



**CORPORATE
CRIME
OBSERVATORY**

COMPLIANCE, AVOIDANCE, AND EVASION IN TAXATION: THE ROLE OF PROFESSIONALS

**SESSION 1
THE BRIGHT AREA**



2023

COMPLIANCE, AVOIDANCE, AND EVASION IN TAXATION: THE ROLE OF PROFESSIONALS

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GENERAL CONTEXT

- Exploring the notion and categories of tax professionals (e.g., lawyers, accountants, auditors, compliance officers).
- Roles and functions of tax professionals (e.g., acting as intermediaries between tax authorities and taxpayers, as systemic gatekeepers, as supporters of the rule of law).
- Characteristics, competence, and privileges of tax professionals (e.g., regulated professions, client-attorney privileges).
- Other figures external to the limited world of formal tax professionals, which may affect tax compliance and their relationship with the latter (e.g., notaries, financial institutions and other firms, mortgage advisors and other experts, and NGOs).

SPECIFIC ISSUES FOR EACH PANEL

PANEL #1: THE RELATIONSHIP BETWEEN TAX PROFESSIONALS, THE STATE, TAXPAYERS, AND SOCIETY – HOW TAX PROFESSIONALS ARE REGULATED

A. THE RELATIONSHIPS

- What are the characteristics of the relationship between tax professionals and the state (e.g., prevention of tax authorities' mistakes, safeguarding individuals from potential abuses in the administration of taxation, ensuring a dialogue between taxpayers and the administration leading to the correctness and fairness of tax enforcement, contributing to the development of a clear and effective legal framework such as the expansion of FinCEN program)?
- What are the characteristics of the relationship between tax professionals and taxpayers (e.g., prevention of taxpayers' mistakes, how can tax professionals enhance tax compliance and taxpayers' behavior, tax professionals' remuneration, bonuses, and other economic benefits as incentives for high-quality services)?

- What are the characteristics of the relationship between tax professionals and society (how could tax professionals foster equality, fairness, and justice in the taxation system, and how could tax professionals enhance corporate social responsibility)?
- How can legislation foster tax compliance or assist in unveiling tax misconduct (e.g., tax whistleblower legislation)?

B. THE REGULATION

- Why tax professionals should be members of a regulated profession (why the profession is regulated by law, what are the legal requirements to have certain qualifications or experience in order to undertake tax professional activities or use the related protected title)?
- What are the characteristics and main functions of tax professionals' regulators (e.g., independency, expertise)?
- What are the duties of professional associations and how they could shape tax practitioners' practices (including the adoption of ethical codes, monitoring procedures, and disciplinary sanctions)?
- How do the complexity and vagueness of the legal framework in the area of taxation affect the role of tax professionals?
- Is the currently applicable regulatory and disciplinary landscape able to shape professionals' behavior and inspire ethical conduct?

PANEL #2: TAX PROFESSIONALS: THEIR ETHICS AND THEIR ROLE IN ENFORCEMENT

A. TAX PROFESSIONALS AND ETHICS

- What are the most relevant ethical dilemmas tax professionals face?
- Which aspects of professional ethics and the fundamental values should guide tax professionals' activities?
- What are the tensions between loyalty towards clients, the State, and society, and how they could be managed in compliance with rule of law as well as other fundamental values?

- Do tax professionals' unique expertise and privileged position (regulated professions, client-attorney privileges, and so on) justify higher ethical expectations?
- Should professionals have a moralizing role?

B. TAX PROFESSIONALS AND ENFORCEMENT

- What is the role of tax professionals in unveiling tax misconduct and other related illegal activities such as money laundering and corrupt practices?
- In which way could tax professionals heal the fracture between law and justice, for example through fostering taxpayers' self-disclosure and cooperative compliance with tax administration?
- In which way tax professionals may be involved in disclosing illegal or unethical conduct (tax advisors reporting clients' misconduct; professionals safeguarding tax whistleblowers)?

PANEL #3: TAX PROFESSIONALS: GLOBALIZATION & CAPITALISM

- What are the characteristics of the modern, entrepreneurial, market-oriented logic of professional services, and how do they affect the role of tax professionals (e.g., pros of higher specialization vs cons of commoditization)?
- What is the nature of big law or accounting firms, their functions, and the features that distinguish them from individual tax professionals and small/medium offices?
- Should big firms, which employ tax professionals, adopt ethical codes of conduct tailored to their specific business operations?
- What are the problematic aspects related to potential conflicts of interest in tax professionals' practice (e.g., external auditing services and tax consultations, internal audit, and client representation) as well as the best practices to avoid them?
- Would it be possible to imagine a world without tax professionals?



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The Corporate Crime Observatory is an international platform established by independent academics and experts from different countries and backgrounds devoted to promoting the analysis and discussion of corporate and economic crime issues as well as other forms of corporate irresponsible behavior around the world.

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