


**CORPORATE TAX FEATURES IN JORDAN AFFECTING BUSINESS DECISIONS:  
STRENGTHENING FINANCE ACCOUNTABILITY IN EMERGING ECONOMIES**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p>	<p><b>Purpose:</b> This paper attempted to evaluate the attributing factors of corporate tax that impact and influence the financial decision-making of the businesses of Jordan. The attributes of mandatory disclosure of Jordan and opportunities in the financial report have been comprehensively discussed to analyze the financial accountability factor.</p>
<p><b>Received</b> 08 August 2022</p>	<p><b>Theoretical framework:</b> the paper discussed the hypotheses related to the features of corporate tax that impact the business decisions in Jordan, the sectors of financial accountability in emerging markets, the link between corporate governance and financial reports, and the connection between attributes of taxpayers and VAT compliance.</p>
<p><b>Accepted</b> 10 November 2022</p>	<p><b>Design/methodology/approach:</b> the descriptive type of research design is implemented to follow both qualitative and quantitative methods of research. The data were measured and evaluated using correlation, and regression to understand the link and connection between the research variables.</p>
<p><b>Keywords:</b></p>	<p><b>Findings:</b> it can be concluded that there are various factors that impact the decision-making of the businesses in corporations such as the size of the business. Also, there is in rising opportunity for the financial reports and a link between the attributes of the taxpayers and VAT compliance. Moreover, the accounting framework of Jordan is also discussed comprehensively and the strategies that are followed for mandatory disclosure of businesses in Jordan or also discussed. Among the factors, the agency cost and profitability together with financial leverage also have an impact on the decision-making of the businesses.</p>
<p>Corporate Tax; Business Decision; Accounting Framework; VAT compliance.</p>	<p><b>Research, Practical &amp; Social implications:</b> the stance of financial accountability in emerging economies like Jordan is being discussed with in-depth understanding.</p>
	<p><b>Originality/value:</b> identifying the features of corporate tax that impact the business decisions in Jordan, understanding the sectors of financial accountability in emerging markets, identifying the link between corporate governance and financial reports, understanding the connection between attributes of taxpayers and VAT compliance.</p>
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## CARACTERÍSTICAS FISCAIS CORPORATIVAS NA JORDÂNIA QUE AFETAM AS DECISÕES COMERCIAIS: REFORÇANDO A RESPONSABILIDADE FINANCEIRA NAS ECONOMIAS EMERGENTES

### RESUMO

**Objetivo:** Este documento tentou avaliar os fatores de atribuição de impostos corporativos que impactam e influenciam a tomada de decisões financeiras das empresas da Jordânia. Os atributos da divulgação obrigatória da Jordânia e as oportunidades no relatório financeiro foram amplamente discutidos para analisar o fator de responsabilidade financeira.

**Estrutura teórica:** o documento discutiu as hipóteses relacionadas às características do imposto corporativo que afetam as decisões empresariais na Jordânia, os setores de responsabilidade financeira em mercados emergentes, a ligação entre governança corporativa e relatórios financeiros, e a ligação entre os atributos dos contribuintes e o cumprimento do IVA.

**Desenho/método/abordagem:** o tipo descritivo de desenho de pesquisa é implementado para seguir tanto métodos qualitativos quanto quantitativos de pesquisa. Os dados foram medidos e avaliados usando correlação e regressão para entender a ligação e conexão entre as variáveis da pesquisa.

**Conclusões:** pode-se concluir que existem vários fatores que impactam a tomada de decisões das empresas nas corporações, tais como o tamanho do negócio. Além disso, há uma oportunidade crescente para os relatórios financeiros e um vínculo entre os atributos dos contribuintes e o cumprimento do IVA. Além disso, a estrutura contábil da Jordânia também é discutida de forma abrangente e as estratégias que são seguidas para a divulgação obrigatória das empresas na Jordânia ou também discutidas. Entre os fatores, o custo e a rentabilidade da agência, juntamente com a alavancagem financeira, também têm um impacto na tomada de decisões das empresas.

**Pesquisa, implicações práticas e sociais:** a postura da responsabilidade financeira em economias emergentes como a Jordânia está sendo discutida com profundo entendimento.

**Originalidade/valor:** identificação das características do imposto corporativo que afetam as decisões empresariais na Jordânia, compreensão dos setores de responsabilidade financeira nos mercados emergentes, identificação da ligação entre governança corporativa e relatórios financeiros, compreensão da ligação entre os atributos dos contribuintes e o cumprimento do IVA.

**Palavras-chave:** Imposto Corporativo, Decisão Empresarial, Estrutura Contábil, Conformidade com o IVA.

## CARACTERÍSTICAS DEL IMPUESTO DE SOCIEDADES EN JORDANIA QUE AFECTAN A LAS DECISIONES EMPRESARIALES FORTALECIMIENTO DE LA RESPONSABILIDAD FINANCIERA EN LAS ECONOMÍAS EMERGENTES

### RESUMEN

**Propósito:** En este trabajo se ha intentado evaluar los factores atributivos del impuesto de sociedades que repercuten e influyen en la toma de decisiones financieras de las empresas de Jordania. Los atributos de la divulgación obligatoria de Jordania y las oportunidades en el informe financiero se han discutido exhaustivamente para analizar el factor de responsabilidad financiera.

