

Tax indiscipline in Morocco: In search of compromise

L'indiscipline fiscale au Maroc : À la recherche du compromis

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Date submitted : 05/09/2022

Date of acceptance : 16/12/2022

To cite this article :

BAHOUSSA A. & al. (2022) « Tax indiscipline in Morocco: In search of compromise », Revue du contrôle, de la comptabilité et de l'audit « Volume 6 : Numéro 4 » pp : 88 - 112

Abstract:

A fair tax is above all a tax that is recognized as fair by both parties (the administration and the taxpayer), and this question is at the heart of the relationship between the individual and the State. Our contribution of a theoretical nature aims to review a synthesis on first the behaviors of tax indiscipline, then the different forms of this event, then its impact on the resources of the State and finally the solutions and recommendations proposed to reduce the phenomenon and promote the role of the administration in raising awareness of taxpayers in terms of tax citizenship, as well as compliance with tax laws in force.

Among the topics to recognize that the management of the risk of tax indiscipline is a major concern for the tax authority. This management is of course based on a risk analysis based on the incidents already experienced by the tax administration. These risks may be internal (such as the poor management of the data processing tools available to the administration, as well as the low rate of collection of tax revenues, and the errors and omissions that may be committed, the abuse of rights that the administration may practice), then external risks (particularly the legislative and regulatory framework), and finally specific risk management strategies will, where appropriate, make it possible to reduce these risks as much as possible.

The study carried out, based on the questionnaire method, among 50 individuals and legal entities of private law, allowed us to analyze the tax behavior of a representative sample of taxpayers, as developed below. The initial objective was to collect the different opinions, reflections and self-judgment of our target about tax indiscipline.

Keywords : Tax indiscipline, Risk, Taxpayer, Tax citizenship, Tax Risk.

Résumé :

Un impôt juste est avant tout un impôt qui est reconnu comme juste par les deux parties (l'administration et le contribuable), et cette question est au cœur de la relation entre l'individu et l'État. Notre contribution de nature théorique vise à faire une synthèse d'abord sur les comportements d'indiscipline fiscale, ensuite les différentes formes de cette manifestation, puis son impact sur les ressources de l'Etat et enfin les solutions et recommandations proposées pour réduire le phénomène et promouvoir le rôle de l'administration dans la sensibilisation des contribuables en matière de civisme fiscal, ainsi que le respect des lois fiscales en vigueur.

Parmi les sujets à reconnaître, la gestion du risque d'indiscipline fiscale est une préoccupation majeure de l'administration fiscale. Cette gestion s'appuie bien entendu sur une analyse des risques basée sur les incidents déjà vécus par l'administration fiscale. Ces risques peuvent être internes (comme la mauvaise gestion des outils informatiques dont dispose l'administration, ainsi que le faible taux de recouvrement des recettes fiscales, et les erreurs et omissions qui peuvent être commises, les abus de droit que l'administration peut pratiquer), puis externes (notamment le cadre législatif et réglementaire), et enfin des stratégies spécifiques de gestion des risques permettront, le cas échéant, de réduire au maximum ces risques.

L'étude réalisée, basée sur la méthode du questionnaire, auprès de 50 personnes physiques et morales de droit privé, nous a permis d'analyser le comportement fiscal d'un échantillon représentatif de contribuables, tel que développé ci-dessous. L'objectif initial était de recueillir les différentes opinions, réflexions et auto-jugement de notre cible sur l'indiscipline fiscale.

Mots clés : indiscipline fiscale, risque, contribuable, citoyenneté fiscale, risque fiscal.

Introduction

According to historical evidence from developed countries, fiscal policy is crucial to the development process of a country (SCHUMPETER, 1918). (BESLEY & PERSSON, 2013, 2014).

Tax revenue mobilization remains one of the most pressing issues for developing countries, and for many reasons, these nations need to finance significant expenditures in order to achieve their long-term development goals.

Moreover, it is to be noted that the average share of tax revenue in GDP is between 10% and 20% in DCs, which is much lower compared to developed countries where it represents between 25% and 50% of GDP (BESLEY & PERSSON, 2013, 2014). How then to explain these differences in ratios between developing and advanced countries?

On this point, a fiscal policy is said to be effective when it meets international standards (OECD Guidance Note), i.e. capable of collecting financial resources that allow the State to cover the major part of public expenditure.

