AL KUT JOURNAL OF ECONOMIC AND ADMINISTRATIVE SCIENCES
Publisher: College of Economics and Management - Wasit University

The impact Accounting.of ownership structure on the relationship between audit fees and tax avoidance in listed companies in Iraq

Rahman Saiwan Hashim[(1)] **Ph.D.Ghodratollah Barzegar**[(2)]

allamyrhmn204@gmail.com ghabarzegar@ gmail.com

1,2Mazandaran University, Faculty of Economics and Administrative Sciences ,Department of Accounting.

Abstract

This study investigates the impact of ownership structure on the relationship between audit fees and tax avoidance in listed companies in Iraq over the period from 2016 to 2022. Utilizing a sample of listed firms during this timeframe, the research examines four hypotheses derived from existing literature. Firstly, it posits a positive significant correlation between audit fees and tax avoidance, suggesting that companies paying higher audit fees are more likely to engage in tax avoidance practices. Secondly, the study suggests that managerial ownership moderates this relationship in a decreasing direction, indicating that higher levels of managerial ownership may mitigate the propensity for tax avoidance when audit fees are elevated. Thirdly, it hypothesizes that institutional ownership moderates the relationship in an increasing direction, implying that firms with higher institutional ownership might be more prone to engaging in tax avoidance practices when audit fees are higher. Lastly, the research proposes that ownership concentration moderates the relationship in an increasing direction, suggesting that firms with concentrated ownership structures may intensify tax avoidance activities when investing more in audit services. The empirical findings support all four hypotheses, revealing the nuanced influence of ownership structure on the interplay between audit fees, tax

avoidance, and corporate governance practices within the Iraqi capital market. These results offer insights for policymakers, regulators, and practitioners aiming to enhance transparency, accountability, and investor confidence in listed companies in Iraq.

Keywords: audit fees, tax avoidance, ownership structure

1.Introduction

Management engages in tax avoidance programs to reduce the transfer of resources to the government and mitigate costs, thus enhancing the wealth and returns of stakeholders. The level of tax avoidance is usually higher in companies with weak corporate governance systems. In the past, the purpose of imposing and collecting taxes was to finance governments, but gradually, with the realization of the effects of government fiscal actions, taxes have been perceived as a tool for growth, stability, and inequality reduction. In Iraq, taxes are also one of the variables through which the government influences macroeconomic variables such as economic growth, inflation, unemployment, resource allocation, and income distribution, leading to a reduction in the adverse economic effects on society by increasing the share of taxes in government expenditures.

The fee for audit services is effective in planning and implementing high-quality financial audits. Low-quality audits diminish the trust of financial statement users and not only lead to failure to achieve audit objectives but also diminish the credibility of the auditing process on a macroeconomic scale, hindering optimal capital allocation in the securities market and increasing capital and financing costs .

Since ownership structure is one of the primary mechanisms and internal determinants of corporate governance systems, and auditing, as an independent profession, plays a critical role in ensuring the credibility of financial reports for stakeholders, audited financial information serves as a tool to reduce investment risks, enhance the quality of organizational and extra-organizational decision-making, increase the level of returns derived from securities trading, and improve the investment portfolio structure of individuals and various groups. A desirable corporate governance system instills confidence in companies to effectively utilize their assets. Additionally, it considers the wide range of interests of stakeholders and the community in which they operate.

1-2 problem statment

Tax is a form of expense imposed by the government on income-generating entities. Since companies and legal entities strive to maximize profits, it is expected that they seek solutions to reduce their tax payments. Tax payments transfer wealth from the company and its owners to the government. Therefore, most companies design their management arrangements to minimize their tax obligations (Abid and Dammak, 2022). In this regard, Otieno (2014) argues that as long as companies are not profitable and taxable income and interest rates are positive, they will have an incentive to delay income recognition and hasten expense recognition for tax purposes to reduce their current value. In financial literature, companies' efforts to reduce tax expenses have been examined, which can be cited as examples of tax management (Mahenthrian and Kasipillai, 2012; Pratiwi et al., 2019), tax avoidance (Guenther et al., 2016). In a general definition, tax avoidance encompasses a wide range of legal activities aimed at reducing tax liabilities (Onatuyeh and Ukolobi, 2020), ultimately leading to reduced tax payments to the government (Sritharan et al., 2022). Therefore, tax avoidance has been of interest in financial research as it includes many actions to reduce tax liabilities. What is notable and challenging is that there is no universally accepted global definition of tax avoidance, and the terminology used in this regard varies according to different conditions and societies. However, our inability to define and determine tax avoidance should not deter us from conducting research in this area, as there are numerous accounting issues whose nature and scope have not yet been agreed upon. There are two perspectives on the impact of auditor characteristics on tax avoidance. The first perspective suggests that if companies are seeking to avoid paying additional taxes while complying with tax laws, they will undoubtedly seek advice from tax consultants. Xiao and Xi (2023) found that about 65% of companies received some portion of their tax advisory and other related services from their auditors. An auditor with more expertise in the industry or more engagement with client companies may be better positioned to advise clients on tax matters. Additionally, they are more likely to charge higher fees to the client. The second perspective suggests that tax avoidance may reflect an agency theory perspective that may lead to tax decisions aligned with the personal interests of managers. Therefore, one of the challenges for stakeholders is finding ways to control motivations to minimize agency costs (Tee et al., 2022) (Jensen and Meckling, 1976). Auditors, with the assistance of their tax departments and tax organizations, and by dedicating more time,

can better evaluate appropriate tax items included in shareholders' expectations and analysts' analyses and detect tax avoidance.

Tax avoidance reduces investment transparency (Alkurdi and Mardini, 2020) and weakens the quality of accounting information (Huseynov and Klamm, 2012), consequently auditors will face higher audit risks and need to exert more efforts. According to the theory of the big bath, increasing audit risk will lead to higher audit costs (Langli and Willekens, 2017). In fact, the big bath theory suggests that when the audit risk of a company is high, auditing firms may face litigation risks, legal sanctions, and potential loss of wealth. The more wealth auditing firms have in their pocket, the more exposed they are to risks and incentives to avoid or reduce financial statement disclosures, ultimately resulting in higher audit fees (Madah Marzuki and Muhammad Al-Amin, 2021).

This indicates that corporate tax avoidance increases potential risks and fundamental losses of audit risks, including litigation risks, legal penalties, credibility declines, etc., ultimately leading to increased audit fees. Therefore, it is expected that an increase in tax avoidance will lead to increased audit-related risks and, consequently, increased audit fees(Widyastuti et al., 2023). On the other hand, it is also possible that this effect on companies may not be the same due to different ownership structures. According to a recent study by Putri et al. (2023), managerial ownership and political connections behind companies with high managerial ownership create implicit guarantees for them, reducing the likelihood of auditor litigation in the future and reducing audit risk. According to the big bath theory, which is based on audit risk, in companies with managerial ownership, the positive effect of tax avoidance on audit fees is much less, while for institutional shareholders and companies with high ownership concentration, emphasis is on high-quality audits and due to tax avoidance, audit fees are increased because in these companies, brand credibility is the main priority.