**Marco teórico:** en el documento se analizan las hipótesis relacionadas con las características del impuesto de sociedades que repercuten en las decisiones de las empresas de Jordania, los sectores de la responsabilidad financiera en los mercados emergentes, el vínculo entre la gobernanza empresarial y los informes financieros, y la conexión entre los atributos de los contribuyentes y el cumplimiento del IVA.

**Diseño/metodología/enfoque:** se aplica un diseño de investigación de tipo descriptivo para seguir métodos de investigación tanto cualitativos como cuantitativos. Los datos se midieron y evaluaron utilizando la correlación y la regresión para comprender el vínculo y la conexión entre las variables de la investigación.

**Resultados:** se puede concluir que hay varios factores que influyen en la toma de decisiones de las empresas en las corporaciones, como el tamaño de la empresa. Asimismo, existe una oportunidad creciente para los informes financieros y un vínculo entre los atributos de los contribuyentes y el cumplimiento del IVA. Además, el marco contable de Jordania también se discute ampliamente y las estrategias que se siguen para la divulgación obligatoria de las empresas en Jordania o también se discute. Entre los factores, el coste de agencia y la rentabilidad, junto con el apalancamiento financiero, también influyen en la toma de decisiones de las empresas.

**Investigación, implicaciones prácticas y sociales:** se discute en profundidad la postura de la responsabilidad financiera en economías emergentes como la de Jordania.

**Originalidad/valor:** identificar las características del impuesto de sociedades que repercuten en las decisiones empresariales en Jordania, comprender los sectores de la responsabilidad financiera en los mercados emergentes, identificar el vínculo entre la gobernanza empresarial y los informes financieros, comprender la conexión entre los atributos de los contribuyentes y el cumplimiento del IVA.

**Palabras clave:** Impuesto de Sociedades, Decisión Empresarial, Marco Contable, Cumplimiento del IVA.

## INTRODUCTION

The research article paper attempted to evaluate the features of corporate tax in Jordan that impact the business decisions taken for strengthening financial accountability. In this paper, the accounting framework that is being followed by the business organizations in Jordan has been mentioned and illustrated along with the factors that affect the financial decisions of the Jordanian businesses. Moreover, in this paper, a survey has been implemented to evaluate the remarks of the Jordanian individuals regarding corporate tax and the factors that can affect the financial decisions. Apart from that the connection between attributes of taxpayers and the VAT compliance is also mentioned to analyse the area. The stance of financial accountability in emerging economies like Jordan is also being discussed with in-depth understanding.

The aim of the paper is:

- To identify the features of corporate tax that impact the business decisions in Jordan.
- To understand the sectors of financial accountability in emerging markets.
- To identify the link between corporate governance and financial reports.
- To understand the connection between attributes of taxpayers and VAT compliance.

## LITERATURE REVIEW

### *Accounting framework of Jordan*

The legislative framework of Jordan is dependent on a collaboration of traditions of civil law and principles of Islamic legislation. At the time in which Jordan was a part of the Ottoman Empire, few of the elements of European law, specifically the commercial law of France and civil processes were accepted. The law of court establishment in the years 1951 and the Constitution of Jordanians, initiated in the year 1952 and revised in 1974, gives for a free judiciary. In relation to the Constitution and provisions, the legislation was recommended by the minister councils for the acceptance of Parliament, that is also imposing a right of initiating the laws. The “structure of Jordan is a framework into three wider classes of courts, religious, special, and civic. The religious law courts were further submerged into sharia courts and others for Christian minorities.

A unique court was arranged by the “court of cassation adjudicate disputes”. Special courts include a “Military Court”, a “Tax Court”, a “Customs Court”, and a “Land Settlement Court”. The Civil courts practice their administration regarding civil and criminal issues, including corporate litigations and disputes procured against the government. As a matter of fact, Jordanian guidelines are essential in functioning different concerns of people. The law, as attested by the “Constitution” and “National Charter”, looks after the elementary support for the invulnerability of the rights, obligations, and concerns of different segments of the Jordanian community (Jaara et al. 2018). It can be stated that the judicial system vigorously dominances proprietary structure, the advancement of capital markets, and the degree of exposure. Taxation has persuaded an important part in exercising fiscal reporting organism in countries where accounting systems are mostly manipulated by administrative justification.