However, these tax revenues are threatened by the risk of indiscipline caused by taxpayers. This practice includes all acts that allow to partially or totally escape the tax duty, such as failure to declare, fictitious invoices, non-conforming accounting, as well as the non-respect of the tax calendar.

To face these fraudulent acts, the tax administration has made huge efforts, whether in terms of reform of laws and regulations, or in terms of setting up the necessary financial, human and material means, in order to improve the administration/taxpayer relationship through the introduction of ICT in the citizen-public administration interface, as an innovative technical tool in order to submit taxpayers to their obligations.

Managing the risk of tax indiscipline necessarily involves two phases: a diagnostic phase and a treatment phase. The diagnostic phase is used to draw up an inventory of illegal activities, and the treatment phase consists of devising appropriate and judicious solutions to these types of offences.

The objective of this work is to detail these two phases by trying to answer the following fundamental questions: What is tax indiscipline? How to identify the risks linked to tax indiscipline? What solutions are proposed to these risks?

Our study will proceed as follows:

First, we will discuss the context, the objectives and the interests of our article, then we will identify the problematic and the methodology of the research, then we will analyze the results,

finally we will indicate our contribution thus of theoretical order in the form of managerial and scientific implications while being based on the failures detected during the empirical phase.

1. The theoretical foundations of fiscal indiscipline :

1.1. Partnership theory of governance and fiscal risk

This theoretical approach highlights the link between governance and fiscal risk, as well as specifying the impact of the organization's internal and external representatives in reconciling governance and fiscal risk.

Based on this observation, the introduction of risk management is essential, which is itself a key notion of governance. Indeed, and inspired by the aforementioned theory, tax risk management introduces two new notions, namely: the social responsibility and the tax culture of organizations/individuals.

The notion of partnership theory is a derivative of the agency theory (shareholder), in fact the agency relationship is established between a principal and an agent.

The agent is called upon to carry out a task on behalf of the principal, delegating some or all of its power to the principal (a shareholder and an executive). This agency relationship imposes costs on the principal, called agency costs.

In this sense, shareholders are not the only ones to have to bear agency costs related to the actions of individuals, other people called stakeholders or partners are also exposed to this kind of costs. Hence the title of the "partnership" theory of governance.

According to HIRIGOYEN (2000, p. 12), "a second current based on partnership governance defends, on the other hand, the idea that managers must manage their company by taking into account all the entitled parties.

The tax administration, for its part, is considered to be a "principal" in its link with the taxpayers (the agents) by granting them the possibility of declaring the majority of taxes.

This link gives rise to the existence of a large margin of maneuver, which can be the object of fraud and tax evasion by taxpayers. The costs of these fraudulent acts have a significant impact on the revenues of the tax authorities.

1.2. Game theory and risk management actors

Two main actors intervene in the process of tax risk management, firstly the taxpayers who are obliged to declare their taxes, which may result in the identification of a tax risk. And secondly, the tax authorities, who proceed to the control of their declarations.

Game theory is based on the interaction between players, which finds its foundation in the work of Von Neumann and Morgenstern (1944) cited by Robert (1995).

Indeed, the exchange of information between taxpayers and the General Tax Directorate is part of the cooperative game. According to Thisse (2008), a game is said to be cooperative when players can make binding agreements with each other.

The 2004 OECD study highlights the cumbersome nature of the tax provisions, while Ernst & Young (2004) and Russ (2008) point out the problem of frequent changes in tax regulations and interpretations by judges.

Naban and Sarvana (2009) highlight the lack of knowledge of tax benefits. As determinants of F.R., some authors are also interested in the organization of the administration.

Lacroque and Alepin (2008) emphasize specific operations whose tax rules are not very clear, the lack of competent tax personnel, the internationalization of activities, and the lack of financial resources.

(OECD, 2009) The organization of the tax administration is also a determinant of tax risk in the sense that the lack of competence, continuous training, and mastery of IT tools by the tax administration staff can be at the origin of tax risk, which can eventually lead to the detection of a tax risk. And at a later stage, the tax authorities, which study their declarations, will be able to detect the risk.

Game theory is based on the interaction of players, which has its roots in the work of Von Neumann and Morgenstern (1944), cited by Robert (1995). Indeed, the exchange of information between taxpayers and the tax authorities is part of the collective game.

According to Thisse (2008), a game is said to be collective when players can enter into binding agreements with each other.

