



Tax Audit, Deterrence, And In-House Tax Professionals' Tax Compliance: Empirical Evidence from Malaysia

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ABSTRACT

The hitherto published studies have not yet explored the tax compliance behaviour of in-house tax professionals. It is assumed from the literature reviews on taxation that a tendency for tax non-compliance exists among the professionals who deal in tax matters in their business establishments when they do not comply with their respective tax systems. Deterrence theory suggests the tax audit or probability of getting audited influences an individual compliance pattern. Given this gap in the literature, this study endeavours to investigate the tax audit impact on Malaysian in-house tax professionals' tax compliance behaviour. Using purposive and snowball sampling techniques, the data was collected from 392 in-house tax professionals of businesses in Malaysia. SmartPLS is used to analyse the data and test the hypotheses. The findings of this study divulge probability of getting audited strongly impacts upon personal tax compliance of corporate in-house tax professionals. This study opens a gateway to producing extensive and expeditious empirical evidence that could support the relatedness between tax professionals' personal tax compliance and their decision-making on corporate tax compliance.

Keywords: Tax Audit, In-house Tax Professionals, Personal Tax Compliance, Deterrence Theory, SmartPLS.

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1. INTRODUCTION

Background

The economic sustainability of Malaysia is mostly derived from the source collection of direct tax revenue from corporate taxes, individual taxes, real property taxes, petroleum taxes, and stamp duties that account for approximately 65 percent of the national cumulative economy as stated in the annual budget 2020 (Ministry of Finance Malaysia, 2019a). Non-compliance with any of the above-mentioned taxes is social destruction, challenging the stability of the national revenue of Malaysia, and decreasing the strength of its economic stability by encouraging cheating and fraud to take place (Salawati et al., 2021). Malaysia established its 'Self-Assessment System' (E-filing) for taxation in 2004. The pre-SAS system, which is also known as the 'Official Assessment System' (OAS), is different from the post 'Self-Assessment System', simply called 'SAS', which is currently used for taxation in the country and executed electronically and solely by the taxpayers themselves, whereas the pre-SAS system is executed manually by the taxpayer and the Inland Revenue Board of Malaysia (IRBM).

tax revenue of Malaysia has been declining dramatically for the past two decades as well (World Bank, 2018). The rise in the GNI and the decline in tax revenue highlight the severe tax gap in Malaysia, indicating a loss in the national revenue from tax collection and a real cost created for society (Devos, 2013). To support further the problem, the data related to labour force explains that Malaysia's employment rate was in a healthy level and the country were managed to keep the unemployment rate within 3.5 percent. At an interval of about three years, when comparing two years values of Malaysian household income shows a significant improvement that is parallel with the trend of Malaysia's GNI. Malaysia is witnessing an improvement in the absolute poverty rate when compared to the rate in the previous decades, proving that the income earned by the residents is without any impediments. Further, the 'International Monetary Fund' (IMF, 2002) alerts that severe tax gaps may lead to the prevalence of shadow economy in the country.

Referring to figure 1 and figure 2 below, Malaysia's total gross national income (GNI) has been moving upward steadily for the past two decades (World Bank, 2020a). Meanwhile, the

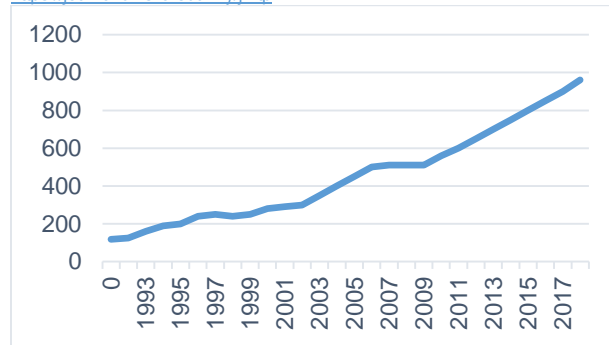


Figure 1: Gross National Income, Malaysia.

