دور معيار الإبلاغ المشترك (CRS) في الحد من التهرب الضريبي
"بحث تطبيقي على عينة من المؤسسات المالية"

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The role of the Common Reporting Standard (CRS) in reducing tax evasion "Applied research on a sample of financial institutions"

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Abstract:

The research aimed to identify the theoretical framework of the Common Reporting Standard (CRS) while identifying the opportunities and challenges in adopting this standard, and in general to identify the effects resulting from the application of the CRS at the internal and external levels, in reducing tax evasion. For the purpose of achieving the research objectives, the researcher adopted On the descriptive approach in writing the theoretical framework, as for the applied side, the statistical inferential approach was relied upon in testing the hypotheses, where the programs (Spss.V29) and (v26.Amos) were used to analyze the data that were surveyed through the target sample, and the researcher achieved To a set of conclusions, the most important of which is the weakness in the exchange of tax information, so that tax evaders can hide their wealth and financial assets, which in turn is considered one of the most important effects of applying the Common Financial Reporting Standard, which leads to failure to achieve the objectives of the tax administration, as well as the complexity of the tax system, which leads to Creating a feeling of inequality among taxpayers, which negatively affects their tax behavior, and in turn increases cases of tax evasion. In light of what the researcher concluded, he recommended that applying the common reporting standard will limit the relationships that may arise between the taxpayer and the tax administration, which he exploits to reduce the tax amount. Due through the imposition of laws that punish tampering with the estimation of tax amounts.

Keywords: role of the Common Reporting Standard, tax evasion

The introduction:

"Tax revenues are an important source of financing the state's general budget, and despite their importance, it is necessary not to exaggerate in imposing them on members of society without justification, as this burdens them with burdens that they are unable to bear, which creates a feeling in them and prompts them to evade performing this compulsory duty that It is imposed by the state in accordance with tax laws and instructions, as they work hard to evade paying their financial obligations to the state through various means, including hiding some revenues, or exaggerating costs for the purpose of reducing the amount of tax they owe for the benefit of the state, as well as the emergence of multinational companies and the spread of electronic commerce. Which led to an increase in financial risks, including international tax evasion in particular. In order to reduce this phenomenon, the Organization for Economic Cooperation and Development (OECD) worked in 2014, in cooperation with the G20 and the European Union, to develop a standard, which is the Common Reporting Standard (CRS), on the decision of the law. FATCA is

a standard for the automatic exchange of information between tax authorities regarding tax information at the global level to reduce tax evasion operations.

Research methodology

1-1: The Research Problem: -

The tax administration suffers from a weakness in counting the taxable incomes, whether for companies or individuals, especially those who have transactions outside the borders, and with the spread of the phenomenon of money laundering and the multiplicity of means of tax evasion and concealment of the primary source of funds Based on the above, the features of the study's problem become clear, which can be addressed through the following question:

"**To what extent does implementing the Common Reporting Standard (CRS) contribute to reducing tax evasion**".

1-2: Research Importance: -

1. Contribute to highlighting the importance of applying the Common Reporting Standard, as a means of reducing tax evasion.
2. Ensuring keeping pace with the international trend in adopting the application of international standards, including the Common Reporting Standard, given its importance in combating cross-border tax evasion.
3. Attracting the attention of financial institutions and tax administration to the importance of keeping pace with the era of globalization in applying international standards, modern technical revolutions and contributing to the use of data.

1-3: Research Objectives

1. Statement of the theoretical framework of the Common Reporting Standard (CRS) while identifying opportunities and challenges in adopting this standard.
2. The study aims, in general, to determine the effects resulting from the application of the Common Reporting Standard at the internal and external levels, in reducing tax evasion.
3. Highlighting the role played by the Common Reporting Standard (CRS) in achieving the objectives of the financial authority in terms of reducing tax evasion and its negative effects on the state's capabilities, and increasing tax revenues.

1-4: Research Hypothesis: -

The research starts from a basic hypothesis:

(**There is a significant relationship between applying the Common Reporting Standard (CRS) and reducing tax evasion**) **from which the following sub-hypotheses branch out.**

1. There is a significant correlation between implementing the Common Reporting Standard (CRS) and reducing tax evasion.
2. There is a significant impact relationship between implementing the Common Reporting Standard (CRS) and reducing tax evasion.

1-5: Search Borders

It is represented by (the Federal Office of Financial Supervision, the Central Bank of Iraq, the General Tax Authority, insurance companies, the banking sector, investment companies, and financial transfer and deposit companies) concerned with applying the Common Reporting Standard (CRS) and its requirements regarding reporting the financial accounts that must be reported.

1-6: Research Sample

1. Staff of the Federal Financial Supervision Bureau concerned with monitoring and evaluating the performance of state institutions and the private sector.
2. Central Bank of Iraq staff concerned with monitoring the work of financial institutions.
3. Members of the General Tax Authority responsible for tax accounting procedures for the relevant financial institutions.

4. A group of managers and workers in financial institutions (banking sector, insurance companies, transfer and deposit companies).

1-7: Research Method

The theoretical aspect included describing the reality of the variables investigated, and the statistical inferential method that was used in analyzing the results of the analysis and statistical treatment of the study variables, and drawing conclusions, and on the basis of them, the necessary recommendations were formulated and adopted.

1-8: Previous Studies: -

1. Study Cassi (2018)[1]:

The study aims to analyze the impact of the Common Reporting Standard on cross-border (international) tax evasion. In order to achieve the objectives of the study, the researcher used a model based on difference-in-differences, and in testing the model used he relied on data from the Bank for International Settlements (LBS), for the period (2014-2017). The results indicate that the implementation of the CRS caused a 14% reduction in cross-border funds for the purposes of tax evasion. Moreover, this wealth and income was not returned, but rather the emergence of a new position to avoid domestic tax obligations, more specifically, when the CRS was implemented. At the local level, as the United States is the world's main economy, which has not yet adhered to the Common Reporting Standard, the results also show that an end to cross-border tax evasion cannot be achieved if tax evaders are still able to find alternative locations (refuge). tax) in order to transfer their wealth and associated income while avoiding tax obligations in their countries.