The OECD study of 2004 highlights the severity of the tax provisions, while Ernst & Young (2004) and Russ (2008) have highlighted the issue of repeated changes in tax law and interpretations by the judiciary.

In this regard, Naban and Sarvana (2009) highlight the under-appreciation of tax benefits. Some authors are also initiated in the structuring of the administration.

Lacroque and Alepin (2008) focus on specific operations with unclear tax regulations, lack of qualified tax personnel, globalization of operations and lack of financial resources.

(OECD, 2009) The structure of the tax administration is also a determinant of the level of financial risk, as tax administration staff may lack knowledge, continuous training, or computer literacy.

2. Theoretical framework of the management of fiscal indiscipline hazards :

2.1. Definition of fiscal hazard:

Risk has become a concept that is present in all fields of action of individuals and organizations. It is a concept that is simple to define in the broadest sense, and difficult to define in terms of its specificity.

Referring to the ROBERT dictionary, the definition of risk is given as "the possibility of an event detrimental to one's health, life or property" or "a more or less foreseeable eventual danger".

The OECD (2004) defines tax risk as a potential risk associated with the contributor's failure to comply with the following obligations: registration in the system, timely filing of reports and information, accurate and complete reporting, and timely payment of any taxes due.

According to Rossignol (2002) tax risk can be defined from two perspectives:

- "The voluntary or involuntary non-compliance with tax rules"
- "Ignorance of a favorable provision can lead to a significant lack of opportunities, and it is closely related to the risk of loss of opportunities ."

Finally, according to Ernst & Young (2008, p. 3), fiscal risk is "any event, action, or inaction in budget strategy, operations, financial reporting, and compliance that mentions tax revenue or results in an unexpected level of fraudulent behavior by taxpayers or that could damage the tax administration' s reputation ."

Typology and classification of tax risks :

Given the diversity of typologies identified by researchers, the literature on fiscal risk shows that there is no agreement on the forms of fiscal risk to which the state may be exposed.

The first significant study to attempt to define a typology of fiscal risk was conducted by Rossignol in 2002. This study defines two categories of FR, namely compliance risk and opportunity risk. While the first is related to non-compliance with the regulations in force, whether in terms of the application of the tax law concerning current and specific operations, but also the application of this same law concerning operational, accounting and strategic approaches. The second one is related to the ignorance of the tax advantages offered by the tax administration through the General Tax Code.

While the first is related to the non-compliance with the regulations in place, both in terms of the application of the tax law on current and specific operations and in terms of the application of this same law on operational, financial and strategic initiatives.

The second is the under-appreciation of the financial advantages granted by the tax authorities through the General Tax Code.

Price Waterhouse Coopers (PWC) has also looked at the categorization of financial risks, producing a survey in 2004 that identified two groups of risks:

-Specific Risks Transactional risks, operational risk , compliance risk and financial accounting risk fall into the first category.

General risks included in the second category include management risks associated with lack of paperwork, resources, skills and time, and portfolio risks.

Neubig and Sangha (2004) go further and identify eight categories of budgetary risk, including

-Operational or compliance risk, which confirms the conclusions of Rossignol's study (2002);

-Economic and financial risk;

-Legal risk, which is related to the uncertainty surrounding the outcome of legal proceedings;

-Regulatory risk, which results from diligent financial controls by the administration.

2.2. Management of the risk of fiscal indiscipline :

With such a wide range of risks inherent in administrative work and given that it is considered a breach of contract, it is obvious that the application of legal and fiscal regulations is difficult and complicated.

This requires a specific management of these categories of risk incumbent on the activity of the tax organization. Hence the obligation to choose a risk management strategy appropriate to the financial, technical and social constraints of the administration.

According to Lacroque and Alpin (2008), managing tax risk does not mean eliminating it or ending litigation with the tax authorities, but rather being able to anticipate unpleasant shocks. Since risk encompasses both non-compliance and lost opportunity, its management also focuses on minimizing its negative effects and on achieving the desired results. The following steps are particularly important for managing the risk of financial indiscipline:

Risk Identification:

- Strategically:

Controlling the risk of tax abuse begins with identifying the many categories of illegal behavior that, if left unchecked, could have a significant negative impact on revenue.

The best starting point for analyzing strategic risks is often to review existing tax laws. The elements of tax law that represent the areas of highest risk and require further analysis can be reliably identified by tax revenue experts.