However, in most domestic studies, this issue has been overlooked, and there is a gap in the literature of accounting, auditing, and taxation for research in this area, which itself is a motivation for further research. Therefore, the present study attempts to examine the relationship between tax avoidance and audit fees of companies as well as the moderating effect of ownership structure.

1. Does audit fees significantly impact tax avoidance on the Iraq Stock Exchange? and Does ownership structure moderate the relationship between audit fees and tax avoidance?

1.2.Importance of research

Tax avoidance, aimed at reducing cash outflows to the government, is traditionally seen as beneficial for shareholders. However, it often involves financial reporting manipulation by managers seeking personal gain, potentially leading to lower quality financial reporting and decreased shareholder oversight. This can result in shareholders bearing the costs of tax avoidance strategies, as companies strive to minimize taxes by reducing pre-tax profits and portraying an unfavorable financial state to alleviate pressures from tax authorities and political costs (Handoyo et al., 2022).

The challenging economic conditions faced by Iraqi companies have prompted inquiries into the structure of the auditing market in Iraq. Given the prevalence of cost-driven competition and relatively low auditor incomes, enforcing regulations to prevent tax avoidance behaviors may not be feasible. Consequently, Iraqi auditors are likely to adopt cost-effective auditing strategies, potentially impacting the efficacy of tax avoidance regulations (Firmansyah et al., 2022).

Empirical evidence suggests that factors such as tax exemptions and government corruption can influence tax evasion and avoidance. While exemptions may have supportive objectives, they can also foster negative attitudes and behaviors among taxpayers. Implementing tax avoidance policies without contributing a fair share to public goods can harm society, highlighting the importance of responsible corporate tax practices (Dang and Nguyen, 2022; Ardillah and Vanesa, 2022).

1.3.Research innovation

This study aims to investigate the impact of audit fees on tax avoidance and the role of board ownership in the relationship between audit fees and tax avoidance among companies. Non-audit services provided by auditors undermine their independence and lead to higher tax avoidance. It is expected that according to agency theory, managers and shareholders may benefit from private control advantages at the expense of other shareholders in the absence of

market control. Therefore, companies need good corporate governance mechanisms such as incentives paid for auditors' efforts and oversight of non-audit services to curb such exploitation.

Given the past research gaps, this study addresses two fundamental topics. Firstly, it will explore the motivations of monitoring parties such as auditors in tax avoidance among companies. In the next step, institutional ownership, which may lead to concentrated ownership and consequently result in agency problems between majority and minority shareholders, can assess the impact of auditors' independence during non-audit services and observe its effect on tax avoidance. This pioneering research is about tax avoidance in Iraq. The Iraqi government will realize that tax avoidance is occurring in the country, but academic discussion on this topic has never been elucidated before.

2.1. Tax avoidance

It appears that the issue of tax avoidance is more significant for companies with distinct ownership because fewer individuals are involved in tax evasion or tax avoidance. This is primarily due to the potential consequences and penalties they may face, as well as their caution in taking risks or their intrinsic motivation for fulfilling social responsibilities (Duhoon and Singh, 2023). Management uses tax avoidance strategies to manage the amount of resources that owners must transfer to the government and accordingly manage their tax expenses. Typically, companies find ways to avoid paying taxes using two strategies: transferring profits from a higher-tax jurisdiction to a lower-tax jurisdiction or adjusting their borrowing and tax methods to incur higher costs in high-tax areas while minimizing them in low-tax areas. This particular action refers to income stripping, where the borrower's debt to affiliated companies or unrelated companies is not subject to tax. For example, a parent company may lend to its subsidiaries (Qawqzeh, 2023).

In the second method, profits can be transferred from high-tax jurisdictions to lower-tax jurisdictions. Pricing of goods and services sold between affiliated companies is involved. Tax avoidance potentially can have direct and indirect consequences. Promoting lower taxes, increasing cash flow, and enhancing shareholders' wealth are the primary benefits, while reducing tax shelters and potential tax increases, as well as potential government pressure, are

among the outcomes that companies must consider regarding tax crimes. These activities not only diminish a company's social responsibility but also indirectly reduce the company's value (Khodadadi et al., 2014). Additionally, society has the discretion to penalize and punish companies that engage in aggressive tax practices. Such behavior by companies leads to tarnishing their reputation, which is one of the indirect consequences of tax avoidance activities (Mudjiyanti, 2018).

2.2. Audit fees

It appears that the issue of tax avoidance is more significant for companies with distinct ownership because fewer individuals are involved in tax evasion or tax avoidance. This is primarily due to the potential consequences and penalties they may face, as well as their caution in taking risks or their intrinsic motivation for fulfilling social responsibilities (Suranta et al., 2020). Management uses tax avoidance strategies to manage the amount of resources that owners must transfer to the government and accordingly manage their tax expenses. Typically, companies find ways to avoid paying taxes using two strategies: transferring profits from a higher-tax jurisdiction to a lower-tax jurisdiction or adjusting their borrowing and tax methods to incur higher costs in high-tax areas while minimizing them in low-tax areas. This particular action refers to income stripping, where the borrower's debt to affiliated companies or unrelated companies is not subject to tax. For example, a parent company may lend to its subsidiaries (Riguen et al., 2020).

In the second method, profits can be transferred from high-tax jurisdictions to lower-tax jurisdictions. Pricing of goods and services sold between affiliated companies is involved. Tax avoidance potentially can have direct and indirect consequences. Promoting lower taxes, increasing cash flow, and enhancing shareholders' wealth are the primary benefits, while reducing tax shelters and potential tax increases, as well as potential government pressure, are among the outcomes that companies must consider regarding tax crimes. These activities not only diminish a company's social responsibility but also indirectly reduce the company's value (Adelaide and Adhariani, 2019). Additionally, society has the discretion to penalize and punish companies that engage in aggressive tax practices. Such behavior by companies leads to tarnishing their reputation, which is one of the indirect consequences of tax avoidance activities (Almaharmeh et al., 2024).

