Research Article

The Relationship Between Ownership Structure and Tax Planning: The Moderating Role of ESG Performance in Thailand

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ABSTRACT

This research study examines the relationship between ownership structure and tax planning in listed companies in the Securities Exchange of Thailand (SET) that are part of the Thailand Sustainability Investment Index (THSI). Further, it studies the moderating role of environmental, social, and governance (ESG) performances over a four-year period from 2019 to 2022; 462 samples were examined for this purpose. Multiple regression analysis techniques were utilised to test the research hypotheses.

The results revealed that institutional ownership (INO) was positively significantly associated with tax planning on TAX/ASSET and TAX/CFO proxies and family ownership (FMO) was positively significantly associated with tax planning on effective tax rates (ETR), TAX/ASSET, and TAX/CFO proxies. However, managerial ownership (MAO) and foreign ownership (FOW) were found to have an insignificant positive relationship with tax planning. ESG performance was also found to have a significant negative role in moderating the relationships between foreign ownership (FOW) and tax planning on TAX/ASSET and TAX/CFO proxies. Moreover, the results reveal that there was a positive association between MAO and FMO, and a negative insignificant association with INO.

Keywords: Ownership Structure, Tax Planning, Tax Avoidance

บทความวิจัย

ความสัมพันธ์ระหว่างโครงสร้างผู้ถือหุ้นและการวางแผนภาษี : บทบาทการปฏิบัติงานด้าน ESG ของบริษัทจดทะเบียนในประเทศไทย

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บทคัดย่อ

งานวิจัยนี้เป็นการศึกษา เพื่อทดสอบความสัมพันธ์ระหว่างโครงสร้างผู้ถือหุ้นและการวางแผนภาษีของบริษัทจดทะเบียนในประเทศไทย ซึ่งเป็นกลุ่มบริษัทหุ้นยั่งยืน (THIS) โดยศึกษาบทบาทของการปฏิบัติงานด้าน ESG (สิ่งแวดล้อม สังคม และการกำกับดูแล) เป็นระยะเวลา 4 ปี ตั้งแต่ปี พ.ศ. 2562–2565 คิดเป็น 462 ตัวอย่าง และใช้เทคนิคการวิเคราะห์ถดถอยพหุคูณในการทดสอบสมมติฐานงานวิจัย

ผลการวิจัยในครั้งนี้พบว่า โครงสร้างผู้ถือหุ้นสถาบันมีความสัมพันธ์เชิงบวกอย่างมีนัยสำคัญกับการวางแผนภาษีจากแบบวัด TAX/ASSET และ TAX/CFO และโครงสร้างผู้ถือหุ้นแบบครอบครัวมีความสัมพันธ์เชิงลบอย่างมีนัยสำคัญกับการวางแผนภาษีจากแบบวัด ETR, TAX/ASSET และ TAX/CFO อย่างไรก็ตาม โครงสร้างผู้ถือหุ้นจากผู้บริหารและโครงสร้างผู้ถือหุ้นจากนักลงทุนต่างประเทศ มีความสัมพันธ์เชิงบวกแต่ไม่มีนัยสำคัญกับการวางแผนภาษี สำหรับบทบาทการปฏิบัติงานด้าน ESG เป็นตัวแปรบังคับพบว่า มีความสัมพันธ์เชิงบวกโครงสร้างผู้ถือหุ้นจากนักลงทุนต่างประเทศและการวางแผนภาษีจากแบบวัดทั้ง ETR, TAX/ASSET และ TAX/CFO นอกจากนี้พบว่า มีความสัมพันธ์เชิงบวกต่อโครงสร้างผู้ถือหุ้นจากผู้บริหารและโครงสร้างผู้ถือหุ้นแบบครอบครัว และความสัมพันธ์เชิงลบกับผู้ถือหุ้นสถาบัน แต่ไม่มีนัยสำคัญ

คำสำคัญ : โครงสร้างผู้ถือหุ้น การวางแผนภาษี การหลีกเลี่ยงภาษี

1. INTRODUCTION

For the government to run the nation to benefit its people, taxation is a crucial source of revenue. Various forms of taxation exist, one of which is corporation tax and is assessed on yearly profits generated from company operations—whether inside the country or internationally. From a company's perspective, taxation is considered an expense that leads to a reduction in cash flow (Suranta et al., 2020). Tax strategy attempts to appropriately lower tax expenses via tax planning, which is frequently referred to as 'tax avoidance'. Nevertheless, even though tax planning is legal, governments are concerned in this regard because they might not have sufficient money to run their nations as a whole (Khan et al., 2017). This issue could cause a country's tax base to erode because tax planning transfers wealth from the government to businesses and shareholders (Desai & Dharmapala, 2009).

Even though tax planning benefits a business and its shareholders, there is an ongoing discussion regarding the inappropriateness of this activity, as it may result in risks, such as the danger of a long-term loss of reputation, the risk of the loser's uncertainty, and the agency problem (Jensen & Meckling, 1976). The development of the Thailand sustainability investment (THSI) project in 2015 highlights the Securities Exchange of Thailand's (SET) commitment to assisting companies in integrating environmental, social, and governance (ESG) aspects into their operations. The publication has been renamed 'SET ESG Ratings' and offers ESG ratings to assist investors in making decisions regarding businesses. Taxation is considered a measure of a business's progress towards sustainability by numerous stakeholders—such as shareholders, investors, managers, consumers, community workers, and governments—who want the corporation to minimize tax strategies and allocate more profits to benefit society (Freeman, 1983). However, integrating sustainability into company administration may include risk management, emerging risks, and the issue of greenwashing (The Stock Exchange of Thailand (SET), 2024). Greenwashing is a claim to create an image of a company's ESG operations, but it may not actually have reduced its real environmental impact—such as by providing false or exaggerated information in its sustainability reports—which is a concern for the SET and internationally as well. It is evident from the report of the Asia-Pacific Economic Cooperation that there is no clarity regarding its policies and integration into a part of its operations (Wichianrak et al., 2021).