- At the operational level:

This involves identifying the various cases or tax types that are an illustration of the "customer base" to which the strategic risks the tax authority proposes to address relate. Some current systems can identify the type of risk and, on occasion, estimate the tax amounts involved.

It is quite possible to identify a potential financial discipline risk on the basis of a single transaction.

The type of risk is sometimes determined by current systems, which also assess potential tax liabilities. It is highly likely that a potential risk of financial impropriety can be identified on a single transaction. However, the value of such specific information will increase if the tax administration is able to combine it with data obtained through transactions or file reviews to provide a more complete picture of the contributor's compliance with tax obligations.

2.3.2. Risk Assessment and Classification:

Therefore, the main objective of the tax compliance risk assessment and hierarchy is to quantify the risks identified in the previous phase and to distinguish significant risks (to be specifically addressed) from less significant risks.

To do this, it is necessary to consider the specific sources of risk that have been identified, assess their potential effect on achieving organizational objectives, and then calculate the likelihood of an incident occurring (if not specifically addressed).

2.3.3. Choosing a treatment strategy:

A strategy to combat tax indiscipline must be well balanced. The strategy should include a thoughtful combination of proactive and reactive strategies, and it should include all facets of tax discipline management, from education to enforcement. In addition, a well-balanced strategy would include the risks associated with various taxes or revenue sources. Finally, because financial indiscipline can result from a wide range of factors and manifest itself in a variety of ways, it is often necessary to look at a variety of approaches rather than just one in particular.

3. Research methodology and analysis of results:

3.1. Purpose of the research

The objective of this study is to examine the state of risk management of fiscal indiscipline in the Moroccan context. To this end, two methods of analysis are mobilized: theoretical and empirical.

On the theoretical level, our quantitative approach is based on the theoretical framework that emphasizes the different doctrines explaining the phenomenon economically and socially, through the research works already developed.

On the empirical level: we have adopted a data analysis through SPSS software, this analysis will help us to detect the different failures (both legal and / or behavioral) thus promoting the emergence of this plague. The information required for this study is not, by its very nature, readily available. To this end, the data collected comes from various sources. (Scientific articles, doctoral thesis, EESC report and questionnaire).

All of these factors reinforced our interest in studying the risk of fiscal indiscipline in the Moroccan context. Our problematic is thus the following: How to manage the risk of fiscal indiscipline? And what solutions can be proposed to create a climate of tax compliance?

3.2. Research Hypothese:

Hypothesis 1: The possibility of the presence of the risk of tax indiscipline would decrease with the strengthening of the controls carried out by the administration.

Hypothesis 2: The probability of the presence of the risk of tax indiscipline would decrease with the simplification and clarity of the tax law.

Hypothesis 3: The probability of the presence of the risk of tax indiscipline would decrease with the digitalization of the administration and the dematerialization of procedures.

Hypothesis 4: The possibility of the presence of the risk of tax indiscipline could be due to the absence of tax equity.

3.3. Presentation of the sample as well as the research items:

The study is conducted via a questionnaire with 50 people, individuals and legal entities of private law, allowed us to analyze the tax behavior of a representative sample of taxpayers, as developed below. The initial objective was to collect the different opinions, reflections and self-judgment of our target about tax indiscipline.

Of course, for such a wide range of socio-economic backgrounds, the definition of the variables that cause tax indiscipline in order to define an equation of tax behavior remains arbitrary given the psychological aspect of taxpayers' behavior.

Our survey was divided into two parts. The first part was dedicated to the evaluation of the communication policy of the tax administration and the satisfaction of the taxpayers with this policy. The second part was devoted to the evaluation of taxpayers' indiscipline.

Variables and research items

		les variables	Items
Explanatory variables	V₁	Users' level of knowledge of the Moroccan tax organization	Do you know the General Tax Directorate (DGI)?
			Do you have any idea about its main missions?
			Do you have any idea about its main services?
			The organization of the DGI's structures?
			The quality of the services provided by the administration?
			La relation entre l'amélioration d'AF et le civisme fiscale
	V₂	the quality of tax information	How do you rate the level of availability of tax and parafiscal data?
			The quality of information and intelligence?
			Are you satisfied with the assistance offered by the administration staff?
			The complexity of the tax system in Morocco
	V₃	the level of manifestation of fraudulent acts	What are the means that contribute to tax avoidance in Morocco
			What are the sources of tax indiscipline in Morocco
			the origin of tax indiscipline
Would you choose to evade if the opportunity arose?			
V₄	Fiscal discipline		
Variables to be explained			

Sources : elaborated by us

3.4. Analyse des données :

3.4.1. Analyse des données de la première partie :

Do you know the DGI?

