

## The role of creative accounting practices in developing methods of fraud and tax evasion

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**Abstract---**This study aims to shed light on creative accounting practices because of the role they play in developing methods of fraud and tax evasion from the point of view of tax investigators, by clarifying the aspects of creative accounting and its practices, studying the motives and methods of institutions to adopt these practices and the nature of creative accounting, as well as identifying the following: The concept of fraud and tax evasion and its relationship to creative accounting, and finding ways to combat or reduce their severity in light of accounting and tax reforms by referring to what is stated in jurisprudence and international references through international accounting standards and legal texts related to the Algerian financial accounting system and tax legislation using the descriptive and analytical approach.

**Keywords---**creative accounting, fraud and tax evasion, economic institution, practices, Algeria.

**JEL Classification Codes :**M41, K34.

### INTRODUCTION

In recent years, several developments have revealed deficiencies in the ethical standards of the accounting and auditing profession. This has led to the emergence of numerous writings on creative accounting. In light of institutional practices aimed at determining taxable income, the problem can be defined through the significant challenge posed by creative accounting to the profession. This occurs through the policies and practices implemented by accountants who use their knowledge of accounting rules to process and manipulate figures in the records, thereby distorting the financial statements' figures with the intention of achieving specific objectives, such as eliminating or reducing the tax burden.

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Such practices represent a challenge to the ethical values that have been weakened and deviated from their proper form due to various factors. These values are supposed to guide the behavior of professionals in the field. At the same time, the behavior of accounting professionals should aim to meet the objectives of the stakeholders who benefit from the financial statements in a way that ensures fairness for taxpayers, society, and the state.

- **Research Problem:**

Based on the above, the research problem can be formulated as follows:

**What is the role of creative accounting practices in developing methods of fraud and tax evasion?**

- **Research Hypothesis:**

Creative accounting contributes to the development of methods of fraud and tax evasion.

- **Research Objectives:**

This study aims to achieve the following objectives:

- To define the concept of creative accounting, fraud, and tax evasion;
- To identify the methods of creative accounting and its role in fraud and tax evasion;
- To examine ways to combat or reduce the severity of creative accounting in light of accounting and tax reforms.

The research is divided into two main sections that allow for a better understanding of the problem and the presentation of results and recommendations. First, the theoretical framework of creative accounting, fraud, and tax evasion is introduced. Then, the study explores the methods of creative accounting and the key factors in limiting its practices.

## **I. The Theoretical Framework of Creative Accounting, Fraud, and Tax Evasion**

### **1. Creative Accounting:**

Accounting history is the study of the evolution or advancement of accounting thought, applications, and institutions in response to environmental changes and needs. The origins of accounting can be traced back to individual enterprises and the emergence of partnerships. Early accounting writers advised that the first step in the accounting process should be the preparation of an inventory or a statement of capital, showing all personal assets as well as debts owed and due since the start of the business's operations. (Abbas & Hakim, 2015, p. 22)

Creative accounting is considered one of the most controversial concepts. On one hand, it has been the subject of debate among researchers concerning its causes, motives, and methods. On the other hand, the debate centers on its ethicality and its alignment with—or violation of—accounting laws and principles, as well as its effects and how to reduce its impact. (Mahmoud, 2018, p. 10)

- **Definition of Creative Accounting:**

There is no single definition of creative accounting in the accounting literature. Researchers have provided various interpretations that essentially define creative accounting as the manipulation of financial reports to achieve specific objectives. Numerous definitions of creative accounting have been presented in accounting thought and literature, with each researcher adopting different viewpoints based on their ideologies and using a wide range of expressions to describe the same phenomenon from different angles. Therefore, a general definition of creative accounting will be derived from the chronological sequence of definitions provided by several researchers, including the following:

**Business professionals** have defined it as: "Procedures practiced by business entities to reduce or increase their profits through intentionally and covertly structured and manipulated accounting entries to cover up violations and crimes, considering it a major act of deception." (Griffiths, 1986, p. 1)

**Investment analysts** have defined creative accounting as: "An apparent growth in profits that results from accounting creativity rather than genuine economic growth." (Smith, 1992, p. 9)

**Academics** have defined it as: "The legal use of accounting principles and rules in such a way as to distort and falsify financial statements." (mc & d, 1993, p. 4)

"It is an activity of earnings manipulation to achieve a predetermined goal set by management, to meet analysts' expectations, or to present more consistent or sustainable earnings." (mulford & comiskey, 2002, p. 3)

The U.S. Securities and Exchange Commission (2008) defined it as: "A misrepresentation of the application of generally accepted accounting principles (GAAP)."

