

REVIEW OF RECENT LITERATURE

Various Contributors¹

A selection of recently published papers is reviewed below. The aim is to bring together tax administration-related papers from the diverse range of outlets in which they are published. The review is necessarily selective, and the Journal welcomes suggestions for inclusion of papers in subsequent reviews.

USE OF ADMINISTRATIVE DATA

Boonzaaier, W., Harju, J., Matikka, T., & Pirttilä, J. (2019). How do small firms respond to tax schedule discontinuities? Evidence from South African tax registers. *International Tax and Public Finance*, 26(5), 1104-1136.

This article investigates the causal effect of a small business corporate income tax schedule on small and medium-sized firms' behaviour, by exploiting South Africa Revenue Service administrative data. The authors base their analysis on bunching using discontinuous changes observed in the corporate income tax schedule in order to estimate the distortions induced by the tax system. Their results, which are related to that of previous literature, reveal that small firms were highly responsive to corporate income tax schedule discontinuities. The authors argue that a notable share of the firms' responses could have been induced by reporting effects rather than by real economic changes in business activity. Moreover, they provide evidence that small and medium-sized firms are more likely to underreport their sales and cash holdings in order to avoid paying high taxes.

Almunia, M., Harju, J., Kotakorpi, K., Tukiainen, & Verho, J. (2018). Expanding access to administrative data: the case of tax authorities in Finland and the UK. *International Tax and Public Finance*, 26(3), 661-676.

This paper addresses the typical issues faced by researchers looking to undertake academic analysis on administrative tax data. The authors discuss the mechanisms adopted by the Finnish tax authority and the HMRC in the UK to allow for data access by academics. The main contribution of the paper lies in outlining the different types of feasible collaboration projects between tax practitioners and researchers. The scope for cooperation lies predominantly in the empirical analysis of tax policy reforms and the completion of field experiments which aim to study the effects of pre-defined treatment parameters. The paper highlights the possible ways of aligning the academic research agenda with the primary functions of tax authorities. This is mainly based on careful project planning and precise communication on both sides. Even after suitable data have been identified, close cooperation is key to ensuring safe and effective use of the information. Finally, special care needs to be taken in order to overcome technical hurdles and disseminate the research results.

¹ Lorenz Adams, Shaun Grimshaw, Guylaine Nouwoue, and Luca Salvadori, Tax Administration Research Centre (TARC), University of Exeter.

Gunter, S. R. (2018). Your biggest refund, guaranteed? Internet access, tax filing method, and reported tax liability. *International Tax and Public Finance*, 26(3), 536-570.

This contribution studies the empirical relationship between tax filing behaviour and access to the internet using large-scale administrative data from the American Internal Revenue Service (IRS). In the US, the percentage of tax returns filed as paper returns has dropped by 50% during the period from 1999 to 2004. This trend mainly reflects the dramatic increase in the number of households with access to high-speed broadband. The paper uses zip code-level data to explore the behavioural relationship between individuals gaining access to the internet and changes in tax deductions, as well as the average tax to income ratio. The author utilises suggestive instrumental variables and two-stage least squares estimation to establish a link between changes in how tax returns are submitted and the increased use of tax preparation software packages. These packages are designed to alert users to applicable tax credits and relevant tax reductions. This largely explains the empirical patterns which are evident in the official data. A further aspect of the analysis is that an increased use of tax preparation software potentially results in changes to the labour supply and taxpayers' savings behaviour. This is mainly due to an improved understanding of the tax system and the incentives that it generates for taxpayers. Importantly, this paper calls the results of other contributions produced during the relevant time period into question. This is because such papers would inevitably capture behavioural responses to taxes, as well as shifts in tax filing behaviour.

DEVELOPING COUNTRIES

Caldeira, E., Geourjon, A.-M., & Rota-Graziosi, G. (2019). Taxing aid: The end of a paradox? *International Tax and Public Finance*, 27(1), 240-255.