Therefore, to prevent this from happening, the SET will have to maintain corporate governance mechanisms, including ownership structure, which will need to be closely monitored. However, the effectiveness of the ownership structure has been questioned due to its role in deciding on the company's policies in terms of a balance among the shareholders, which are a major source of funding, and all stakeholders of the company. This issue has been extensively studied in different country contexts and has different outcomes, which may be attributable to legal differences that protect investors (Alkurdi & Mardini, 2020), such as studies on institutional ownership. Studies in Canada (Dakhli, 2022) and Jordan (Alkurdi & Mardini, 2020) have found that increased institutional ownership reduces tax planning.

On the other hand, based on the results from studies in Nigeria (Olanisebe et al., 2023) and China (Jiang et al.,2021) as well as a study by the Russell Index group in the United States (Khan et al., 2017), increased institutional ownership increases tax planning. Further, according to the results of a study by Rakayana & Sudarma (2021) in Indonesia, institutional ownership does not influence tax planning.

For Thailand, the latest findings are from research by Temboonprasertsuk (2021), Marzuki & Syukur (2021), Klaewtanong et al. (2022), and Nantapanich & Pipatnarapong (2022), all of which study the relationship between good corporate supervision and tax planning in securities listed companies in the SET 100, Mai group; however, studies in the THSI group remain unclear in this regard. Therefore, this study analyses the operations of the THSI, a group of companies with more ESG operations than legislation, measured by ESG ratings. The company's ESG operations prioritize all stakeholders according to the theoretical theorem of the stakeholder, thereby expecting that the relationship between ESG performance and tax planning will be negative. In other words, a company with a high ESG rating will have a lower tax rate. However, a literature review of the relationship between ESG performance and tax avoidance found a combination of results. As is apparent from Haija (2024), it was found to be insignificant in Jordanian countries, but Jiang et al.'s (2024) studies in China found a significant negative and this was consistent with Fonseca's (2020) studies in the United States. In contrast, Duong & Huang's (2022) study of national corporations in ASEAN found that there was positive significance, which coincided with Lee et al.'s (2021) research in South Korea.

Based on the discussion of the above issues, this research aims to answer the following research questions: 1) How does the ownership structure of a company influence tax planning? 2) Does the role of ESG performance play an important role in the relationship between ownership and tax planning?

This study aims to investigate the significance of ESG performance on the relationship between ownership structure and tax planning in Thailand. The ownership structure, particularly in the group of companies classified as THSI stocks—which incorporates ESG ratings as a sustainability evaluation—includes elements of9 managerial ownership, foreign ownership, institutional ownership, and family ownership. Researchers adapted from the studies of Marić et al. (2019), Alkurdi & Mardini (2020), and Dakhli (2022). In this context, this study discusses three theories: agency, stakeholder, and legitimacy theories. Researchers aim to recommend use of the SET ESG ratings in the Thai stock market to assess sustainability trends, aligning with worldwide and national changes, based on the new information acquired from the study. Additionally, researchers wish to provide proof that indicates that the Thai tax agency must improve tax surveillance and monitoring regulations as well as fulfil an academic requirement in the Thai setting. The remainder of this paper is organized in the following manner: 1) Literature review, 2) Hypothesis development 8 4) Research methodology, 5) Research results, 6) Research discussion, and 7) Research recommendations.

2. LITERATURE REVIEW

2.1 Theoretical Perspective

In this research, researchers used three theories to explain the role of the relationship between ownership structure and tax planning in ESG performance—the agency, stakeholder, and legitimacy theories.

According to the agency theory, tax planning is primarily focused on shareholders. Generally, it is a resolution of the conflict that arises between managers and shareholders (Jensen & Meckling, 1976), since both parties have different interests and goals. For example, managers want to make profit for themselves by increasing their returns through higher profits, while some shareholders hold the belief that allocating taxes is essential for enhancing the long-term value of the company. (Neifar & Huesing, 2023).Thus, to prevent such conflicts, managers attempt to satisfy short-term shareholders by applying tax planning techniques as a tool to reduce costs and generate benefits, which could lead to earning management behavior (Owusu et al., 2023) or hiding information, thereby resulting in the information in the financial report not reflecting the actual operations and impeding financial users from making appropriate decisions. These behaviors are still regarded as abusive acts of good art, and a lack of social responsibility may risk the company's reputation and value in the long term. However, reducing these risks requires that the owners keep track of the behavior of the managers since the owners are the policymakers for activities related to tax planning (Alkurdi & Mardini, 2020).

Based on the above argumentation, this study utilises the agency theory as the basis of the perspective through the interpretation of tax planning results by measuring ETR, TAX/ASSET, and TAX/CFO by analyzing its relationship with the ownership structure: managerial ownership, foreign ownership, institutional ownership, and family ownership.

The stakeholder theory examines tax planning from the perspective of generating benefits for all stakeholders, such as shareholders, investors, managers, clients, community employees, and the government (Freeman, 1983), since the company and the stakeholder have a quid pro quo relationship that reveals the nexus(es) of contracts and a joint agreement on profit-sharing (Mohanadas et al., 2019). Therefore, according to the theory, managers are responsible for taxation operations using reasonable techniques based on real business operations to maximize the benefit of the stakeholders, while simultaneously preserving the benefits of the stakeholders as well as protecting the corporate moral reputation. On the government side, it is considered that the shareholder is entitled to receive the benefits from a corporation in the form of a proper tax payment, which is considered to be a social responsibility under the ESG policy of the corporation, as the government utilises the tax proceeds to build the country's infrastructure for the welfare of the people of the country. However, in the context of the stakeholder theory, if tax planning is merely window-dressing, it affects the risk to the company, particularly the long-term reputation risk of the company (Hanlon & Heitzman, 2010) such as influencing consumer perception of a brand or product related to a competitor, creating an image or a product identity. Therefore, minimizing these risks requires tracking and good corporate governance. For this, the ownership structure is considered, which includes managerial ownership, foreign ownership, institutional ownership, and family ownership. This study interprets the results of tax planning by measuring ETR, ETAX/ASSET, and TAX/CFO and the outcome of ESG operations.