The term creative accounting is also defined as: "A set of activities, means, and procedures undertaken by a company's management by exploiting flexibility in accounting standards through the manipulation of accruals or the company's actual activities, or by deviating from generally accepted accounting principles through the application of non-compliant practices, with the aim of maximizing managerial benefits and achieving personal gains, regardless of their legality or the nature of their impact on the company's operations." (Abbas & Hakim, 2015, p. 30)

It has also been defined as: "Creative accounting can be viewed from two angles: the first is positive, as a means of finding solutions and applying non-traditional accounting procedures to support decision-making; the second is negative, involving tricks and number manipulation methods to present a financial position that serves the interests of certain parties at the expense of others." (Ibrahim & Ahmed, 2019, p. 33)

Based on the above, creative accounting, from a positive perspective, is: "A set of innovative and non-traditional accounting actions to find solutions using accounting procedures for the institution's future decision-making. From a negative perspective, it is an unethical practice by the institution's accountants and a form of manipulation and accounting fraud, where the flexibility permitted by generally accepted accounting standards is exploited, and accruals and actual activities of the institution are manipulated to achieve private gains or to maximize short-term benefits for the institution without considering their legality or long-term impact."

- **Reasons for the Interest in Creative Accounting:**

Creative accounting began to receive greater attention when financial scandals involving some of the world's largest corporations came to light, which led to a shift in perception toward the accounting profession and the information and data it produces. (Mahmoud, 2018, p. 10)

- **The Nature of Creative Accounting:**

Creative accounting is practiced within a legal framework by adhering to generally accepted accounting principles (GAAP), and at times through illegal methods by applying procedures that do not conform to these principles. Accounting practices that violate GAAP are considered more harmful to investors and creditors than those that comply. In most cases, such practices are carried out by management, which chooses artificial methods to maximize profits. This may constitute fraud and could lead to legal action by users who rely on this information—regardless of whether these artificial methods technically align with accepted principles—because the negative consequences for investors are equally severe.

Proponents of creative accounting argue that it does not breach accounting standards, as corporate management selects accounting policies and methods that offer the greatest possible benefit. Their goal is to influence users of accounting information to understand business performance and make decisions. On the other hand, critics of creative accounting view management's motivation as opportunistic, aimed at influencing users of accounting information by portraying the company's income in a way that balances return and risk. This, in turn, helps the company survive and remain competitive in the market and reflects managerial efficiency. When the motive is opportunistic or

unethical, creative accounting has a substantial impact on the company's actual financial position, leading to the misguidance of financial statement users.

Practicing creative accounting leads to negative outcomes or serious long-term problems. The most significant of these problems include: (Joumou'i, 2023, p. 122)

- **Erosion of Ethical Standards:**

Even when creative accounting practices do not explicitly violate accounting standards, they are considered ethically questionable and aim to achieve short-term benefits for the entity. Ethical behavior is a crucial element in society, as ethics are fundamental to strengthening societal cohesion. Ethical standards: Creative accounting, although it may not clearly breach accounting rules, fosters a culture that overlooks ethical values. This paves the way for suspicious activities and may mislead users of financial statements. (Wasim Mohammad, 2016, pp. 106-107)

- **Violation of Accounting Standards:**

The importance of International Financial Reporting Standards (IFRS) lies in improving the quality of accounting information. However, companies sometimes exploit these principles for self-interest, which affects transparency and presents an inaccurate image of their performance. (Issa, 2008, p. 19)

- **Decline in Company Value:**

Creative accounting poses a long-term risk by reducing the efficiency of economic resource allocation and hindering the company's ability to achieve sustainable value.