2.3. Ownership structure:

Ownership structure is the identification of the composition and order of shareholders in a company. Corporate governance model can be influenced by the ownership structure of companies, regardless of the legal framework in which they operate. The examination of ownership structure focuses on two aspects: the concentration of ownership among shareholders and the composition of shareholders. Various factors play a role in a company's superiority compared to others, such as institutional ownership, significant managerial ownership, and family ownership (Apandi et al., 2016). Ownership structure is a vital element that allows a company to strengthen and maintain its capital structure moving forward. Simply put, ownership structure indicates who holds the upper hand in the company's daily and long-term decisions. Ownership structure has been proposed as a vital aspect that affects company valuation. Better understanding of the capital market is essential for optimizing the value of businesses, executing profitable strategies, and ensuring sustained performance in today's highly competitive market. Precise identification of financial procurement approaches to enhance profitability and ensure continuous performance is crucial. Ownership structure comprises two components: common stock ownership and share concentration. Research findings indicate that the impact of ownership groups on company performance varies both in nature and in magnitude (Landry et al., 2013).

The composition of shareholders refers to determining which shareholders hold ownership and control over the company. The attraction of institutional investors results in these investors having ownership through the shares they possess. The performance of companies can be influenced by the interaction between their owners and other stakeholders within the group. The topic of ownership structure holds a prominent and significant position in the field of corporate governance literature. Evaluating the ownership structure and shareholder composition of a company is seen as a method for controlling and governing organizations. The nature of ownership is determined by various dimensions within the realm of corporate governance. Different aspects of the company, including ownership structure such as ownership composition and percentage, level of ownership concentration, ownership distribution, and the presence of various types of shareholders (minority, majority, and institutional), can be analyzed. However, companies have diverse shareholder compositions, including institutional

shareholders and government and private shareholders who hold managerial ownership. As managerial ownership in the company increases, the decision-making power and influence of managers over decisions affecting the interests of other shareholders also increase. Usman et al. (2022) emphasized in their research that majority shareholders are more inclined to monitor the management of the company. Hence, their presence reduces agency costs and ultimately increases the company's value

2.5. The impact of audit fees on the tax avoidance

Usman et al. (2022) believed that since income tax is the last item identified in financial reports, it represents the final opportunity for earnings management. Managers will influence the effective tax rate of the company through accounting methods such as deferred income tax disturbances or accounting and tax differences to achieve earnings management goals. Deferred income tax expenses play an important role in both voluntary and involuntary accruals of earnings management to prevent profit reduction. When tax avoidance becomes a tool for guiding earnings management in companies, they will inevitably affect the quality of earnings, thereby increasing audit risk (Ying et al., 2017). Additionally, Annuar et al. (2014) found a significant positive relationship between tax avoidance and accounting fraud in companies.

Secondly, tax avoidance reduces corporate transparency. Tax avoidance is not inherently transparent; rather, it is a game between companies and tax authorities. Companies will hide their tax avoidance behavior as much as possible to avoid tax authorities' scrutiny and reduce accounting transparency. Meanwhile, tax planning strategies alter the organizational tax structure and increase the complexity of financial activities and organizational structures. The complexity of organizational structures and tax avoidance transactions may not be transferred to foreign investors and analysts (Taylor & Richardson, 2012). Corporate tax avoidance also changes the distribution and direction of capital and assets. If the distribution and flow of capital and assets by foreign investors are used to understand the source and sustainability of cash flow, the transparency of corporate financial reports will decrease. Companies with a high degree of tax avoidance may face more administrative problems. Calculating income tax expenses is complex and requires professional judgment to recognize income tax-related commitments, increasing information asymmetry between senior managers, shareholders, and auditors, creating conditions for managers to increase their profit opportunities at the expense

of shareholders. Previous research shows that some managers may use complex techniques to save taxes (Suranta et al., 2020).

Therefore, it is predicted that there is a positive relationship between audit fees and tax avoidance

2.6. The impact of ownership structure on the realationship of audit fees and tax avoidance

The common perception is that the presence of institutional investors and ownership concentration may lead to changes in company behavior. These changes stem from the oversight activities that these institutional investors perform. In other words, they can oversee and align the interests of shareholder groups towards maximizing shareholder value. According to the monitoring hypothesis, the effectiveness of shareholder oversight increases with broader dimensions of institutional ownership. Consequently, shareholders will exert more effective oversight through various formal and informal mechanisms such as voting power, participation in affairs, and selecting board members, thereby directly influencing the decision-making process of these members (Rizqia and Lastiati, 2021).

On the other hand, auditors believe that the monitoring costs in companies with managerial ownership are lower because managerial owners will have sufficient incentives to monitor managers. In other words, due to the managerial ownership structure, auditors expect that, due to the clarity of operational expectations and coordination of ownership policies, a form of control over the activities of companies with managerial ownership will be provided, reducing complexity in the operations of such economic units, and consequently reducing the cost of auditing (Lestari and Nedya, 2019). Also, , Otieno (2014) in their study provided evidence indicating the negative impact of managerial ownership on the amount of fees received by independent auditors. Therefore, using bankruptcy risk analysis of companies, the bankruptcy risk of companies with managerial ownership is relatively low compared to other companies, which reduces the risk of auditor litigation. Moreover, governmental support and political connections behind companies with managerial ownership have created implicit assurances for them. Additionally, companies with managerial ownership, when their performance deteriorates, are more likely to receive government assistance. The implicit assurances provided

by managerial owners for companies likely to face auditor litigation in the future reduce auditor litigation risk, leading to lower audit fees (Gaaya et al., 2017).

The Previous empirical studies generally indicate that tax avoidance is related to institutional shareholders, although the results are mixed (Apandi et al., 2016). Some prior studies have argued that institutional ownership suppresses corporate tax avoidance behavior. Institutional ownership is considered a key corporate governance mechanism that exerts effective oversight on management decisions related to tax avoidance (Duhoon and Singh, 2023) to mitigate agency problems and monitor managerial activities (Rizqia and Lastiati, 2021). For instance, Qawqzeh (2023) examined the impact of institutional ownership on cross-sectional and time-series changes in effective tax rate differentials among U.S. firms and found a negative association between institutional ownership and effective tax rate differentials. Similarly, Ying et al. (2017) demonstrated that companies with board-dominated ownership structures exhibit increased engagement in tax avoidance techniques. In this regard, Widyastuti, et al. (2022) investigated the impact of corporate governance mechanisms, measured by board committees and institutional ownership, on tax avoidance in Indonesia, finding that institutional ownership negatively affects tax avoidance. More recently, based on a sample of Jordanian firms listed from 2012 to 2017, Al- Paramita and Fuad (2020) argued that tax avoidance has a negative relationship with institutional ownership, reducing the use of tax avoidance strategies. However, a contrasting perspective suggests that institutional ownership promotes corporate tax avoidance behavior. They argue that the presence of institutional investors with tax planning knowledge within the company makes tax planning more practical and significant use of tax shelters (Alkurdi and Mardini, 2020). In this regard, Sunarto et al. (2021) provided new evidence on the agency theory of corporate tax avoidance by demonstrating that an increase in institutional ownership is associated with increased tax avoidance through the use of tax shelters. Recently, Tee et al. (2022) concluded that the increase in institutional investors' shares likely promotes tax avoidance in Chinese companies. They explained their findings with the characteristics of institutional investors who pay more attention to short-term company profits, thus creating specific incentives to increase corporate tax avoidance. Sunarto et al. (2021) and colleagues aimed to examine the effect of corporate governance mechanisms on tax avoidance in listed banks on the Indonesian Stock Exchange. They showed that institutional ownership positively affects tax avoidance. An increase in institutional ownership leads to increased

managerial behavior towards tax avoidance.