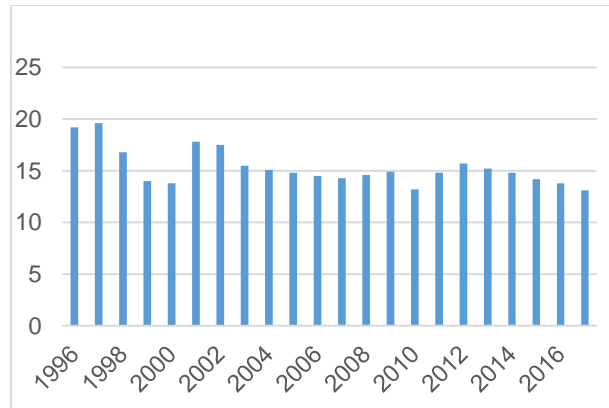


Figure 2: Malaysia, Tax Revenue Collection.

Although the corporate tax remains as the highest source of contribution, among all the other types of taxes, the tax planning is carried out by a person on behalf of a corporation. There is a tendency for an individual for not complying with the tax system, and there are also chances for an individual to act similarly for the corporate taxes. In Malaysia, tax non-compliance is considered a behavior of the residents, where the residents intentionally or unintentionally do not comply with the tax system, violating the Income Tax Act. No. 53, Section 103. A tax-gap of RM 13 billion has been recorded in the year 2018 (Ministry of Finance Malaysia, 2019b). Free Malaysia Today (2022) reports that IRBM has identified nearly 31,000 possible tax evaders across the country. This includes more than 24,000 individuals who were traced based on their asset ownership and their liability of long-term borrowings of nearly RM500,000. Apart from the tax gap IRBM estimated in the year 2018 (Before Covid-19), the tax losses for the year 2022 have been estimated as RM665 million. The IRBM has issued a statement in which it mentioned “Criminal probes would result in charges being filed in court under the Income Tax Act 1967 for tax evasion”. The tax authority of Malaysia confronts difficulties in collecting taxes and in executing tax compliance system. During the announcement of the budget for the year 2019, the then Minister of Finance, Mr. Lim Guan Eng, launched a special voluntary disclosure program to allow the remaining non-compliant taxpayers, who have not yet complied with the tax system, to disclose and report their income. This system makes ease the duties of the IRBM in collecting taxes. Although the corporate tax remains as the highest source of contribution, among all the other types of taxes, the tax planning is carried out by a person on behalf of a corporation (Sritharan & Salawati, 2019a). There is a

tendency for an individual for not complying with the tax system, and there are also chances for an individual to act similarly for the corporate taxes. As such, there is a need to investigate the relationship between the personal tax compliance and the corporate tax compliance (Baghdad, 2017).

The term “Tax Professionals” has so much of confused ideology among scholars, who most of the time identify tax agents as tax professionals, while others refer in-house tax executives. Review of literatures clearly shows that studies related to tax professionals are available but none of them have examined their tax compliance behaviour. For example, Study by Mulligan and Oats (2016) investigated how tax professionals working culture exists at their workplaces in Silicon Valley. For this, the study looked into their activities within an organization and found that they shape the company's tax law and practices. Meanwhile, another study by Devos (2012) identified tax agents as tax professionals and investigated how their attitude influence their clients' personal tax compliance. An earlier study by Bobek and Radtke (2007) has studied merely the tax professional's decision making in their corporate taxes with examining their corporate culture, not looking at their personal tax compliance behavior. Majority of the other studies are pointing tax agents as tax professionals and find the links between them and their clients or between them and tax authorities.

The recent judgment of the High Court of Malaya at Kuala Lumpur is disclosed under the title as *Bar Malaysia v Ketua Pengarah Hasil Dalam Negeri* [2018] 9 MLJ 557 highlight the legal professional privilege and clients' accounts (Malaysian Bar, 2022). This case was filed by the Malaysian Bar Association to find a law suit against Inland Revenue Board of Malaysia, which anonymously conducted raids in tax firms to retrieve their clients' accounts. And the Bar Association also stated that IRBM has demanded the access to the relevant clients' accounts at Tax firms. The Judicial Commissioner of the High Court Hon. Darry Goon JCA decided the case in favor of Malaysian Bar association and ruled out in favor of Malaysian Bar. This case highlights that the tax agencies and taxpayers react promptly after the IRBM audit raid, and the subsequent actions has limited the IRBM audits on client's accounts. This strongly indicates the influence of audit on taxpayers' behaviour.

