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**Developing a Tax Inspection System Based On Revenue Criteria
Derived From Customer Contracts In Order To Improve Tax
Revenue Efficiency
In-Depth Analysis of Egypt's Central Tax Authority**

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Abstract

Purpose: This study aims to develop the tax examination in light of the revenue criterion from contracts with customers and the provisions of tax legislation in order to achieve consistency between the standard and tax laws IFRS 15, as well as an attempt to fit between revenue recognition in accounting and the identification of the case that establishes the tax to narrow the differences between financiers and the tax administration.

Design/Approach: The first model: Determining each of the independent factors (the criteria of income from contracts with customers IFRS 15), the intermediate variables (the tax examination), and the dependent variables (raising the efficiency of the tax revenues) using the descriptive data shown in the table (investigation list). Second model: measuring some indicators related to intermediate variables by identifying the level of tax revenue contribution to financing the state's general budget for 2015-2020.

Findings: There is a difference between tax legislation and accounting standards in general and the revenue standard for customer contracts in particular, There are problems related to the tax examination due to the lack of tax awareness among the taxpayers, as Law No. 91 of 2005 and its 2020 amendments did not establish any penalties for violating accounting standards in preparing financial statements, especially the income statement.

Research Limitations/implications:

- Focusing on the group examination instead of the individual examination, i.e. taking into account the quantity and not the quality.
- Focusing on the electronic examination instead of the manual one to increase the tax proceeds.

Keywords: Tax, IFRS 15, Tax revenue, tax inspection system.

1. Introduction

Taxes play an important economic, social and political role in all developing and developed countries alike, given that taxes are considered a source of national income to finance public spending on basic goods and services that citizens need in addition to the aforementioned economic, social, and political goals that are implemented by imposing taxes.

However, its application has become the responsibility of all countries of the world and a threat that affects the tax proceeds imposed on those countries, and thus the negative impact of achieving the desired goals of imposing taxes, and this negative threat is represented in tax evasion and avoidance alike, and therefore the importance of tax examination lies in being a means, not an end. It aims to serve the tax administration in determining the rights of financiers and the state side by side, in addition to increasing the level of compliance with the provisions of tax legislation, reducing cases of tax evasion, and thus increasing tax revenue (Teisreen, 2007).

Since the inception of tax in Egypt in 1939 and until the end of the fiscal year 2004, the method of tax examination used was the method of the comprehensive examination, which was mainly concerned with quantity and not quality. The taxpayers and the tax authority, as well as the loss of state funds as a result of the accumulation of the examination process on the tax examination officers.

Therefore, the use of Egyptian accounting standards in general and the standard of revenue from customer contracts in particular to determine the accounting profit supports the objective aspect of the tax examiner's work and building bridges of trust with tax financiers, in which the tax examiner does not rule by personal judgment or deceive by other methods to reach the unreal tax profit.

Given the importance of recognizing revenue as the most important main information in the income statement, the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) have paid attention to the way revenue is treated in the financial statements, as the International Accounting Standards Board issued the international standard ISA18 "Revenue" and the standard International ISA11 "Construction Contracts". In addition, the Accounting Standards Interpretations Committee (IFRIC) has issued several interpretations of the international standard on revenue.

However, the treatment of revenue contained in international standards differed from American standards, in addition to the fact that disclosure requirements were insufficient for investors to understand the entity's revenues and the judgments and estimates issued by the facility's management to recognize revenue (Tong, 2015), which led to the need to develop a unified standard for revenue treatment that would be more clear. It deals with the differences and discrepancies in the requirements of measurement, disclosure and revenue recognition.

As a result, both the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) began to adopt a joint project to improve financial reporting by developing a common revenue standard to increase convergence between US GAAP and IFRS. This convergence resulted in the issuance of the international standard IFRS "Revenue from contracts with customers" in May 2014 to replace IAS11 construction contracts and IAS18 revenue standards from international accounting standards.

It should be implemented voluntarily from January 2017 and mandatory by the International Accounting Standards Board, from January 2018 (Naseer, 2019), due to the response to the demands of users of financial statements and other interested parties in improving and simplifying the preparation of international financial reports, and enhancing and improving the level of transparency in The financial reporting process to reflect the economic facts and values of the entity.

IFRS 15 aims to establish the principles that an entity should apply to report information useful to users of financial statements about the nature, value, timing, and certainty of revenue and cash flows resulting from contracts with customers, to improve the media content of financial reports and provide a comprehensive and unified intellectual framework for recognition Revenue can be applied in different transaction areas and different countries to improve the comparability of financial statements.