- **Concealing Operational Management Issues:**

Some management teams engage in creative accounting to hide poor operational performance from senior management, thereby exacerbating the company's problems in the long run.

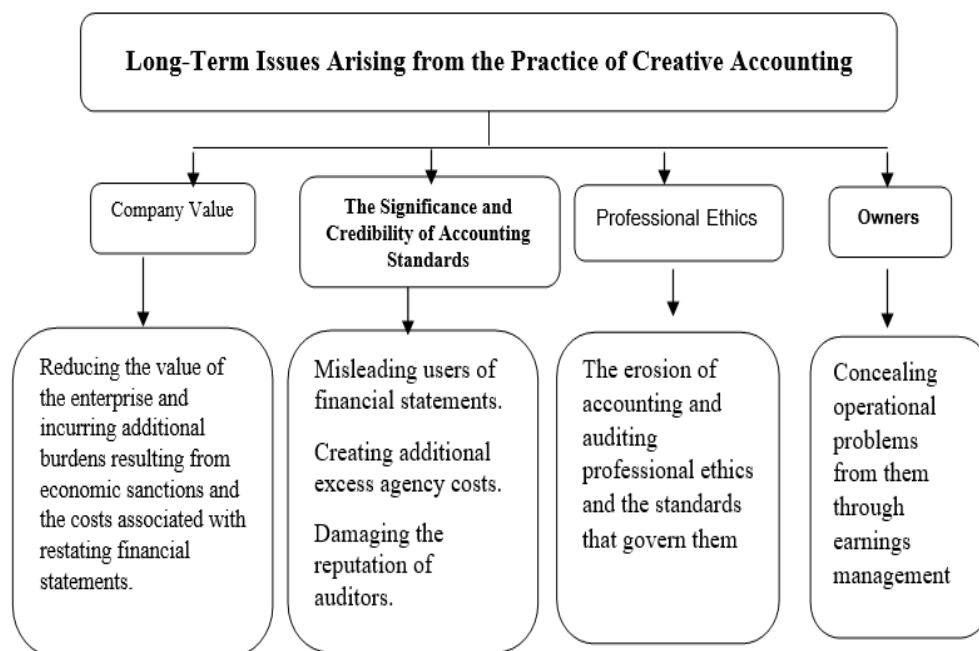
- **Economic Sanctions and Restatement of Financial Reports:**

Several companies have faced severe penalties from securities authorities, including fines and the need to restate their financial reports, which has negatively impacted their market value. (Issa, 2008, p. 21)

- **Crisis of Trust and Credibility:**

Creative accounting undermines the credibility of financial information and leads to a loss of investor confidence. In summary, creative accounting represents a professional and ethical challenge that affects the transparency and reliability of financial information and is considered one of the most significant risks facing companies and investors.

**Figure No. (01-01): Long-Term Implications of Creative Accounting**



**Source:** Joumouli, Omar. The Impact of Creative Accounting as a Modern Trend in Accounting on the Tax Base, Doctoral Dissertation in Financial and Accounting Sciences, Ammar Telidji University – Laghouat, Algeria, 2023, p. 125.

- **Factors and Motives Behind the Emergence of Creative Accounting:**

Earnings management is influenced by various factors and involves diverse techniques. Some of these techniques fall outside generally accepted accounting principles and standards, while others rely on the flexibility available within these principles to achieve managerial objectives. Among the most important factors driving companies to engage in creative accounting are:

- **Ambiguity in Accounting Rules:**

- Lack of clarity in standards: Many accounting legislations and rules allow for interpretation, as they are drafted ambiguously and flexibly to limit available options without enforcing a uniform method for all cases.
- Flexibility in application: The flexibility in applying accounting rules gives management the ability to choose methods that serve their goals. For example, selecting inventory valuation at cost or market (whichever is lower), deferring revenue recognition while recognizing losses immediately.
- Importance of the accounting conceptual framework: The conceptual framework aims to provide a structure to assist in solving new accounting problems. The Financial Accounting Standards Board (FASB) was established in 1973 to formulate this framework as a reference for resolving accounting issues more effectively and swiftly.