According to the legitimacy theory, a company can do anything that is not illegal and that is permitted to do, which is regarded as a company's legitimacy without necessarily taking into account its stakeholders and shareholders (Dowling & Pfeffer, 1975). Therefore, from this theoretical perspective, a company faces potential risks such as reputation, marketing, and financial risks (Olateju et al., 2021) that managers must utilise to mitigate risks. In the area of tax planning, managers consider tax planning as a normal activity for companies to find ways to reduce their tax burden by using tax avoidance techniques, which are not tax evasion techniques, to maximize profits; however, such actions can be criticized for being morally incorrect, causing the development of a negative image of the company, and causing mistrust among the stakeholders.

According to the legitimacy theory, managers may develop other strategies to improve the corporate image to replace tax planning, such as CSR disclosure, tax donations, good news, etc. However, tax planning operations require good corporate governance mechanisms that are closely linked to the ownership structure—including managerial ownership, foreign ownership, institutional ownership, and family ownership—to reduce those risks. This study interprets the results of tax planning with the measurements of ETR, TAX/ASSET, and TAX/CFO.

The above discussion reveals that the agency theory aims to achieve results that benefit the company and its shareholders. Managers representing the company focus on tax planning to reduce costs and maximize profits. On the other hand, the stakeholder theory focuses on the outcome of all stakeholders by distributing profits in the form of taxes to strengthen society. This is clearly defined as a corporate policy. In contrast, according to the legitimacy theory, tax planning is not defined in corporate policies, but corporate tax planning is performed to be legal and accepted by society, which is regarded as corporate justice.

However, regardless of whether the tax planning outcome benefits or causes problems, the most important thing is that the company gains the confidence of its stakeholders in terms of adequate returns and risk acceptability. Therefore, the company needs to have a good corporate governance mechanism. One mechanism for good corporate governance is the ownership structure.

2.2 Tax Planning

Taxation research studies by accounting researchers have revealed that there are numerous studies on tax planning, tax avoidance, and tax evasion, each with different meanings, as discussed below:

Tax planning refers to the preparation for correctly paying taxes under prevailing tax conditions to reduce tax payments, as part of the use of tax planning strategies, which are acts such as activities that gain tax benefits by investing in bonds or establishing factories in areas that receive tax rights and benefits (Aronmwan & Okafor, 2019).

It is the use of tax gaps in a single territory to benefit oneself by paying less tax but it is a legal act (Dyreng et al.,2008; Rakhmayani et al., 2022). This type of tax planning is called acceptable tax avoidance. However, tax planning is occasionally referred to as non-abusive tax avoidance. This type of tax planning is considered to be corporate tax evasion by developing strategies to hide accounting lists to lower tax costs, generate higher profits, and lead to maximum wealth for shareholders (Chesoli & Kerio, 2023). Tax evasion is an illegal act to avoid tax losses or lower taxes.

Therefore, researchers viewed tax planning as an acceptable tax avoidance, which involves taking advantage of tax conditions in a particular area to pay less tax under tax law, as part of the business strategy planning, which could maximize the benefit of shareholders by using corporate tax evasion as a tool, which can occasionally lead to illegal activities.

2.3 ESG Performance

Corporate sustainability is achieved via environmental, social, and corporate governance (ESG) considerations. These components strive to distribute prosperity across society rather than only concentrating on financial and economic concerns (Barbosa et al., 2023). A company usually anticipates excellent outcomes from its ESG initiatives. Because the results of the ESG evaluation serve as a signal to instil confidence in stakeholder behaviour, surpass legal obligations, and foster a loyal customer base and trust from funding sources as well as shareholders and other investors, the SET currently emphasizes ESG performance assessments via ESG ratings to provide investors with information for decision-making.

2.4 Ownership Structure

Ownership structure refers to the company's ownership, which plays a key role in corporate governance and significantly affects the operation of the company. In addition, ownership structure is part of an investor's investment consideration, which may affect the company's value. Ownership structure is of several types, but in this study, researchers study four groups of ownership: 1) Managerial ownership, 2) foreign ownership, 3) institutional ownership, and 4) family ownership. The shareholding ratio plays an important role in corporate regulation and may have a significant impact on corporate financial performance and decision-making processes. The relationship between ownership structure and tax planning will be described in the following sections along with the development of the hypotheses.

3. HYPOTHESES DEVELOPMENT

3.1 Ownership Structure and Tax Planning

Managerial Ownership and Tax Planning

Managerial ownership demonstrates that managers have a significant influence on the management of a company and may have an impact on tax planning considerations for two reasons: 1) Managers focus their own skakes, as propounded by the agency theory. Tax planning is considered a business strategy to reduce costs, which will lead to increased cash flows and firm performance as well as making the board reward employees in the form of salaries, bonuses, and equity, which the board receives as overlapping benefits (Desai & Dharmapala, 2006). This refers to weak corporate supervision and could lead to earnings management, which results in agency problems (Vito, 2024). Previous research has found that the relationship between managerial ownership and tax planning is positive. This implies that managerial ownership leads to increased tax planning, such as that shown in Tanko et al, (2022), Yusri et al. (2022), and Hasan et al. (2023), which indicate that managerial ownership contributes to the company's resources for tax planning. 2) Managers focus on all stakeholders—such as employees, clients, partners, debtors, and the general public—which is according to the stakeholder theory. Thus, tax planning is considered a lack of ethics and non-distribution of income to the community, which may have an impact on the company's image and reputation. according to certain previous research, managerial ownership and tax planning have a negative relationship—that is, increased management ownership leads to decreased tax planning; for example, Rustiarini & Sudiartana (2022), Alkurdi & Mardini (2022), Khalifa & Albaz (2022), and Wongsinhirun et al. (2024) demonstrate that managing ownership effectively prevents potential risks by using good corporate governance mechanisms. For this study, researchers propose the hypotheses listed and described below:

Hypothesis 1: Managerial Ownership has a Significant Relationship with Tax Planning Foreign Ownership and Tax Planning

The research on the relationship between foreign ownership and both the sub-shareholder pattern and the institutional pattern of tax planning found that the combined research has both positive, negative, and no relationship. The positive relationship can be said to be consistent with the agency theory—that is, an increase in foreign ownership will lead to an increase tax planning strategies, as foreign ownership may be involved in tax planning decisions to increase profits for foreign shareholders, such as transfer pricing, transferring income to tax-privileged countries, etc. (Kalra & Afzal, 2023). Current research on this includes Suranta et al. (2022), Prayitno & Oktris (2023), and Alkurdi & Mardini (2020). The finding of a negative relationship is consistent with the stakeholder theory, where foreign ownership is higher, but, in contrast, the tax planning reduces, which could be said to mean that foreign ownership will oppose tax planning and focus on corporate governance performance to reduce potential risks arising from the effects of tax planning (Hasan et al., 2023); this implies giving priority to the distribution of benefits to more disadvantaged stakeholders (Alregab, 2022; Abdelkader & Gao, 2023). Current research in this regard is that of Wen et al. (2020), Pujiningsih & Salsabyla (2022), and Wijayanti & Ayem (2022).