This article reviews tax exemptions for projects funded by foreign aid. The authors discuss the effects of taxing aid on recipient countries' revenue mobilisation as well as the inconsistency of foreign aid policy induced by exemption claims. They found that tax exemption for aid is not only related to revenue losses in recipient countries reaching 1-3 percent of GDP in fragile states, but also associated with negative effects on economic activities in beneficiary countries. Moreover, the authors argue that systematic exemption reduces the credibility of the policies of donors, as well as the consistency of their aid policy. Finally, the authors examine the main justifications for tax exemption claimed by the donorship in favour of tax exemption for their assistance projects, and shed light on recent moves from some donor countries to let their aid intervention be taxed even though neither international policies nor concrete interactions between both parties have been implemented.

Gatt, L., & Owen, O. (2018). Direct taxation and state-society relations in Lagos, Nigeria. *Development and Change*, 49(5), 1195-1222.

This study discusses the impact of the implementation of direct income tax on the state-society relationship in Lagos state. The authors focus on: changes in Lagosians' awareness and attitudes towards paying taxes following an increase in service provision; people's sense of ownership towards the state; and whether tax reforms induce a renegotiation of state-society relations. To that end, they adopt a qualitative approach. They conducted 46 structured interviews between March and April 2012, and in September 2013, as well as in 2016 and 2017, paying attention to personal income tax only and to participants' perceptions. Overall, their findings suggest that a social contract, defined as a mutually fulfilling set of agreed-upon obligations, is emerging between Lagos State and its citizens, driven by the efforts made by

executives to improve the visibility of their service provision and to link that provision to the tax revenues collected. Specifically, the authors provide evidence that the state-society relationship in respect of market traders and self-employed is different, in that it is shaped by pre-existing concepts of public organisation and the modes of political engagement, which are both based on participants' education levels, as well as their level of access to information.

Castañeda, N., & Doyle, D. (2019). Progressive tax policy and informal labor in developing economies. *Governance*, 32(4), 1-24.

This research argues that left-wing governments in developing economies with large informal sectors have been forced to use regressive tax policies based on indirect consumption taxes in order to fund their redistributive strategies. Drawing on data from a panel of 17 Latin American countries for the years 1990 to 2016, the authors explore the joint effects of the left-right divide and labour market informality on tax policy. Their analyses, followed by some robustness checks that account for alternative consistent estimation techniques, alternative definitions of informality, and alternative control variables, provide consistent results. They find that left-leaning executives' tax strategies depend on the level of labour market informality. If it is low, left-leaning governments' redistribution policies are mainly funded by direct income tax-based policies. In contrast, with larger levels of informality, executives' strategies rely on elite business power. When business elites are less powerful, left-wing officials are more likely to increase the corporate tax burden and increase indirect taxation. If business elites are strong enough to matter, left-wing officials are more likely to build tax strategies that are essentially based on indirect consumption taxes.

Dabla-Norris, E., Misch, F., Cleary, D., Khwaja, M. (2019). The quality of tax administration and firm performance: evidence from developing countries. *International Tax and Public Finance*. Advance online publication.

This paper analyses the impact of the quality of tax administration on firms' performance, using a sample of 11,354 firms in emerging markets and developing economies. The authors construct a novel tax administration quality index (TAQI) using country-specific information about different dimensions of tax administration pertinent to the tax compliance burden faced by firms, and evaluate its heterogeneous effects across firms of different sizes and ages. By using a difference-in-difference approach, the authors show that the existence of a strong tax administration significantly enhances the productivity of small and young firms. This positive impact tends to offset a sizeable share of the productivity disadvantage faced by small and young firms when compared to larger and older firms. These results are robust when: using alternative measures of corporate productivity; controlling for various aspects of tax policy and economic governance that could have heterogeneous effects across firms; using alternative definitions of small and young firms; accounting for firms' size bunching incentives to avoid being monitored by tax authorities; and changing country coverage. The authors conclude that enhancing those aspects of tax administration that tend to lead to lower tax compliance costs (e.g. taxpayer information; filing, payment and post-filing processes; and accountability and transparency) is an alternative and important way of supporting small and young firms, who tend to be the ones facing higher compliance costs and lower levels of productivity.

NON-COMPLIANCE: UNDERREPORTING

Kukk, M., Paulus, A., & Staehr, K. (2019). Cheating in Europe: Underreporting of self-employment income in comparative perspective. *International Tax and Public Finance*. Advance online publication.

