

## **The Association between Corporate Social Responsibility Disclosure, Assurance, and Tax Aggressiveness: Evidence from Indonesia**

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**Abstract :** There is a growing interest in Corporate Social Responsibility (CSR) issues in developing countries such as Indonesia. Firms disclose their CSR activities, and some provide assurance to gain recognition as socially responsible firms. However, several of those socially responsible firms involve in tax scandals and raise a question of whether CSR disclosure is used to disguise firm misconduct or as a reflection of socially responsible firms. Specifically, whether firms engage in CSR disclosure and its assurance also responsible for their tax matters. This study examines the association between CSR disclosure and tax aggressiveness and the role of sustainability reporting assurance to the association. This research develops a modified index according to global reporting initiatives to measure CSR disclosure and various measurement for tax aggressiveness. Using a sample of Indonesian go public companies issued CSR disclosure, the empirical result shows that there is an association between CSR disclosure and tax aggressiveness. In addition, results also indicate sustainability reporting assurance moderate those association. The findings suggest that stakeholder in developing countries should examine carefully firms with active CSR disclosure before label it as socially responsible firms. JEL Classification: M14

**Keywords :** CSR disclosure, tax aggressiveness, assurance, business ethics

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