2. Literature Review and Hypothesis Development

2.1 Objective of the standard

IFRS 15 aims to establish the principles that an entity should apply to report information useful to users of financial statements about the nature, value, timing, revenue uncertainty, and cash flows arising from contracts with customers, in order to improve the informative content of financial reports, and providing a comprehensive and unified intellectual framework for revenue recognition that can be applied in

different transaction areas and different countries to improve the comparability of financial statements, Providing the necessary amount of information in a timely manner by improving the revenue disclosure requirements from contracts with customers (Awad, 2016).

The IFRS 15 standard defines a new model for recognizing revenue on the basis of control, as the study (Dyson, 2015) indicated that the entity recognizes revenue upon delivery or provision of goods and services agreed upon with the customer, in an amount that reflects the consideration that the entity expects to It has the right to obtain it in exchange for these goods or services, and thus this model has shifted from the concept of risks and returns to the concept of transferring control.

Referring to IFRS 15, it becomes clear that it sets conditions that must be met for revenue recognition, the most important of which is determining the contract to be fulfilled by the customer, and these conditions will result in differences in the timing of revenue recognition between IFRS 15 and the previously applied international standards, where according to the previously applied international standards, the revenue It is realized immediately upon the termination of contractual arrangements and agreements related to the transfer of benefits and services related to goods and services, while according to IFRS 15, the realization of revenue is related to the concept of control and the ability to benefit from the benefits associated with goods and services (Awad, 2016), Therefore, these differences will result in differences in the timing of revenue recognition between IFRS 15 and previously applied international standards.

Thus, it can be said that IFRS15 helped eliminate the inconsistency and discrepancy in revenue recognition requirements in international standards; Where the entity could recognize revenue in different ways in both international standards (IAS18 & IAS11), by developing a unified model consisting of five specific steps to recognize revenue for all segments instead of using separate models for different types of revenue, which facilitates operations Comparing the different sectors and then providing information of interest to the users of the financial statements (Dalkilic, 2014; Holzmann, 2014).

On the local level, Ministerial Resolution No. 69 of 2019 amending some provisions of the Egyptian Accounting Standards issued by the

Minister of Investment Resolution No. 110 of 2015 introduced three accounting standards, including Egyptian Accounting Standard No. (48) on revenue from contracts with customers in line with the International Reporting Standard IFRS 15 to replace the Egyptian Accounting Standard No. (11) related to revenue and the Egyptian Accounting Standard No. (8) related to construction contracts, The decision clarified that the entity must apply this standard to the financial periods beginning on or after the first of January 2020, and early application is permitted, If the entity applies early, this must be disclosed.

In light of the above, the researchers believes that there is a local interest in keeping pace with accounting developments to improve the quality of financial reports in line.

2.2 Previously conducted studies that focused on research variables

The following are the three categories of prior research:

2.2.1: Previous studies related to the independent variable (revenue criterion):

Table No. (1)
Previous studies related to the independent variable

Study	The most important objectives of the study	study population and sample	The most important findings of the study
Dalkili, 2014	Analyzing the international standard and identifying the extent of its impact on the establishments in terms of the timing of revenue recognition		The application of the standard will require the evaluation of information systems and enterprise resource planning systems so that they can comply with the requirements of the new recognition.
Ibrahim, 2015	Develop tax accounting for long-term contracts in line with IFRS15	Contracting companies listed in the Egyptian capital market	The application of the standard reduces the tax burden compared to the current method in the tax law.
Lim et al.,2015	Clarify the new requirements contained in IFRS 15 in terms of revenue recognition, measurement and disclosure.	Establishments in the Malaysian community	The accountants and auditors are not ready to apply the international standard, which requires adequate training for them to apply the standard.
Kasztelnik, 2015	To identify if there has been a significant change in the appropriateness of	The telecommunication sector, a	Knowing components of revenue recognition after the adoption of the new

	the value of the revenue recognition components since the application of IFRS 15 in America.	sample of American companies 2005-2015	international standard which has increased substantially, and therefore companies will pay more federal taxes.
Oyedokum, 2016	Identifying the conditions for revenue realization in each of the international accounting standards represented in IAS18 and the international standards IFRS15 to identify the transitional stage experienced by enterprises when applying the new standard.		The preparers and users of financial statements must prepare and train sufficiently to understand the requirements of the new accounting standard so that it can be easily applied in practice.
Hashem's, 2018	It aims to assess and analyze the requirements of IFRS 15 and its impact on the credibility and quality of financial reports		The study concluded that the application of the standard works to unify the bases of comparison and measurement methods to increase information symmetry and increase the quality of profits by providing good information in the financial statements.
Trabelsi, 2018	Analysis of the impact of the early adoption of IFRS 15 on real estate companies on the quality of disclosure of accounting information.	Dubai real estate companies	The study concluded that the application of the new standard will help remove the contradictions and shortcomings in the revenue recognition requirements in accordance with the previous standards.
Eid, (2018)	To identify the impact of the application of International Financial Reporting Standard No. 15 "Revenue from contracts with customers" on the accounting disclosure in the financial reports of Egyptian joint stock companies	Egyptian joint stock companies	The study concluded that the disclosure requirements according to the new standard require detailed information on revenue in a more comprehensive way than the previous accounting standards for revenue recognition.
Jonick & Benson, 2018	Learn how a group of Fortune 500 companies are preparing for the requirements of the new revenue standard, and how they expect the implementation of the new standard to affect their existing operations	27 Fortune 500 companies	The study found that most companies are working to appoint major accounting firms to help analyze and implement the new requirements of the standard.