Therefore, it is predicted that ownership structure moderates the relationship between audit fees and tax avoidance in the Iraq Stock Exchange

3.Methodologhy

3.1.Research hypotheses

1- there is a positive relationship between audit fees and tax avoidance in the Iraq Stock Exchange.

2- Managerial ownership moderates the relationship between audit fees and tax avoidance in the Iraq Stock Exchange.

3-Institutional ownership moderates the relationship between audit fees and tax avoidance in the Iraq Stock Exchange

4-Ownership concentration moderates the relationship between audit fees and tax avoidance in the Iraq Stock Exchange.

3.2.research objective

1 -Investigating the relationship between audit fees and tax avoidance in the Iraq Stock Exchange.

2- Investigating the moderating role of managerial ownership on the relationship between audit fees and tax avoidance in the Iraqi stock market..

3- Investigating the moderating role of institutional ownership on the relationship between audit fees and tax avoidance in the Iraqi stock market.

4- Investigating the moderating role of ownership concentration on the relationship between audit fees and tax avoidance in the Iraqi stock market

4.3.Society of statistics

The temporal scope of this research encompasses the years 2016 to 2022. Limiting the study

period to a 7-year timeframe is justified to ensure an acceptable temporal gap for analyzing the research questions while avoiding the elongation of the research period, which may lead to concerns regarding the lack of economic conditions' synchronicity during the study period.

The population of this study consists of companies listed on the Iraq Stock Exchange during the years 2016 to 2022. The sample for this study will be selected based on the following conditions:

1 .Companies that have been listed on the Iraq Stock Exchange before 2016 and have remained listed until the end of 2022.

2 .Companies that have not changed their fiscal year during the study period.

3. Availability of required information for conducting this research.

. The names of these Companies are as follows: 1 - National Company for Agricultural Production 2- Modern Company for Animal Production 3- Iraqi dates marketing 4- Iraqi Carton Industries 5- Iraqi Engineering Works 6- Al-Iraqiya Carpets and Furniture 7- Al-Iraqiya Land Transport 8-Al-Kindi for the production of veterinary vaccines 9 - Al Maamoura Real Estate Investments 10- Al-Mansour Pharmaceutical Industries 11-Elite Contracting 12-Al-National Chemical and Plastic Industries 13-Baghdad for packaging materials industry 14- Baghdad Public Transport 15-Baghdad Soft Drinks Company 16- Modern Tailoring Company 17- Middle East Fish Production and Marketing Company 18- Al Hilal Industrial Company 19- Baghdad Hotel 20- Al Sadeer Hotel 21- Al Mansour Hotel 22-Babylon Hotel 23 - Iraqi Seed Production Company 24 - Ishtar Hotel 25- Palestine Hotel 26-Karbala Hotel 27 - Al-Karkh Games City 28- Metal and bicycle industries 29- Modern chemical industries 30- Iraqi meat production and marketing 31Iraqi agricultural products 32- National Tourism Investments 33- Production of ready-made clothes

4.4.Model of research

A model has been suggested for this study in order to examine each hypothesis. This is the model that was utilized to investigate the first hypothesis:

H1:

$$ETR = \beta_1 AFee_{i.t} + \beta_1 Size_{i.t} + \beta_2 Age_{i,t} + \beta_3 Lev_{i.t} + \beta_4 M/B_{i.t} + \beta_5 ROA_{i.t} + \beta_5 Growth\ Sale_{i.t} + \beta_6 Div_{i.t} + \sum Year_{i.t} + \sum Industry_{i.t} + \varepsilon_{i,t}$$

The following model is used to test the second hypothesis.

H2:

$$ETR = \beta_1 AFee_{i.t} + \beta_2 \mathbf{MGO}_{i.t} + \beta_3 \mathbf{MGO}_{i.t} * Audit\ Fee_{i.t} + \beta_4 Age_{i,t} + \beta_5 Lev_{i.t} + \beta_6 M/B_{i.t} + \beta_7 ROA_{i.t} + \beta_8 Growth\ Sale_{i.t} + \beta_9 Div_{i.t} \sum Year_{i.t} + \sum Industry_{i.t} + \varepsilon_{i,t}$$

The following model is used to test the third hypothesis.

H3:

$$ETR = \beta_1 AFee_{i.t} + \beta_2 \mathbf{CONC}_{i.t} + \beta_3 \mathbf{CONC}_{i.t} * Audit\ Fee_{i.t} + \beta_4 Age_{i,t} + \beta_5 Lev_{i.t} + \beta_6 \frac{M}{B}_{i.t} + \beta_7 ROA_{i.t} + \beta_8 Growth\ Sale_{i.t} + \beta_9 Div_{i.t} \sum Year_{i.t} + \sum Industry_{i.t} + \varepsilon_{i,t}$$

The following model is used to test the forth hypothesis.

H4:

$$ETR = \beta_1 AFee_{i.t} + \beta_2 \mathbf{HHI}_{i.t} + \beta_3 \mathbf{HHI}_{i.t} * Audit\ Fee_{i.t} + \beta_4 Age_{i,t} + \beta_5 Lev_{i.t} + \beta_6 M/B_{i.t} + \beta_7 ROA_{i.t} + \beta_8 Growth\ Sale_{i.t} + \beta_9 Div_{i.t} \sum Year_{i.t} + \sum Industry_{i.t} + \varepsilon_{i,t}$$

4.5.Examining the linear regression model's assumptions

4.5.1.Check for collinearity

We utilized the Pearson correlation matrix, illustrated in Figures 1, to validate the lack of collinearity among the independent and control variables. The low correlation coefficients observed between these variables mitigate concerns regarding collinearity, thereby affirming their independence..

4.5.2.heterogeneity

In econometrics, the issue of variance heterogeneity holds considerable significance. Variance heterogeneity denotes the uneven variances of error terms throughout the estimation of regression models. Initially, the ordinary least squares method assumes equal variances for all error terms in regression estimation. Subsequently, various methodologies and strategies are employed to assess this assumption, presuming homogeneity of variance within the model. However, in practical econometrics, researchers face two primary challenges: 1) Identifying the presence of variance heterogeneity in the model when the values of error terms are unknown in the original population, and 2) Recognizing that error term variations are typically not identical, leading to slight deviations in variances. Thus, the inquiry arises as to whether a statistical criterion exists to quantify the extent of variance inequality, allowing us to determine if our model exhibits a variance inequality issue when the degree of variance inequality surpasses a certain threshold. Economists employ various techniques, such as the Brush-Pagan, White, and Park tests, to tackle this issue.