2. Study Slancheva (2017)[2]:

This study aims to study the automatic exchange of tax information (AETI) from the Bulgarian perspective, and according to the historical development, the legal framework, and the responsible and competent authorities. It relied on an examination of Bulgarian financial institutions (banks), in the case of implementation and how they are dealing with the AETI challenge, including Customer information and data protection. The primary data for the banks were collected from publicly available sources (the website of the bank in question), where the websites of the 5 largest (5) Bulgarian banks were examined in search of information related to the automatic exchange of financial information/tax information. The results showed that the main Bulgarian banks, within (First Group) In terms of principles, I began the process, internal due diligence and preparation for the new reporting requirements, and based on the results, the researcher recommended the need to implement the Common Reporting Standard as it is a major step in the coordinated approach to disclosing income received by individuals and entities.

Theoretical framework

2-1: Definition of the common reporting standard (CRS): -

(HO, 2018: 5) "It is a new global standard that requires financial institutions to review and collect information that will enable them to determine the tax residency of account holders as well as provide relevant financial account information to local tax administration authorities on an annual basis."

(Noseda 2017: 704) defined it as "a standard for the automatic exchange of financial account information between countries (AEOI), developed by the Organization for Economic Co-operation and Development (OECD). This standard helps tax

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[1] Elisa Casi, Christoph Spengel, and Barbara Stage, **Cross-Border Tax Evasion After the Common Reporting Standard**: Game Over- Economic Research.

[2] Atanaska Filipova-Slancheva, "Automatic exchange of tax information: initiation, implementation and guidelines in Bulgarian context." -Problems and Perspectives in Management-Volum15,Issue 2,2017

authorities obtain better knowledge and understanding of the financial assets held Residents abroad, for tax purposes and to reduce tax evasion.

It is also known as "a set of policies and diligence procedures that must be adhered to by financial institutions for the purpose of identifying reportable accounts, and establishing processes for preparing reports on specific accounts" **(Institute of Banking Studies, 2016: 4).**

"It is the use by jurisdictions of their powers to obtain information from their financial institutions and automatically exchange this information with other jurisdictions on an annual basis" **(OGUGBARA, 2021: 73).**

2-2: Characteristics of the (CRS):- (OGUGBARA, 2021: 80).

1. It is an international agreement between two countries (two judicial authorities), each of which undertakes to report the financial accounts of its citizens in accordance with the judicial powers granted to it.

2. According to this agreement, the parties agreeing to report on the financial accounts (of the financial institutions concerned with reporting and individuals) on an annual basis.

3. The standard was created for the purpose of combating international tax evasion, which taxpayers' resort to in order to avoid paying taxes, which are the state's right.

4. The process of implementing the automatic exchange of information agreement in accordance with the participant reporting standard essentially requires legislation from the legislative and executive authorities for the purpose of its implementation.

2-3: Key features of the Common Reporting Standard (CRS):- (Knobel & Markus, 2017:52)

1. To ensure the effectiveness of the CRS for tax matters, it must be applied in a manner that takes into account the tax compliance of residence authorities rather than being a by-product of local reporting.

2. It should be standardized so that it benefits the greatest number of jurisdictions and financial institutions for accommodation while recognizing that some issues still need to be decided through domestic law.

3. Achieving the advantage of standardization, which is simplifying the process, increasing effectiveness, and lowering costs for all stakeholders involved. The proliferation of different and inconsistent models is likely to impose significant costs on both the government and the business sector to collect the necessary information and operate the different models, and can lead to fragmentation of standards which may lead to conflicting requirements, which increases compliance costs and reduces effectiveness.

4. Tax evasion represents a global issue, so the model must have a global extension so that it addresses the issue of tax evasion abroad and does not merely transfer the problem instead of solving it. Mechanisms to encourage compliance may also be needed to achieve this goal.

5. The main success factors of the CRS for tax matters are as follows:

A- Establishing a common standard regarding reporting tax information, and exercising due diligence when exchanging information.

B - The existence of a legal and executive basis for exchanging and operating information.

C- Common or compatible technical solutions that are compatible with the application of the standard.

2-4: The legal and practical basis for the Common Reporting Standard (CRS):-

1. There is a different legal basis for automatic exchange of information While bilateral treaties based on Article 26 of the OECD Model Tax Convention allow such exchanges, it may be more effective to establish automatic exchange relationships on the basis of a multiple exchange instrument. the parties. **(Institute of Banking Studies, 2016: 15-16)**

2. All treaties and information exchange instruments contain strict provisions that require the confidentiality of information exchanged and limit the persons to whom the information may be disclosed and the purposes for which the information may be used. **(Brinson, 2019:236)**

3. The format of technical reports must be standardized so that information can be collected, exchanged and processed quickly and efficiently in a cost-effective manner and there must be secure and compatible methods for transferring and encrypting data **(Scarfone & Kerr, 2018:5).**

2-5: The purpose of issuing the Common Reporting Standard (CRS):-

The OECD Common Reporting Standard represents an important step forward in international tax reform and combating tax evasion by taxpayers. The Common Reporting Standard requires individuals and entities to provide information on taxes, property and assets through a unified global approach for financial intermediaries. These financial intermediaries then communicate this information to the relevant tax authorities having jurisdiction over the individual through the OECD Model Competent Authority Agreement, government tax authorities, and regulators automatically share this information with other agencies with jurisdiction **(Scarfone & Kerr, 2018:9).**

The CRS applies to accounts of individuals, entities designated as tax residents in one or more jurisdictions that have signed the agreement, and the ultimate individual owner of all entity accounts must be reported. Although this requirement is new for many tax jurisdictions, some entities such as publicly traded companies do not have to Publicly, governments, central banks, and international financial institutions disclose information about their accounts, and the Common Reporting Standard follows the US FATCA model. However, CRS is not an extension of FACTA and each is independent of the other. Although the United States is a member of the Organization for Economic Cooperation and Development, it has not agreed to join the Common Tax Reporting Standards system, choosing to continue collecting information on US persons through its existing Foreign Account Tax Compliance Act (FATCA) legislation and not to share the information automatically. Therefore, US individuals and entities are exempt from the CRS **(OECD, 2014:22).**

2-6: Requirements for applying the Common Reporting Standard (CRS):- (Khalifa, 2021: 337)

1. Member States must provide the necessary laws and mechanisms for transparency and effective exchange of tax information."

2. Ensuring that the practical application of the standard is permitted through regulations and laws, ensuring transparency, and implementing effective exchange of information.

3. A country wishing to apply the common reporting standard must submit a request to the General Secretariat of the Organization for Economic Cooperation and Development attached to a number of annexes confirming its commitment to the standards and conditions stipulated in the standard, as well as a list of countries with which it agrees to conduct an information exchange.

4. Training and educating employees about the mechanisms for applying the common reporting standard. Paying attention to documentation and submitting reports.