Naseer, 2019	Identifying the compatibility of the value-added tax system in line with accounting standards.	Egyptian Tax Authority	The study concluded that the accounting revenue recognition methods differ from the tax rules used in determining the case that arises tax under the current tax system.
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2.2.2 Previous studies related to the mediating variable (tax examination):

Table No. (2)

Previous studies related to the mediating variable

study	The most important objectives of the study	study population and sample	The most important findings of the study
Omar, 2005	Identifying the impact of technical methods for tax examination in combating value-added tax evasion.	Iraqi Tax Authority	The study concluded that the increase in the rate of tax evasion came as a result of the non-compliance of taxpayers in maintaining regular accounting books.
Abdelgadir., 2008	It aims to put some treatments that should be taken into account in any tax reform intended to combat tax evade or nonpayment.		Encouraging the nationalistic attitude among the citizens and convincing them that the tax is required to meet state expenditures, which are spent in their interest and the public interest
John, 2015	It aims to build tax examination standards rationalizing personal judgment in terms of time and place.		How to apply the tax examination standards by the taxpayer and the tax system parties.

2.2.3 Previous studies related to the dependent variable (increasing the efficiency of tax revenue):

Table No. (3)

Previous studies related to the dependent variable

the study	The most important objectives of the study	study population and sample	The most important findings of the study
Sarah, 2017	It aims at evaluating the tax examination method currently applied in Egypt and shedding light on the problems they face, such as the declining tax proceeds.	Egyptian Tax Authority	The study found the contribution of the proposed approach helps to reduce the time spent in the tax examination process, which is reflected in an increase in the tax proceeds.

By highlighting and analyzing previous studies, the following conclusions can be reached:

- Most of the previous studies focused on the tax examiner and

examination processes and how to simplify them as much as possible, making the tax examination process developed and efficient.

- There is a lack of connection between accounting standards in general and legislation and tax laws, which creates a tax gap as a result of the difference in accounting profit from tax profit.
- Focusing on the group examination instead of the individual examination, i.e. taking into account, considering the quantity and not the quality.
- Focusing on the electronic examination instead of the manual one to increase the tax proceeds.

Through the researchers' review of previous studies, this study was characterized by the following:

- It was not previously addressed in any of the previous studies, in addition to the fact that no studies have conducted that measure the revenue criterion from contracts from customers on tax examination and the abundance of tax proceeds, so the researchers went to develop a model that works to raise the efficiency of the tax examination system and increase the tax proceeds Eliminating the increasing rates of tax evasion and avoidance, as well as eliminating the increase in disputes between the taxpayer and the tax authority.
- Increasing the tax awareness of the tax examiner due to the importance of the subject, which is reflected in the quality of the tax examination.

The following hypotheses are therefore presented:

- H1** There is a statistically significant relationship between the revenue criterion and the abundance of tax revenue.
- H2** There is a statistically significant relationship between the revenue criterion and the tax examination.
- H3** There is a statistically significant relationship between the tax examination and the abundance of tax revenue.
- H4** There is a statistically significant relationship between the revenue criterion, the tax examination, and the abundance of tax revenue.
- H5** There is no significant effect of waving for the delay, additional tax, and fines on the abundance of tax proceeds.

3. Methodology

The study relied on secondary data, which is represented in the data that could be obtained by reviewing the literature on tax theories and the most important developments and tax adjustments developed in this regard, and the primary data, which is the data of the practical side of the study, which contributed to preparing a model for the development of tax examination and achieving the objectives of the study. The study sample size was (171 individuals) depending on the simple random sampling method, which consists of four categories as follows: (80) tax examiners, and (71) accountants and auditors from Big Four accounting offices: (Hazem Hassan office “KPMG”, office Ernst & Young, Farid Mansour's office, Saleh Barsoum & Abdel Aziz "Deloitte" office), and finally (20) professors of accounting and finance in the faculties of commerce, Cairo University, Ain-Shams University and Sohag University.