White's test holds particular value as it considers the most general scenario and is highly sensitive to detecting variance heterogeneity. This test is typically employed when the variance distribution of error terms is unknown, and there is no available estimate for it.

4.5.3.test for unit root

When utilizing a pooled data structure covering a period of less than a decade, it is unnecessary to conduct unit root testing of variables (Bani Mahd et al., 2015).

4.5.4.Test using random or fixed effects

Panel data sets consist of observations gathered across different entities and time periods, encompassing N components over T time periods, thereby providing information in both spatial and temporal dimensions. A panel is termed balanced when each component has an equal number of time observations, whereas it is considered unbalanced if there are missing observations for some components.

Limer's F statistic serves to distinguish between panel data and combined data approaches by assessing whether each entity has a distinct origin. The null hypothesis (combined data)

assumes uniform origin widths, while the alternative hypothesis (panel data) suggests varying widths. Thus, if the null hypothesis is rejected, indicating heterogeneous origin widths, the panel data approach is preferred.

Upon rejection of the null hypothesis by Limer's F test, further investigation can be conducted using fixed effects or random effects methods, determined by Hausman's test. The null hypothesis (random effects) proposes independence among explanatory factors and no relationship between the disturbance component and origin width. Conversely, the fixed effects method suggests a correlation between the explanatory variable and the disturbance component. If the null hypothesis is rejected, indicating a correlation, the fixed effects approach is warranted; otherwise, the random effects method is employed.

5.Conclusions

5.1.Descriptive Statistics

In this study, data from 33 companies were collected over a seven-year period (2016 to 2022), resulting in a total of 231 observations. Tables 1-4 provide descriptive statistics for the research variables, including mean, median, standard deviation, minimum, and maximum values. It is important to mention that continuous variables in the study were Winsorized at the 1% level to mitigate the influence of outlier data. Appendix 1 presents the detailed results of the descriptive statistics analysis. The abnormal distribution of the data is indicated by the results of Jarkiobra's test.

Table 1: Descriptive statistics results of research variables

Variable	symbol	mean	median	standar d deviation	min	max
$Tax\ avoidance$	ETR	-0.094	-0.014	0.950	-0.246	0.000
$Audit\ fees$	AFee	10.723	10.688	1.126	7.189	14.191
Management Ownership	MGO	0.285	0.288	0.093	0.023	0.432

Institutional Ownership	CONC	0.371	0.380	0.246	0.000	0.790
Ownership Concentration	HHI	0.237	0.193	2.012	0.000	0.694
Market to Book Value	MTB	2.949	2.261	3.298	-3.612	23.015
Financial Leverage	LEV	0.339	0.214	0.330	0.015	1.413
Firm age	AGE	3.528	3.433	2.90	2.708	4.330
dividends	Div	0.001	0.000	0.192	0.000	0.015
firm size	SIZE	22.186	22.144	1.643	19.001	27.324
Return on Assets	ROA	0.075	0.040	2.90	-0.445	0.172
Sales growth	SG	0.664	0.029	4.192	-0.995	6.324

5.2.Testing the assumptions of the linear regression model

5.2.1.Collinearity check

To ensure the absence of collinearity between the independent and control variables, we utilized the Pearson correlation matrix displayed in Figure 1 etween the independent and control variables, alleviating concerns regarding collinearity.

Figure 1-person's correlation

Probability	CURRENT_...	AUDIT_FEE	MGO	CONC	HHI	SIZE	MTB	LEV	AGE	ROA	GROWTH_S...	DIV
CURRENT_ETR	1.000000											

AUDIT_FEE	0.302289	1.000000										
	0.0000	-----										
MGO	-0.066363	-0.020488	1.000000									
	0.3153	0.7568	-----									
CONC	0.094248	-0.068071	-0.050241	1.000000								
	0.1533	0.3029	0.4473	-----								
HHI	0.070137	-0.006999	-0.098474	0.884492	1.000000							
	0.2885	0.9157	0.1357	0.0000	-----							
SIZE	0.085782	-0.101160	-0.024679	-0.057494	-0.117713	1.000000						
	0.1939	0.1253	0.7091	0.3844	0.0742	-----						
MTB	0.008408	-0.065889	-0.040346	0.069922	0.092794	0.080462	1.000000					
	0.8989	0.3187	0.5418	0.2899	0.1598	0.2231	-----					
LEV	0.070424	-0.179288	-0.201680	0.243951	0.242324	0.038815	-0.068915	1.000000				
	0.2865	0.0063	0.0021	0.0002	0.0002	0.5572	0.2970	-----				
AGE	-0.098097	-0.079891	-0.024543	-0.121423	-0.014493	0.061567	-0.016203	0.095687	1.000000			
	0.1372	0.2264	0.7106	0.0654	0.8266	0.3516	0.8065	0.1471	-----			
ROA	-0.004313	0.099949	0.012033	0.106131	0.061583	0.067089	-0.000796	-0.117809	-0.144763	1.000000		
	0.9480	0.1299	0.8557	0.1076	0.3514	0.3100	0.9904	0.0739	0.0278	-----		
GROWTH_SALE	-0.014405	0.076148	0.008404	-0.048555	0.051532	-0.075110	-0.024761	-0.042414	-0.049629	0.001257	1.000000	
	0.8276	0.2490	0.8989	0.4627	0.4357	0.2555	0.7081	0.5212	0.4528	0.9848	-----	
DIV	7.29E-05	0.085565	0.015922	-0.024946	-0.100514	-0.075979	-0.016257	-0.060442	-0.120025	0.072584	-0.041632	1.000000
	0.9991	0.1950	0.8098	0.7061	0.1277	0.2501	0.8059	0.3605	0.0686	0.2719	0.5290	-----

5.2.2. heterogeneity

To address the issue of variance heterogeneity, all estimations were conducted using White's robust variance method, which effectively resolves the concern associated with heterogeneous variances..

5.2.3.unit root test

The unit root test of variables is not necessary in a time period of less than 10 years with a combined data structure (Bani Mahd et al., 2015).

5.3.Determining the appropriate model

Table 2 presents the results of Chow's test for each dependent variable. The findings in Table 4-2 indicate that the significance level of the test statistic is below 5%, implying rejection of the null hypothesis. Therefore, it suggests that fixed or random effects should be utilized instead of pooled effects in this model..