In case there is a firm connection between “taxation” and “accounting”, organizations are expected to utilize an orthodox financial reporting exercise to pare down their tax accountability. During the past few years, there has been a breach between the income tax approximated by the taxpayers and the income tax genuinely accumulated after adaptations composed by the Income Tax department. The tax composition in Jordan is accustomed to obtaining financial, economic, and social goals (Trading Economics, 2022). Jordan has given towering significance to amending the tax system from time to time and acquiring incorporation between “direct” and “indirect taxes” and obtaining “tax equality”. “Income tax” and “sales tax” performs a crucial part in the Jordan economy. They endowed the treasury with approximately 62.7% of its overall household profits for the year 2012.

Figure 2.1: Rate of Corporate tax in Jordan



(Source: Trading Economics, 2022)

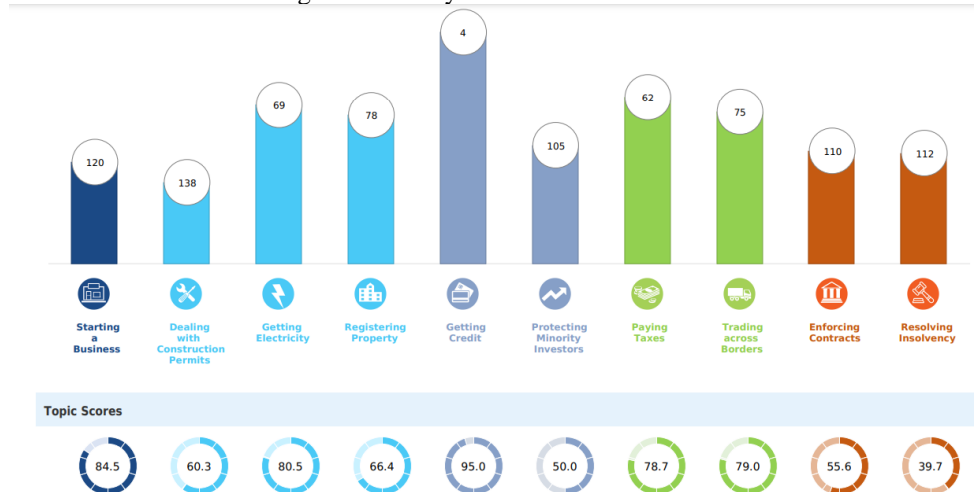
*Factors impacting financial decisions of Jordanian businesses*

According to the views, there are different kinds of attributes and features that may impact the corporate decision-making of a business individual, involving the areas that are related to the proxy variables (Mohammad et al. 2018). These elements are frequently recommended by the previous studies to have a remarkable impact on the dividend policy. These features are:

- Variables of agency costs: The agency premise of dividends states that the payment of dividends can be applied as a mechanism to resolve agency issues (Albashesh et al. 2018). The supply of the cash resource estimate is the size of the funds that are generated internally and accessible to the managers enforcing them into the financial markets more often lead to having the external financing. Thereby, mattering to the managers for the examination of the capital markets. The dividend payments are also used to diminish the free cash flow from being devastated on profitable or consequential NPV projects (Matar et al. 2018). It is assumed that a business, that has a good capital structure is more tends to pay tax.
- Size variable: A bigger business generally has better accessibility to the financial markets and finds this move to initiate funds with the lower expense and fewer limitations as differentiated from the small organizations (Tsalavoutas et al., 2020). Therefore, the bigger organizations are more probable to a Food the payment of high corporate tax. According to the past research, there are two key causes for examining the connection between the size of the business and the dividend policy.

At first, constant with the prior research the size of the organization should be involved in the evolution as a control variable. Secondly, and most significantly, there is an insufficiency of the research evidence accessible on the effect of size impacts on tax pay outs in Jordan. There are contrasting measures of the size of a firm (Omar and Alkayed, 2020). In the past research, the market capitalization of the general equity of a company or applied as a key measure to investigate the size. This measure has also an applied in past research.

Figure 2.2.1: key business areas of Jordan



(Source: Omar and Alkayed, 2020)

- **Profitability:** The business decision to pay corporate tax initiates with profit and earnings. Therefore, it is rational to take into account profitability as a factor, and the degree of profitability as one of the most significant elements that may impact the corporate debtor decision of a company (Zraqat, 2020). The theory recommends that the tax is generally paid out of the annual earnings, which represents the capability of the company to pay tax.

Thus firms that include laws or improbable to pay corporate tax. Various researchers in the past had discovered that the net earnings of an organization are a critical determinant for changes in the corporate tax. Furthermore, various examinations have also registered a positive connection between profitability and corporate tax payments (Alkayed and Omar, 2022). Also, the evidence from the emerging capital markets also gives support to the area that profitability is one of the significant elements that determine the corporate tax.

- **Financial leverage:** The capital structure of a business involves both debt liabilities and equity capital raising. The long period of financing generally alludes to the capital structure of the firm, and the area in which the business depends on debt financing is named financial leverage. Moreover, in addition to the tax benefits, the application of debt financing can also increase the return of the shareholders on equity (Al Sawalqa, 2020). There is a negative connection between financial leverage and corporate tax. As the value of tax increases, the financial leverage also increases. This should raise the interest cost and fully decrease the ratio of interest coverage. Interest expenses are a denominator of the ratio of interest expense and so as it rises, the ratio,

overall should also be reduced. The increase in the degree of financial leverage will also increase the financial charges of the business to the administration.