The researchers was committed to the performance of the arbitrators and performed the necessary deletion, addition, and modification in the statements of the survey list in the light of their proposals, and the paragraphs were accepted after the approval of the arbitrators and thus came out in its final form.

4. Results and Discussion

4.1 Descriptive statistics

Table (1): Descriptive statistics for the first dimension of “revenue criterion in contracts with customers”

Revenue criterion in contracts with customers										
Sentences Of survey	Frequencies And percentages	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard deviation	Trend direction	Rank
Section 1: Standard recognition requirements										
x11 Ensure compliance with revenue recognition principles rather than the rules	Frequency	5	23	25	94	24	3.64	0.981	agree	14
	Percentage	2.9	13.5	14.6	55	14				

and guidelines of the standard.										
x12 Linking the accounting for revenue to the extent of commitment to the application of the contract requirements	Frequency	17	48	21	72	13	3.09	1.184	neutral	15
	Percentage	9.9	28.1	12.3	42.1	7.6				
x13 The obligation to specify the rights of each party in relation to the goods or services of the contract	Frequency	0	19	2	114	36	3.98	0.819	agree	12
	Percentage	0	11.1	1.2	66.7	21.1				
x14 The entity shall recognize the consideration received from the customer as a liability.	Frequency	0	12	0	32	127	4.6	0.815	agree	3
	Percentage	0	7	0	18.7	74.3				
x15 The entity must account for the contract modification as separate	Frequency	0	17	12	85	57	4.06	0.895	agree	11
	Percentage	0	9.9	7	49.7	33.3				
x16 Ensuring that the standards controls are applied in terms of the transaction price.	Frequency	0	14	0	116	41	4.08	0.752	agree	10
	Percentage	0	8.2	0	67.8	24				
x17 At the inception of the contract, the entity must evaluate the goods or services promised in the contract	Frequency	0	20	0	74	77	4.22	0.936	strongly agree	8
	Percentage	0	11.7	0	43.3	45				
x18 The activities of preparing the contract should not be considered as obligations to perform the goods and services that the establishment has to carry out to fulfill the contract	Frequency	0	0	12	22	137	4.73	0.582	strongly agree	1
	Percentage	0	0	7	12.9	80.1				
x19 Ensuring the application of the standards controls in terms of cash consideration	Frequency	0	0	19	24	128	4.64	0.675	strongly agree	2
	Percentage	0	0	11.1	14	74.9				
x20 Ensuring the application of the	Frequency	0	19	10	118	24	3.8	0.792	agree	13

standards' controls in terms of segregation of transactions	Percentage	0	11.1	5.8	69	14				
x21 Ensuring the application of the criteria of the standard in terms of cash consideration.	Frequency	0	13	12	47	99	4.36	0.911	strongly agree	6
	Percentage	0	7.6	7	27.5	57.9				
x22 Ensuring the application of the standards' controls in terms of fair price.	Frequency	8	11	19	16	117	4.3	1.179	strongly agree	7
	Percentage	4.7	6.4	11.1	9.4	68.4				
x23 Standard 15 provides a comprehensive framework for the recognition, measurement and disclosure of revenue.	Frequency		0	20	53	98	4.46	0.696	strongly agree	4
	Percentage	0	0	11.7	31	57.3				
x24 Standard 15 provides guidance on the timing and amount of revenue on a contract basis.	Frequency	0	0	26	44	101	4.44	0.744	strongly agree	5
	Percentage	0	0	15.2	25.7	59.1				
x25 Standard 15 reduces the need to develop case-by-case guidance for emerging issues for revenue recognition.	Frequency	0	4	25	78	64	4.18	0.765	agree	9
	Percentage	0	2.3	14.6	45.6	37.4				
section 2: Standard measurement requirements										
x21 When measuring revenue, the amounts collected for the account of third parties must be excluded.	Frequency	0	16	0	53	102	4.41	0.899	strongly agree	1
	Percentage	0	9.4	0	31	59.6				
x22 The non-monetary consideration must be measured on a fair value basis.	Frequency	0	13	13	101	44	4.03	0.8	agree	2
	Percentage	0	7.6	7.6	59.1	25.7				
x23 An entity must account for the purchase of a good or service in the same way that it accounts for other purchases from suppliers.	Frequency	7	16	5	88	55	3.98	1.049	agree	3
	Percentage	4.1	9.4	2.9	51.5	32.2				

section 3: Standard display requirements										
x31 The terms “contract asset” and “contract liability” can be presented using alternative descriptions in the statement of financial position.	Frequency	2	8	18	59	84	4.26	0.91	strongly agree	1
	Percentage	1.2	4.7	10.5	34.5	49.1				
section 4: Standard disclosure requirements										
x41 An entity shall not disclose information in accordance with this Standard if that information has been disclosed in accordance with another Standard	Frequency	21	11	40	46	53	3.58	1.319	agree	2
	Percentage	12.3	6.4	23.4	26.9	31				
x42 The revenue recognized must be disclosed separately and separately.	Frequency	3	8	4	49	107	4.46	0.889	strongly agree	1
	Percentage	1.8	4.7	2.3	28.7	62.6				
Total		71					4.15	0.296	agree	