This paper applies Pissarides and Weber's (1989) expenditure method framework in order to explore the non-compliance behaviour of the self-employed in 26 European Union (EU) countries. The authors exploit data from harmonised microeconomic data from the 2010 EU budget survey to enhance cross-country comparisons of underreporting behaviour in many EU countries. They provide evidence that there is no relationship between the proportion of non-compliance and the level of development of the countries involved. However, they do find an important change in income underreporting of, on average, from 10% to more than 40%, across countries. The authors conducted robustness checks using either alternative covariates and instruments or alternative definition of self-employment, and concluded that their results were sensitive to the latter.

CORRUPTION

Liu, C., & Mikesell, J. L. (2018). Corruption and tax structure in American states. *The American Review of Public Administration*, 49(5), 585-600.

This paper investigates the extent to which public corruption could influence the tax structure of American states using panel data from the US Department of Justice. The authors ran multiple regressions, and carried out various robustness checks accounting for alternative sets of covariates, alternative estimation strategies for potential endogeneity, and sample biases. Their consistent and robust results provide evidence that corruption has a significant influence on the structure of tax systems. The authors argue that states with high levels of corruption are more likely to have complex tax structures, experience higher tax burdens, and place a greater reliance on regressive indirect taxes.

HIDDEN ECONOMY

Swanson, L. A., & Bruni-Bossio, V. A. (2019). A righteous undocumented economy. *Journal of Business Ethics*, 160(1), 225-237.

This paper explores how entrepreneurship in informal economies contributes to the good life, well-being, and prosperity by building social and economic capacity across a rural business ecosystem, contradicting the scenario described in academic literature where informality is associated with illegal activity and tax evasion. The approach adopted is based on a new paradigm called the community-based participatory action research approach and consisted of a five-year research project that involved 375 participants from seven indigenous communities spread across a large and sparsely populated geographic region in the northern part of the Canadian province of Saskatchewan. As a result, the authors provide evidence that history, culture, and tradition are significant undocumented explanatory factors of the business ecosystem in developed countries. They suggest a move in concept use when defining such ecosystem, from informal, hidden, or underground economy to undocumented economy, in order to incorporate righteous motivations.

ANTI-AVOIDANCE RULES

Titus, A. (2019). Designing a general anti-avoidance rule for the East African community – A comparative analysis. *World Tax Journal*, 11(2), 291-300.

This research seeks to design a general anti-avoidance rule (GAAR) for the East African community (EAC) using a comparative-functional approach in order to address both legal and operational aspects of the implementation phase. The author builds on existing GAARs in all countries in the community and incorporates international best practices through a comparative analysis of GAARs in the European Union, Canada, and South Africa because of their respective similarities in founding treaties with the EAC, experience in jurisprudential practises, and experience of applying GAAR legislation in developing nations. The author argues that the proposed EAC federation, which will involve a political federation, should legislate a common GAAR in order to avoid profit-shifting. In so doing, the author provides essential tools to be considered when designing such legislation in line with international development and adapting it to the EAC environment.

TAX ENFORCEMENT

Wynter, C. B., & Oats, L. (2019). Knock, knock: The taxman’s at your door! Practice sense, empathy games, and dilemmas in tax enforcement. *Journal of Business Ethics*. Advance online publication.

This paper explores the Jamaican tax administrators’ practices in respect of property tax defaulters with outstanding tax obligations in excess of three years using a qualitative approach. The authors’ research strategy was based on 35 semi-structured interviews with purposively selected tax administrators and key agents over a 19-week period, which were conducted in 2012, 2013, and 2016. The aim of the interviews was to gain understanding of tax administrators’ perspectives and interactions with defaulters, as well as their engagement with enforcement. In addition to fieldwork activities, the authors used other sources of information regarding citizen character’s performance over a six-year period. They found that tax administrators can switch from assimilated empathy to cynical empathy depending on their perception of defaulters and their moral make-up. Considering these two types of empathies, the authors argue that street-level tax administrators are more likely to concentrate on easier cases – those of defaulters who are least able to resist – leaving more resistant defaulters outside of the tax net in order to meet their targets and increase revenue collections. They also found that tax officials claim for doing what they can do rather than what they should do, according to their enforcement engagement, in order to secure compliance. Therefore, the authors conclude that tax administrators’ empathy may also arise from self-interest rather than from compassion and social cohesion.