Deterrence theory, which emphasize the consequences of getting caught under an audit and threat of punishment increases the compliance level among people. For example, recent studies by Manual and Xin (2016), Mohd Yusuf et al. (2014), Mohdali et al. (2014), Abu Hassan et al. (2021), and Kiow et al. (2017) learned using deterrence theory and investigated the tax compliance behaviour among SMEs and personal taxpayers. The way how audit probability shapes the in-house tax professionals' tax compliance is not yet studied, and this paper intend to fill the gap exist in literature.

Therefore, this study forms the following research objective.

- To investigate the impact of tax audit on Malaysian in-house tax professionals' tax compliance behaviour.

2. LITERATURE REVIEW

Deterrence Theory

The deterrence theory conveys that tax compliance behavior of an individual is influenced by the probability of getting detected (Alkhatib et al., 2019). The deterrence derives from an idea that effective action to decrease non-compliance behavior of taxes can be achieved by increasing tax audits by the relevant authority (Dularif et al., 2019).

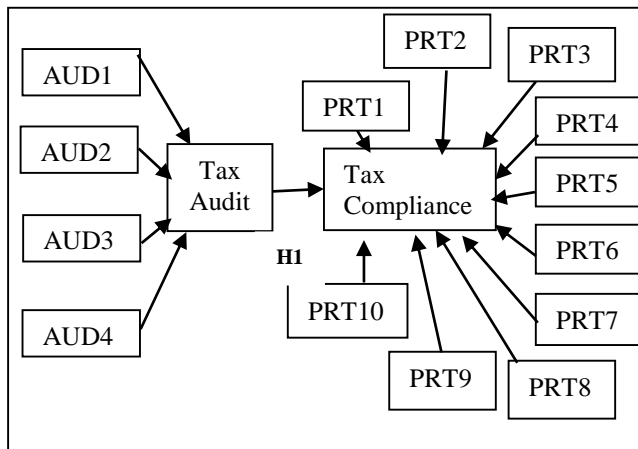


Figure 3: Research Model

Tax Compliance

Tax compliance with the tax law means true and honest reporting of tax with correct calculation of liability, timely filing of the tax return, and timely payment of the amount due (Kiow et al., 2017:). Most of the individual corporate taxpayers in Malaysia are hesitant to pay their taxes to the tax authority; and to cut down their tax liabilities, they engage in various strategies and actions (Ahmed & Kedir, 2015). Corporate tax compliance is an action that is performed by a corporate taxpayer for fulfilling the taxpayer's obligations to the corporate, adhering to the rules and regulations of the corporate (Sriharan et al., 2022a). Compliance with the tax law means true and honest tax reporting with correct calculation of liability, timely filing of the tax return, and timely payment of the amount that is due to be settled (Walsh, 2012; Kiow et al., 2017).

Tax Audit and Personal Tax Compliance

Taxpayers comply highly with the tax system if they find that the probability of their being caught, or detected is high (Zandi & Elwahi, 2016; IMF, 2002). Some studies found that there is a positive relationship between tax audit and tax compliance (Ayers et al., 2018; Modugu & Anyaduba, 2014). Supplemental analysis carried out by Ayers et al. (2018) shares the fact that the probability of audit alters the expectation of managers on the future tax submissions. The study made by DeBacker et al. (2013), using US Revenue authority's data and the financial statement data, explains that the legal enforcement, like the audit, may increase subsequent corporate misbehaviour. At the same time, a recent study made by D'Agosto et al. (2017) found that a positive relationship exists between tax audit and tax compliance behaviour in terms of deterrence theory. However, once a business has been audited, the importance of tax

compliance is felt by the individuals, and a change in the behaviour of the individuals can also be noticed.