Source: performed by the Authors using SPSS software

Table (1) shows Descriptive statistics of the independent variable “revenue criterion in contracts with customers” from which we find **in the first section:** Revenue criterion in contracts with customers, that the highest average was awarded to the sentence x18: (The activities of preparing the contract should not be considered as obligations to perform the goods and services that the establishment has to carry out to fulfill the contract) with a mean of 4.73 and std. deviation 0.582, followed by sentence x19 (Ensuring the application of the standards controls in terms of cash consideration) with a mean of 4.64 and std. deviation 0.675. The lower mean was for the sentence x12: (Linking the accounting for revenue to the extent of commitment to the application of the contract requirements) with a mean of 3.09 and std. deviation 1.184.

In the second section: Standard measurement requirements, x21 sentence (When measuring revenue, the amounts collected for the account of third parties must be excluded) has a higher mean of 4.41 and std. deviation 0.899, and the lower one for the x23 (An entity must

account for the purchase of a good or service in the same way that it accounts for other purchases from suppliers) with 3.98 mean and 1.049 std. deviation.

For the third section: Standard display requirements, the only sentence (The terms “contract asset” and “contract liability” can be presented using alternative descriptions in the statement of financial position) has a high mean of 4.26 and 0.91 std. deviation with a strongly agreed trend direction.

Finally, **for the fourth section:** Standard disclosure requirements, the highest mean was awarded to the x42 sentence (The revenue recognized must be disclosed separately and separately) with a mean of 4.46 and std. deviation 0.889, followed by the x41 sentence (An entity shall not disclose information by this Standard if that information has been disclosed by another Standard) with 3.58 mean and 1.319 std. deviation.

The weighted average of Dimension 1 was 4.15 with an Std. Deviation 0.296 which provided that the trend of (Revenue criterion in contracts with customers) is “Agree” as a general trend according to 5-point Likert scale since 4.15 lies in the interval {3.41-4.20}

So, the Average of this dimension is considered a High Level, and the intervals of level are as follows:

- Low-level {1-2.59}
- Moderate Level {2.60-3.39}
- High level {3.40-5}

Table (2): Descriptive statistics for the Second dimension of “Development of the tax examination system”

Development of the tax examination system										
Sentences of survey	Frequencies & percentages	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard deviation	Trend direction	Rank
y1 There is a difference between tax legislation and accounting standards in general and the revenue standard for customer contracts in particular.	Frequency	0	23	0	83	65	4.11	0.955	agree	5
	Percentage	0	13.5	0	48.5	38				

y2 There are problems related to the tax examination due to the lack of tax awareness among the taxpayers.	Frequency	6	8	6	38	113	4.43	1.011	strongly agree	1
	Percentage	3.5	4.7	3.5	22.2	66.1				
y3 Law No. 91 of 2005 and its 2020 amendments did not establish any penalties for violating accounting standards in preparing financial statements, especially the income statement.	Frequency	10	12		26	123	4.4	1.171	strongly agree	2
	Percentage	5.8	7	0	15.2	71.9				
y4 There are many disputes between the tax authority and taxpayers regarding tax examination	Frequency	34	6	7	41	83	3.78	1.556	agree	8
	Percentage	19.9	3.5	4.1	24	48.5				
y5 Failure to apply all means related to tax examination in Egypt.	Frequency	0	21	24	85	41	3.85	0.925	agree	7
	Percentage	0	12.3	14	49.7	24				
y6 The low quality of tax examination, which in turn leads to an increase in disputes between financiers and the Tax Authority.	Frequency	21	0	0	26	124	4.36	1.309	strongly agree	4
	Percentage	12.3	0	0	15.2	72.5				
y7 Lack of knowledge of the tax examiner with accounting standards.	Frequency	5	1	15	56	94	4.36	0.893	strongly agree	3
	Percentage	2.9	0.6	8.8	32.7	55				
y8 The examiner's orientation to the accounting estimate rather than the books.	Frequency	18	15	28	40	70	3.75	1.35	agree	8
	Percentage	10.5	8.8	16.4	23.4	40.9				
y9 Legislative shortcomings in terms of payment after the appeal and then the grievance or sending it to the court.	Frequency	0	8	16	102	45	4.08	0.736	agree	6
	Percentage	0	4.7	9.4	59.6	26.3				
y10 Contribution of tax revenues to financing the state's general budget	Frequency	16	72	13	50	20	2.92	1.248	neutral	9
	Percentage	9.4	42.1	7.6	29.2	11.7				
Total		171					4	0.605	Agree	