This ambiguity in accounting rules and standards creates an environment conducive to the adoption of creative accounting practices by companies, enabling a variety of accounting methods to meet managerial needs in alignment with their strategies. (Abbas & Hakim, 2015, p. 39)

- **Advancement in Technology and Business Practices:**
  - Rapid development compared to legislation: Technology and business practices are evolving at a pace that exceeds the speed of legislative and accounting standard development. This discrepancy creates a gap that compels accountants to adopt innovative practices to keep up with changes.
  - Lack of standards for new business developments: With the emergence of new financial instruments and technologies, accountants often lacked clear standards governing these innovations, which forced them to rely on personal judgment until legislation could catch up with these practices. (Ibrahim & Ahmed, 2019, p. 38)
- **Competition in Resource Allocation (Stewardship vs. Competition):**
  - **Competitive market pressure:**  
Companies are compelled to present satisfactory financial results to attract and retain investors in highly competitive markets.
  - **Mismatch between actual performance and expectations:**  
When actual performance is unstable or disappointing, companies find themselves under pressure to adjust financial statements to present a more stable and sustainable growth outlook, aiming to attract economic resources at a lower cost.
- **Red Flag:**
  - Indicator of Weak Governance: The concept of a “red flag” refers to weaknesses in corporate governance and internal control procedures, including issues related to management style or the application of practices that violate accounting standards.
  - Underlying Financial Risks: The presence of such indicators is considered a sign of potential financial problems that may lead the company to engage in improper practices or creative accounting to conceal these shortcomings.

These factors contribute to creating an environment conducive to the practice of creative accounting, as companies seek to adapt to market demands and maintain their standing with investors even in the absence of adequate accounting legislation or in the face of internal management challenges. (Abbas & Hakim, 2015, p. 29)

- **Flawed Design of Accounting Principles:**
  - **Impact of Design on Earnings Management:**  
Graham indicates that the flawed design of Generally Accepted Accounting Principles (GAAP) can facilitate earnings management by corporate management. Some principles allow economic units to report profits that have not actually been realized.
  - **Pooling of Interests:**  
According to Petrone and Johnson, in the context of business combinations, the pooling of interests method for financial reporting may lead to overstated profits, thereby distorting the true financial position.
  - **Application Challenges:**  
The U.S. Securities and Exchange Commission has confirmed that the misapplication of GAAP is one of the main causes of earnings management practices. However, the flawed design of the principles is considered the most influential factor, as it allows management to manipulate earnings, resulting in failed financial reporting.
  - **Reporting Standards:**  
Poorly designed accounting principles may hinder management’s ability to accurately report real economic events. Economic events should align with the qualitative characteristics of accounting information, but in cases of flawed design, these standards may deviate from their primary objectives. (Graham, 2007, p. 279)

## 2. Tax Fraud and Evasion

### • Definition of Tax:

Tax is defined as a means of distributing public burdens: it is a legal tool for allocating financial burdens among individuals, with the contribution determined according to their ability to pay.

Monetary Performance: The tax represents a financial amount imposed on individuals by the authority definitively and without any direct return, aimed at covering the public expenses incurred by the state.

- **Modern Concepts of Taxation:**

A Mandatory Financial Levy: Tax is considered a financial obligation forcibly deducted from individuals without any compensation, intended to finance the state's public expenditures and achieve its various political and economic objectives. (Al-Juhaishi, 2008, pp. 22-21)

**Compulsory Monetary Deduction:** This concept refers to the financial amounts imposed by the state on taxpayers, which are used to cover public spending and implement approved fiscal policies. (Mohamed, 2015, p. 6)

- **Definition of the Crime of Tax Evasion or Fraud:**

The Algerian legislator did not provide a clear definition of tax evasion in tax legislation but merely listed some of its methods and forms. Accordingly, legal scholars define the crime of tax evasion as follows: (Ben Baaelach, 2021, p. 32)

- **Failure to Pay the Tax:**

Tax evasion consists in the taxpayer's failure to pay the tax or fulfill financial obligations, either partially or completely, which negatively affects the state's tax revenue. This may occur through legal or illegal means.