### ***Mandatory disclosure of Jordan***

“Mandatory disclosure” encompasses all facts which are necessary to be ascertained based on rules and guidelines in Jordan, for example, “Companies Law”, “Securities Law” and its “Disclosure Decrees”, “Banks Law”, and “Insurance Regulatory Act”. In Jordan, an analysis of these disclosure documents was accomplished and reported that there has been a surge in “Mandatory Disclosure” provisions gradually in Jordan. It is considered that the level of acquiescence with “IAS 1 and IAS 5” in Jordan and companies in the year 1988 (Suwaidan et al. 2021). It was originated that the adherence with disclosure essentials was only 46.4%. Furthermore, it was also revealed that the range of submissiveness was 44% in 1986.

It was reported that the sense of disclosure enhanced in the year 1994 (63%). Moreover, it was revealed that the agreement with divulgence essentials for organizations cataloged on “ASE” was 63.51% in the year 1998. It was established that the limitation of disclosure for articles linked with “Segment Reporting” was 60% for compulsory articles in the year 2009. The established agreement with “IFRS” was considerably higher in the year 2004 (78.98%) than in 1966 (54.7%) (Al Amosh and Mansor, 2021). Basically, it can be asserted that the limitations of disclosure were enhanced after the compulsory accomplishment of “IFRS”, the recent money market improved with the exemption of the newest “Financial Reporting” system that commenced in the year 1997 and was put into action in the year 1998.

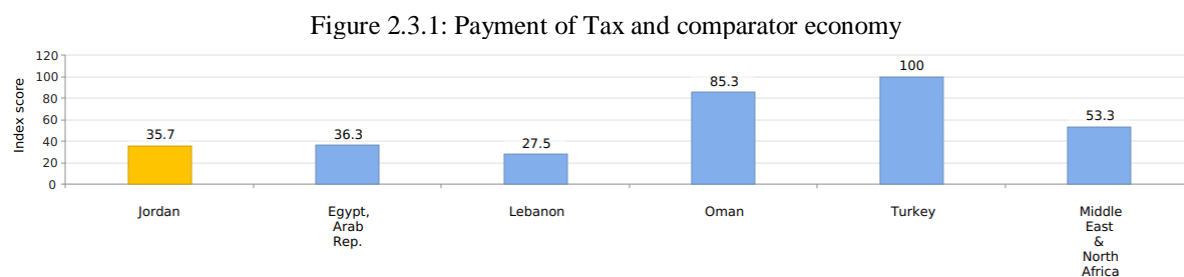
The mediocre level of “Mandatory Disclosure” was roughly 47% before 1998 and escalated to an average of 67% after that (Tahat et al., 2018). This advises that the companies in Jordan appeared more conscious of conforming to disclosure essentials. The specific methodology of administrative enforcement furthermore has dominance on the level of compliance with legal essentials. Jordan utilized the combined system to extort alliance with the achieved principles of disclosure essentials.

The amalgamated structure highlights elasticity and picky administration that allows the situation of recognized violations. The present rules and regulations provide the JSC the command and leverage to appeal to the organization to make appropriate alterations and review the yearly financial statement (Alawaqleh, 2021). Nonetheless, if the company rejects to make different changes that are required, the JSC has the authority to append the stock market checklist of companies. Nonetheless, to enhance the degree of compliance, before analysis recommended that the accounting occupation in Jordan should fortify its vigilance and

administration. Furthermore, the accounting occupation should build-up awareness and acknowledgment of the mandatory requisites by organizing apprenticeship programs for its associates.

### *Opportunities of Financial Reports*

Financial data that is reliable and timely is needed to acquire and retain the trust and confidence of the investors. In this area of the emerging financial markets, the financial statements that are audited given in the annual report are considered to be the single reliable base for financial data among the financial markets. However, as per the views of AL-Qatamin and Salleh, (2020), there is a gap that exists between the end of the financial year and the audited capital reports registry, and reducing this gap will improve the efficiency of the financial markets. Significantly, the regulators need to determine the causes behind this gap before legislating in order to resolve the delay.



(Source: AL-Qatamin and Salleh, 2020)

Various researchers in the past had contended that the organizations and businesses in the emerging financial markets have the probability to report more stagnant differentiation from those in the developing countries. In Jordan, this insufficiency of timeliness exists in spite of the fact that the securities commission has evolved protection for the investors and initiated sanctions for the delayed publications in its financial markets (Shatnawi et al., 2021). In an IMF assessment registered in the year 2004, the firms of the Jordan and their financial reporting were still left behind mentioning that the financial reporting in few of the listed businesses of periodic disclosure was still an issue. It is a crucial indicator for various causes; the non-provision of the outcomes of business to the shareholders, the uncertainty concerning advancement determinable to the shareholders and the business individuals.