It is preferable to employ model estimation in between sections of accounting study since the number of sections is frequently greater than the number of years (Bani Mahd et al., 2015). To differentiate between fixed effects and random effects models, the Hausman test was employed. The Hausman test results are shown in Table 3, and based on these findings, the

test's first hypothesis is accepted and the hypothesis test model is fitted with random effects at a significance level higher than 5%..however other hypothesis is accepted and the hypothesis test model is fitted with Fixed effects at a significance level less than 5%..

Table 2- chaw test

Hypothesis number	Dependen t variable	Test statistics	Significance level
1	ETR	1.608	0.028
2	ETR	2.117	0.000
3	ETR	2.146	0.000
4	ETR	1.992	0.002

Table 3-Hausman test results

Hypothesis number	Dependen t variable	Significance level
1	ETR	0.1288
2	ETR	0.009
3	ETR	0.005
4	ETR	0.014

5.4.Testing hypotheses of research

The research aims to investigate several moderating factors influencing the relationship between audit fees and tax avoidance in the context of the Iraq Stock Exchange. The first hypothesis posits a positive association between audit fees and tax avoidance, suggesting that firms paying higher audit fees are more likely to engage in tax avoidance practices. Additionally, the study examines the moderating effects of managerial ownership, institutional ownership, and ownership concentration on this relationship. Specifically, it seeks to determine

how these ownership structures influence the strength or direction of the relationship between audit fees and tax avoidance. By addressing these hypotheses, the research endeavors to provide valuable insights into the dynamics of audit fees, tax avoidance, and ownership structures in the Iraqi market, contributing to a better understanding of corporate governance practices in the region..

5.4.1.Test of the first hypothesis

Table 4 shows the results of the first hypothesis test in audit fees and tax avoidance.

Table 4- result of first hypothesis test

variables	Prob	t-Statistic
Audit Fee	0.0000***	4.484
SIZE	0.3258	0.9846
MTB	0.7946	-0.2606
Lev	0.7555	0.3127
Age	0.0714*	-1.8118
ROA	0.9235	0.0961
Growth Sale	0.9132	0.1091
Div	0.8065	0.2452
$\mathbf{R^2}$ 0.0823	F	3.580

Prob	0.000	Durbin-Watson	1.5138

Description: * Significance at the 0.05 level ** Significance at the 0.01 level *** Significance at the 0.001 level

The findings presented in Table 4 demonstrate a positive significant correlation between Audit fee tax avoidance, which aligns with the theoretical framework of the research. Additionally, the results indicate a substantial and positive correlation between Age with tax avoidance. The significance level (prob < 0.05) of the F-statistic confirms the significance of the regression model. Moreover, the coefficient of determination suggests that 8% of the changes in the dependent variable can be predicted by the independent variables.

5.4.2.Test of the second hypothesis

The results of the second hypothesis test with managerial ownership moderator Table 6.

Table 6-The results of the second hypothesis test

Variables	Prob	t-Statistic
Audit Fee	0.0014***	3.2534
Mago	0.0000***	4.945
Audit Fee* ***Mago***	0.0000***	-5.6712
SIZE	0.2495	1.1552
MTB	0.5132	-0.6551
Lev	0.8387	0.2039
Age	0.7341	0.3401

ROA		0.9951	-0.0061
Growth Sale		0.6806	0.4122
Div		0.2289	-1.2071
R^2	0.2465	F	2.792
Prob	0.000	Durbin-Watson	1.5524

Table 6's findings demonstrate that The results in the table indicate that, since the significance level of the variable $Audit\ Fee*Mago$ is less than 1%, the second hypothesis of the research is confirmed. Additionally, since the coefficient of the variable varies inversely with the independent variable, it moderates the relationship in a decreasing direction. The regression model is significant, as indicated by the f statistic's significance level (prob<0.05), and the model's coefficient of determination indicates that 24% of changes in the dependent variable are predicted by the independent variable.

In this model, the Durbin-Watson's statistic value shows that there is no self-correlation of model errors.

5.4.2.Test of the Third hypothesis

The results of the second hypothesis test with institutional ownership moderator Table 7.

Table 7-The results of the second hypothesis test(

Variables	Prob	t-Statistic
Audit Fee	0.0000***	9.981
conc	0.0000***	-6.1136
Audit Fee* ***conc***	0.0000***	7.5192
SIZE	0.4107	0.8244
MTB	0.8867	-0.1423
Lev	0.9888	-0.0140
Age	0.5295	-0.6297
ROA	0.8896	0.1390
Growth Sale	0.4064	0.8321
Div	0.8537	0.1847
R^2 0.4185	F	4.5607

Prob	0.000	Durbin-Watson	1.6936

Table 7's findings demonstrate that The results in the table indicate that, since the significance level of the variable Audit Fee* conc is less than 1%, the third hypothesis of the research is confirmed. Additionally, since the coefficient of the variable varies inversely with the independent variable, it moderates the relationship in a inreasing direction. The regression model is significant, as indicated by the f statistic's significance level (prob<0.05), and the model's coefficient of determination indicates that 410% of changes in the dependent variable are predicted by the independent variable.

In this model, the Durbin-Watson's statistic value shows that there is no self-correlation of model errors.

5.4.2.Test of the forth hypothesis

The results of the second hypothesis test with ownership concentration moderator Table 8.

Table 8-The results of the second hypothesis test(

variables	Prob	t-Statistic
Audit Fee	0.0000***	8.6037
HHI	0.0000***	-4.9817
Audit Fee* ***HHI***	0.0000***	5.9437
SIZE	0.3510	0.9348
MTB	0.9528	-0.0592
Lev	0.9757	0.0304

Age		0.6843	-0.4072
ROA		0.8984	0.1278
Growth Sale		0.8404	0.2016
Div		0.7769	0.2834
R^2	0.3987	F	3.8654
Prob	0.000	Durbin-Watson	1.6456

Table 7's findings demonstrate that The results in the table indicate that, since the significance level of the variable Audit Fee* ***HHI*** is less than 1%, the third hypothesis of the research is confirmed. Additionally, since the coefficient of the variable varies inversely with the independent variable, it moderates the relationship in a inreasing direction. The regression model is significant, as indicated by the f statistic's significance level (prob<0.05), and the model's coefficient of determination indicates that 410% of changes in the dependent variable are predicted by the independent variable.

In this model, the Durbin-Watson's statistic value shows that there is no self-correlation of model errors.

6.Conclusion

The big bath theory suggests that when a company's audit risk is high, auditors request higher audit fees, considering audit risk as the main factor in determining the level of audit fees. On the other hand, managerial ownership can be considered as a protective umbrella for companies, reducing audit risk. Therefore, in the present study, the relationship between tax

avoidance and audit fees of companies, as well as the moderating effect of ownership structure as one of the monitoring mechanisms on their relationship, was examined.