From the results obtained 93% of the users express their previous knowledge of the DGI, while only 7% declare ignorance of the organization.

Do you know the DGI	Value	Ddl	Asymptotic significance (bilateral)
Khi-deux de Pearson	,217	1	,641
Correction for continuity	,000	1	1,000
Likelihood ratio	,199	1	,655
Fisher's exact test			
Number of valid observations	49		

Sources : SPSS output

Since Pearson's chi-square is less than 5.99 ($0.223 < 5.99$), we must accept the hypothesis of dependence between the IMB knowledge variable and the level of tax discipline.

Do you have any idea about its main missions?

According to the result, only 94% of the target population had information on the missions of the DGI.

Main missions	Value	Ddl	Asymptotic significance (bilateral)
Khi-deux de Pearson	2,981	1	,084
Correction for continuity	1,450	1	,228
Likelihood ratio	2,553	1	,110
Fisher's exact test			
Number of valid observations	49		

Sources : SPSS output

The Pearson Chi-square value is less than 5.99 ($2.98 < 5.99$), so we must accept the hypothesis of dependence between the variable of knowledge of DGI missions and the level of tax discipline.

Do you have any idea about its main services?

According to the results obtained, 82% of the population claims to know the main services of the DGI.

Main services	Value	Ddl	Asymptotic significance (bilateral)
Khi-deux de Pearson	1,244	1	,265
Correction for continuity	,425	1	,514
Likelihood ratio	1,131	1	,288
Fisher's exact test			
Number of valid observations	49		

Sources : SPSS output

The Pearson Chi-square value is less than 5.99 ($1.24 < 5.99$), so we must accept the hypothesis that there is a correlation between the variable of knowledge of the main services of the IMB and the level of tax discipline.

What is your assessment of the simplicity of reading the tax law?

From the SPSS output we obtained that 67% of the respondents confirm that the tax law is difficult to understand.

Simplicity of reading the tax law	Value	Ddl	Asymptotic significance (bilateral)
Khi-deux de Pearson	4,157	4	,385
Correction for continuity	6,504	4	,165
Likelihood ratio	49		

Sources : SPSS output

Since the Chi-square test is less than 5.99 ($4.15 < 5.99$) then we must accept the hypothesis that the level of complexity of the tax law negatively impacts the level of tax discipline.

How do you find the level of availability of tax data?

The majority of the study population (97%) responded that information was not available from the tax authorities.

Availability of information	Value	Ddl	Asymptotic significance (bilateral)
Khi-deux de Pearson	4,276	3	,233
Correction for continuity	4,246	3	,236
Likelihood ratio	49		

Sources : SPSS output

The Chi-square test confirms the results obtained from the cross-tabulation, which validates the hypothesis that there is a strong correlation between data availability and fiscal discipline.

During your visits to the administration's premises, how do you judge the organization of the DGI's structures?

The results of the answers obtained show that 53% prove that tax discipline is influenced by the organization of the administration.

Organization of the structures of the DGI	Valeur	Ddl	Asymptotic significance (bilateral)
Pearson's Chi-square	1,843	3	,606
Likelihood ratio	2,225	3	,527
Number of valid observations	49		

Sources : SPSS output

The Chi-square test shows that 1.84% is less than 5.99%, which validates the relationship between organization and tax discipline.

How is the quality of the services provided by the administrations?

58% of respondents express satisfaction with the quality of services provided by the tax administration.

Quality of services	Valeur	Ddl	Asymptotic significance (bilateral)
Pearson's Chi-square	2,718	2	,257
Likelihood ratio	2,580	2	,275
Number of valid observations	49		

Sources : SPSS output

2.71% supports the possibility of the presence of coherence between the quality of the services of the Tax Administration and the Tax Discipline.

How are complaints handled?

More than half 53% of the sample reinforces the usefulness of the information available upon arrival at the Tax Administration offices.