Also, the reasons are the chances for formal people to manipulate the reports of the firms, and the incapability to hold the “governing council accountable” in the context of damage of the shareholders. The delay in the financial reporting is the reason for the disagreement in



the household as well as the multinational degree. At the later stage, various researchers had condemned the audit report delay as being accountable for the delay in the capital reporting and directed to a lower level of the financial report (Awawdeh et al. 2020). Another decision concerning the opportunity of the financial report is the chance for manipulation of the entries of the financial reports by the organizational management. In other words, the administration may decide to misuse the release of the financial report by postponing the declaration.

## **METHODOLOGY**

There are various factors that matter in a research paper that is used by the researcher to implement a study. In this case, both primary and secondary methods of data analysis and collection are used by the researcher to get a full understanding and in-depth analysis of the features of the corporate text that affect the business decisions. In this case, the researcher used survey methods to gather data from the Jordanian individuals about corporate tax and the factors that impact and influence them in the business decision-making (Al-Slehat et al., 2020). Apart from that, secondary methods such as thematic analysis are also used by the researcher to get an understanding of the past areas of corporate tax.

The sample size for the research purpose that is selected by the researcher was 101. The criteria for selecting the participants to be involved in the survey were the individuals that are directly or indirectly somehow related to businesses and corporate tax payments (Al-Dmour et al., 2019). The firms in the tragedies of Jordan or separated into various classes yet all the classes are involved with the legislative framework and tax structure of Jordan. Hence, the participants can be selected from any of the sectors. For evaluating the data gathered through a survey, multiple regression evolution was applied to examine the hypothesis of the research topic.

Apart from that, here, the deductive paradigm of research has been used by the researcher to implement the study and examine the hypothesis. It is assisting in creating and implementing a link between the variable and the different concepts of the research. Moreover, the descriptive type of research design is implemented by the researcher to follow both qualitative and quantitative methods of research. As per the views of Jaara et al. (2018), this design is extremely helpful and beneficial for the researcher to successfully execute the mixed approaches to evaluate the data. Apart from that, some of the questions were also prepared to ask the survey participants.

The data were measured and evaluated using correlation, and regression evaluation to understand the link and connection between the research variables. The data after the collection

needs to be evaluated using statistical tools to measure its validity (Mohammad et al. 2018). In order to gather the data, the researcher did not use any unethical methods or did not pressurize the respondents. Moreover, the data gathered from the survey respondents will not use for any other illegal or unethical purposes. The statistical methods were used to have a detective measure and to understand and acknowledge the remarkable contrast among the features of corporate tax.

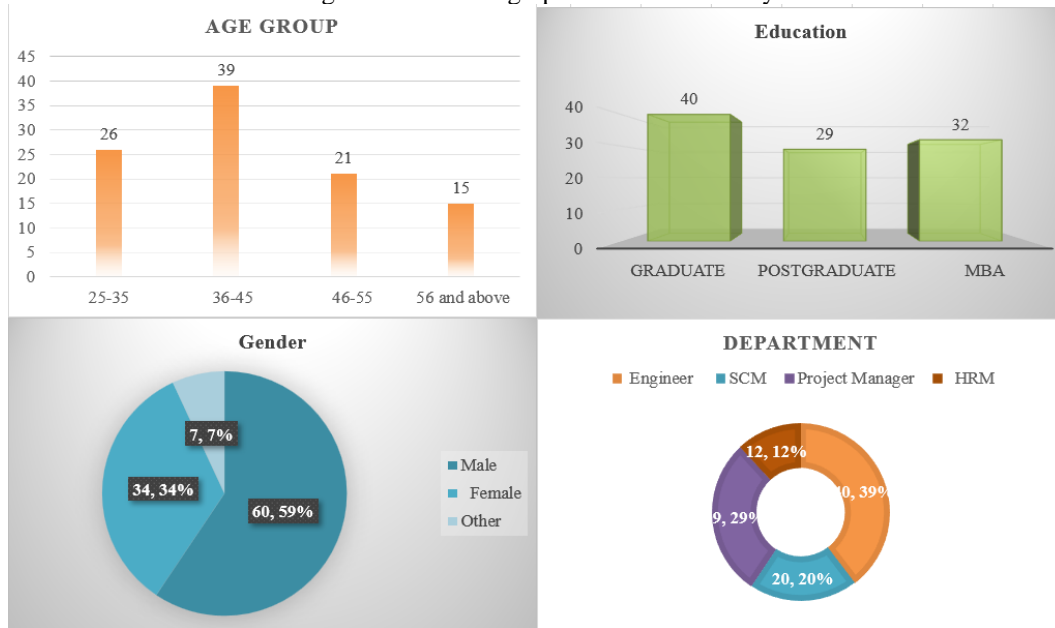
## **RESULTS AND DISCUSSION**

### ***Primary results and discussion***

As per the views of Calle (2019), demographic analysis is a collaboration and evolution of the broad features regarding a class of individuals and population. This data is extremely useful and helpful for businesses to analyse the way a specific factor of the research topic is related to the individuals from the mass population. The figure given below gives data for the age group, gender, educational basis, and the professional department for which the respondents work. It helps in analysing the personal data regarding the respondents and evaluating the accuracy of the responses gathered from them.