The results of the first hypothesis testing of the study indicate that audit fees lead to an increase in tax avoidance by companies. This finding is consistent with the big bath theory, which suggests that audit risk leads to higher audit fees because higher tax avoidance increases audit risk from at least two aspects: the quality of audit information and transparency of company information, as well as potential risks and fundamental losses of audit risks including litigation risks, legal penalties, credibility declines, etc., leading to increased audit fees. The result obtained in this study is consistent with the findings of . Silaban and Purba (2020) and Yoo and Koh (2014), which indicate a positive relationship between audit fees and tax avoidance by companies.

A company can be seen as a collection of contracts between different parties, with one of the most important contracts being the agreement between managers and shareholders of companies, which arises from the separation of ownership from management and is based on the agency theory. In this agreement, shareholders delegate the affairs of the company to representatives, who are the managers, while reserving the right of managers to be accountable for their actions. Conversely, managers reserve the right to be accountable for their performance. However, in these contracts, managers may prioritize their personal interests over those of the shareholders. This can lead to conflicts of interest in agency relationships.

The presence of conflicts of interest in agency relationships leads to agency costs. In the absence of regulatory mechanisms, the likelihood that managers will employ company resources for their personal goals increases. The existence of conflicts of interest, separation of ownership from management, and increasing agency costs can contribute to the adoption of a bold and reckless approach to taxation (Trisnawati and Gunawan, 2019).

The companies under investigation were examined. The results of testing this hypothesis indicate that since managerial ownership creates implicit guarantees and reduces the likelihood of auditor litigation in the future, as well as audit risk reduction, which according to the big bath theory leads to a reduction in audit fees. Therefore, the positive impact of audit fees on tax avoidance is significantly lower in companies with managerial ownership. Omesi and Appah

(2021) also reached similar results in their research and stated that in companies with managerial ownership, the positive impact of audit fees on tax avoidance is less. Institutional ownership has the ability to control management through effective supervision, so that management actions to avoid taxes will be affected. The higher the percentage of institutional ownership, the more effective the supervision over management will be. Institutional shareholders' oversight of company performance and activities can restrict opportunistic behaviors of managers and reduce agency costs. As a result, selecting a higher fee auditor is one way to reduce these agency costs. Therefore, companies with higher levels of institutional ownership and ownership concentration generally demand higher-quality audits and higher audit fees when faced with tax avoidance.

6.1.Restrictions

Data Availability: Another constraint is the availability and reliability of data related to ownership structure. In some cases, companies may not disclose detailed information on these variables, or the data provided may be subject to reporting biases or inaccuracies, which could impact the robustness of the analysis.

7. Suggestions

7.1.Practical recommendations

1. According to the findings of the present study regarding the positive impact of existing audit fees on tax avoidance, it is suggested that investors and capital market participants, alongside other factors, consider tax avoidance as an influential factor in their investment portfolio selection and take into account its effect on audit fees.

2. Considering the result of the second hypothesis, it is recommended that investors and capital market participants simultaneously pay special attention to both tax avoidance and ownership structure and consider them as influential factors in their decision-making regarding audit fees.

3. Based on the research results, it is suggested that policymakers in the tax and accounting standards-setting domains design future tax systems and accounting standards in a way that reduces the gap between the effective tax rate and the actual tax rate. This would reduce the

opportunities for tax avoidance activities and, consequently, decrease the audit fees of companies.

4. It is recommended that company owners take measures to ensure that the company's tax policies are implemented with greater transparency to minimize opportunities for conflicts of interest and opportunistic behavior by managers, and subsequently reduce the audit fees of companies. For example, independent individuals separate from company managers could periodically review the company's tax policies.

7.2.Ideas for additional research

Continuing, future researchers are recommended to investigate the impact of employee quality on tax avoidance and audit fees of companies. It is also suggested to study the influence of managerial personality traits on audit fees.

References:

1. Abid, S., & Dammak, S. (2022). Corporate social responsibility and tax avoidance: the case of French companies. *Journal of Financial Reporting and Accounting*, *20*(3/4), 618-638.
2. Adelaide, S., & Adhariani, D. (2019, March). Analysis of book-tax difference's effect on audit fees: corporate governance as a moderating variable. In *12th International Conference on Business and Management Research (ICBMR 2018)* (pp. 218-224). Atlantis Press.
3. Alkurdi, A., & Mardini, G. H. (2020). The impact of ownership structure and the board of directors' composition on tax avoidance strategies: empirical evidence from Jordan. *Journal of Financial Reporting and Accounting*, *18*(4), 795-812.
4. Almaharmeh, M. I., Shehadeh, A., Alkayed, H., Aladwan, M., & Iskandrani, M. (2024). Family Ownership, Corporate Governance Quality and Tax Avoidance: Evidence from an Emerging Market—The Case of Jordan. *Journal of Risk and Financial Management*, *17*(2), 86.
5. Apandi, R. N. N., Utama, S., & Rosieta, H. (2016, August). The Effect of Corporate Tax Governance, Audit Quality and Tax Exposure on Audit Fee for Companies Enlisted in Indonesia Stock Exchange. In *2016 Global Conference on Business, Management and Entrepreneurship* (pp. 8-16). Atlantis Press.
6. Annuar, H. A., Salihu, I. A., & Obid, S. N. S. (2014). Corporate ownership, governance and tax avoidance: An interactive effects. *Procedia-Social and Behavioral Sciences*, *164*, 150-160

7. Ardillah, K., & Vanesa, Y. (2022). Effect of Corporate Governance Structures, Political Connections, and Transfer Pricing on Tax Aggressiveness. *Sriwijaya International Journal of Dynamic Economics and Business*, 51-72.
8. Dang, V. C., & Nguyen, Q. K. (2022). Audit committee characteristics and tax avoidance: Evidence from an emerging economy. *Cogent Economics & Finance*, *10*(1), 2023263.
9. Dabari, I. J., & Liuraman, Z. (2022). Moderating Effect of Audit Quality on the Relationship Between Ownership Structure and Tax Aggressiveness of Listed Consumer Goods Companies in Nigeria. *A Publication of*, *2*(1), 44-53.
10. Duhoon, A., & Singh, M. (2023). Corporate tax avoidance: a systematic literature review and future research directions. *LBS Journal of Management & Research*, *21*(2), 197-217.
11. Firmansyah, A., Febrian, W., & Falbo, T. D. (2022). The role of corporate governance and tax risk in Indonesia investor response to tax avoidance and tax aggressiveness. *Jurnal Riset Akuntansi Terpadu*, *15*(1), 11-27.
12. Gaaya, S., Lakhal, N., & Lakhal, F. (2017). Does family ownership reduce corporate tax avoidance? The moderating effect of audit quality. *Managerial Auditing Journal*, *32*(7), 731-744.
13. Handoyo, S., Wicaksono, A. P., & Darmesti, A. (2022). Does Corporate Governance Support Tax Avoidance Practice in Indonesia?. *International Journal of Innovative Research and Scientific Studies*, *5*(3), 184-201.
14. Huseynov, F., & Klamm, B. K. (2012). Tax avoidance, tax management and corporate social responsibility. *Journal of Corporate Finance*, *18*(4), 804-827.
15. Kovermann, J., & Velte, P. (2019). The impact of corporate governance on corporate tax avoidance—A literature review. *Journal of International Accounting, Auditing and Taxation*, *36*, 100270.
16. Landry, S., Deslandes, M., & Fortin, A. (2013). Tax aggressiveness, corporate social responsibility, and ownership structure. *Journal of Accounting, Ethics & Public Policy*, *14*(3), 611-645.
17. Langli, J. C., & Willekens, M. (2017). Tax avoidance, horizontal agency conflicts and high-quality auditing in private firms. *KU Leuven and BI Norwegian Business School*.