2-7: Information to be reported under the Common Reporting Standard (CRS): (OECD, 2014:47-48)

A- Personal information of the account holder, whether (an individual or a financial institution):

1. Name and address of the account holder.

2. The country in which the account holder resides.

3. Place and date of birth of the account holder.

4. The tax identification number of the account holder. If the tax number is not available, the identification number of the national card issued by the government can be used.

5. The account balance or value as of the end of the relevant calendar year or appropriate reporting period.

B- Reportable accounts:

1. Custody account (reporting the total amount of interest, dividends, and other income during the calendar year, or the appropriate reporting period).

2. A deposit account (the total amount of interest paid or credited to the account during the calendar year or appropriate reporting period).

3. In the event of an account other than those referred to in Paragraph (1) and (2), the total amount paid or credited to the account holder shall be reported during the calendar year or appropriate reporting period, and the financial institution responsible for reporting shall be obligated to do so.

C- Entities to be reported to: - **(Noked, 2018:8-9)**

1. Pre-existing individual accounts: - Accounts that are not required to be reviewed, identified, or reported A pre-existing individual account, which is insurance with a cash value for which the contract or annuity contract does not require review, identification, or reporting, provided that the law actually prevents the reporting financial institution from selling This contract is for residents of a reportable jurisdiction.

2. New individual accounts: -When opening an account, the reporting financial institution must obtain a self-certification, which may be part of the account opening documentation, which allows the reporting financial institution to determine the account holder's residence for tax purposes and confirm the reasonableness of this self-certification based on the information. Obtained by the reporting financial institution in connection with the opening of the account, including any documentation collected in accordance with anti-money laundering procedures.

3. Pre-Existing Entity Accounts: -A pre-existing entity account does not need to be reviewed unless the reporting financial institution elects otherwise with a total account balance or value not exceeding $250,000 as of December 31 [xxxx], identified or reported as a reportable account. Until the total account balance or value exceeds $250,000 as of the last day of any subsequent calendar year.

4. New Entity Accounts: - Review procedures for identifying reportable entity accounts For new entity accounts, the reporting financial institution must apply the following review procedures to determine whether the account is owned by one or more reportable persons, or By passive non-financial entities with one or more controlling persons who are reportable persons.

2-8: The concept of tax evasion:-

Tax evasion is a form of tax crime, so it requires defining its meaning and explaining its types. There is no doubt that the tax represents a burden on the taxpayer, because in return it deducts a portion of...

His income or assets, and for this reason the taxpayer seeks to get rid of this burden by various means, including tax evasion. **(Latif, 2015: 59)**.

There are several terms commonly used to define the phenomenon of tax evasion, namely legal or legitimate fraud, illegal fraud, international evasion, legal evasion, illegal evasion, and tax heavens **(Lazăr, 2013:463)**.

Based on the above, tax evasion is defined as "deliberate non-compliance by the taxpayer with legal legislation to evade tax obligations and assessments, by submitting false data or concealing facts that reveal the amount of actual taxable profits" **(Nightingale, 2001:44)**.

While **(Khalaf, 2008: 194)** believes that tax evasion is "the taxpayer's failure to pay the tax legally, in whole or in part, without transferring its burden to others, so that as a result the state does not obtain the tax revenues in whole or in part."

Tax evasion is "an activity that may be carried out by a person or company to reduce taxes in a way that conflicts with the spirit of the law and its purpose is to get rid of the obligations they owe to the benefit of the state, and in an illegal manner." **(Fuest & Riedel, 2009:4)**

2-9: Forms of tax evasion: -

1. **Legitimate evasion:** - It is the use of legitimate methods to reduce the amount of tax or change behavior in a way that reduces the legal tax liability of the taxpayer, that is, the taxpayer's attempt to reduce the value of the tax owed to him in accordance with the law, taking into account legal loopholes, and tax instructions that differ from one country to another

and from legislation. To another so that it does not lead to any penalties because it does not fall under tax violations (**Fuest & Reiedl, 2009, 44**).

2. **It is the taxpayer violating:** - the legal provisions and tax legislation by adopting fraudulent and deceptive methods, including not providing information about the taxpayer's sources of income. This type of evasion leads to the taxpayer being legally responsible. It also includes violating the provisions of laws and regulations, because taxpayers intend to follow certain methods of fraud and deception, and this is called tax fraud (Evasion Fiscale) (**Al-Ali, 2011: 177-178**).

3. **Internal:** - This type of evasion occurs within the borders of the country in which the taxpayer resides, where the fraudulent acts that he deliberately commits are within the borders of the country by exploiting the loopholes in the income tax law, as all countries suffer from this, no matter how developed or developing they are, and it There are many examples of this type of evasion, including increasing expenses using forged documents, which reduces taxable income. This type of evasion often involves small portions of money owed to the Treasury. A general tax for each taxpayer, although its total represents a large amount in relation to state revenues (**Rasool, 2020: 277**).

4. **International:** - International tax evasion can only be imagined from a purely economic perspective, but we do not fail to point out that the most important characteristic of it is the characteristic of secrecy, and this characteristic does not mean that evasion is carried out only by, but it can also be done in a legitimate way, but it hides profits Which should be subject to tax, and we also mean that there are no accurate statistics on tax evasion at the international level, for example in the United States of America, despite the adequacy and development of its statistical apparatus, it has not been able to provide accurate statistics on the amount of tax revenue lost due to evasion. International tax, and one of the most important channels of international tax evasion is the phenomenon of tax evasion in multinational companies, or what some economists call multinational companies, and tax heavens. Since the primary goal of these companies is to achieve the maximum profit and the lowest possible cost and tax burden, they resort to tax evasion. To partially ease this burden, or to get rid of it completely (**Al-Dulaimi, 2015: 58-59**).

2-10: The negative effects of tax evasion: -(Abdul Ghafour, 2008: 121).

1. **The economic level:** The tax evasion process leads to a decrease in the proceeds of tax revenues, which leads to the state to increase the prices of taxes imposed, or the imposition of new taxes, which may affect the financial ability of society in a way that exceeds its material capabilities, which leaves negative effects on the national economy and weakens the incentive to invest in production.

2. **Financial level:** - Finally, tax evasion results in a great loss of the state treasury, which leads to the inability of the state or society to continue spending at the various levels necessary for society, as well as its inability to distribute tax burdens to those charged with the achievement of tax justice.