Source: performed by the Authors using SPSS software

The table (2) shows Descriptive statistics of the mediator variable “Development of the tax examination system”, concerning the high two

Averages, we find that the highest one was awarded to the sentence y2 (There are problems related to the tax examination due to the lack of tax awareness among the taxpayers) with mean 4.43 and Std. Deviation 1.011, followed by the sentence y3 (Law No. 91 of 2005 and its 2020 amendments did not establish any penalties for violating accounting standards in preparing financial statements, especially the income statement) with mean 4.40 & Std. Deviation 1.171.

Concerning the lower two Averages, the lowest one was for the sentence y10 (Legislative shortcomings in terms of payment after the appeal and then the grievance or sending it to the court) with a mean of 2.92 and Std. Deviation 1.248, in which the trend direction was “neutral”, followed by the sentence y8 (Legislative shortcomings in terms of payment after the appeal and then the grievance or sending it to the court) with mean 3.75 and Std. Deviation 1.35.

The weighted average of Dimension 2 was 4.00 with an Std. Deviation 0.605 which provided that the trend of (Development of the tax examination system) is “Agree” as a general trend according to 5-point Likert scale since 4.00 lies in the interval {3.41-4.20}

So, the Average of this dimension is considered a High Level, and the intervals of level are as follows:

- Low-level {1-2.59}
- Moderate Level {2.60-3.39}
- High level {3.40-5}

Table (3): Descriptive statistics for the Third dimension of “Abundance of tax revenue”

Abundance of tax revenue										
Sentences of survey	Frequencies and percentages	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Standard	Trend	Rank
z1 Follow up on the annual legislative amendments issued by the Ministry of Finance to increase the tax revenue.	Frequency	22	17	34	39	59	3.56	1.385	agree	12
	Percentage	12.9	9.9	19.9	22.8	34.5				
	Frequency	1	14	19	91	46	3	0.	no	6

z2 Calculate the rights and fines for tax on all sources of gross income.	Percentage	0.6	8.2	11.1	53.2	26.9			
z3 Develop several scenarios to confront any economic, social or political variables to increase the tax proceeds.	Frequency	23	9	21	83	35	3.57	1.255	11
	Percentage	13.5	5.3	12.3	48.5	20.5			
z4 Increasing awareness of digital transformation among taxpayers for the ease of tax examination, and then increasing the tax proceeds.	Frequency	0	8	11	112	40	4.08	0.695	4
	Percentage	0	4.7	6.4	65.5	23.4			
z5 Facilitate the tax accounting process for taxpayers	Frequency	15	13	9	61	73	3.96	1.257	8
	Percentage	8.8	7.6	5.3	35.7	42.7			
z6 The application of the new requirements in the standard leads to an increase in the revenue recognized and thus an increase in the tax proceeds	Frequency	2	10	0	61	98	4.42	0.86	2
	Percentage	1.2	5.8	0	35.7	57.3			
z7 Failure to implement the new requirements in the standard leads to a decrease in the revenue recognized for the service, and consequently, a decrease in the tax proceeds	Frequency	13	27	27	67	37	3.51	1.21	13
	Percentage	7.6	15.8	15.8	39.2	21.6			
z8 Identifying tax facilities that would encourage taxpayers to commit to preparing an income statement in accordance with the	Frequency	7	5	27	79	53	3.97	0.979	7
	Percentage	4.1	2.9	15.8	46.2	31			

requirements of Standard 15.										
z9 Facilitating, standardizing, and automating tax collection and linking procedures to overcome difficulties and liberate themselves from tax obstacles increases the tax proceeds by Law 206 of 2020	Frequency	1	3	3	79	85	4.43	strongly agree	1	0.677
	Percentage	0.6	1.8	1.8	46.2	49.7				
z10 Paying attention to the media aspects by the tax authority that would encourage the funders to familiarize themselves with the requirements of Standard 15.	Frequency	21	55	21	47	27	3.02	agree	15	1.315
	Percentage	12.3	32.2	12.3	27.5	15.8				
z11 Exceeding the value of the delay, additional tax and fines contributes to measuring the value of the Egyptian Tax Authority's revenues.	Frequency	19	29	24	65	34	3.39	agree	14	1.285
	Percentage	11.1	17	14	38	19.9				
z12 Paying attention to the media aspects by the tax authority that would encourage the funders to familiarize themselves with the requirements of Standard 15.	Frequency	21	6	0	97	47	3.84	agree	10	1.226
	Percentage	12.3	3.5	0	56.7	27.5				
z13 It is considered one of the tax incentives to override the delay charge by 100% in the event that the principal tax debt is paid before the end of the year.	Frequency	2	6	35	95	33	3.88	agree	9	0.796
	Percentage	1.2	3.5	20.5	55.6	19.3				

