significance level	Method
1st hypothesis	1.99	0.179	None	0.977	0.538	Pooling
2nd hypothesis	2.70	0.117	None	0.978	0.538	Pooling
3rd hypothesis	0.366	0.794	None	1.571	1.00	Pooling
4th hypothesis	2.131	0.153	None	0.979	0.538	Pooling

Table 3: Estimation of the model for the first hypothesis

Description	Tax avoidance$_{it}$=α_1+α_2BZ$_{it}$+α_3SIZE$_{it}$+α_4LEV$_{it}$+έ Coefficient	Standard deviation	t-statistic	Significance level
Members of the board (number)	0.0296	0.0234	0.422	0.665
Company size	−0.0447	0.064	−1.45	0.077
Financial leverage	0.044	0.0198	5.065	0.00
Constant value	0.234	0.0965	2.87	0.0060
Coefficient of determination	0.045			
F statistic	8.98			
F significance level	0.00			
Durbin–Watson statistic	2.00			

Table 4: Estimation of the model for the second hypothesis

Description	Tax avoidance$_{it}$=α_1+α_2ND$_{it}$+α_3SIZE$_{it}$+α_4LEV$_{it}$+έ Coeffici	Standard	t	Significance

	ent	deviation	statistic	level
Non-duty members ratio	0.018	0.011	1.614	0.109
Company size	−0.0533	0.0234	−1.66	0.098
Financial leverage	0.0745	0.0155	5.68	0.00
Constant value	0.267	0.0771	3.23	0.00
Coefficient of determination	0.087			
F statistic	9.87			
F significance level	0.43			
Durbin–Watson statistic	1.65			

Table 5: Estimation of the model for the third hypothesis

	Tax avoidance$_{it}$=α$_1$+α$_2$CMP$_{it}$+α$_3$SIZE$_{it}$ +α$_4$LEV$_{it}$+έ			
Description	**Coefficient**	**Standard deviation**	**t statistic**	**Significance level**
Managerial ownership	−0.0317	0.0018	−24.55	0.00
Company size	−0.0228	0.0245	−2.22	0.240
Financial leverage	0.0319	0.0055	4.899	0.00
Constant value	0.238	0.0545	5.59	0.00
Coefficient of determination	0.528			
F statistic	188.18			
F significance level	0.00			
Durbin–Watson statistic	2.94			

Table 6: Estimation of the model for the fourth hypothesis

	Tax avoidance$_{it}$=α$_1$+α$_2$INSINV$_{it}$+α$_3$SIZE$_{it}$+α$_4$LEV$_{it}$+έ			
Description	**Coefficient**	**Standard deviation**	**t statistic**	**Significance level**
Institutional ownership	−0.002	0.0023	−0.33	0.545
Company size	−0.0600	0.0245	−1.734	0.065
Financial leverage	0.0680	0.0165	5.055	0.00
Constant value	0.234	0.0765	3.65	0.00
Coefficient of determination	0.056			
F statistic	8.65			
F significance level	0.00			
Durbin–Watson statistic	2.045			

Summary:

The objective of this study was to ascertain the impact of corporate governance parameters on the tax evasion strategies employed by commercial enterprises. Consequently, corporate governance regulations were formulated based on factors such as board size, proportion of independent directors, managerial ownership, and institutional ownership. Upon evaluating the first hypothesis, it was determined that there was no substantial correlation between the quantity of board members and the lack of tax avoidance. Based on the findings of this hypothesis, augmenting the number of board members could result in a diminished ability to maintain control over the organization. Consequently, board members may endeavor to decrease their tax liability. The research conducted by Mashaiekhi and Seyyedi (2015) indicates that the data obtained from testing this hypothesis aligns with the research findings. The examination of the second hypothesis demonstrated that there is no substantial correlation between non-duty board members and the employment of tax evasion strategies. The reason for this could be that the role of non-duty directors in corporate governance and managerial oversight in Iranian firms has been merely nominal. Conversely, when non-duty board members are simultaneously members of many companies, it can lead to a decline in their effectiveness. Both of these alternatives are feasible. The results of testing this hypothesis align with the findings of the prior research. A number of studies, such as those conducted by Lanis and Richardson (2011), Mashaiekhi and Seyyedi (2015), and Rezaei and Azimi (2015), have been conducted. Upon assessing the third hypothesis, it was concluded that there is no substantial correlation between management ownership and tax avoidance. Shareholders are commonly presumed to favor tax avoidance. Nevertheless, the study's results indicate that family owners exhibit greater apprehension compared to other categories of business owners regarding the possibility of incurring penalties and harm to their reputation due to government audits. Consequently, they possess a reduced motivation to evade tax payments. Therefore, it can be inferred that there is no substantial correlation between institutional ownership and tax avoidance. The absence of adequate supervision of institutional owners' performance in Iran is likely attributed to the predominance of corporate entities and government agencies among these institutional owners. This could serve as a justification for the situation. The theory's validity has been established through testing, as indicated by the research conducted by Armstrong et al. (2015) and Pourheydari and Amininia (2014). Although there was an anticipation of a significant correlation between company