3. **Social level:** - Tax evasion weakens the individual's morals and weakens the relationship of solidarity between members of the same nation, and it can lead to an increase in the tax burden on taxpayers required to pay them to compensate for the loss of income tax revenues, which may lead to an increase in the tax burden on taxpayers.

4. **Ethics level:** - All the writings circulating and published on the issue of tax evasion address its effects in terms of economic, financial and social aspects, but the focus was not directly on the moral aspects of the taxpayer and the implications of tax evasion in any way, where we find the need for more research that addresses This apparent and focus on the moral side of taxpayers.

2-11: Ways to combat tax evasion methods: -

1. **Publishing tax awareness:** - The tax awareness is published by introducing community members to the tax, its nature and the legitimacy of the state's right to its collection, and the aspects of the spending through which the state will be tunnels through various media outlets, and not to be satisfied with different advertisements and publications, so that those charged with submit their declarations on time. (**Al -Mahaini, 2010: 317**)

2. **Review of tax laws and instructions:-** Good tax legislation is distinguished by a set of characteristics in terms of good formulation, and their harmony with the economic situation, and good financial legislation should not contain and supportive financial legislation on gaps that leave a field of fraud and inequality, and this issue also requires improving administrative procedures in terms of shortening procedures Verification and collection, and this helps to accelerate the achievement and collection of taxes **(Al -Khatib, 2017: 218).**

3. **Legal responsibility of accountants:-** The legal accountant is considered an agent for shareholders in individual companies or establishments or government institutions, and for individuals, as he acts on behalf of them in monitoring, checking the company's business and verifying the integrity of the actions of members of the Board of Directors, and defining the duties of the legal accountant according to the texts of the laws and legislation in force And other duties are also received in the folds of professional rules and norms, or to which professional standards are guided, whether local or international **(Iraqi Companies Law No. 22 of 1997).**

4. **Activating the legal and penal procedures against those evading the payment of the tax:** -The imposition of a reduced penalty against a tax evader, does not deter him from evading, so the legislator must take into account the status of legal provisions against tax evaders, as well as those charged with the trustees who make their accounts on their specified times where the Iraqi legislator treated according to the provisions of Law No. 113 of 1982 amended Article (Fifty and Fifty) subject of fighting tax evasion **(Abdul Ghafour, 2008: 121).**

Applied Study

3-1: community and sample: -

Determining the field of field work is one of the basic and most important elements for achieving the goals of the study, as it was necessary to choose a society that consistent and coincides with what we seek to achieve and provide clear and sincere conclusions, as the community represents each of the workers in (the Ministry of Finance, the Financial Supervisory Bureau, the Central Bank Iraqi, General Tax Authority, banks, money transfer companies, investment companies, and insurance companies). They are clear and accurate answers to the questions included in the study problem. These sectors have been chosen on the possibility of communicating with workers, customers and customers, so it distributed the questionnaire to the study community in addition to using the Google Docs application as an electronic questionnaire in the distribution of the questionnaire and participation with the study sam The size of each layer of the study population And depending on the model (Krejcie & Morgan; 1970) for determining the size of the sample, distributed (425) its questionnaires on the study community, where the percentage of the number of forms adopted in the solutions (91.3%) and (388) was approved in the analysis, and as shown in Illumal The following:

Table (1) Response of the sample of the sample					
Category	Distributed questionnaires	Recovered	Non-refundable	Damaged, unsuitable for analysis	Refundable and valid forms
total summation	425	396	29	8	388
percentage	100%	%93.2	%6.8	%1.8	%91.3

3-2: Description and coding of study metrics:-

After reviewing the theoretical literature from previous studies and the tools used in it, the questionnaire model was designed, formulated and adapted according to the nature of the environment of financial institutions in order to identify a proposed

strategy for applying the Common Reporting Standard (CRS) to reduce tax evasion and improve tax compliance and transparency, which is the main source of obtaining On information for the purpose of testing the study hypotheses, it includes a questionnaire form that was formulated based on solid scientific sources that dealt with the variables of the study, and the structure of the questionnaire includes the main variables, which consist of four main variables, each of which has (20) standardization of a proposed strategy for applying the Common Reporting Standard (CRS), paragraph Each has a format of questions to cover the main objectives of the study:-

1- The first section: This part included general identifying information about the employees, represented by (age, educational level, number of years of experience, place of work).

2- Section Two: This part included.

a. The independent variable is "application of the Common Reporting Standard (CRS)".

B. The dependent variable is "reducing tax evasion"

As for coding the variables, it is the stage that follows collecting the questionnaire and taking the necessary information from it. The study variables were coded to begin analyzing the data and obtaining the final results for the questionnaire question data for ease of dealing with the data in the statistical program, as shown in the table below.

Table (2) Coding of study variables		
Variable type	the name	Number of paragraphs
The Independent	Implementation of the Common Reporting Standard (CRS)	X1-X20
The first follower	Reducing tax evasion	A1-A20

Source: Prepared by the researcher based on data collected from the questionnaire form

In measuring and interpreting the answers, the study relied on the use of a Likert scale based on a five-dimensional scale, which is a method for measuring attitudes or opinions at five levels. The average score of the scale was (3.4), which is one of the most important and most widely used scales in measuring opinions and weighing answers. To a quantitative formula and determine the level of answers, the following table shows the method of interpreting the values of arithmetic averages.

Table (3): Response distribution according to the five-point Likert scale			
Arithmetic circles	Weights	Answer scale	Level and direction of opinion
1 to 1.79	1	I completely disagree	The level of response is very weak
1.80 to 2.59	2	I do not agree	The level of response is weak
2.60 to 3.39	3	neutral	Response level is average
3.40 to 4.19	4	I agree	Response level is good
4.20 to 5	5	Totally agree	The response level is very good

3-3: Validity and reliability of the study tool: -

Measuring the validity of the questionnaire relates to the extent to which that tool is capable of testing the main objective to be measured with confidence and high credibility, as the effectiveness of this tool is one of the indispensable conditions for establishing statistical tests in accordance with the standards approved for it, because it indicates the extent of the quality of the questionnaire in measuring the main objectives of the study. For the purpose of To achieve this accuracy and reliability, the validity of the scale was confirmed according to the following methods.

1. **Fair honesty:-** It is considered one of the basic criteria for the stability of any measure, and it is also called "the veracity of the arbitrators" (Gay & Airasian: 2000), where he designed a questionnaire model, which is a tool of great importance in

many analytical studies, as he formulated Its contents were presented to a number of experts and specialists to express their observations and suggestions and work to make the necessary amendments to it and then put it out in the form, the number of whom is () and whose names are shown in the appendix (). This apparent honesty was achieved by taking the opinions and suggestions of the arbitrators, who presented their observations and opinions to make the questionnaire paragraphs. Suitable with the research objectives.