Claims processing	Valeur	Ddl	Asymptotic significance (bilateral)
Pearson Chi-square	,418	1	,518
Correction for continuity	,091	1	,763
Likelihood ratio	,423	1	,516
Fisher's exact test			
Number of valid observations	49		

Sources : SPSS output

Based on the Chi-square test 0.41% lower than 5.99%, which supports the strong presence of dependency between claims processing and Tax Discipline.

How useful is the information and intelligence available to you upon arrival at the administration's premises?

51% of respondents express satisfaction with the information available at the tax office.

Usefulness of the information	Value	Ddl	Asymptotic significance (bilateral)
Pearson Chi-square	3,201	1	,074
Correction for continuity	2,093	1	,148
Likelihood ratio	3,289	1	,070
Fisher's exact test			
Number of valid observations	49		

Sources : SPSS output

The Chi-square test shows a value of 3.20%, which approves the existing link between the two variables, namely the explained and the explanatory.

Are you satisfied with the assistance offered by IMB staff?

From the results obtained, 51% of the users express their satisfaction with the assistance offered by the Tax Administration staff.

Satisfaction of the assistance	Value	ddl	Asymptotic significance (bilateral)
Pearson's Chi-square	4,536	3	,209
Likelihood ratio	5,368	3	,147
Number of valid observations	49		

Sources : SPSS output

Since Pearson's chi-square is less than 5.99 ($4.53 < 5.99$), we must accept the hypothesis of dependence between the remaining relationship between assistance and the level of fiscal discipline.

Have you ever been informed about the importance of tax compliance?

According to the result, only 55% of the target population claims to have already been informed about the importance of FC during their school career.

Importance of fiscal citizenship	Value	Ddl	Asymptotic significance (bilateral)
Pearson's Chi-square	1,129	3	,770
Likelihood ratio	1,114	3	,774
Number of valid observations	49		

Sources : SPSS output

Pearson's Chi-square value is less than 5.99 ($1.12 < 5.99$), so being informed about the importance of tax citizenship during school positively impacts tax discipline.

How can the improvement of the services provided by the tax administration impact the taxpayers' civic-mindedness?

According to the SPSS output, 80% of the respondents confirm that the improvement of the services rendered by the AF has a concrete influence on tax compliance.

Service improvement	Value	Ddl	Asymptotic significance (bilateral)
Pearson Chi-square	5,478	1	,019
Correction for continuity	3,670	1	,055
Likelihood ratio	4,838	1	,028
Fisher's exact test			
Number of valid observations	49		

Sources : SPSS output

Since the Chi-square test is less than 5.99 ($5.47 < 5.99$), we must accept the hypothesis that the improvement in services rendered by the FA has a positive effect on the taxpayer.

Do you consider the Moroccan tax system to be fair?

77% of the targeted persons declare that the Moroccan tax system is unfair

Fairness of the Moroccan tax system	Value	Ddl	Asymptotic significance (bilateral)
Khi-deux de Pearson	1,573	2	,455
Rapport de vraisemblance	1,793	2	,408
Nombre d'observations valides	49		

Sources : SPSS output

The Chi-square test confirms the results obtained from the cross-tabulation; we conclude that the Moroccan tax system is inequitable

The origin of tax indiscipline in Morocco?

The majority of the population interviewed affirm that the change of the texts as well as the non-acceptance of the tax costs are the two factors of the origin of the tax indiscipline in Morocco

Origin tax indiscipline	Value	Ddl	Asymptotic significance (bilateral)
Pearson's Chi-square	9,425	3	,024
Likelihood ratio	8,709	3	,033
Number of valid observations	49		

Sources : SPSS output

Since the Chi-square test is greater than 5.99 ($5.99 < 9.425$), we must reject the hypothesis that the origin of tax indiscipline in Morocco has a positive effect on the taxpayer.

Do you think the Moroccan tax system is complex?

88% of respondents say the Moroccan tax system is complex

Complexity of the tax system	Value	Ddl	Signification asymptotique (bilatérale)
Khi-deux de Pearson	7,679	1	,006
Correction pour la continuité	5,057	1	,025
Rapport de vraisemblance	6,343	1	,012
Test exact de Fisher			
Nombre d'observations valides	49		

Sources : SPSS output

The Chi-square test negates the dependency relationship between the complexity of the tax system and tax discipline.

What are the sources of tax indiscipline in Morocco?

The change of legal texts related to tax law is the source of tax indiscipline in Morocco according to the sample studied.