Hypothesis 2: Foreign Ownership has a significant Relationship with Tax Planning.

Institutional Ownership and Tax Planning

Institutional ownership refers to investing in shares in the form of a company or institution such as an insurance company, a bank, or a securities funding company, which is considered to play an important role in tracking the decision-making behaviour of managers by intensively utilising the principles of good corporate governance. Previous research has found that the relationship between institutional ownership and tax planning is both positive and negative and can be interpreted as a positive relationship. This suggests that the concept of institutional management focuses on conflict resolution according to the agency theory, considering taxation as a cost that should be strategically planned at the lowest cost to expect maximum profit. Currently, this is evident in research by Eskandar & Ebrahimi (2020); Khalifa & Albaz (2022), and Xiao & Xi. (2022). However, some of the research is negative, and it may be said that institutional ownership would consider the stakeholder theory by viewing tax planning as a risk that could affect firm value and long-term reputation. Therefore, the profits should be distributed among all stakeholders. Currently, this is evident in research by Prayitno & Oktris (2023), Dakhli (2022), and Damayanti & Wulandari (2021).

Hypothesis 3: Institutional Ownership has a Significant Relationship with Tax Planning

Family Ownership and Tax Planning

Family ownership refers to investing in a family member's company shares who co-founded the company and is part of the board of directors, who plays a role in making decisions in various aspects of the running of the company, including tax planning. The family ownership view considers two concepts. The first is a concept that is consistent with the agency theory as it targets the benefit of the family itself, and other shareholders may influence tax planning decisions to generate cash flows and reduce costs to enhance profitability, for which the research on this issue will focus on positive relationships. As found by Qawqzeh (2023) and Gaaya et al. (2017), there is a concept that is consistent with the stakeholder theory and considers the sustainability and reputation of the company in which the relationship between family ownership and tax planning is negative; this is evident in Nuritomo et al. (2020), Yopie & Elivia (2022), and Souguir et al. (2023), who consider family ownership to be a good corporate governance mechanism.

Hypothesis 4: Family Ownership has a Significant Relationship with Tax Planning

Ownership Structure and Tax Planning: The Role of ESG Performance

Ownership structure is the primary function of defining a company's policies and is an important monitoring mechanism for operational supervision of company policies in accordance with their purpose. Hence, the results of ESG performances are based on the decisions of the company. Thus, tax planning is expected to be used as a means to promote ESG performance to reduce company risks (DesJardine et al., 2023).

The relationship between ownership structure and ESG performance was found to be a mixed one, as observed in the study of Oh et al. (2011); the cases of US and European companies in Korea that were studied revealed that institutional ownership and foreign ownership were positive, while managerial ownership is negative. However, a study by Lin & Nguyen (2022) in Vietnam found that managerial and foreign property are positively related, and a study by Fadli et al. (2022), a study in emerging marketing. The case of Jordan revealed that foreign ownership has a positive relationship with ESG performance, while family and managerial ownership had a negative relationship with ESG performance; institutional ownership was not related to ESG performance.

Furthermore, a study of the relationship between ESG performance and tax planning found a combination of results. Haija's (2024) research, which was based in Jordan, was found to be insignificant, but Jiang et al.'s (2024) research in China found that significantly negative was consistent with Fonseca's (2020) study in the United States. Contrary to Duong & Huang's (2022) research in the Asian countries, a positive significant consistency was found with the results of Lee et al.'s (2021) research in North Korea. For the role of mediating the ESG performance of variables, Dakhli (2022) studied the impact of ownership structure by studying only institutional ownership and tax avoidance, with CSR as mediating, and found that CSR plays a key role in the relationship between institutional ownership and tax avoidance.

The above evidence suggests that different owners may have different strategic decision-making directions that affect ESG performance and tax planning. However, for this study, the role of ESG operations has to do with the ownership structure. For this study, researchers propose the following hypotheses:

Hypothesis 1a: ESG performance moderates the relationship between managerial ownership and tax planning.

Hypothesis 2a: ESG performance moderates the relationship between foreign ownership and tax planning.

Hypothesis 3a: ESG performance moderates the relationship between institutional ownership and tax planning.

Hypothesis 4a: ESG performance moderates the relationship between family ownership and tax planning.

4. CONCPETUAL FRAMEWORK OF THE RESEARCH

The developmental hypotheses can lead to the creation of a research conceptual framework, as that presented in Figure 1 below:

From developmental assumptions, research can lead to a research conceptual framework. As in Figure 1,