- **Attempt to Escape Tax Burdens:**

The taxpayer seeks to avoid the legal obligation of paying taxes, whether in whole or in part.

- **Use of Unlawful Means:**

This includes individuals resorting to illegal methods to avoid paying due taxes or paying less than the amount owed.

Thus, tax evasion involves the taxpayer's failure to acknowledge their obligation to pay taxes—either by not submitting the required information in accordance with the law or by providing misleading or incomplete data—with the intention of depriving the state of its financial revenues.

- **Types of Tax Evasion:**

Tax evasion can be categorized as follows: (Ben Baaelach, 2021, p. 32)

- **Legal Tax Evasion:**

Also known as tax avoidance, it refers to the lawful acts of reducing or avoiding tax liability. This is done by exploiting loopholes in the tax legislation without violating the law. Legal tax evasion, or tax avoidance, is considered a lawful action that involves refraining from acts that would lead to tax obligations. Examples include:

- **Refusing to import foreign goods:** As their import would lead to the imposition of customs duties.
- **Segmenting business activities:** By establishing subsidiary companies to avoid progressive income taxation. These actions do not conflict with the law and are considered legal methods to reduce the tax burden.

- **Illegal Tax Evasion:**

This includes unlawful methods aimed at reducing or eliminating the amounts due by individuals and constitutes a punishable crime under the law. This type is also referred to as tax fraud and is characterized by:

- **Deliberate and explicit violations:** Such as providing tax authorities with false or incomplete information, or failing to submit tax declarations.
- **Forgery of documents:** Including forging state seals, stamps, and fiscal marks, which are considered criminal acts under Articles 206 and 207 of the Algerian Penal Code.

- **International Tax Evasion:**

This type involves attempts to avoid paying taxes in countries with high tax pressure by opting to pay in countries with lower tax burdens. Known as legal international tax evasion, it typically occurs through:

- **Exploiting tax incentives and exemptions** offered by some countries, such as tax havens.

International tax evasion is a complex issue that requires special attention from international tax authorities to coordinate efforts and limit these practices.

- **Means of Combating (Addressing) Tax Evasion:**

Addressing tax evasion does not mean eradicating it completely, but rather controlling it, as its total elimination is nearly impossible. However, reducing the occurrence of evasion and limiting its effects is achievable, and this is what the state seeks to accomplish through various means, including: (Saidani & Khadraoui, 2015, p. 32)

- **Raising and Spreading Awareness Among Citizens:**

Educating citizens about the importance of taxes in financing development efforts and what that means for a prosperous future for both taxpayers and society in general. In this way, the taxpayer will feel that paying taxes is a national duty that serves the public interest.

- **Achieving the Principle of Justice in General Policy:**

Unfair public policies that favor one group or region over another, or those that involve wasteful spending of public funds, may push taxpayers to seek ways to avoid paying taxes. In such cases, the taxpayer does not feel a sense of duty toward the country and may even feel a sense of triumph when successfully evading taxes.

- **Enacting Penalties in Tax Law:**

Like other laws, tax law must stipulate penalties. Since tax evasion constitutes an attack on the rights of society as a whole, and as it poses a threat to public finances, penalties should be strengthened. However, it is preferable to impose financial penalties such as fines or asset confiscation instead of physical punishments like imprisonment.

## II. Methods of Creative Accounting and Key Factors in Limiting Its Practices

### 1. Methods and Practices of Creative Accounting in Financial Statements:

- Financial statements represent the output of the accounting system. They are prepared in accordance with accounting principles and standards that govern the processes of preparing and presenting financial statements, as well as determining the information that should be disclosed. However, creative accounting practices occur within these statements through various methods. Below, we will address the concept and types of financial statements, followed by the related practices.

