Lingnan University 嶺南大學 香港 Hong Kong | Faculty of Business 嶺南大學商學院 | HKIBS HONG KONG INSTITUTE OF BUSINESS STUDIES 香港商業研究所 | Department of Accountancy

Liberal Arts Education • Transformation For Life 博雅教育 成就一生

POSTGRADUATE SEMINAR SERIES
Research Findings Seminar

Topic Title : **Does violent crime matter in tax aggressiveness?**

Presenter : **Ms. QI Chun**
MPhil Student of Accountancy

Abstract : Research in psychology documents that repeated exposure to violence increases behavioral aggressiveness. This individual behavioral mechanism likely applies to organizations through interactions and connections among individuals within local social networks in the area. Applying the psychological research findings to accounting scenario, I employ violent crimes as a social context for local corporate aggressive behaviors. In addition, managements are corporate decision-makers; and therefore, I examine the violent crime rates surrounding corporate headquarters. Given that corporate tax aggressiveness is one type of corporate aggressive behaviors, I examine whether firms' tax aggressiveness is positively associated with the violent crime rate surrounding their headquarters.

The OLS results show that corporate tax aggressiveness is positively related to the violent crimes surrounding headquarters. Additional tests such as alternative tax aggressiveness measures and demographic variables also find similar results to support this research. Taking accounting restatements as dependent variables rules out the possibility that violent crimes cause accounting noncompliance to International Financial Reporting Standards (IFRS). These additional tests provide robust empirical evidence for the conclusion of this research.

This research responds to the prior tax research's call to examine the determinants of tax aggressiveness and it contributes to the growing tax literature by adding one determinant of corporate tax aggressiveness. It provides financial reporting information users with one more clue to detect potential tax-aggressive corporations and benefit their decision-making.

Date : 24 April 2024, Wednesday
Time : 10:00 – 11:00
Venue : SEK210, 2/F, Simon & Eleanor Kwok Building
Language : English

*** *All are Welcome* ***