Hypothesis Development

According to Ayers et al. (2018), in business, the managers' decision to comply with the tax system is determined by the probability of audit. The study by DeBacker et al. (2013) placed a different opinion claiming that legal enforcement increases tax aggressiveness, which is a way for the corporate sectors to act in reducing the tax payment, following an audit, and then to increase it sharply. Businesses comply with the tax system more when they have the probability of their businesses being audited by the tax authority; and soon after the audit, they become noncompliant with the tax system. Such a pattern of behaviour of the businesses is called 'U-Shaped Impact'. In the meantime, D'Agosto et al. (2017) state that there a positive and a significant relationship between tax audit and tax compliance. Different types of audits are carried out by the tax authority in Italy, relating to the cases of tax non-compliance they handle, which improved the level of tax compliance significantly in the country. However, the adoption of on-site, and desk audit has shown a great effect on the tax compliance.

Therefore, H1: There is a positive association between tax audit and personal tax compliance of Malaysian in-house tax professionals.

3. METHODOLOGY

The perception of the tax system in the minds of taxpayers changes their behavior. A survey method of data collection is the best tool chosen to collect the taxpayers' perceptions of the selected variables (Sekaran, 2005). This study is intended to be conducted in Malaysia, because of the rising tax gap. The tax gap is caused by the noncompliance behaviour of the taxpayers. Corporate taxes are generally higher contributions made to the government compared to personal taxes. However, corporate tax compliance decision-making is done by a tax professional of the business. Therefore, investigating tax professionals' personal tax compliance is assumed to influence their corporate tax compliance. There is no specific statistical report to disclose specifically the population of tax professionals in Malaysia. Government and Non-Government organization's websites such as Companylist.org, SMEMalaysia.org, Small and Medium Enterprise Association (SAMENTA), Investpenang.gov.my, Saveoursmes.org, and businesslist.my were used to retrieve email addresses of the company. This study has chosen the purposive sampling method, which is the appropriate sampling method to get the 'feel' of the phenomenon, or the variable interest of the said responding individuals (Sekaran, 2005), and snowball to increase the response rate. The sample size is 400 (Sekaran, 2005). The 'Smart PLS' is used to test all the hypotheses.

Previous studies confirm that it has been a tradition to conduct surveys to collect data for tax-related studies (Richardson and Sawyer, 2001). Saunders et al. (2003) explain that questionnaire is classified into a self-administered questionnaire, and interviewer administered questionnaire. The survey method also has 'pros' and 'cons', which Kleven et al. (2011) share that survey approaches may be subjected to unreliable data. Therefore, the respondents must act

honestly and responsibly to complete this survey. To improve the freedom of the respondents to answer the questionnaire honestly, providing an anonymous questionnaire would be the best choice. This survey questionnaire falls under the self-administered questionnaire through the online platform, such as Google E-forms. Further, this questionnaire also collects the respondent's profile, in terms of the individual demographic information, as well as their represented business profiles. The sample, which is chosen for this study, is the individuals who manage/handle their/others' tax affairs in business - this survey required to be completed by an individual who handles tax affairs in business. The survey questionnaire consisted of two major sections. The first section of the questionnaire is about personal tax compliance and their tax audit. The second section consisted of the questionnaire relating to the respondents' information about themselves as well as about the businesses they work in. The items under each dimension are anchored on a seven-point Likert scale, ranging from Disagree =1 to Agree=7.

Structural equation models are often used to assess unobservable 'latent' constructs. The use of SEM is commonly justified in the social sciences because of its ability to impute relationships between unobserved constructs (latent variables) and observable variables. The use of SEM is commonly justified in the social sciences because of its ability to impute relationships between unobserved constructs (latent variables) and observable variables (Hair, 2021). SEM, therefore, allows the researcher to diagnose which observed variables are good indicators of the latent variables. Various methods in structural equation modelling have been used in the sciences, business, and other fields. While researchers agree that large sample sizes are required to provide sufficient statistical power and precise estimates using SEM, there is no consensus on the appropriate method for determining an adequate sample size (Sarstedt et al., 2021). The set of models is then interpreted so that claims about the constructs can be made, based on the best fitting model. In the confirmatory technique, each individual construct is validated at the measurement model level. In the measurement model, the validity and reliability of measures in each construct are ensured before proceeding to the structural model. Hair, (2021) explains that an absolute threshold or a benchmark for factor loading, which is the correlation coefficient between observed variables and latent common factors, in the PLS model is not established. As per previous studies, a cut-off loading of 0.5 is sufficient (Hair, 2021).