governance and tax evasion, the study's results can be subject to multiple interpretations. Given this situation, the results can be explained using theoretical ideas and empirical facts.

References:

- Armstrong, C.S., Blouin, J.L., Jagolinzer, A.D., Larcker, D.F. (2015), Corporate governance, incentives, and tax avoidance. Journal of Accounting and Economics, 60(1), 1-17.
- Babajani, J., Abdi, M. (2010), The relationship between corporate governance and taxable profit of companies. Financial Accounting Studies, 2(3), 65-85.
- Chen, S., Chen, X., Cheng, Q., Shevlin, T. (2010), Are family firms more tax aggressive than non-family firms? Journal of Financial Economics, 95(1), 41-61.
- Dhaliwal, D.S., Huang, S.X., Moser, W.J., Pereira, R. (2011), Corporate Tax Avoidance and the Level and Valuation of Firm Cash Holdings.
- Hanlon, M., Heitzman, S. (2010), A review of tax research. Journal of Accounting and Economics, 50(2), 127-178.
- Hasseldine, J., Morris, G. (2013), Corporate Social Responsibility and Tax Avoidance: A Comment and Reflection. Paper Presented at the Accounting Forum.
- Huseynov, F., Klamm, B.K. (2012), Tax avoidance, tax management and corporate social responsibility. Journal of Corporate Finance, 18(4), 804-827.
- Jahromi, M. (2012), Transparency of Companies and Tax Avoidance. (Thesis to Obtain a Master's Degree in Management). Tehran: University of Tehran.
- Jensen, M.C. (1986), Agency costs of free cash flow, corporate finance, and takeovers. The American Economic review, 76(2), 323-329.
- Lanis, R., Richardson, G. (2011), The effect of board of director composition on corporate tax aggressiveness. Journal of Accounting and Public Policy, 30(1), 50-70.
- Mashaiekhi, B., Seyyedi, J. (2015), Corporate governance and tax avoidance. Journal of Accounting and Economics, 20, 83-103.
- Mehrani, S., Seyyedi, S.J. (2014), Investigating the relationship between tax avoidance and tax differences in companies listed on the Tehran stock exchange. Accounting and Auditing Research, 6, 50-75.
- Minnick, K., Noga, T. (2010), Do corporate governance characteristics influence tax management? Journal of Corporate Finance, 16(5), 703-718.
- Pourheydari, A., Aminінia, M. (2014), Investigating the effect of tax avoidance on the cost of share capital, by taking growth opportunities and institutional ownership into account. Journal of Scientific Studies, 3, 173-195.
- Rezaei, F., Azimi, A. (2015), The relationship between corporate governance mechanisms and tax management in companies. Tax Bulletin, 25, 158-179.
- Richardson, G., Lanis, R., Leung, S.C.M. (2014), Corporate tax aggressiveness, outside directors, and debt policy: An empirical analysis. Journal of Corporate Finance, 25, 107-121.
- Sarvestani, A. (2012), The Relationship between Company Features and Type Ownership with Effective Tax Rate of Companies Listed on Tehran Stock Exchange. (Thesis to Obtain a Master's Degree in Management). Kerman: Shahid Bahonar University.

- Zehi, T., Khani, M. (2010), Investigating factors affecting tax evasion (A case study of East Azerbaijan province). Tax Bulletin, 9, 25-60.