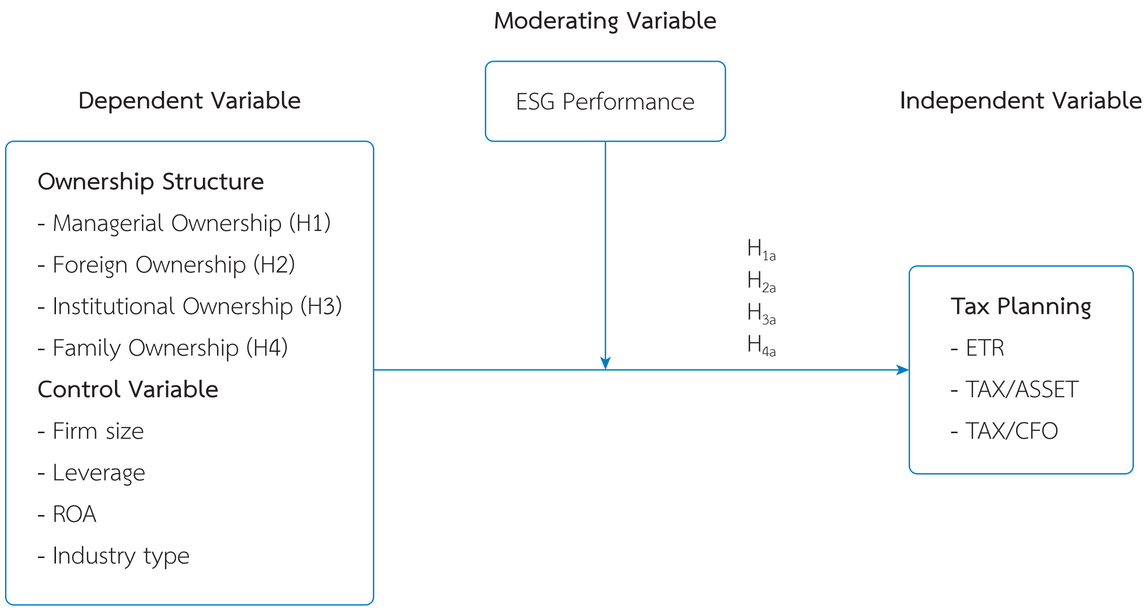

Figure 1: Conceptual Framework

5. RESEARCH METHODOLOGY

Population and Sample

Researchers identified the population and sample using the Beaver (1972) in the following manner: The population refers to companies listed on the SET, specifically those recognized as THSI stocks, which was assessed by ESG ratings on 6 November 2023, along with 193 firms (the SET, 2024). The data was collected as secondary data from the 'SET Market Analysis and Reporting Tool: SETSMART' of the SET. The timeframe spanned from 2019 to 2022—that is, spanning 4 years and including 462 observations.

The following are the main characteristics of the sample: 1) Companies listed on the SET that have been designated as THSI stocks and evaluated by ESG ratings as of 6 November 2023. All categories. 2) Avoid businesses in the financials, insurance, and mutual fund groups due to their unique accounting techniques compared to other sectors. 3) No IPOs after 1 January 2562. 4) A non-corporate entity without tax benefits, which yields a list of sample groups as presented in Table 1.

Table 1: Summaries the Number of Sample Groups Used in the Research

A study sample group was used.	Total
Number of companies registered from 2562 to 2565	772
minus the number of data points for Financials, Insurance, and Mutual Fund Groups	(92)
Number of company data points by industry type	**680**
minus The number of company data points that do not meet the criteria *	(218)
Sample size in the survey (N)	**462**

* Includes the company that can't track the data, an IPO after January 1, 2023, and a company with tax privileges.

It is evident from Table 1 that the number of samples selected according to the criteria specified above yielded in 462 samples utilised in the study over four years.

Statistics for Research

The data is analysed using descriptive statistics and inferential statistics. 1) The following information is outlined in descriptive statistics: Researchers conducted a preliminary study of the data to determine the basic features of the aggregated variables in Zikmund's (2003) model. Researchers offer data on the maximum and minimum values as well as the mean. 2) Inferential Statistics: Researchers analysed the data using the approach of Sharma et al. (1981). The research utilises Pearson correlation analysis and multiple regression analysis to analyse panel data consisting of time series data and cross-sectional data and conducts a robustness test using the heteroscedasticity test method proposed by Park (1966). The models employed in the study are described below:

$$ETR = \beta_0 + \beta_1 MAO + \beta_2 FOW + \beta_3 INO + \beta_4 FMO + \beta_5 FS + \beta_6 LEV + \beta_7 ROA + \beta_8 INS_1 + \beta_9 INS_2 + \beta_{10} INS_3 + \beta_{11} INS_4 + \beta_{12} INS_5 + \beta_{13} INS_6 + \beta_{14} INS_7 + \varepsilon_{it} \quad \text{...(Model 1)}$$

$$TAX/ASSET = \beta_0 + \beta_1 MAO + \beta_2 FOW + \beta_3 INO + \beta_4 FMO + \beta_5 FS + \beta_6 LEV + \beta_7 ROA + \beta_8 INS_1 + \beta_9 INS_2 + \beta_{10} INS_3 + \beta_{11} INS_4 + \beta_{12} INS_5 + \beta_{13} INS_6 + \beta_{14} INS_7 + \varepsilon_{it} \quad \text{...(Model 2)}$$

$$TAX/CFO = \beta_0 + \beta_1 MAO + \beta_2 FOW + \beta_3 INO + \beta_4 FMO + \beta_5 FS + \beta_6 LEV + \beta_7 ROA + \beta_8 INS_1 + \beta_9 INS_2 + \beta_{10} INS_3 + \beta_{11} INS_4 + \beta_{12} INS_5 + \beta_{13} INS_6 + \beta_{14} INS_7 + \varepsilon_{it} \quad \text{...(Model 3)}$$

$$ETR = \beta_0 + \beta_1 MAO + \beta_2 MAO{*}ESG + \beta_3 FOW + \beta_4 FOW{*}ESG + \beta_5 INO + \beta_6 INO{*}ESG + \beta_7 FMO + \beta_8 FMO{*}ESG + \beta_9 FS + \beta_{10} LEV + \beta_{11} ROA + \beta_{12} INS_1 + \beta_{13} INS_2 + \beta_{14} INS_3 + \beta_{15} INS_4 + \beta_{16} INS_5 + \beta_{17} INS_6 + \beta_{18} INS_7 + \varepsilon_{it} \quad \text{...(Model 4)}$$

$$TAX/ASSET = \beta_0 + \beta_1 MAO + \beta_2 MAO{*}ESG + \beta_3 FOW + \beta_4 FOW{*}ESG + \beta_5 INO + \beta_6 INO{*}ESG + \beta_7 FMO + \beta_8 FMO{*}ESG + \beta_9 FS + \beta_{10} LEV + \beta_{11} ROA + \beta_{12} INS_1 + \beta_{13} INS_2 + \beta_{14} INS_3 + \beta_{15} INS_4 + \beta_{16} INS_5 + \beta_{17} INS_6 + \beta_{18} INS_7 + \varepsilon_{it} \quad \text{...(Model 5)}$$