Table 1: Code names and Indicators

Code	Indicator	Code	Indicator
PRT1	I would feel guilty if I under-report my actual income in my annual tax return.	AUD1	If there was a discrepancy in the annual tax return, how likely is that it would be audited?
PRT2	To feel guilty for under-reporting income tax is good.	AUD2	If my company were to be chosen for a compulsory audit, how likely would a discrepancy be identified?

PRT3	Under-reporting my income tax makes me better off.	AUD3	The penalties are severe if my discrepancy were discovered in audit.
PRT4	There are a number of government services, infrastructures and facilities for which I am thankful.	AUD4	The chances of being audited are so low that it is worthwhile trying to economize a little on corporate income taxes for various reasons.
PRT5	Under-reporting income is acceptable if any portion of the money collected is wasted by government.	PRT6	Paying as little tax as possible is important.
PRT7	Government has spent the money collected from tax efficiently.	PRT8	Under-reporting my income will not hurt the society as a whole.
PRT9	I feel that I have made a positive contribution to my country by fully reporting all of my income.	PRT10	Scenario question.

4. RESULTS AND DISCUSSION

The actual population of this study is the tax affairs officers of Malaysian businesses. The tax affairs officers in Malaysia can be the owner of a business, or an appointed qualified officer, depending on the size and the nature of the business. There is no specific statistical report to disclose specifically the population of tax affairs officers in Malaysia. 72.2 % of the respondents are males, and 27.3% are females. Most of the respondents, the tax affairs officers of businesses, are Chinese representing 47%, followed by Malays, Indians, and other Bumiputras representing 33.16%, 16.07%, and 3.06%, respectively, also between the ages of 31- 40, representing 62.24%. Among them, 45.66% work in the food and beverage industry; and they are followed by the retail, and manufacturing industry 18.62% and 11.99 %, respectively.

It is mandatory for researchers to check and ensure free from common method bias. This "Common Method Bias" usually occurs in researches where the independent and the dependent variables are gathered from the same respondents for measurement (Berkokova et al., 2021). The researcher follows the steps suggested by Huang et al. (2018) by ensuring anonymity and keeping in mind that the responses delivered are based solely on their own perception. Also, questionnaire including a reversal measurement for certain constructs. In the meantime, Kock (2015) made a study on the Common Method Bias in 'PLS-SEM', highlighting that a full collinearity test is much sufficient to identify the issues relating to the bias. According to the table 2, the VIF values indicate the collinearity level between items that show below all the benchmark values of 3.3. If the value is above 3.3, it highly

indicates contamination of Common Method Bias. Therefore, if all the VIF in the inner models shows a full collinearity test, equal to or below 3.3, it is an indication that it is free from the Common Method Bias. Confirmatory factor analysis is a superior method to Expletory Factor Analysis (EFA) (Khreisat & Mugableh, 2020). Although there are various methods to test the reliability of the construct this study used Cronbach's alpha (α) coefficients by composite reliability (CR) when evaluating the measurement model for Confirmatory factor analysis (CFA).

Table 2: Collinearity Test

Items	VIF
AUD1	2.089
AUD 2	1.088
AUD 3	1.007
AUD 4	2.005
PTAX1	1.904
PTAX 10	1.470
PTAX 2	1.680
PTAX 3	2.281
PTAX 4	1.688
PTAX 5	1.939
PTAX 6	1.722
PTAX 7	1.901
PTAX 8	1.153
PTAX 9	1.880

