

Corporate Social Responsibility Disclosure, Tax Aggressiveness and Sustainability Report Assurance: Evidence from Thailand

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Abstract : This study aims to examine the association between disclosure of social responsibility and tax aggressiveness in developing countries, namely Thailand. This is due to the increasing trend of disclosure of social responsibility in developing countries, even though this disclosure of information is still voluntary. On the other hand, developing countries have low taxation rate and investor protection infrastructures that allow the disclosure of social responsibility to be used opportunistically as a tool to fool the attainment of interests. This study also examines the role of assurance on the association between corporate social responsibility disclosure and tax aggressiveness. The assurance aims to provide confidence that the disclosure of social responsibility by the company is valid. This research builds an index to measure the disclosure of social responsibility based on the rules issued by the innovative Global Reporting. The results of the study are based on a sample of publicly traded companies in Thailand, which showed a positive association between disclosure of corporate social responsibility and tax aggressiveness, but it was further discovered that these results were mitigated by the existence of assurance against disclosure of corporate social responsibility. The results of this study indicate that the disclosure of corporate social responsibility can show that the company cares about the issue of social responsibility but does not automatically make the company as one that holds ethical values in its business practices.

Keywords : corporate social responsibility disclosure, tax aggressiveness, sustainability assurance, business ethics

Conference Title : ICMESS 2019 : International Conference on Management, Economics and Social Study

Conference Location : Tokyo, Japan

Conference Dates : November 11-12, 2019