$$TAX/CFO = \beta_0 + \beta_1 MAO + \beta_2 MAO{*}ESG + \beta_3 FOW + \beta_4 FOW{*}ESG + \beta_5 INO + \beta_6 INO{*}ESG + \beta_7 FMO + \beta_8 FMO{*}ESG + \beta_9 FS + \beta_{10} LEV + \beta_{11} ROA + \beta_{12} INS_1 + \beta_{13} INS_2 + \beta_{14} INS_3 + \beta_{15} INS_4 + \beta_{16} INS_5 + \beta_{17} INS_6 + \beta_{18} INS_7 + \varepsilon_{it} \quad \text{...(Model 6)}$$

Variable Definitions to:

Dependent Variable

Tax Avoidance

- ETR	Percentage of total tax expense divided by the pre-tax income (Dakhli.2022)
- TAX/ASSET	Percentage of total tax expense divided by total asset (Aronmwan & Okafor, 2019)
- TAX/CFO	Percentage of total tax expense divided by cash flow of operation (Aronmwan & Okafor, 2019)

Moderating Variable

- ESG Performance (ESG)	The dummy variable is equal to 1 when firm i is assigned to THSI and zero otherwise. (Lerskullawat & Prukumpai, 2018)

Independent Variable

- Managerial Ownership (MAO)	Percentage of shares owned by Managerial Ownership (Khalifa & Albaz. 2022)
- Foreign Ownership (FOW)	Percentage of shares owned by Foreign Ownership (Alkurdi & Mardini. 2020)
- Institutional Ownership (INO)	Percentage of shares owned by Institutional Ownership (Alkurdi & Mardini 2020).
- Family Ownership (FMO)	Percentage of shares owned by Family Ownership (Qawqzeh, 2023)

Control variables

Firm Size (L_FS)	Natural Logarithm of total assets (Dakhli.2022)
Leverage (Lev)	Total debt divided by total asset (Dakhli.2022)
Return on Asset (ROA)	Pre-tax income divided by asset (Dakhli.2022)
Industry type (INS)	The dummy variable is equal to 1 when firm i is Industry type and zero otherwise. (Hoseini et al.,2019)

Measures of Tax Planning

Previous studies have found that tax planning measures utilise financial reporting data, which is divided into two methods: book-tax nonconforming tax planning and book-tax conforming tax planning.

1) The book-tax nonconforming tax planning method is a tax planning method that reduces tax profits but does not affect account profits. This type of tax planning is useful as it increases cash flows from operational activities and increasing tax costs as well as increasing accounting net profits, which reveals inconsistencies between accounting profits and tax profits. This is measured by the effective tax rate (ETR), which is calculated by dividing the tax expense by pre-tax accounting income (Aronmwan & Okafor, 2019; Temboonprasertsuk, 2021).

2) The book-tax conforming tax planning method is a method that reduces both tax profits and accounting profits. In other words, it reduces the company's tax expenses in cash, which will result in a higher cash flow from operations and is measured by the rate of corporate tax on cash flow from operational activities (TAX/CFO). TAX/CFO is calculated by dividing the corporate tax expense by the cash flow of operations, which is not affected by earnings management and is measured by the rate of corporate tax on assets (TAX/ASSET). TAX/ASSET is calculated by dividing the corporate tax expense by the total assets, as the value of the assets can be determined by identifying the ability of assets to generate real income, the tax costs of which are likely to be related to cash flows from operational activities and total assets (Aronmwan & Okafor, 2019; Temboonprasertsuk, 2021).

From the above discussion, it is evident that tax planning measures the role of a company's horizontal ownership structure in monitoring, regulating, and supervising its operations in two ways: The book-tax nonconforming tax planning method uses ETR measurements to reflect tax planning resulting from differences in accounting and tax profits, and the book-tax conforming tax planning method include TAX/CFO and TAX/ASSET measurements that reflect tax planning that reduces both accounting profits and tax gains.

6. RESEARCH RESULTS

Research Results

Table 2 presents the descriptive statistics from the analysis of the results of dependent, independent, control, and moderating variables. The dependent variables are proxies of tax avoidance (ETR, TAX/ASSET, and TAX/CFO) and a mean of 11.448, 0.262, and 5.755, respectively, is found, which indicates that THSI of Thailand's stock market uses more ETR strategies than TAX, ASSET, and TAX/CFO, which is consistent with Qawqzeh (2023). In addition to the proxies of ETR, TAX/ASSET, and TAX/CFO, there is also a wide range of distribution between –40.810 and 55.890, –185.870 and 2.370, and –84.900 and 53.710, respectively. The moderating variable is ESG performance (33.80), which indicates that all sample groups selected as THSI constituted 33.80% of all samples and with a distribution between 0 and 1. The independent variables (MAO, FOW, INO, and FMO) had means of 15.257, 14.917, 47.529, and 21.067, respectively, which revealed that INO is the general shareholder structure of the emerging market country, which is consistent with Qawqzeh (2023), and detailed below.

Table 2: Descriptive Statistic Analysis Results

Variables	N	Minimum	Maximum	Mean	STd
Continuous Variables					
Effective tax rate (ETR)	462	–40.810	55.890	11.448	12.223
TAX/ASSET	462	–185.870	2.370	–0.262	9.058
TAX/CFO	462	–84.900	53.710	5.755	16.285
Managerial ownership (MAO)	462	0.000	100.00	15.257	20.266
Foreign ownership (FOW)	462	0.000	49.000	14.917	13.792
Institutional ownership (INO)	462	0.000	94.210	47.529	26.496
Family ownership (FMO)	462	0.000	86.620	21.067	23.942
Firm size (L_FS)	462	4.220	14.830	10.124	1.676
Leverage (Lev)	462	0	373.950	52.190	34.375
Return on Asset (ROA)	462	–14.970	44.300	8.145	6.380

Table 2: Descriptive Statistic Analysis Results (Cont.)

