

Tax Avoidance During The Financial Crisis: Role Of Independent Commissioners And External Auditors

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Abstract : This study aims to investigate tax avoidance practices when a financial crisis occurs due to the effects of the COVID-19 pandemic. This study also finds out how the influence of independent commissioners and external auditors on tax avoidance practices during the COVID-19 pandemic. Tax avoidance practices are measured by the current ETR. The role of the independent board of commissioners is measured by the proportion of independent commissioners in the composition of the board of commissioners, while the external auditor is measured by audit quality. In this study, there were 342 observations of companies listed on the Indonesia Stock Exchange from 2019 to 2020. This study used the difference-in-differences (DiD) method in data analysis. The results of this study indicate that companies do tax avoidance during the COVID-19 pandemic. Meanwhile, independent commissioners and qualified audits are not proven to be able to negate tax avoidance practices during the COVID-19 Pandemic. These results also show that a higher proportion of independent commissioners and audit quality are not sufficient for countries with low levels of auditor litigation and investor protection and weak regulatory frameworks.

Keywords : audit, commissioner, tax avoidance, COVID-19 pandemic

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