Latkin et al. (2017) describes that the Social Desirability Bias occurs in a situation where the respondents under-report their undesirability and overstate their desirability. This study uses the Survey to collect data in respect of the social network factors, revealing that the social desirability bias is highly influenced in the social science studies that look into an individual's behavior. What is mentioned in this study is a set of clear protocols, such as preamble to easily understood words and questions, which are not self-determining. The survey questionnaire is designed in such a way that it can be used to collect data from the officers in order to assess their tax compliance behavior. Therefore, this study also has a higher level of tendency for the respondents to be contaminated by the Social Desirability Bias since the respondents may wish to show themselves good in terms of tax compliance. A reversal measurement for random constructs is practiced, where the higher level of the scale may indicate a lower-level of agreements, and vice versa. This type measurement may assist the researcher to predict whether the respondents randomly report high level of scale to present themselves representing a good citizen. Results of the paired-t test for the personal tax compliance indicated that there is a significant very small difference between Before ($M = 3.4$, $SD = 1.2$) and After ($M = 3.3$, $SD = 1.5$), $t(391) = 3.3$, $p < .001$. The outcome from the paired t-test indicates that the respondents act in fair manner and perceived ethical when responding to the survey questionnaire.

Table 3: Measure of Social Desirability Bias (Paired t-test)

Latent Variable	N	Average of Difference	Std. Dev. of Differences	t-value	p-value
Personal Tax	39	-0.1556	0.9291	-	0.00
	2			3.316	0

Table 4: Descriptive Analysis

Code	Mean	Standard Deviation	Excess Kurtosis	Skewness
AUD1	4.906	0.717	-0.287	-0.192
AUD 2	6.398	0.618	-0.627	-0.516
AUD 3	4.691	0.82	-0.239	-0.433
AUD 4	5.398	0.782	-0.387	0.101
PTAX1	3.222	1.443	0.060	0.851
PTAX 10	3.268	1.516	0.005	0.916
PTAX 2	3.281	1.52	-0.007	0.862
PTAX 3	3.268	1.664	0.114	1.051
PTAX 4	3.291	1.574	-0.078	0.852
PTAX 5	3.316	1.373	-0.289	0.735
PTAX 6	3.222	1.455	0.032	0.887
PTAX 7	3.191	1.654	0.070	1.020
PTAX 8	3.367	1.536	-0.103	0.877
PTAX 9	3.145	1.551	0.064	0.984

The normality predictors (Excess Kurtosis and Skewness) highlights that the values are within the benchmark and the data is normally distributed. SmartPLS is an advanced version of statics analysis package that automatically normalizes the data coded into the spreadsheet. The Table 4 clearly shows that no data is missed out for analysis and all the 392 responses are transferred into spreadsheet for analysis purposes.

Measurement Model

Table 5: Measurement Model

Constructs	Weight	AVE	CR
<i>Audit Probability</i>			
AUD1	0.793		
AUD 2	0.849	0.747	0.922
AUD 3	0.867		
AUD 4	0.848		
<i>Personal Compliance</i>			
PTAX1	0.628		
PTAX 10	0.627		
PTAX 2	0.623		
PTAX 3	0.523		
PTAX 4	0.638	0.680	0.816
PTAX 5	0.615		
PTAX 6	0.515		
PTAX 7	0.615		
PTAX 8	0.619		
PTAX 9	0.512		

The fundamental appeal of PLS-SEM is allowing the researcher to estimate complex models with many constructs and indicators, and complicated structural paths without imposing distributional assumptions on the data (Hair et al., 2019). The first step in the measurement model is to check the

fitness between the constructs and the latent variables. Pls algorithm reveals the outer weight for the formative constructs. Table 5 shows the outer weight of the formative constructs. Outer weight reveals the values above the benchmark value of 0.6, except for indicators of PTAX 3, PTAX 6, and PTAX 9. The second step in the measurement model is to assess the internal consistency reliability, most often using composite reliability (CR) (Hair et al., 2019). Composite reliability (CR) shows the indication of indicators on the latent variables ranges between 0.816 and 0.922, reporting the values above the benchmark, 0.7. The third step is assessing the convergent validity (Hair et al., 2019). Formative constructs are exempted from validity test. The average variance extracted (AVE), is reported between the range of 0.680 and 0.747, exceeding the recommended benchmark level of 0.5.

Structural Model

The structural model was estimated using SmartPLS 3 software. Based on the analysis, the R2 value for the relationship between independent variables, the factors, and the dependent variable, tax compliance among tax affairs officers of Malaysian businesses was 0.839. Thus, it can be summarised that 83.9 percent of the variance in the tax compliance level among tax affairs officers of Malaysian businesses are explained by the selected variables (Refer to Table 6).