By reflecting on the age bracket, it is obvious that a maximum number of respondents belong from the age bracket of 36 to 45 years, which is 39%. Whereas, 21% of the respondents are from the 46 to 55 years' bracket. 36 to 45 years, virus 21% of the respondents are from 46 to 55 years' bracket. Apart from that, 59% of the respondents are male, whereas 34% of the respondents are female in gender. The frequency of the respondents that belong to graduation level is 40. On the contrary, 32% of respondents have an MBA degree. An academic qualification helps in acknowledging the accuracy of responses (Tokaloğlu et al., 2018). Also through scrutinizing the professional background, it is seen that 40% of the respondents are engineers whereas 29% our project managers.

Figure 4.1.1: Demographic results of Survey



(Source: Self Developed)

According to the views of Hu et al. (2020), descriptive statistics are applied to examine or explain or summarise the features of a sample or information set, such as the mean, frequency, or SD of a variable. by reflecting on the table provided in the statistical analysis results for descriptive statistics, it is seen that the mean value is maximum for the first variable given in the table which is the size of the business, valued at 3.14. On the contrary, the value of the mean is minimum for the third variable which is the tax structure and there is a positive link, valued at 1.24. According to the views of Chong et al. (2020), it is assumed that the variables selected in correlation have a 95% confidence level.

Figure 4.1.2: Correlation

Descriptive Statistics				Correlations							
	Mean	Std. Deviation	N			the size of the business impacts payment of corporate tax	taxation and income affects business financial decisions making	the tax structure of Jordan is strong enough to have positive impact on economy	the accounting framework of Jordan is good	there is a positive link between attributes of Taxpayers and VAT compliance	the rate of corporate tax of Jordan is average and payable for medium and small business
the size of the business impacts payment of corporate tax	3.14	1.168	101	the size of the business impacts payment of corporate tax	Pearson Correlat	1	.765**	.633**	.662**	.633**	.913**
taxation and income affects business financial decisions making	1.49	1.188	101		Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000
the tax structure of Jordan is strong enough to have positive impact on economy	1.24	1.401	101		N	101	101	101	101	101	101
the accounting framework of Jordan is good	1.25	1.260	101	taxation and income affects business financial decisions making	Pearson Correlat	.765**	1	.921**	.921**	.921**	.864**
there is a positive link between attributes of Taxpayers and VAT compliance	1.24	1.401	101		Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000
the rate of corporate tax of Jordan is average and payable for medium and small	2.62	1.232	101		N	101	101	101	101	101	101
				the tax structure of Jordan is strong enough to have positive impact on economy	Pearson Correlat	.633**	.921**	1	.952**	1.000**	.806**
					Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000
					N	101	101	101	101	101	101
				the accounting framework of Jordan is good	Pearson Correlat	.662**	.921**	.952**	1	.952**	.814**
					Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000
					N	101	101	101	101	101	101
				there is a positive link between attributes of Taxpayers and VAT compliance	Pearson Correlat	.633**	.921**	1.000**	.952**	1	.806**
					Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000
					N	101	101	101	101	101	101
				the rate of corporate tax of Jordan is average and payable for medium and small	Pearson Correlat	.913**	.864**	.806**	.814**	.806**	1
					Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
					N	101	101	101	101	101	101

(Source: SPSS)

On the contrary, the standard deviation is highest for two variables which are the tax structure and the positive link, valued at 1.401. “N” represents the sample size here. In any research, Pearson correlation can be helpful to recognize the probability of remarkable connection among the variables of the research. It indicates a relation among the variables either positive or negative, strong or weak (Calle, 2019). The value of Pearson correlation is maximum as 1 For the variable the size of the business. Following that, it is maximum as 0.913 for the variable the rate of corporate tax. In the table of correlations, the least value is 0.633 and it is similar for two variables which are the tax structure and the positive link.