COMPLIANCE: NUDGES

Alm, J., Cifuentes L. R., Niño, C. M. O., & Rocha, D. Can behavioral “nudges” improve compliance? The case of Colombia social protection contributions. *Games*, 10(4), 43.

This paper describes results from a field experiment conducted within the online systems for social protection tax payments in Columbia. The paper details the use of a number of different “nudges” based on different messages relating to audits, penalties, or benefits, which are operationalised through pop-ups within the system and designed to encourage compliance. The

authors use difference-in-difference methods to report limited changes in compliance relative to a control group who received a neutral nudge, but an increase in contributions by self-employed individuals when compared to a group who receive no message. The results do not hold for declarations by company agents acting on behalf of other people, perhaps suggesting that such individuals are already aware of the information about the tax system conveyed within the messages.

Notably the paper details an interesting result, which was consistent across the treatments: 19% of individuals making declarations in the month prior to the intervention opted not to complete their payments after a message appeared. The authors note that this may be due to issues with the payment system or attempts to evade surveillance by the tax authority. The authors conclude that the observation of such decay in responses serves as a basis for using the sample who received no messages as the more appropriate comparison than the sample who received the neutral nudge.

Chirico, M., Inman, R., Loeffler, C., MacDonald, J., & Sieg, H. (2019). Detering property tax delinquency in Philadelphia: An experimental evaluation of nudge strategies. *National Tax Journal*, 72(3), 479-506.

This paper details the results of a field experiment using different content in a reminder about late payments of property taxes which was sent to more than 19,000 homes in the city of Philadelphia. The authors tested seven different treatment letters, with a varied focus on either the penalties associated with non-payment or with sentiments of tax morale potentially associated with the payments. When compared to a “holdout” sample, who were not sent reminder letters, all of the treatments saw cost-effective rises in the revenues raised, with the letters that stressed the nature of the penalties to be applied leading to the largest increase in compliance. While the authors calculate that, even under the returns of the treatment that was most successful in raising compliance, only around 5% of unpaid taxes had been received after three months, they make the case that such intervention could form one, particularly low cost, element of the agency’s fiscal policy. Interestingly, when examining the behaviour of the same households used in the experiment in the following tax year, the authors report no differences in compliance behaviour between the treatment groups.

COMPLIANCE EXPERIMENTS

Casal, S., Grimm, V., & Schächtele, S. (2019). Taxation with mobile high-income agents: Experimental evidence on tax compliance and equity perceptions. *Games*, 10(4), 42.

This paper reports the results of an experiment seeking to examine the potential effects of offering a preferential (low) tax rate to high income earners who have an outside option to leave the tax system, reflecting potential policies designed to counter international tax competition. Experimental subjects undertook a one-shot tax compliance game with contributions to a public good in groups of four, where one subject was to receive a high income of five times that of the other, low-income, subjects. High-income subjects faced a lower tax rate and also received a (weakly payoff dominated) outside option of a fixed return which led to no contribution to the public good. The authors test a hypothesis that the knowledge of such an outside option among the low-income taxpayers would lead to increased compliance under a “justification effect” for the regressive tax schedule.

The experimental sessions comprised of a 2x2 design, where one treatment dimension relates to whether or not low-income subjects were informed about the opt-out option offered to the high-income subject, and the other dimension relates to whether subjects were allocated low or high incomes based on performance in a cognitive test or randomly. The results show that information about the opt-out option did not increase compliance levels among the low-income subjects and that compliance was higher where income was allocated in a random manner. The authors further discuss how subjects' perceptions of equity within the tax system may extend beyond apparent constraints of feasibility, undermining the supposed justification of the regressive tax schedule.

Chan, H. F., Dulleck, U., & Torgler, B. (2019). Response times and tax compliance. *Games*, 10(4), 45.