2. **Content validity:** - Or internal consistency validity, and it can be called the validity of the study, is that the questionnaire questions perform and measure what they were actually designed to measure, and Qoq measures the correlation between the scores of each item of the scale and the total score of the scale, to ensure the complete validity and reliability of the study tool.

Table (4) Content validity					
Variable items applying the Common Reporting Standard (CRS)			Variable items: Reducing tax evasion		
Paragraphs	Correlation coefficients	Moral Sig	Paragraphs	Correlation coefficients	Moral Sig
x1	.664**0	0.000	A1	.722**0	0.000
x2	0.745**	0.000	A2	0.799**	0.000
x3	0.694**	0.000	A3	0.792**	0.000
x4	0.715**	0.000	A4	0.661**	0.000
x5	0.622**	0.000	A5	0.669**	0.000
x6	0.732**	0.000	A6	0.685**	0.000
x7	0.797**	0.000	A7	0.789**	0.000
x8	0.658**	0.000	A8	0.632**	0.000
x9	0.734**	0.000	A9	0.656**	0.000
x10	0.630**	0.000	A10	0.624**	0.000
x11	0.686**	0.000	A11	0.607**	0.000
x12	0.767**	0.000	A12	0.724**	0.000
x13	0.662**	0.000	A13	0.614**	0.000
x14	0.683**	0.000	A14	0.638**	0.000
x15	0.791**	0.000	A15	0.652**	0.000
x16	0.785**	0.000	A16	0.854**	0.000
x17	0.723**	0.000	A17	0.664**	0.000
x18	0.750**	0.000	A18	0.707**	0.000
x19	0.749**	0.000	A19	0.756**	0.000
x20	0.706**	0.000	A20	0.694**	0.000

From the results presented in Table (4) it can be noted that all correlation coefficient values achieved a high degree of internal validity at a large level (1%), with correlation coefficient values ranging between the lower limit of the scale and the upper limit (0.545 to 0.854) This indicates that the tool has a strong relationship with the total score of the axis to which it belongs, and also that each individual item has a strong relationship with the total score of the tool as a whole, and therefore all items of the study tool have internal consistency with the axis to which it belongs, which indicates the validity of the internal consistency. For the tool as a whole.

4. **Consistency:** - Use (Cronbach's alpha equation) and (honesty coefficient) equation to ensure the stability of the study tool, as Cronbach's alpha values are between (0 to 1). In general, the scale is considered less stable if its value reaches the range: (0 to 0.40) and has moderate stability. It is stable if the Cronbach's alpha value is within the range (0.40 to 0.70) and more stable if the value of the alpha coefficient is (0.70 or higher), as the ratios are considered the most statistically acceptable if the scale reaches an amount of (0.6 or more) (Bron, 1980:418), where from It is assumed that the same results will be obtained when the measures are "remeasured" again (Huck, 2012: 83) in Table (5)

Table (5) Testing the measuring instrument			
The main variables	Number of paragraphs	Cronbach's alpha coefficient	Honesty coefficient
Implementation of the Common Reporting Standard (CRS)	20	0.856	0.925
Reducing tax evasion	20	0.913	0.955
The questionnaire as a whole	40	**0.965**	**0.982**

The "from" of the results in Table (5) shows that the values for all the main study variables and the questionnaire as a whole range within the range for the data (0.856 to 0.965), respectively, and are greater than (0.70). These results indicate that the study scale has a good level of reliability. Degree The validity coefficient for the dimensions of the variables ranged within the range (0.925 to 0.982), which is greater than the percentage (60%), which explains the strength of reliability and validity between the items of the axis.

3-4: Demographic characteristics of the study sample: -

The demographic characteristics of the sample, which shows proportions and percentage frequencies, are represented in Table (6) describing the distributed study sample:

Table (6) Demographic characteristics of the sample members

Changes	Sample	frequency	ratio
the age	Less than 30	98	25.26%
	31 to less than 40	119	30.67%
	41 to less than 50	109	28.09%
	50 or more	62	15.98%
The total		388	100%
Educational level	Bachelor's	217	55.93%
	Master's	123	%31.70
	Ph.D	48	%12.37
The total		388	%100
Experience	Less than 10 years	104	26.80%
	From 11-20	153	%39.43
	From 21-30	87	%22.42
	From 31 and over	44	%11.34
The total		388	%100
Practical place	Ministry of Finance	63	16.24%
	Financial control budget	57	%14.69

Central Bank of Iraq	58	%14.95
general tax authority	44	%11.34
Banking sector	65	%16.75
Money transfer companies	45	%11.60
Investment companies	27	%6.96
Insurance companies	29	%7.47
The total	388	%100

Source: Prepared based on the program's outputs (Spss.v29).

1. **Age group:** - The statistical results showed that a percentage of (30.67%) of the study sample fell within the age group (31 to less than 40), which represented the first place in the study sample, then followed in second place by the group (41 to less than 50). Its percentage reached (28.09%), while the category (less than 30) ranked third with a percentage of (25.26%), while the percentage of the category (50 and above) (15.98%) ranked fourth. These age groups seem natural and logical, and these percentages are of a good level because the nature of the work requires having good experience in accounting and financial work, especially as effective elements who are resorted to in various financial and professional accounting fields.

2. **Educational level:** - The statistical results of the study sample and its distribution according to academic level indicate that it is considered to have a good academic level, as the number of workers who hold a bachelor's degree reached (217), and thus they ranked first with a percentage of (55.93%), followed by those who have qualifications. (Master's) with a percentage of (31.70%), then those with a qualification (PhD) with a percentage of (12.37%). The percentages explain that most of the sample members have the academic level and sufficient ability to understand the nature of the work they practice, which reflects positively on the final results in expressing opinions and promoting the goals of the study .

3. **Experience:**- The results of the statistical analysis revealed that most of the research sample had experience limited to (11-20 years), as their percentage reached (39.43%), which is the highest category of the study sample and achieved first place, then the percentage was (23.4%) of the category. Those who have experience (less than 10 years), with a percentage of (26.80%), then the rest of the categories were distributed in varying percentages amounting to (22.42%) for the category (from 21-30) and with a percentage of (11.34%) for the category (from 31 and over). This indicates The percentages are that most of the study sample is in the stage of accumulating good experiences, which qualifies them to fulfill the requirements of their jobs in administrative and professional work and in a way that enhances the strategy and objectives of the study.