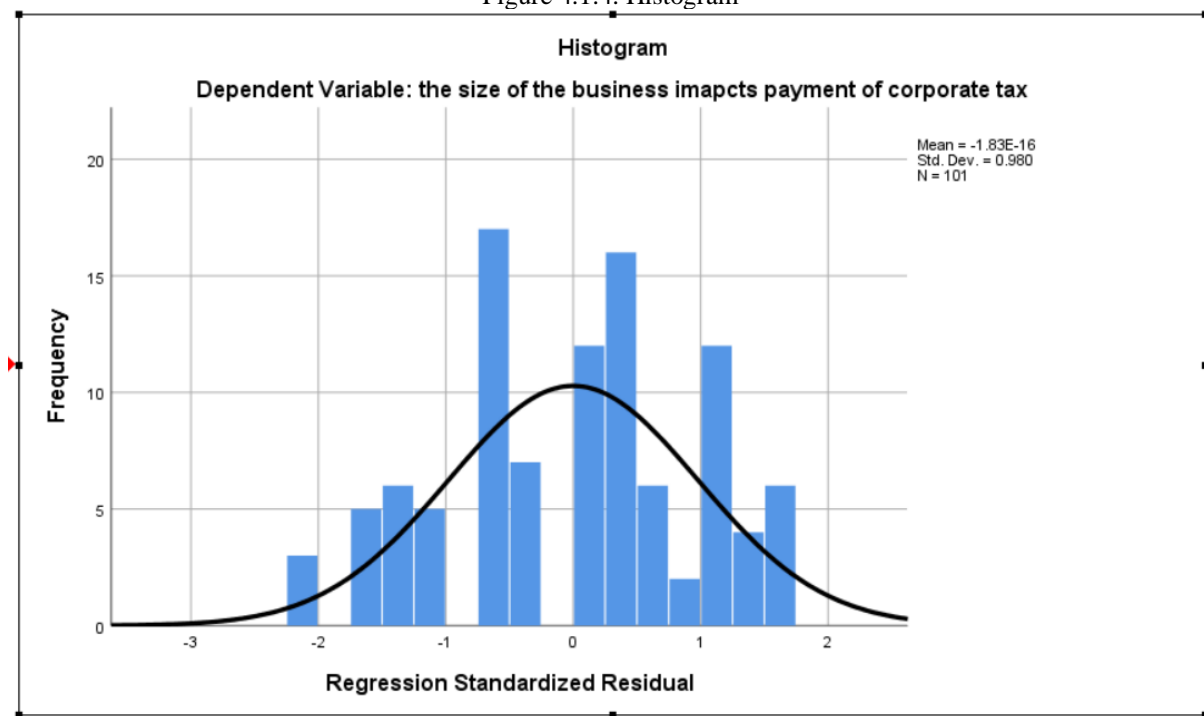
Figure 4.1.3: Regression Analysis

ANOVA <sup>a</sup>							Coefficients <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.	Model		ed Coefficient s	t	Sig.		
1	Regression	118.099	4	29.525	177.589	.000 <sup>b</sup>	1	(Constant)	0.625	0.112	5.578	0.000	
	Residual	15.960	96	0.166				the rate of corporate tax of Jordan is	0.960	0.066	1.021	14.542	0.000
	Total	134.059	100					the accounting framework of	-0.068	0.114	-0.074	-0.593	0.555
a. Dependent Variable:								there is a positive link between attributes of	-0.403	0.102	-0.488	-3.936	0.000
b. Predictors:								taxation and income affects business financial decisions making	0.389	0.108	0.399	3.599	0.001
Model Summary <sup>b</sup>							a. Dependent Variable: the size of the business impacts payment of corporate tax						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate									
1	.939 <sup>a</sup>	0.881	0.876	0.408									

(Source: SPSS)

Apart from demographic and correlation analysis, regression is slightly contrasting. Invitation analysis, there is an examination of the type of link that is established among the research variables. It also observed whether one variable can predict the value of another variable (Tokaloğlu et al., 2018). In the SPSS evaluation, three tables are obtained as a result of the test. In the first table, model summary, the value of R is 0.939, and  $R^2 = 0.881$ . Here, the size of the business has been taken as the dependent variable. in the ANOVA table, the sum of square regression is obtained as 118.099 and the residual value is 15.960. The value of the mean square is 29.525 having a significance of 0.000.

Figure 4.1.4: Histogram



(Source: SPSS)

In the coefficient table, the Sig. is 0.000 for all the variables except “the accounting framework (.555)” and “the taxation and income (.001)” variables. The value of a standardized beta is negative for two variables which are the positive link and the accounting framework. Whereas, it is maximum for the variable of the rate of corporate tax as .960. The *value of t* is extremely high for the same variable as 14.542. The coefficient standardized error is maximum for the variable of accounting framework as .114. As per the views of Hu et al. (2020), the histogram is a graphical presentation that classifies a group of information points into ranges. Figure 4.1.4 provides the histogram indicating the dependent variable as the size of the business. The mean value is obtained as 1.83, whereas the standard deviation value is 0.980.

### *Secondary results and discussion*

#### *Corporate Governance and Financial reports of Jordan*

Corporate governance had pervaded the universe and is acting in a principal role in encouraging the opportunities of financial reports. Succeeding the financial crisis that consequentially affected Jordan in the year 2008, tried and has been created to re-instigate public confidence that had been adequately reduced because of the crisis (Tahat et al. 2018). As an outcome, a dire requirement is present for the sector to improve the framework of corporate governance. For example, the “organization for economic cooperation and development” or OECD and the JFED backed up by the universal form of corporate governance or GCGF and various other corporate bodies could act in a critical role.