This paper examines the variation in response times relating to different types of behaviour from a previously published tax compliance experiment. The authors report that the average time taken by subjects to make a declaration on their tax forms has an inverted U shape, with shorter response times observed for both fully non-compliant and fully compliant decisions when compared to the time taken in reporting partially compliant responses. This result suggests that choosing full compliance or full non-compliance represents clear-cut heuristics allowing for faster decision-making. The analysis also shows that response times become shorter over repeated rounds of the experiment as subjects become more familiar with the task. The authors also report variation in response times in relation to scores on a cognitive skills task, observing that higher scores in the task correlate with shorter response times for very low or very high levels of compliance. The authors discuss how such an analysis of response times could be used as a complimentary element of future studies using tax compliance games.

AUDITS

Li, W., Pittman, J. A., & Wang, Z.-T. (2019). The determinants and consequences of tax audits: Some evidence from China. *The Journal of the American Taxation Association*, 41(1), 91-122.

By employing data from a local tax office in China and a difference-in-difference research design, this paper investigates the determinants and the impact of risk-based audits on the future tax aggressiveness of private Chinese firms. In particular, the authors use a sample of 25,000 private firms across four years and employ a propensity score matching approach to mitigate the selection bias due to the non-randomness of the audit selection. The estimation of the propensity score sheds light on the determinants of the audit selection, corroborating that the idea that the tax authority is more likely to select a firm for an audit when that firm employs a certain tax aggressiveness strategy. By employing three different measures of non-conforming tax aggressiveness (namely, the GAAP effective tax rate, the cash effective tax rate, and the book-tax difference) and one measure of conforming tax aggressiveness (discretionary accruals), the authors show that tax audits mitigate future tax avoidance strategies. This result holds true for all of the measures of tax aggressiveness and tends to be driven by the first post-audit year. Specifically, according to this study, audits increase the GAAP (cash) effective tax rate by about 4.9% (5.6%) in following years. Similarly, audits reduce income-decreasing discretionary accruals by about 10.7%. An additional result provided by the paper relates to the role played by a firm's age. Young firms may be less sophisticated and, therefore, have more to learn from the experience of undergoing a tax audit than older firms. Accordingly, this study provides evidence that the improvement in reporting quality after tax audits tends to be

concentrated amongst younger firms. Finally, the paper shows that the incentive to repair a relationship with the government which has been damaged by the discovery of tax avoidance is more pronounced where government influence over the firm becomes greater.

TAX ADMINISTRATIONS

Bird, R. M. (2018). Fiscal decentralization and decentralizing tax administration: Different questions, different answers. In A. Valdesalici & F. Palermo (Eds.), *Comparing fiscal federalism* (Studies in territorial and cultural diversity governance, vol. 10, pp. 190-220).

Tax decentralisation and the decentralisation of tax administration are related but separable decisions. This paper analyses different countries' experiences in decentralising tax policy and tax administration by highlighting how they have reached different conclusions about the appropriate way to mix and match these issues. Namely, the author chooses Germany, China, Spain, and Canada as case studies. Germany is a "highly centralised decentralised tax system". On one hand, the states have no autonomy in setting tax rates and only limited control over tax officials. On the other, they have complete autonomy in deciding how to organise and administer both state and most important shared taxes (e.g. with respect to auditing efforts). China is an explicitly unitary country: the central tax office sets both policy and administrative guidelines. However, despite this apparently centrally-controlled structure, all taxes for all levels of government are actually collected by a vast network of regional (provincial) and local tax offices, and many aspects of tax administration remain under regional control to varying extents. Spain has gone from being a unitary, centralised country to a highly decentralised one. In fiscal terms, it is a uniquely asymmetrical decentralised country, which is still working out precisely how, and to what extent, the apparently conflicting desire for increased state autonomy and national unity can best be accommodated. Canada is, by most standards, one of the most fiscally decentralised countries in the world. However, its tax administration is substantially less decentralised than that of Germany, Spain, and China. According to the author, no country may have considered all of the relevant factors when designing the level of decentralisation in tax administration and tax policies, although he recognises there might not be a one-size-fits-all policy design which can be used to address these issues. However, he suggests that thinking through these two distinct questions separately can be a useful step towards achieving better outcomes.

INTERNATIONAL TAX

Ogembo, D. L. A. (2019). The Tax Justice Network-Africa v Cabinet Secretary for National Treasury & 2 others: a big win for tax justice activism? *British Tax Review*, 2019(2), 105-117.