- **Concept and Types of Financial Statements:**

Financial statements are among the essential components used in the field of accounting to provide accurate and reliable information about an entity's financial position and performance. Financial statements can be classified into basic concepts and specific types. (Talal, Ryan, Mohammad, & Mushtaq, 2009, p. 7)

- **Concept of Financial Statements:**

Financial statements refer to official documents that present the financial position of an entity over a specific period. These statements are essential for providing a clear picture of an institution's financial performance and position. Financial statements include several key components, such as: (Ministry of Finance, Decree dated July 26, 2008, 2008)

- **Income Statement (Statement of Results):**

Displays the entity's revenues and expenses, thereby determining the profit or loss for the accounting period.

- **Statement of Financial Position (Balance Sheet):**

Shows the assets, liabilities, and shareholders' equity, allowing users to understand the entity's financial structure and sources of funding.

- **Types of Financial Statements:**

In addition to the primary statements mentioned, there are other types of financial statements that are derived from the two basic concepts: (Talal, Ryan, Mohammad, & Mushtaq, 2009, p. 9)

- **Statement of Changes in Equity:**



Illustrates how shareholders' equity changes over the period, including retained earnings and dividend distributions.

- **Cash Flow Statement:**

Shows the cash inflows and outflows of the entity, helping to understand liquidity and available cash.

- **Components of Financial Statements:**

Financial statements include several important elements, such as: (Ministry of Finance, Decree dated July 26, 2008, 2008)

- Assets: Represent the resources owned by the entity.
- Liabilities: Show the debts and obligations the entity owes to others.
- Expenses: Reflect the costs incurred by the entity over a specific period.
- Revenues: Represent the income generated from operational activities.

- **Importance of Financial Statements:**

Financial statements are the primary means of conveying financial information to external parties such as investors and creditors. These statements assist in evaluating financial performance and making informed decisions based on the information provided. (Talal, Ryan, Mohammad, & Mushtaq, 2009, p. 11)

### **Legal Framework for Financial Statements:**

**According to the Financial Accounting System, entities are required to prepare annual financial reports. Article No. (1.210) of the decree dated 28 Rabi' al-Awwal 1430, corresponding to July 26, 2008, sets out the rules for valuation, accounting, and the content of financial statements.** (Ministry of Finance, Decree dated July 26, 2008, 2008)

- **Financial Statements of Entities:**

The financial statements of non-small entities include the following components: (Bouhadida & Qouman, 2015, p. 360)

- **Balance Sheet:** Reflects the financial position at the end of the period.
- **Income Statement:** Shows the financial performance during the period.
- **Cash Flow Statement:** Displays the available cash liquidity.

## **2. Key Factors in Limiting Creative Accounting Practices:**

Creative accounting practices are among the negative phenomena that affect the integrity of financial information, which calls for the identification of effective factors to reduce them. The following are some key factors that may contribute to minimizing such practices: (Joumou'i, 2023, p. 145)

### **1. Development of Accounting Standards:**

- **Tightening standards:** Regulatory bodies should establish clear and strict accounting standards to reduce the space available for manipulation. This requires periodic review and updates of current standards to adapt to changes in the economic environment.

### **2. Enhancing Transparency and Disclosure:**

- **Increasing disclosure requirements:** Raising the level of disclosure of financial information can improve transparency. Companies should provide detailed information about their accounting methods and the judgments they apply.

### **3. Independent Internal Auditing:**

- **Activating the role of internal audit:** Strong internal audit systems must be in place to detect creative accounting practices. Audit teams should evaluate the effectiveness of financial controls and ensure compliance with standards.

### **4. Awareness and Training of Staff:**

- **Continuous training:** Companies should organize training and awareness programs for employees about the harms of creative accounting practices and the importance of adhering to ethical and professional standards.

5. **Strengthening Ethical Culture:**

- **Building a strong ethical culture:** Senior management should promote a work environment that supports ethics and sound practices. Clear policies must be established regarding acceptable and unacceptable behaviors.

6. **Imposing Strict Penalties:**

- **Enforcing penalties:** There should be clear consequences for illegal accounting practices, which would encourage companies to comply with standards rather than manipulate them.