Table 6: Path Coefficient

Path	Description	Hypothesis	Path Coefficient	t-value	p-value	Results
AUD → PR	Audit Probability	H1	0.683	3.251**	0.000	Supported
$R^2 = 0.839$ $F^2 = 0.330$						

As per the deterrence theory, the number of tax audits will significantly improve tax compliance among in-house tax professionals of Malaysian businesses. Looking at the analysis, it is clear that majority of the in-house tax professional acknowledge the fear of facing tax audits by Inland Revenue Board of Malaysia. As per the indicator (AUD2), which with a high mean value highlights that businesses' discrepancy will be identified once their business is chosen for tax audit. Meanwhile, in-house tax professional does accept the efficiency of tax authority in identifying the tax discrepancies in a business (AUD1). Meanwhile, in-house tax professionals also agree that the engagement in noncompliance is due to the confidence that it will not be audited by tax authority (AUD4). The current penalties vary depends on the type of non-compliance. Tax professionals aware of the penalty rate for noncompliance, and reporting that the penalties may higher upon detection (AUD3).

Referring to the earlier mentioned case Bar Malaysia v Ketua Pengarah Hasil Dalam Negeri, it is clear that tax payers do take initiative when tax authority makes some necessary measures to conduct tax audit on them. High level of tax audits or the awareness regarding chances of getting audited will improve the tax compliance level among in-house tax professionals in Malaysia.

Revelation of data analysis clearly illustrates that in-house tax professionals feel guilty if they tend to engage in under-reporting of their statutory income (PRT1). Meanwhile, accepting the under-reporting and over-stating the expenses is looked as unfair treatment among in-house professionals of Malaysian businesses (PRT8). Overall, the Malaysian tax professionals are in healthier mind set towards the national economy and the welfare of the community. Direct and reversal approaches in measuring the personal tax compliance indicates that other than negative scenarios, tax professionals largely tend to comply with the tax system by reporting their actual statutory income to the tax authority. Intensifying the ethics of tax professions in curriculums will be an enhancement to this profession in future as well.

5. CONCLUSION

According to Baghdad et al. (2017) an assumption is presumed that there is a tendency for a personal tax non-compliant taxpayer to not comply with the corporate tax system as well. This study predicted that the most important variable, tax audit exerts its influence on the personal tax compliance behaviour of the Malaysian tax professionals. This clarifies that every individual who work for a business in Malaysia should aware of the tax audit consequences. It is not encouraging their personal taxes but also motivate them to comply their corporate taxes honestly.

There are couple of limitations in this study. First, this study collected data during the Covid-19 Malaysian Movement Control Order (MCO). This specific time frame a hassle condition for most of the residence since the income making for all citizens were badly affected. Therefore, the findings may not represent the normal situation, but more towards the new normal condition. Next, is about the respondents. This study invited in-house tax professionals to take part in the survey, and subsequently requested the respondent to forwards the questionnaire link to others, who also perform duties as in-house tax professionals within their professional circle. There are higher chances this questionnaire may not be attempted by in-house tax professionals, but may be by the other staffs of Malaysian businesses.

This study directs the future researchers with few directions. First, considering Kelman's social influencing theory, future researcher may investigate how other external forces such as peers' tax compliance, satisfaction with government spending, and service quality of tax authority along with tax audit to look for the overall impact made on in-house tax professionals' personal tax compliance behaviour. In this regard, finding an accurate determinant on in-house tax professionals' personal tax compliance is necessary to further the future researchers to the next level. Secondly, future researches may investigate how in-house tax professionals' personal tax compliance

behaviour shapes their corporate tax compliance decision-making. Upon finding empirical evidence between external forces and in-house tax professionals' tax compliance, and then between tax professionals' tax compliance and their corporate tax compliance, future researchers may test for a mediation effect of personal tax compliance between external forces and corporate tax compliance. For that, having a primary data collection would not be sufficient to serve the purpose. Researchers may consider supplementary data collection to their preliminary data to strengthen their findings.

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