18. Lestari, N., & Nedya, S. (2019, October). The effect of audit quality on tax avoidance. In *International Conference On Applied Science and Technology 2019-Social Sciences Track (iCASTSS 2019)* (pp. 72-76). Atlantis Press.
19. Madah Marzuki, M., & Muhammad Al-Amin, M. S. (2021). The effect of audit fees, audit quality and board ownership on tax aggressiveness: evidence from Thailand. *Asian Review of Accounting*, *29*(5), 617-636.
20. Mahenthrian, S., & Kasipillai, J. (2011). Influence of ownership structure, corporate governance, and culture on tax policy: evidence from Malaysia. *Corporate Governance, and Culture on Tax Policy: Evidence from Malaysia (January 3, 2011)*.
21. Mudjiyanti, R. (2018, July). The effect of tax planning, ownership structure, and deferred tax expense on earning management. In *2018 3rd International Conference on Education, Sports, Arts and Management Engineering (ICESAME 2018)* (pp. 379-381). Atlantis Press.
22. Omesi, I., & Appah, E. B. I. M. O. B. O. W. E. I. (2021). Corporate governance and tax avoidance of listed consumer and industrial goods companies in Nigeria. *IOSR Journal of Economics and Finance*, *12*(2), 17-31.
23. Onatuyeh, E. A., & Ukolobi, I. (2020). Tax aggressiveness, corporate governance and audit fees: A study of listed firms in Nigeria. *International Journal of Financial Research*, *11*(6), 278-295.
24. Otieno, B. A. (2014). *The relationship between ownership structure and tax avoidance of companies listed at the Nairobi Securities Exchange* (Doctoral dissertation, University of Nairobi).
25. Paramita, I. D. A. D. P., & Fuad, F. The effects of audit fees, audit quality and ownership structures on tax aggressiveness: evidence from manufacturing companies in Indonesia. *Jurnal Bisnis Strategi*, *32*(1), 1-14.
26. Pratiwi, N. P. S. D. R., Subekti, I., & Rahman, A. F. (2019). The effect of corporate governance and audit quality on tax aggressiveness with family ownership as the moderating variable. *International Journal of Business, Economics and Law*, *19*(5), 31-42.
27. Putri, V. R., Zakaria, N. B., Said, J., & Azis, M. A. A. (2023). Do Foreign Ownership, Executive Incentives, Corporate Social Responsibility Activity and Audit Quality Affect Corporate Tax Avoidance?. *Indian Journal of Corporate Governance*, *16*(2), 218-239.

28. Qawqzeh, H. K. (2023). The effect of ownership structure on tax avoidance with audit quality as a moderating variable: evidence from the ailing economics. *Journal of Financial Reporting and Accounting*.
29. Riguen, R., Salhi, B., & Jarboui, A. (2021). The impact of audit characteristics on corporate tax avoidance: the moderating role of gender diversity. *Scientific Annals of Economics and Business*, *68*(1), 97-114.
30. Rizqia, A., & Lastiati, A. (2021). Audit Quality and Tax Avoidance: The Role of Independent Commissioners and Audit Committee's Financial Expertise. *Journal of Accounting Auditing and Business-Vol*, *4*(1).
31. Silaban, A. C., & Purba, H. (2020). The Effect Of Corporate Social Responsibility Disclosure And Corporate Governance On Tax Avoidance. *EPRA International Journal of Multidisciplinary Research (IJMR)*.
32. Suranta, E., Midiastuty, P., & Hasibuan, H. R. (2020). The effect of foreign ownership and foreign board commissioners on tax avoidance. *Journal of Economics, Business, and Accountancy Ventura*, *22*(3), 309-318.
33. Riguen, R., Salhi, B., & Jarboui, A. (2020). Do women in board represent less corporate tax avoidance? A moderation analysis. *International Journal of Sociology and Social Policy*, *40*(1/2), 114-132
34. Sritharan, N., Salawati, S., Sharon, C. C. S., & Syubaili, M. A. (2022). Corporate Tax Avoidance: A Systematic Literature Review and Research Agenda. *International Journal of Academic Research in Business and Social Sciences*, *12*(8), 1160-1180.
35. Taylor, G., & Richardson, G. (2012). International corporate tax avoidance practices: Evidence from Australian firms. *The International Journal of Accounting*, *47*(4), 469-496.
36. Tee, C. M., Teoh, T. T. M., & Hooy, C. W. (2022). Political Connection Types and Corporate Tax Avoidance: Evidence from Malaysia. *Malaysian Journal of Economic Studies*, *59*(2), 199-220.
37. Trisnawati, E., & Gunawan, J. (2019). Governance disclosures, senior management and their influences on tax avoidance. *International Journal of Innovation, Creativity and Change*, *9*(3).
38. Usman, M., Ezeani, E., Salem, R. I. A., & Song, X. (2022). The impact of audit characteristics, audit fees on classification shifting: evidence from Germany. *International Journal of Accounting & Information Management*, *30*(3), 408-426.

39. Widyastuti, S. M., Meutia, I., & Candrakanta, A. B. (2022). The effect of Leverage, Profitability, Capital Intensity and Corporate Governance on Tax Avoidance. *Integrated Journal of Business and Economics*, *6*(1), 13-27.
40. Xiao, H., & Xi, J. (2023). The Impact of Institutional Cross-ownership on Corporate Tax Avoidance: Evidence from Chinese Listed Firms. *Australian Accounting Review*, *33*(1), 86-105
41. Ying, T., Wright, B., & Huang, W. (2017). Ownership structure and tax aggressiveness of Chinese listed companies. *International Journal of Accounting & Information Management*, *25*(3), 313-332.
42. Yoo, T., & Koh, Y. (2014). Agent or structure for principal–principal conflicts? Audit firms versus foreign ownership in the Asian context. *Asian Business & Management*, *13*, 309-332.