4. Workplace: The results of the table show the number of courses participated in and were as follows: The highest percentage of workers was (16.24) in (the Ministry of Finance), and it ranked first in terms of the size of the contributing sample, while the percentage of workers was (14.95%) In the (Central Bank of Iraq), then a percentage (14.69%) of the workers in the (Financial Supervision Bureau), then a percentage (11.60%) of the workers in (money transfer companies), then a percentage (11.34%) of the workers in the (General Authority for Taxes), then a percentage (7.47%) of workers in (insurance companies) and finally (6.96%) of workers in (investment companies).

3-4-1: Descriptive statistical analysis of the variable of applying the Common Reporting Standard (CRS):-

Table (7) Statistical analysis of the variable (application of the Common Reporting Standard (CRS)					
Main variable items (applying the Common Reporting Standard (CRS))		Arithmetic mean	standard deviation	coefficient of variation %	order in order of importance
1	Taxpayers resort to investing, holding and managing their money through financial institutions outside their country of residence in order to evade paying tax.	4.08	0.662	16.23%	10
2	To ensure the effectiveness of the application of the CRS	4.02	0.622	15.47%	8

	standard, it must take into account the tax compliance requirements of the financial authorities of the taxpayer's country of residence.				
3	Reducing costs (collection and collection) and simplifying accounting procedures ensures the effectiveness of applying the CRS standard in a way that achieves the objectives of the tax administration.	3.99	0.74	18.55%	19
4	Implementing the CRS standard helps exchange tax information so that tax evaders cannot hide their wealth and financial assets.	4.03	0.527	13.08%	1
5	Providing international agreements to exchange financial information related to tax matters is one means of addressing tax evasion issues.	3.94	0.691	17.54%	14
6	The fragmentation and inconsistency of the CRS may impose high costs on financial authorities and financial institutions when collecting reportable information.	3.83	0.682	17.81%	17
7	Some evasion issues are not addressed by applying the CRS standard because they still need to be decided through local laws and regulations, such as trading in cryptocurrencies.	4.08	0.718	17.60%	15
8	Article 26 of the OECD Tax Convention Law provides a legal basis for the automatic exchange of tax information.	3.85	0.708	18.39%	18
9	Effective application of the CRS standard requires its compatibility with local laws, legislation and tax systems.	4.07	0.667	16.39%	12
10	Implementing the CRS standard provides greater effectiveness in establishing relationships for the automatic exchange of tax information to reduce evasion and improve compliance and tax transparency.	3.91	0.773	19.77%	20
11	Providing a legal basis for implementing the CRS standard that ensures strict provisions to maintain the confidentiality of exchanged information in order to preserve the taxpayer's privacy	4.03	0.583	14.47%	4
12	Implementing the CRS standard requires financial authorities to determine the nature and type of information exchanged, and use it for specific purposes in order to limit tax evasion procedures.	3.91	0.685	17.52%	13
13	Standardizing the format of technical reports reported under the CRS standard facilitates the process of collecting, exchanging, and processing information quickly, efficiently, and effectively.	3.91	0.635	16.24%	9
14	Increasing the tax awareness of taxpayers requires them to submit reports on the accounts they hold in any financial institution outside their country of residence.	3.97	0.611	15.39%	7
15	Implementing the CRS standard improves the principle of tax transparency in exchanging tax-related information, which is reflected in enhancing tax compliance for taxpayers.	3.96	0.562	14.19%	2
16	The commitment of financial institutions in Iraq to the standards and conditions stipulated in the CRS standard to conduct the exchange of tax information.	3.95	0.697	17.65%	16

17	The necessary procedures to implement the CRS standard are to educate employees by training them on the mechanisms of its application in order to achieve the goals of the standard in reducing evasion.	3.95	0.647	16.38%	11
18	Implementing the CRS standard requires financial institutions to be obligated to submit reports that are consistent with the interests of the country of residence, and thus this will be reflected in enhancing tax compliance and transparency.	4.02	0.603	15.00%	6
19	Implementing the standard (CRS) limits the opportunities available to taxpayers to transfer their assets abroad or invest in areas not covered by reporting.	3.97	0.581	14.63%	5
20	Implementing the CRS requires that countries signatory to the Automatic Exchange Agreement be required to report all financial information such as (interest, dividends, and similar types of income).	4.03	0.581	14.42%	3
Total		3.98	0.337	8.47%	

1. Analysis of the variable of applying the Common Reporting Standard (CRS):-

Table (7) shows the arithmetic means, standard deviations, and answer order in terms of importance based on the degree of the coefficient of variation for the study sample's answers. It is noted from the initial reading that all items of the variable (application of the Common Reporting Standard (CRS)) achieved a degree of agreement when rated (good). In the positive trend of the sample in the interest of the study sample in general in applying all items of the application of the Common Reporting Standard (CRS), and to a degree distributed between moderate to good in the level of agreement, and this application came in varying degrees, and it is noted that the overall measure of the variable is application of the Common Reporting Standard (CRS) He achieved an overall arithmetic average of (3.98), which is higher than the average score for the scale (3.4), with an evaluation level of (good), with a coefficient of variation of (8.47%), and homogeneity in answer direction of (91.53%). This indicates that The high level of interest in all groups that are homogeneously affected by the application of the Common Reporting Standard (CRS), while the overall standard deviation (0.456) shows the consistency and consistency of the study sample's answers towards all the paragraphs included in the variable and indicates a high awareness among the sample members of the importance of applying the Applying the Common Reporting Standard (CRS), as for the items included in the variable, between the upper and lower limits in the degree of agreement and according to the homogeneity coefficient criterion, as shown in the following: -

A. Paragraph (fourth): This paragraph means the special description in applying the Common Reporting Standard (CRS): more interest and agreement, with an arithmetic mean value of (4.03), a deviation of (0.527), and a coefficient of variation of (13.08%), which indicates the amount of high homogeneity in the answers with a degree The amount reached (86.92%) that applying the (CRS) standard helps in exchanging tax information so that tax evaders cannot hide their wealth and financial assets.

B. The (tenth) paragraph received the last in the series in terms of importance, and achieved an arithmetic mean value of (3.91), which was higher than the general average of the scale (3.4), which is higher than the level that represents the neutral answer, with a standard deviation of (0.773) and a coefficient of variation of (197.77). %), which indicates the high degree of homogeneity in answers (80.23%), which indicates the importance of applying the CRS standard, which provides greater

effectiveness in establishing relationships for the automatic exchange of tax information to reduce evasion and improve compliance and tax transparency.