Sources indiscipline acts	Value	Ddl	Asymptotic significance (bilateral)
Pearson's Chi-square	12,798	6	,046
Likelihood ratio	15,006	6	,020
Number of valid observations	49		

Sources : SPSS output

Since the Chi-square test is greater than 5.99 ($5.99 < 12.798$), we must reject the hypothesis that the sources of tax indiscipline in Morocco have an impact on the tax discipline variable.

How does tax avoidance manifest itself in Morocco?

Tax evasion is the most common way for Moroccans to avoid paying taxes, according to the cross tabulation.

Tax avoidance demonstration	Value	Ddl	Asymptotic significance (bilateral)
Khi-deux de Pearson	3,207	2	,201
Rapport de vraisemblance	2,910	2	,233
Nombre d'observations valides	49		

Sources : SPSS output

3.5. Presentation of research results:

According to the analysis of the data collected through the statistical method Khi-Deux, we expose the main results obtained:

Assumptions	Status
The likelihood of the presence of the risk of tax indiscipline would decrease as the administration strengthens its controls.	Confirmed
The possibility of tax indiscipline decreases as the law becomes simpler and less complex.	Confirmed
With the digitalization of the administration and the dematerialization of the processes, the probability of the risk of tax indiscipline decreases.	Confirmed
It is possible that there is a risk of tax indiscipline because there is not a fiscally fair system in place.	Confirmed

Sources : Compiled by us.

4. Managerial and scientific implications:

➤ Harmonization of the rules of tax law with the general rules of law

The current tax legislation and the legal arsenal as a whole must be aligned in a harmonized way by producing legal texts in concordance facilitating the reading of the tax rules and answering the taxpayers' requests.

In fact, taxpayers find it difficult to find clear answers to their questions by using either case law or the tax rescript procedure. Thus, the delays in processing requests for clarification by the

tax authorities make the procedures more complex for taxpayers and encourage them to resort to undisciplined ways to regularize their situations vis-à-vis the legislator.

The tax authority, with all its stakeholders, is therefore required to produce legal texts that are simple, straightforward, and integral, making the Moroccan tax environment attractive to its taxpayers and partners.

➤ **Establishment of the principle of equality before and through taxation**

The principle of tax equality is first understood as the equality of taxpayers before the tax. This is the basis of tax justice, even if it is insufficient to determine it.

The principle of tax equality also consists in the equality of taxpayers before the tax law. The same tax system must therefore apply to all taxpayers in the same situation.

➤ **Respect du principe de la transparence et du droit à l'information**

The availability of tax data and information is still a point to be revitalized by the tax administration.

The access to databases for a detailed reading of the legal texts in force, as we have already mentioned, promotes and develops the relationship between the tax administration and its users.

➤ **Establish an annual report on taxation to accompany the finance laws**

In order to increase the political control of Parliament and strengthen fiscal transparency, it is recommended that an annual report be added to the reports accompanying the finance bill, detailing the fiscal situation for each year and explaining the impact of measures already taken on the state's tax revenues and on taxpayers' behavior.

The government is therefore required to produce an annual balance sheet report describing the fiscal situation in terms of quality and figures, confirming the accuracy of the resource and cost projections, taking into account the facts available at the time of their preparation, in order to support the relevance of the assumptions that led to the creation of the Finance Act.

This measure should also concern local authorities, given the large weight of the local tax base. Indeed, with a view to successful advanced regionalization, tax reform and the realization of the principles of transparency and accountability.

➤ **Publish CNRF decisions and consolidate case law in a unified repository**

The CNRF must proceed in a way and at a regular pace to the publication of all its decisions to the public through the media and newspapers and there the elaboration of a repertory to better explain its role to the different stakeholders in the cases treated and to put at the disposal of the general public all the necessary information they may need.

➤ **Strengthening the legal security of the taxpayer**

More security means more confidence, which means more growth and more jobs. It is this virtuous dynamic that must be stimulated. It is with this statement that Mrs. Ségolène Royal had expressed the importance of security for the improvement of the business climate, during an interview granted to the magazine "Challenges" on April 13, 2006, when she was a candidate for the presidential elections of the French Republic. Indeed, the hunt for foreign capital implies the establishment of a reassuring environment for investors, so that they can place their capital safely. However, in view of the growing influence of law on commercial relations, legal security is more than ever demanded. Thus, in today's world, where "the normative atmosphere has become unbreathable.