Discrete Variables	N	Dummy = 1	Dummy = 0	% of 1	Rating
ESG Performance (ESG)	462	306	156	33.80	
Agro & Food Industry (INS_1)	462	68	394	14.70	4
Consumer Products (INS_2)	462	15	447	3.20	7
Industrials (INS_3)	462	63	399	13.60	5
Property & Construction (INS_4)	462	77	385	16.70	3
Resource (INS_5)	462	103	359	22.30	1
Service (INS_6)	462	102	360	22.10	2
Technology (INS_7)	462	25	437	5.400	6

Table 3 demonstrates that if all the independent variables are closely related, there may be a multicollinearity issue. Researchers examined the association between the two variables and discovered that each variable's correlation coefficients ranged from 0.002 to 0.739, which implies that all of them were lower than 0.80. Additionally, the variance inflation factors (VIFs) for all variables were within the range of 1.065 to 4.803, all below 10. This signifies that the independent variable is associated with a level that does not lead to multicollinearity issues (Black, 2010). This is detailed below.

Table 3: Pearson Correlation Analysis

Variable	ETR	TAX/ASSET	TAX/CFO	ESG	MAO	FOW	INO	FMO	Ln_FS	LEV	ROA	VIFs
ETR	1	.156**	.111*	–.145**	.106*	–.021	–.096*	.141**	–.006	.017	.099*	
TAX/ASSET		1	.034	.047	–.017	–.144**	.054	–.038	.149**	.569**	.077	
TAX/CFO			1	.055	–.005	.032	.046	–.008	.067	.002	.231**	
ESG				1	–.138**	.147**	.107*	–.147**	.252**	.072	–.074	1.103
MAO					1	–.033	–.585**	.665**	–.195**	–.005	.181**	1.935
FOW						1	.196**	–.224**	.141**	–.017	–.041	1.126
INO							1	–.739**	.318**	.010	–.137**	3.447
FMO								1	–.450**	–.009	.177**	4.803
Ln_FS									1	–.155**	–.180**	1.437
LEV										1	.008	1.059
ROA											1	1.065

**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

It is evident from **Table 4** that the heteroscedasticity test using Park's (1966) approach indicated that there is no significant relationship ($p > 0.05$) among all the variables. Significance indicates the absence of heteroscedasticity, as detailed below:

Table 4: The heteroscedasticity test

Variable	ETR (ln_RES1)			TAX/ASSET (ln_RES2)			TAX/CFO (ln_RES3)		
	b	beta	P_Value	b	beta	P_Value	B	Beta	P_Value
(Constant)	3.057		.001	–3.810		.002	4.051		.001
ln_MOA	3.656	–.035	.671	–.054	–.046	.575	–.060	–.047	.563
ln_FOW	–.038	–.052	.423	–.041	–.027	.671	.212	.130	.053
ln_INO	–.072	–.031	.706	–.260	–.102	.214	–.160	–.058	.479
ln_FMO	–.074	–.003	.974	.186	.092	.357	–.200	–.091	.359
ln_MOAESG	–.006	–.004	.969	–.176	–.055	.158	–.140	–.044	.659
ln_FOWESG	–.067	–.042	.576	–.090	.209	.502	–.049	.114	.123
ln_INOESG	.013	.006	.952	–.260	–.264	.304	–.104	–.106	.297
ln_FMOESG	.134	.074	.557	.328	–.214	.205	.158	–.104	.409
R^2	0.07			0.41			0.23		
Adjust R^2	0.13			0.22			0.03		

***.Correlation is significant at the 0.01 level (2-tailed). **. Correlation is significant at the 0.05 level (2-tailed).

It is evident from **Table 5** that the results of the analysis of the relationship between ownership structure and tax planning found that INO had a significantly positive relationship with tax avoidance from TAX/ASSET and TAX/CFO ($\beta_3 = 0.02$, $p < 0.10$, $\beta_3 = 0.105$, $p < 0.05$), but found no significant relationship with ETR. Thus, the results of this study **support hypothesis 3**. Further, the results of this study indicate that the concept of INO focuses on conflict resolution, according to the agency theory, considering taxation as a cost that should be strategically planned with the lowest cost to anticipate maximum profitability by integrating tax planning into various projects designed for society. Currently, this is evidence of this in research by Eskandar & Ebrahimi (2020), Khalifa & Albaz (2022), and Xiao & Xi (2022). Furthermore, FMO has been found to be significantly positive related to tax avoidance from both ETR, TAX/ASSET, and TAX/CCFO ($\beta_4 = 0.131$, $p < 0.05$, $\beta_4 = 0.04$, $p < 0.01$, $\beta_4 = 0.116$, $p < 0.10$); thus, **hypothesis 4 is supported**. The results of this study indicate that FMO plays a decisive role in taxation considerations by focusing on cash flows and reducing the cost of increasing profits to maintain the benefits of the family and other shareholders. Thus, the agency theory concept is consistent with the research by Gaaya et al. (2017) and Qawqzeh (2023).

However, MAO and FOW have a positive relationship with tax avoidance but are insignificant; thus, **hypotheses 1 and 2 are not supported**. The results of this study indicate that MAO and FOW do not play a role in determining administrative policies, particularly in tax planning. Since they may focus on short-term returns from their own share value, they should therefore be careful about the impact of their own decisions on shareholders. Consistent with research by Tijjani & Peter (2020), Oktaviani et al. (2023), and Faradisa & Fahlevi (2022), the results of the multiple linear regression analysis of ownership structure and tax planning are detailed below:

Table 5: The results of the multiple linear regression analysis of ownership structure and tax planning