In this paper, the author comments on a landmark case: the Kenyan Court's decision about the constitutionality of the double tax agreement signed by the government of Kenya and the government of Mauritius. Initially designed with the legitimate goal of tackling double taxation, the author argues that this agreement led to double non-taxation, resulting in the erosion of the already limited tax base in Kenya. Although the judgment validates the agreement's unconstitutionality, this paper sheds light on the court's failure at three levels. First, the court failed to set out the legal principles that apply when dealing with constitutional challenges in double tax agreements. Second, it missed the opportunity to shape the emerging jurisprudence on public participation. Finally, the author argues, the judgment introduced some

complexity by holding that double tax agreements are not treaties and do not have to be ratified, a position that is in contradiction to international law principles.

Oats, L., & Tuck, P. (2019). Corporate tax avoidance: Is tax transparency the solution? *Accounting and Business Research*, 49(5), 565-583.

This article discusses the relationship between corporate tax avoidance and the impact that increased tax transparency may have on the behaviour of these corporations. Initially, the authors recognise both the conceptual and definitional difficulties surrounding the topic area of unacceptable tax avoidance. They then discuss the complexities and limits which accompany an increase in tax transparency. In order to further explore the presented topic area, they make use of two recently introduced tax disclosure requirements – country-by-country reporting and tax strategy disclosures – outlining the advantages and disadvantages of both, with a specific focus on their impact on transparency and corporate tax avoidance. In conclusion, they bring together the most crucial aspects of the previous sections, suggesting that an increase in tax transparency could be inevitable but introducing the idea that the availability of too much information may not, in the end, be a positive outcome. Intensifications in transparency could lead to increased pressure on auditing processes whilst encouraging a rise in the cost of compliance for many multinational enterprises (MNEs). Ultimately, the authors state that it is currently not possible to decide whether or not the benefits of greater transparency will outweigh the costs.

Christensen, R. C., & Hearson, M. (2019). The new politics of global tax governance: Taking stock a decade after the financial crisis. *Review of International Political Economy*, 26(5), 1068-1088.

This essay consists of a review of four recent books which are concerned with changing paradigms in international political economy (IPE) scholarship. It links the financial crisis of 2007-2009 to growing challenges in global economic governance, which have been compounded by increased financial instability, inequality in wealth distribution, and over-accumulation of wealth. The work suggests that research has not reacted to the dramatic changes introduced by the financial crisis and still views the international tax regime as being stable and one of incremental reaction. It goes on to proffer that a new research agenda that aims to explain variation in the spread, scope, and depth of change in the institutions of international tax governance is required. The paper explores the environment by analysing the links between global tax governance and four significant changes in the realm of the international political economy. These are: the return of the state through more activist policies; the power shift towards emerging markets; the politics of austerity and populism; and the continued digitalisation of the economy.

van Apeldoorn, L. (2019). A sceptic's guide to justice in international tax policy. *Canadian Journal of Law & Jurisprudence*, 32(2), 499-512.

This paper sets out to answer the following question: “what, if any, are the moral norms governing the international taxation regime if the sceptic is right to think that considerations of distributive justice do not apply beyond the state?”. The author achieves this through a carefully scripted analysis of the book *International Tax Policy: Between Competition and Cooperation* by Tsilly Dagan (2017)., Thomas Nagel’s arguments are identified as predominant in policy debates on international tax in Dagan’s work and, as a result, are also readily discussed in this paper. Furthermore, van Apeldoorn discusses the weaknesses in Dagan’s perspective that

“Nagel is committed to a duty of justice to promote distributive justice abroad”, finally, deliberating that Dagan could further “ground her argument in a humanitarian duty that Nagel does accept.”

Sandler, D., & Watzinger, L. (2019). Disputing denied downward transfer-pricing adjustments. *Canadian Tax Journal*, 67(2), 281-308.

This article seeks to consider “the appropriate forum for disputing a denied downward transfer-pricing adjustment” under subsection 247(10) of the Canadian Income Tax Act. The authors set the scene by exploring when a request for a downward transfer-pricing adjustment may be required, then discuss when such a process should be granted. They then investigate whether the Federal Court or the Tax Court of Canada are the appropriate bodies to rule on a disputed denied downward transfer-pricing adjustment. The language of written legislation, legislative history, restrictions on Federal Court jurisdiction, and other practical considerations would all suggest that the Tax Court of Canada would be the correct forum. Despite this, the authors point out that there are scenarios in which the jurisdictional divide between the Federal Court and the Tax Court becomes less clear, and recommend amendments.