Because of the inflation, complexity and unpredictability of legal norms, economic initiative and the attractiveness of the territory are experiencing a sharp decline, thereby affecting the competitiveness of nations. It goes without saying that economic decisions presuppose that the rules of the game are clear, stable and predictable, allowing investors to focus solely on their commercial strategies for conquering markets. In the current state of affairs, mastery of the law plays a decisive role in the decision-making process of economic operators established in Morocco, or wishing to set up a project there.

➤ **Making the principle of equity and tax justice more concrete**

The equal treatment of taxpayers' files, the availability of information for users, the ease of access to databases and the fairness of the applicable tax regimes must be considered as the basis of any judgment, text and procedure in force.

In fact, the use of tax evasion methods, such as spin-offs, is justified by taxpayers' distrust of the tax authorities, the vital cause of which is taxpayers' dissatisfaction with their tax legislation.

➤ **Introduction of a tax system that promotes business competitiveness**

Morocco's tax system must be competitive and encourage domestic and cross-border business activity, job creation, investment, entrepreneurship and economic growth. A tax system must be predictable and provide security for taxpayers. Therefore, tax rules must be simple and clear to avoid divergent interpretations that can lead to costly litigation and double taxation.

Corporate taxation should be based on profits and not on revenues (income). The allocation of profits between countries should be based on where a company's activities create value. Tax systems should minimize administrative costs for both business and government by being simple and consistent.

Information obligations imposed on taxpayers must be proportionate. Tax administrations must ensure that information obtained on taxpayers is kept secure.

- **Reinvigorate the modernization and dematerialization project and diversify the field of use of new technologies (Big Data, artificial intelligence, interconnection of systems).**

The process of dematerialization of the procedures of declaration, payment and claim of taxes in Morocco should play more technology and artificial intelligence while being based on the principles of transparency and good public governance. This said, that the revitalization of the dematerialization of procedures, as a major milestone of the tax reform, should take into account the taxpayers' tax behavior by offering a systemic architecture and a data center that is easy to use and access to information makes it a basic element.

- **Use of data mining and artificial intelligence software**

Today, data mining is an effective weapon in the fight against fraud and tax evasion. By using data mining and artificial intelligence techniques, the tax authorities can analyze and cross-check all the data at their disposal in order to identify fraudsters.

These techniques also allow to identify by statistical methods the criteria characterizing a taxpayer as a fraudster and to establish a fraud profile to be applied to a target population.

CONCLUSION

Managing the risk of tax evasion is now necessary to ensure fairness and tax justice among different taxpayers and to combat tax evasion and avoidance.

However, the problems posed by tax evasion are very similar in the different countries, if they vary at all, mainly in terms of their priorities. However, in order to manage the risks of tax evasion, any effective approach must follow a series of steps that outline the path of intervention for tax authorities and that generally follow the model proposed by the OECD's Policy and Administration Centre.

The tax administration, in a prerogative of improving tax discipline, has embarked on a risk management approach through which it tries to reconcile taxpayers with their tax obligations, focusing more and more on the causes of non-compliant behavior, and not only on their consequences, and trying to accompany the taxpayer in the fulfillment of his tax duty and no longer limit itself to the role of policeman and intervene only to sanction.

Vu l'importance qui lui est accordée, il était nécessaire de savoir comment la direction générale des impôts peut-elle opérer une gestion des risques d'indiscipline fiscale d'une manière efficace efficiente, afin que le système joue pleinement les rôles qui lui sont alloués.

The DGI is called upon to strengthen tax control and collection missions which are essential tools for developing tax revenues and improving the yield and efficiency of these tools.

Indeed, these measures cannot succeed without the promotion of tax civic-mindedness which is the very principle of taxation consisting in obtaining from taxpayers the spontaneous payment of their taxes.

Today, in many countries we are witnessing the emergence of a new concept, that of "voluntary compliance". For example, in Germany, there is a law to promote tax honesty.

Tax compliance can be achieved by :

- Increasing the transparency of the tax administration's actions to build relationships based on trust;
- Simplifying procedures to make tax matters accessible to taxpayers and obtaining uniform application of the law by all tax authorities;
- Prohibiting tax adjustments of previous situations when changes in tax doctrine occur, thus providing legal certainty to taxpayers.

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