As per the views of Alawaqleh (2021), the key focus of the business is to enhance the role of Jordanian organizations in their adoption and initiation of laws of conduct for the businesses and efficient principles for corporate governance. More significantly, the mechanisms of business and corporate governance would enhance the control management and reduce the mismanagement and fraudulent reporting and capital reporting procedure delays. In other words, as mentioned by (Alshirah et al. 2021), a remarkable connection exists between the characteristics of corporate governance and the opportunities of financial reports. Efficient corporate governance needs to be observed as the manner to diminish conflicts of the agencies, specifically at the time that governance takes into account the best interest of the stakeholders. This is the reason for which various researchers have stated that the appearance of the framework of corporate governance should enhance the management's observation of the regulations and diminish the occurrence of misbehavior of the management, fraudulent reporting, and delays in capital reporting. Hence, initiating efficient corporate governance should also be done to improve internal control and reduce the business rates, which would impact the shorter delays in audits (AL-Qatamin, and Salleh, 2020). Similarly, various researchers have demonstrated that corporate governance is a mechanism that secures the self-serving activity of management. In this reference, researchers had backed up the theory of agency by observing that the board notes the integrity of the financial report. The requirement to investigate the connection between corporate governance of the firms and the opportunities of financial statements has been explained by the recent interest of the administration of Jordan in corporate governance specifically following the “Company laws act”.

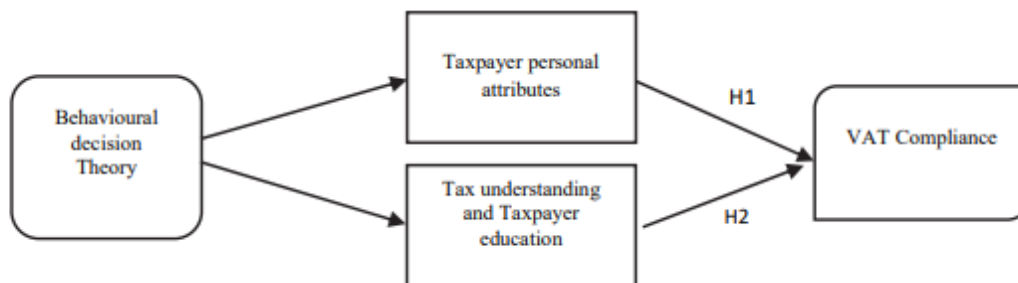
Such law demonstrates that it is required for the firms operating in Jordan to create boards and committees to deploy the mechanisms and rules of corporate governance. Also, the “securities law” implemented in the year 2001 mandates that the public forms of Jordan should

use corporate governance to enable financial reporting transparency and accountability and to control the title sticks of the directors to restrict the manipulation of the financial report through delays (Shatnawi et al. 2021). Moreover, various scholars had demonstrated the existence of a structure of corporate governance that enhances the control of management and reduces the incidence of fraudulent reporting and delays.

### *Link between attributes of Taxpayers and VAT compliance*

Individuals make decisions as per the rational thinking process. The decisions depend on perceived outcomes, specifically in the business structure, senior management, and so on. Here, the approach of decision-makers predicts that the decision-makers take into consideration all the accessible choices and then transfer to the most favourable choices. The phenomenon of decision-making can be acknowledged in various circumstances (Al-Slehat et al., 2020). Among these are under perceived significance, useful Ness, positive results, and others. Similarly, the demographical elements are also among the sectors of tax compliance characteristics. For this reason, the theory of “behavioural decision-making” explains the decision as an outcome of personal characteristics.

Figure 4.2.2: Connection between VAT compliance and Taxpayer attributes



(Source: Al-Slehat et al., 2020)

In order to further even with this phenomenon, various researchers had pointed out the role of various elements such as thinking opinions and assumptions and others on compliance with tax in general. In various past researches, the scholars had stated that the states such as Jordan can reinforce the compliance of tax by applying effective strategies such as increasing tax education, building tax structure, and so on (Awawdeh et al., 2020). In order to make these recommendations more efficient, measurement of the knowledge based on a tax survey was primarily to assist in determining the level of tax education among them.

## CONCLUSION

The discussions made in the paper above gives highlight the various factors of tax and businesses in Jordan. Since the research article tried to analyze the features of corporate tax that impact the business decisions making of the Jordanian businesses for strengthening the financial accountability, the discussions are made in relation to that only. From the discussions and it only says it can be concluded that there are various factors that impact the decision-making of the businesses in corporate tech such as the size of the business. Also, there is in rising opportunity for the financial reports and a link between the attributes of the taxpayers and VAT compliance. Moreover, the accounting framework of Jordan is also discussed comprehensively and the strategies that are followed for mandatory disclosure of businesses in Jordan or also discussed. Among the factors, the agency cost and profitability together with financial leverage also have an impact on the decision-making of the businesses.

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