

DOCTORAL THESIS

Certified inside directors and tax avoidance: international evidence

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ABSTRACT

Tax avoidance activities are complex, and the effective planning of these activities requires a mix of functional knowledge in business and a good understanding of a firm's operations. Armed with hands-on experience of running their firms' business and experience of other firms through their outside directorship appointments, certified inside directors (CIDs) are able to structure and execute tax avoidance activities for their firms. This study finds that firms with CIDs on their boards avoid more taxes. At the same time, only CIDs with no more than three outside directorships help firm save taxes. This study also supports that CIDs in complex firms and firms with bad environmental corporate social responsibility (CSR) avoid more taxes. This research extends the literature on corporate governance in general and inside directors in particular by examining whether CIDs can help firms save taxes.

Table of Contents

Certified Inside Directors and Tax Avoidance: International Evidence

I. Introduction	1
II. Literature Review	11
2.1 Certified Inside Directors (CIDs).....	11
2.2 Tax Avoidance.....	17
III. Hypothesis Development	26
IV. Research Design	40
4.1 Data and Sample.....	40
4.2 Regression Model.....	42
V. Empirical Result	49
5.1 CIDs and Tax Avoidance.....	49
5.2 Busy Board Theory.....	51
5.3 Firm Complexity.....	53
5.4 CSR and Tax Avoidance.....	56
5.5 Endogenous Problem.....	57
5.5.1 Determinants of CIDs on the board.....	59
5.5.2 Propensity score matching.....	60
5.5.3 Difference in Differences.....	61
5.6 Robustness Test.....	64
VI. Conclusion	68
Appendix:.....	73
Reference:.....	76