Chatzivgeri, E., Chew, L., Crawford, L., Gordon, M., & Haslam, J. (in press). Transparency and accountability for the global good? The UK’s implementation of EU law requiring country-by-country reporting of payments to governments by extractives. *Critical Perspectives on Accounting*.

This paper concentrates on the United Kingdom’s implementation of Chapter 10 of the EU’s Accounting Directive, which the authors consider to be “an instance of ‘accounting’ mobilisation and functioning in context”. The paper goes on to discuss a variety of evidence in order to explore the law’s transposition and the way in which companies implemented the changes required. The authors begin by outlining their own theoretical framing, and then present a case analysis, discuss the events which led to the regulation being adopted, assess the legal text, review comments written as the law was being transposed, analyse industry guidelines, and assess early reporting. Following their analysis, the authors suggest that the introduction of the law has had a progressive impact, although they go on to conclude that there are ways in which the law could allow for more freedom and point out that there are some regulatory weaknesses.

Lips, W. (2018). Great powers in global tax governance: A comparison of the US role in the CRS and BEPS. *Globalizations*, 16(1), 104-119.

In this paper, the author discusses how the United States impacted the reach and effectiveness of the Common Reporting Standard (CRS) and base erosion and profit shifting (BEPS). Throughout this article, the author address two questions regarding the role played by the US as an important participant in tax governance developments: firstly, “if successful reforms in information-exchange can be traced to US intervention, are the weak BEPS outcomes ascribable to US reticence” and, secondly, “would a self-interested unilateral act by great power, similar to FATCA, be sufficient to open a window for fundamental multilateral form against BEPS practices”? The author begins the investigation by discussing the difference in outcomes between BEPS and CRS, but points out that a comparison of the two may not be straightforward. An analysis of the influence of FATCA to CRS, and a discussion of the US preferences and redistributive conflicts in BEPS follow. The author suggests that the impact

that the US had on both CRS and BEPS is considerably more limited than has been suggested in previous literature.

REFERENCES

- Alm, J., Cifuentes, L. R., Niño, C. M. O., & Rocha, J. Can behavioral “nudges” improve compliance? The case of Colombia social protection contributions, *Games*, 10(4), 43. <https://doi.org/10.3390/g10040043>
- Almunia, M., Harju, J., Kotakorpi, K., Tukiainen, J., & Verho, J. (2018). Expanding access to administrative data: the case of tax authorities in Finland and the UK. *International Tax and Public Finance*, 26(3), 661-676. <https://doi.org/10.1007/s10797-018-9525-0>
- Bird, R. M. (2018). Fiscal decentralization and decentralizing tax administration: Different questions, different answers. In A. Valdesalici & F. Palermo (Eds.), *Comparing fiscal federalism* (Studies in territorial and cultural diversity governance, vol. 10, pp. 190-220). https://doi.org/10.1163/9789004340954_011
- Boonzaaier, W., Harju, J., Matikka, T., & Pirttilä, J. (2019). How do small firms respond to tax schedule discontinuities? Evidence from South African tax registers. *International Tax and Public Finance*, 26(5), 1104-1136. <https://doi.org/10.1007/s10797-019-09550-z>
- Caldeira, E., Geourjon, A.-M., & Rota-Graziosi, G. (2019). Taxing aid: The end of a paradox? *International Tax and Public Finance*, 27(1), 240-255. <https://doi.org/10.1007/s10797-019-09573-6>
- Casal, S., Grimm, V., & Schächtele, S. (2019). Taxation with mobile high-income agents: Experimental evidence on tax compliance and equity perceptions. *Games*, 10(4), 42. <https://doi.org/10.3390/g10040042>
- Castañeda, N., & Doyle, D. (2019). Progressive tax policy and informal labor in developing economies. *Governance*, 32(4), 1-24. <https://doi.org/10.1111/gove.12390>
- Chan, H. F., Dulleck, U., & Torgler, B. (2019). Response times and tax compliance. *Games*, 10(4), 45.
- Chatzivgeri, E., Chew, L., Crawford, L., Gordon, M., & Haslam, J. (in press). Transparency and accountability for the global good? The UK’s implementation of EU law requiring country-by-country reporting of payments to governments by extractives. *Critical Perspectives on Accounting*. <https://doi.org/10.1016/j.cpa.2019.02.001>
- Chirico, M., Inman, R., Loeffler, C., MacDonald, J., & Sieg, H. (2019). Deterring property tax delinquency in Philadelphia: An experimental evaluation of nudge strategies. *National Tax Journal*, 72(3), 479-506. <https://doi.org/10.17310/ntj.2019.3.01>
- Christensen, R. C., & Hearson, M. (2019). The new politics of global tax governance: Taking stock a decade after the financial crisis. *Review of International Political Economy*, 26(5), 1068-1088. <https://doi.org/10.1080/09692290.2019.1625802>
- Dabla-Norris, E., Misch, F., Cleary, D., Khwaja, M. (2019). The quality of tax administration and firm performance: evidence from developing countries. *International Tax and Public Finance*. Advance online publication. <https://doi.org/10.1007/s10797-019-09551-y>
- Gatt, L., & Owen, O. (2018). Direct taxation and state-society relations in Lagos, Nigeria. *Development and Change*, 49(5), 1195-1222. <https://doi.org/10.1111/dech.12411>