z14 The actual outcome was less than the target outcome	Frequency	6	6	15	97	47	4.01	0.907	agree	5	
	Percentage	3.5	3.5	8.8	56.7	27.5					
z15 The contribution of the abundance of tax revenue to the gross domestic product	Frequency	0	6	36	61	68	4.12	0.86	agree	3	
	Percentage	0	3.5	21.1	35.7	39.8					
Total		171						3.86	0.389	agree	

Source: performed by the Authors using SPSS software

Table (3) shows Descriptive statistics of the dependent variable “Abundance of tax revenue”. Concerning the highest three averages, we find that the highest one was awarded to sentence z9 (Facilitating, standardizing, and automating tax collection and linking procedures to overcome difficulties and liberate themselves from tax obstacles increases the tax proceeds by Law 206 of 2020) with a mean of 4.47 and Std. Deviation of 0.677, followed by sentence z6 (The application of the new requirements in the standard leads to an increase in the revenue recognized and thus an increase in the tax proceeds) with a mean of 4.42 and Std. Deviation of 0.86, and then finally followed by sentence z15 (The contribution of the abundance of tax revenue to the gross domestic product) with a mean of 4.12 and Std. Deviation of 0.86.

Concerning the lowest three averages, the first one was for sentence z10 (Paying attention to the media aspects by the tax authority that would encourage the funders to familiarize themselves with the requirements of Standard 15) with a mean of 3.02 and Std. Deviation of 1.315, followed by sentence z11 (Exceeding the value of the delay, additional tax, and fines contribute to measuring the value of the Egyptian Tax Authority's revenues) with a mean of 3.39 and Std. Deviation of 1.285, and finally the last one for sentence z7 (z7 Failure to implement the new requirements in the standard leads to a decrease in the revenue recognized for the service, and consequently, a decrease in the tax proceeds) with a mean of 3.51 and Std. Deviation of 1.21.

The weighted average of Dimension 3 was 3.86 with an Std. Deviation 0.389 which provided that the trend of (Abundance of tax revenue) is “Agree” as a general trend according to 5- the point Likert scale since 4.00 lies in the interval {3.41-4.20}

So, the Average of this dimension is considered a High Level, and the intervals of level are as follows:

- Low-level {1-2.59}
- Moderate Level {2.60-3.39}
- High level {3.40-5}

4.2 Statistical hypothesis:

4.2.1 Testing the first statistical hypothesis:

“There is a statistically significant relationship between the revenue criterion and the abundance of tax revenue”

To verify the validity of the hypothesis, the researchers calculated the Pearson correlation coefficient, and the result was as follows:

Table (4): The correlation between the revenue criterion and the abundance of tax revenue

Variables	R	P- Value
Revenue criterion and Abundance of tax revenue	0.336**	0.00

Source: performed by the Authors using SPSS software

Table (4) shows the Pearson correlation coefficients between the abundance of tax revenue and the revenue criterion, there was a **weak positive relationship** between the two variables, with an R of (0.336). Moreover, a significant relationship between the abundance of tax revenue and the revenue criterion is observed, with a P-value of $0.00 < 0.01$.

4.2.2 Testing the second statistical hypothesis:

“There is a statistically significant relationship between the revenue criterion and the tax examination system”

To verify the validity of the hypothesis, the researchers calculated the Pearson correlation coefficient, and the result was as follows:

Table (5): The correlation between the revenue criterion and the tax examination system

Variables	R	P- Value
Revenue criterion and tax examination system	0.434**	0.00

Source: performed by the Authors using SPSS software

Table (5) shows the Pearson correlation coefficients between the tax examination system and the revenue criterion, there was a **weak positive relationship** between the two variables, with an R of (0.434). Moreover, a significant relationship between the tax examination system and the revenue criterion is observed, with a P-value of $0.00 < 0.01$.

4.2.3 Testing the third statistical hypothesis:

“There is a statistically significant relationship between the tax examination system and the abundance of tax revenue”

To verify the validity of the hypothesis, the researchers calculated the Pearson correlation coefficient, and the result was as follows:

Table (6): The correlation between the tax examination system and the abundance of tax revenue

Variables	R	P- Value
tax examination system and Abundance of tax revenue	0.409**	0.00

Source: performed by the Authors using SPSS software

Table (6) shows the Pearson correlation coefficients between the tax examination system and the abundance of tax revenue, there was a **weak positive relationship** between the two variables, with an R of (0.409). Moreover, a significant relationship between the tax examination system and the abundance of tax revenue is observed, with a P-value of $0.00 < 0.01$.