3-4-2: Descriptive statistical analysis of the variable (reducing tax evasion):-

Table (8): Statistical analysis of the variable (reducing tax evasion)					
Items for the main variable (reducing tax evasion)		Arithmetic mean	standard deviation	coefficient of variation %	order in order of importance
1	Tax evasion is a form of tax crime as it is the reason behind low tax receipts	4.2	0.701	16.69%	7
2	Tax evasion is the deliberate non-compliance by the taxpayer with legal legislation to evade tax obligations and assessments.	4.05	0.665	16.42%	3
3	Tax evasion leads to a violation of the objectives of the tax administration, and therefore we will reflect this on the failure to achieve the state's objectives in covering public expenditures.	4.1	0.663	16.17%	2
4	Failure to achieve justice in the distribution of income among individuals and inequality in bearing the state's public burdens increases the phenomenon of tax evasion and will be reflected in the taxpayer's behavior in tax compliance.	4.13	0.712	17.24%	9
5	Tax evasion generates negative effects on the lives of societies as it leads to a decrease in tax revenues and thus the inability of the state to provide the necessary services to members of society.	4.01	0.713	17.78%	11
6	Activating deterrent penalties against tax evaders leads to reducing its practice.	4.14	0.756	18.26%	13
7	Ambiguity and lack of clarity in well-drafted laws, and the presence of loopholes help taxpayers evade paying taxes.	4.04	0.73	18.07%	12
8	Arbitrarily estimating the tax base by the tax administration prompts the taxpayer to evade taxes through the use of legal and illegal means.	4.01	0.733	18.28%	14
9	Complex procedures in the process of tax audit, estimation and collection of taxes lead to taxpayers resorting to evasion.	3.98	0.764	19.20%	17
10	Taxpayers exploit legal loopholes in the income tax law in order to get rid of the tax in whole or in part.	4.02	0.711	17.69%	10
11	Failure to achieve tax justice in tax transactions for taxpayers leads to tax evasion due to lack of confidence in the tax administration procedures	4.01	0.663	16.53%	5
12	Poor public services, and the taxpayer not receiving a direct benefit when paying the tax leads to tax evasion	3.99	0.781	19.57%	18
13	Weak tax identification procedures for taxpayers' incomes help the taxpayer evade taxes by hiding part of his taxable sources of income.	4.02	0.682	16.97%	8

14	The complex tax system creates a feeling of injustice among taxpayers, which negatively affects their tax behavior.	4.06	0.634	15.62%	1
15	Some taxpayers resort to transferring their activities or funds from their countries to other countries where tax treatment is less burdensome.	4.04	0.741	18.34%	15
16	Submitting tax returns based on records or documents containing data and information contrary to the truth is one of the forms of evasion resorted to by the taxpayer.	3.96	0.793	20.03%	19
17	Taxpayers evade by changing the nature of the activity of the taxable establishment, for example, by adopting creative accounting methods	4.02	0.664	16.52%	4
18	Economic conditions are an important factor in the emergence of the phenomenon of tax evasion as they affect the standard of living of taxpayers during the period of recession and inflation.	3.84	0.936	24.38%	20
19	The low academic and practical level of staff working in tax administration affects the rise in tax evasion rates	3.94	0.727	18.45%	16
20	The process of monitoring and measuring tax evasion in an accurate accounting manner is very difficult as it is an act that occurs in secret.	3.91	0.652	16.68%	6
Total		4.02	0.444	11.04%	

1. Analysis of the variable reducing tax evasion:-

The response of the sample surveyed to all the questions of this dimension was at a level of (good) for the variable reducing tax evasion in the interest of banks in general in applying all the paragraphs of reducing tax evasion and to a degree that was distributed between medium to good in the level of agreement, and this application came in varying degrees, and it was The variable reducing tax evasion achieved an overall arithmetic average of (4.02), which is more than the average score for the scale (3.4), and with an evaluation level of (good) and in a positive direction for the sample, and the amount of the coefficient of variation reached (11.04%), and with homogeneity in the direction of the answer it reached its value. (88.96%) This indicates that the level of interest of all categories of executive managers, employees of banks and their customers who are affected in a homogeneous manner in implementing the paragraphs that contribute to reducing tax evasion, while the overall standard deviation was (0.444) and a small percentage in relation to the average opinions of the sample members. It is a value that indicates a clear small percentage of dispersion in the sample's answers and their assertion that tax evasion leads to a violation of the objectives of the tax administration. Therefore, we will reflect this on the failure to achieve the state's objectives in covering public expenditures and that the failure to achieve tax justice in the tax transactions of taxpayers leads to tax evasion because His conviction in tax administration procedures. As for the items included in the variable, there is between the upper and lower limits in the degree of agreement and according to the criterion of the homogeneity coefficient, as shown in the following: -

a. The fourteenth paragraph received the most attention and agreement, with an arithmetic mean of (4.06), a deviation of (0.634), and a coefficient of variation of (15.62%), which indicates the high degree of homogeneity in the answers to a degree of (84.38%) regarding the role of the complex tax system. It creates a feeling of injustice among taxpayers, which negatively affects their tax behavior.

B. Item (eighteen) received the last sequence, and achieved an arithmetic mean value of (3.84), which showed a higher agreement than the average score of the scale (3.4), which is higher than the midpoint of the five-point Likert scale, which

represents the neutral answer, and with a standard deviation of (0.936). With a coefficient of variation of (24.38%), which indicates the high amount of homogeneity in the answers to a degree of (75.62%), which indicates the importance of economic conditions as an important factor in the emergence of the phenomenon of tax evasion as it affects the standard of living of taxpayers during the period of recession and inflation.

3-5: Summary of descriptive statistics for the main study variables:-

In general, Table (9) show the levels of response to the study variables, which were arranged in terms of importance and according to the responses of the sample studied: -

Table (9) Ranking of importance based on the degree of coefficient of variation for the research variables					
Search variables	Arithmetic mean	standard deviation	Coefficient of variation	Direction of the answer	Order in order of importance
Implementation of the Common Reporting Standard (CRS)	3.98	0.337	8.47%	positive	1
Reducing tax evasion	4.02	0.444	11.04%	positive	2

Source: Prepared based on the outputs of SPSS V.29

1. The variable (Application of the Common Reporting Standard (CRS)) achieved the highest level of response, which shows that it achieved the lowest coefficient of difference between the answers by (8.47%), which reflects the homogeneity and high harmony in the agreement, with an arithmetic mean of (3.985). The variable occupied the first level and with a positive response trend. . It highlights the importance of applying the CRS standard, which improves the principle of tax transparency in exchanging tax-related information and limits the opportunities available to taxpayers to transfer their assets abroad or invest in areas not covered by reporting, which is reflected in enhancing tax compliance.