- Gunter, S. R. (2018). Your biggest refund, guaranteed? Internet access, tax filing method, and reported tax liability. *International Tax and Public Finance*, 26(3), 536-570. <https://doi.org/10.1007/s10797-018-9528-x>
- Kukk, M., Paulus, A., & Staehr, K. (2019). Cheating in Europe: Underreporting of self-employment income in comparative perspective. *International Tax and Public Finance*. Advance online publication. <https://doi.org/10.1007/s10797-019-09562-9>
- Lips, W. (2018). Great powers in global tax governance: A comparison of the US role in the CRS and BEPS. *Globalizations*, 16(1), 104-119. <https://doi.org/10.1080/14747731.2018.1496558>
- Li, W., Pittman, J. A., & Wang, Z.-T. (2019). The determinants and consequences of tax audits: Some evidence from China. *The Journal of the American Taxation Association*, 41(1), 91-122.
- Liu, C., & Mikesell, J. L. (2018). Corruption and tax structure in American states. *The American Review of Public Administration*, 49(5), 585-600. <https://doi.org/10.1177/0275074018783067>
- Oats, L., & Tuck, P. (2019). Corporate tax avoidance: Is tax transparency the solution? *Accounting and Business Research*, 49(5), 565-583. <https://doi.org/10.1080/00014788.2019.1611726>
- Ogembo, D. L. A. (2019). The Tax Justice Network-Africa v Cabinet Secretary for National Treasury & 2 others: a big win for tax justice activism? *British Tax Review*, 2019(2), 105-117.
- Pissarides, C. A., & Weber, G. (1989). An expenditure-based estimate of Britain's black economy. *Journal of Public Economics*, 39(1), 17-32. [https://doi.org/10.1016/0047-2727\(89\)90052-2](https://doi.org/10.1016/0047-2727(89)90052-2)
- Sandler, D., & Watzinger, L. (2019). Disputing denied downward transfer-pricing adjustments. *Canadian Tax Journal*, 67(2), 281-308. <https://doi.org/10.32721/ctj.2019.67.2.sandler>
- Swanson, L. A., & Bruni-Bossio, V. A. (2019). A righteous undocumented economy. *Journal of Business Ethics*, 160(1), 225-237. <https://doi.org/10.1007/s10551-018-3878-2>
- Titus, A. (2019). Designing a general anti-avoidance rule for the East African community – A comparative analysis. *World Tax Journal*, 11(2), 291-300.
- van Apeldoorn, L. (2019). A sceptic's guide to justice in international tax policy. *Canadian Journal of Law & Jurisprudence*, 32(2), 499-512. <https://doi.org/10.1017/cjlj.2019.14>
- Wynter, C. B., & Oats, L. (2019). Knock, knock: The taxman's at your door! Practice sense, empathy games, and dilemmas in tax enforcement. *Journal of Business Ethics*. Advance online publication.