7. **Technology and Innovation:**

- **Using technology:** Modern technologies, such as artificial intelligence and data analytics, can play a major role in improving accounting systems and detecting creative practices by monitoring abnormal patterns.

8. **Cooperation with Regulatory Authorities:**

- **Enhancing cooperation with government bodies:** Companies must cooperate with regulatory agencies and external auditors to ensure compliance with applicable laws and regulations.

9. **Community Engagement:**

- **Encouraging good practices:** Civil society and investors can play an important role in promoting good standards and putting pressure on companies to improve their accounting practices.

## CONCLUSION

Creative accounting practices are among the phenomena that raise significant concern in the world of business and finance, as they represent a legal loophole that can be exploited to develop methods of fraud and tax evasion. The improper use of accounting techniques may contribute to manipulating figures and financial data, which undermines transparency and negatively impacts the accurate understanding of a company's financial position.

In the context of tax evasion, the broad interpretation of certain accounting standards is exploited to reduce the imposed tax burdens. Individuals and companies can conceal their actual income or inflate their expenses with the aim of reducing the taxable amount due. These practices contribute to undermining the tax system, leading to a decrease in state revenues and negatively affecting public services and the economy as a whole.

The role of creative accounting practices in developing methods of fraud and tax evasion calls for a strong response from regulatory bodies and auditors. Efforts should focus on promoting integrity and transparency in financial information by developing stricter accounting standards and enforcing internal and external control systems.

In conclusion, it is essential that companies work on fostering a strong ethical culture focused on compliance with laws and regulations. Governments and regulatory bodies should also enhance cooperation with civil society to combat these negative phenomena, thereby contributing to the creation of a more honest financial environment. Combating creative accounting and tax fraud requires a collective effort to ensure tax justice and preserve confidence in the financial system.

### Suggestions and Recommendations

- **Enhancing Tax Legislation:**

Governments should regularly review and update tax legislation to ensure it addresses the latest methods of tax evasion and accounting fraud. Laws must include appropriate penalties to deter such practices.

- **Developing Accounting Standards:**  
Professional bodies must work on developing stricter and more accurate accounting standards to reduce opportunities for manipulation. These standards should be clear, applicable, and accompanied by precise guidelines for preparing financial reports.
- **Improving Internal Control Systems:**  
Companies should establish strong internal control systems to ensure transparency in preparing financial statements. These systems may include periodic audits and independent evaluations of financial reports.
- **Awareness and Training for Accountants and Auditors:**  
Continuous training and awareness programs should be provided for accountants and auditors on professional ethics and the importance of legal compliance. These programs may include workshops and specialized training courses.
- **Strengthening International Cooperation:**  
Given the international nature of tax evasion, cooperation between countries should be strengthened to exchange information and combat tax evasion methods. Countries should develop tax information exchange agreements to enhance transparency.
- **Encouraging Whistleblowing:**  
Mechanisms should be established to encourage individuals and companies to report any fraudulent or tax evasion practices. These mechanisms may include protections and rewards for whistleblowers.
- **Promoting the Role of Technology:**  
Technology can be used to enhance transparency in financial operations, such as data analysis applications and artificial intelligence tools that help detect suspicious patterns in financial data.
- **Improving Communication with Civil Society:**  
Governments should engage more effectively with civil society on the importance of tax compliance. These efforts may include awareness campaigns about the role of taxes in funding public services and achieving sustainable development.
- **Activating the Role of Oversight Bodies:**  
The capacity of oversight authorities should be strengthened to monitor accounting practices and supervise the process of preparing financial reports effectively, thus reducing opportunities for tax evasion.
- **Providing Financial and Advisory Support for Small Businesses:**  
Financial and advisory support should be offered to small and medium-sized enterprises to help them understand and comply with tax obligations, thereby fostering a culture of compliance and reducing opportunities for evasion.
- **Combating tax evasion and accounting fraud requires a coordinated effort from all concerned parties.**
- **States, companies, and individuals must work together to ensure a fair and effective tax system that contributes to sustainable development.**

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