2. (Reducing tax evasion) ranked hgehkd, and it is clear from it that it achieved a coefficient of difference between taxes of (11.04%), which reflects the harmony and high harmony in the agreement, achieving an arithmetic mean of (4.02) and explaining the importance of not achieving justice in the distribution of income among individuals and the inequality in Bearing the state's public burdens increases the phenomenon of tax evasion and will be reflected in the taxpayer's behavior in tax compliance.

3-6: Testing research hypotheses:-

(First: Testing the main research hypothesis: (There is) a statistically significant correlation for applying the Common Reporting Standard (CRS) to reduce tax evasion).

Based on the results of the correlation coefficients in Table (8), in this regard, it was observed that there is a statistically acceptable, consistent and direct correlation of moderate strength at a significant level (1%) between the application of the Common Reporting Standard (CRS) and the reduction of tax evasion amounting to (0.647 **) At the significant level (0%), it is less than the significance level (1%), where the correlation coefficient was greater than (0.3), which is an indicator of positive correlation and a moderate degree of relationship. It also confirms that the value of the (z) test has reached (27.69), greater than its value. Table wise, as tax evasion is a form of tax crime as it is the reason behind the low tax revenue.

3-6-1: "Testing the hypothesis of the first sub-study: (There is) a statistically significant correlation between applying the Common Reporting Standard (CRS) and reducing tax evasion".

Referring to the values of the correlation coefficients shown in Table (8), it was observed that there is a consistent and direct correlation of moderate strength and statistically significant at a significant level (1%) between the application of the Common Reporting Standard (CRS) and the reduction of tax evasion amounting to (0.540 **) in The significance level (0%) is lower than the significance level (1%), as the correlation coefficient was greater than (0.3), which is an indicator of positive correlation. It also confirms that the value of the (z) test reached (27.51), greater than its tabular value, as it helps Applying the CRS standard to the exchange of tax information so that tax evaders cannot hide their wealth and financial assets, and undoubtedly when submitting tax returns based on records or documents that include real data and information, this contributes to reducing evasion. This result provides sufficient support in accepting the first sub-hypothesis.

3-6-2: The second sub-hypothesis: "There is a statistically significant effect of implementing the Common Reporting Standard (CRS) that contributes to reducing tax evasion."

❖ To analyze the model based on the simple linear regression method as follows:

$$Y = a + \beta_1 X_1$$

$$Y = \text{Reducing tax evasion}$$

$$X1 = \text{Application of the Common Reporting Standard}$$

$$Y = 1.196 + 0.711 X_1$$

Table (10) Analysis of the impact of the second sub-hypothesis									
Dependent variable	The dimension of pain is the independent variable			(R^2)	Adjusted R Square	(F)	(t)	Sig	the decision
Reducing tax evasion	Implementation of the Common Reporting Standard (CRS)	(α)	1.196	0.291	0.289	158.552	12.592	<.001	Accept the hypothesis
		(β)	0.711						
Tabular value for (F) = 3.89 ///// Tabular value for (t) = 1.98 ///// Sample size = 388									

❖ Table No. (10) displays the estimates of the simple regression model:

1. From a statistical standpoint, the results of the analysis showed the validity of the study model in testing the statistically significant influential relationship at the level of (1%) for the variable of applying the Common Reporting Standard (CRS) in reducing tax evasion, where the F value was statistically significant at a significant level. (1%) was recorded (158.552) and explains the validity of the variable "applying the Common Reporting Standard (CRS)" in predicting the values of the variable "reducing tax evasion" with a degree of confidence (99%).

2. It was shown from the results that the value of the coefficient (R-Square) equals (0.291), that is, (application of the Common Reporting Standard (CRS)) has the ability to explain the variance of the variable "reducing tax evasion" by (29.1%), at a significant level. Less than (1%), and according to the criterion (Falk & Miller, 1992), it is considered a value with moderate variance. We also note that the remaining percentage (70.9%) is due to other variables that were not included in the study model. As for (Adjusted R2), it reached (28.9), which measures the level and importance of applying the "Common Reporting Standard (CRS)" in "reducing tax evasion and improving tax compliance and transparency."

3. According to the indicators of the table above, the value of the degree of direct effect reached (β = 0.711) in the presence of a significant effect of the variable of the strategy for applying the Common Reporting Standard (CRS) in expanding and reducing tax evasion, which explains that applying the strategy of applying the Common Reporting Standard (CRS) contributes to Reducing tax evasion by (71.1%).

4. The calculated (t) value (12.592) achieved a significant direct effect of the variable "applying the Common Reporting Standard (CRS)" in reducing tax evasion, and thus we accept the first sub-hypothesis.

Conclusions and recommendations

4-1: Conclusions:-

1. There is a weakness in the exchange of tax information, so that tax evaders can hide their wealth and financial assets, which in turn is considered one of the most important effects of applying the Common Financial Reporting Standard, which leads to failure to achieve the objectives of the tax administration.

2. The complexity of the tax system, which leads to creating a feeling of inequality among taxpayers, which negatively affects their tax behavior, and in turn increases cases of tax evasion.

3. Failure to implement the Common Reporting Standard (CRS) will affect the effectiveness of establishing relationships for the automatic exchange of tax information to reduce tax evasion, which will be reflected in the tax revenue, which is one of the most important goals of tax administration.

4. It was found that the variable of reducing tax evasion affects the increase in tax revenues with a direct effect level of (16.4%).

4-2: Recommendations:-

1. The need to increase the automatic exchange of tax information for financial institutions concerned (personal and legal) with reporting their wealth and financial assets to reduce tax evasion and hide financial information about their wealth.

2. The need to simplify the procedures of the tax system and thus create a feeling of justice and equality among taxpayers. This will reflect positively on their tax behavior, which will reduce tax evasion.

3. It is necessary to apply the common reporting standard, and thus it will reflect positively on the effectiveness of exchanging tax information prepared in accordance with generally accepted accounting standards and rules.

4. Simplifying tax collection procedures will reduce tax evasion resorted to by taxpayers, which will reflect positively on tax collections.

Conflicts of Interest

The author declares no conflict of interest

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