4.2.4 Testing the fourth statistical hypothesis:

“There is a statistically significant relationship between the tax examination system and the abundance of tax revenue and the revenue criterion”

Three dependent, median and independent variables, using the “Amos”, and the results were as follows:

Table (7): Results of Relationship between the Revenue criterion, tax examination system, and abundance of tax revenue

Relationship	S.E	P- Value
Revenue criterion --> tax examination system	0.141	<0.01
Tax examination system --> abundance of tax revenue	0.049	<0.01
Revenue criterion ---> abundance of tax revenue	0.1	>0.01

Source: performed by the Authors using Amos software

Mediation analysis was performed to assess the relationship and the mediating role of the tax examination system in the relationship between revenue criterion and the abundance of tax revenue. The results revealed a significant effect of the revenue criterion on the tax examination system (S.E 0.1, p-value <0.01), a significant effect of the tax examination system on the abundance of tax revenue (S.E: 0.049, p-value <0.01), and a no significant indirect effect of revenue criterion on the abundance of tax revenue (S.E: 0.141, p-value >0.01). This shows that the “tax examination system” **totally** mediates the relationship between the independent variable revenue criterion and the dependent one abundance of tax revenue because, in the presence of the mediator variable, there is no statistically significant relationship between the independent variable and the dependent one.

4.2.5 Testing the fifth statistical hypothesis:

“There is no significant effect of overtaking the delay fee, additional tax, and fines on the abundance of tax revenue”

Three dependent, median and independent variables, using the “Amos”, and the results were as follows:

Table (8): Simple Regression results

R	0.36
R square	0.13
F value	25.228
F (significance)	0.00
Beta of Abundance of tax revenue	1.189
VIF factor	1.00

Source: performed by the Authors using SPSS software

To find the impact of exceeding charges for the delay, additional tax, and fines, on the abundance of tax revenue, a simple linear regression was used in which exceeding charges for the delay, additional tax, and fines were considered as explanatory variables, and Abundance of tax revenue as the dependant variable. The results of the regression model demonstrated that there was a significant relationship between exceeding charges and an abundance of tax revenue. This can be inferred from the t value and its associated p-value. The explanatory variable explains 13% of variations in abundance of tax revenue, showing that the strength of the relationship between exceeding charges and abundance of tax revenue is **weak**. By referring to the F value and its P-value $0.00 < 0.01$, it may be concluded that the model is valid and **there is a significant effect of exceeding charges for the delay, additional tax, and fines on the abundance of tax revenue**. To verify the existence of the mentioned relationship, a multicollinearity test was carried out. The result revealed The VIF factor of the model was ($1.00 < 3$) indicating the non-existence of the multicollinearity problem.

5. Conclusions and Recommendation

This study reached the following results:

There is a difference between tax legislation and accounting standards in general and the revenue standard for customer contracts in particular, There are problems related to the tax examination due to the lack of tax awareness among the taxpayers, as Law No. 91 of 2005 and its 2020 amendments did not establish any penalties for violating accounting standards in preparing financial statements, especially the income statement.

There are many disputes between the tax authority and taxpayers regarding tax examination.

Failure to apply all means related to tax examination in Egypt.

The low quality of tax examination, which in turn leads to an increase in disputes between financiers and the Tax Authority, is also due to lack of knowledge of the tax examiner with accounting standards, The examiner's orientation to the accounting estimate rather than the books, Legislative shortcomings in terms of payment after

appeal and then grievance or sending it to the court, The contribution of tax revenues to financing the state's general budget.

In light of the previous results, the study recommends the following:

Must Follow up on the annual legislative amendments issued by the Ministry of Finance to increase the tax revenue, Calculate the rights and fines for tax on all sources of gross income, and Develop several scenarios to confront any economic, social, or political variables to increase the tax proceeds. Increasing awareness of digital transformation among taxpayers for the ease of tax examination, and then increasing the tax proceeds, Facilitate the tax accounting process for taxpayers, also according to the application of the new requirements in the standard which leads to an increase in the revenue recognized and thus an increase in the tax proceeds,

Also, we must identify tax facilities that would encourage taxpayers to commit to preparing an income statement by the requirements of standard and tax laws IFRS 15.

Also, we must facilitate the Linking and collecting taxes process to overcome difficulties and be free from tax obstacles increasing the tax revenue according to Law 206 of 2020.

Also, we must pay attention to the media aspects by the tax authority that would encourage the funders to familiarize themselves with the requirements of standard and tax laws IFRS 15.

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