Variable	Model 1 (ETR)			Model 2 (TAX/ASSET)			Model 3 (TAX/CFO)		
	b	beta	t_Value	b	beta	t_Value	b	beta	t_Value
(Constant)	2.918		.495	−.051		−.328	−15.773		−2.005
MAO	.005	.009	.135	.000	.003	.331	−.048	−.059	−.913
FOW	.022	.024	.478	.001	.006	.967	.026	.022	.438
INO	.062	.135	1.558	.002	.018	1.690*	.105	.170	1.976**
FMO	.131	.257	2.552**	.004	.032	2.628***	.116	.171	1.706*
Ln_FS	.489	.067	1.189	.019	.012	1.725*	1.257	.129	2.290**
LEV	−.001	−.111	−2.355**	−.003	−.987	−174.924***	.000	.014	.301
ROA	.149	.078	1.657*	.027	.063	11.220***	.632	.247	5.271***
INS_1	−3.614	−.105	−1.655*	−.162	−.021	−2.800***	−.021	.000	−.007
INS_2	−6.605	−.096	−1.796	−.251	−.017	−2.584**	−9.606	−.105	−1.959*
INS_3	−1.961	−.055	−.832	−.173	−.022	−2.779***	−2.823	−.059	−.898
INS_4	−1.210	−.037	−.555	−.094	−.013	−1.635	−5.303	−.121	−1.823*
INS_5	−6.853	−.235	−3.147***	−.187	−.029	−3.251***	−5.026	−.129	−1.730*
INS_6	−2.271	−.078	−1.065	−.088	−.014	−1.570	−2.429	−.062	−.855
INS_7	−5.286	−.099	−1.707*	−.171	−.014	−2.086**	−3.900	−.054	−.944
R^2	0.083			0.078			0.092		
Adjust R^2	0.054			0.059			0.063		

. Correlation is significant at the 0.01 level (2-tailed). **. Correlation is significant at the 0.05 level (2-tailed). *. Correlation is significant at the 0.1 level (2-tailed). ($p < 0.01$, ** $p < 0.05$, * $p < 0.10$)

The multiple linear regression analysis in **Table 6** shows the moderating effect of ESG performance on the relationship between ownership structure and tax planning and reveals that FOW*ESG has a significantly negative relationship with ETR proxies tax avoidance ($\beta_4 = -0.309$, $p < 0.01$) but does not reveal a significant relationship with TAX/ASSET and TAX/CCFO proxies, so hypothesis 2a is accepted. This shows that FOW plays a key role in tax avoidance and has a serious influence on policymaking in ESG operations, which has a negative effect on reduced tax avoidance. This study is consistent with research by Apriyani & Muhyyahars (2021) and Lin et al. (2022) and finds that MAO*ESG and FMO*ESG have a positive relationship with tax evasion and INO*ESG has a negative relationship with tax evasion, but is irrelevant; thus, hypotheses 1a, 4a, and 3a are not supported. The results of this study indicate that the role of ESG performance is irrelevant to the relationship between MAO, FMO, and INO and tax avoidance. This may be because MAO considers tax avoidance to be part of business administration, or it may be because occasionally there is a lack of presentation of information on ESG practices, which is consistent with research by Sholikha et al. (2023). Further, FMO may have two potential risk concerns: reputation risk, stable and sustainable wealth to inherit family business, and shareholder satisfaction risk, which is a company's primary source of funding (Khelil & Khlif, 2023); this is consistent with research by Flamini, et al. (2021) and Clemente-Almendros & Gonzalez-Cruz (2023), and INO*ESG, which may hold shares in the short term. Therefore, no attention is paid to the performance of ESG operations, which are aimed at the sustainability of the company, which is in line with Ameen et al. (2022). The results of the multiple linear regression analysis of the moderating effect of ESG performance is detailed in the table below:

Table 6: The results of the multiple linear regression analysis of the moderating effect of ESG performance

Variable	Model 4 (ETR)			Model 5 (TAX/ASSET)			Model 6 (TAX/CFO)		
	b	beta	t_Value	b	beta	t_Value	b	beta	t_Value
(Constant)	−1.945		−0.329	−.162		−1.023	−15.973		−1.981
MAO	−.027	−.045	−.450	.000	.003	.247	−.096	−.119	−1.173
FOW	.262	.296	3.289***	.003	.017	1.541	.144	.122	1.328
INO	.039	.085	.888	.003	.026	2.193**	.074	.121	1.241
FMO	.193	.379	3.136***	.004	.033	2.269**	.139	.204	1.655*
MAO*ESG	.014	.019	.183	−.001	−.006	−.446	.073	.076	.709
FOW*ESG	−.309	−.346	−3.387***	−.003	−.013	−1.041	−.165	−.137	−1.323
INO*ESG	.033	.086	1.068	−.001	−.015	−1.515	.047	.091	1.112
FMO*ESG	−.064	−.110	−1.106	.000	.003	.238	−.028	−.036	−.355

Table 6: The results of the multiple linear regression analysis of the moderating effect of ESG performance (Cont.)

Variable	Model 4 (ETR)			Model 5 (TAX/ASSET)			Model 6 (TAX/CFO)		
	b	beta	t_Value	b	beta	t_Value	b	beta	t_Value
Ln_FS	.889	.123	2.130**	.011	.018	2.551**	1.247	.128	2.192**
LEV	–.001	–.090	–1.931*	.000	–.985	–175.304***	.000	.019	.401
ROA	.145	.076	1.632	.002	.064	11.275***	.640	.250	5.269***
INS_1	–3.018	–.088	–1.403	.058	–.020	–2.562**	.145	.003	.050
INS_2	–5.647	–.082	–1.561	.097	–.016	–2.540**	–9.445	–.103	–1.916*
INS_3	–.675	–.019	–.289	.062	–.019	–2.392**	–2.644	–.055	–.832
INS_4	–1.011	–.031	–.471	.057	–.013	–1.613	–5.282	–.121	–1.808*
INS_5	–6.323	–.217	–2.954***	.057	–.027	–3.071***	–4.934	–.126	–1.692*
INS_6	–2.155	–.074	–1.026*	.056	–.014	–1.620	–2.081	–.053	–.727
INS_7	–5.648	–.105	–1.854*	.081	–.014	–2.005**	–4.301	–.060	–1.036
R^2	0.125			0.087			0.096		
Adjust R^2	0.090			0.098			0.059		

. Correlation is significant at the 0.01 level (2-tailed). **. Correlation is significant at the 0.05 level (2-tailed). *. Correlation is significant at the 0.1 level (2-tailed). ($p < 0.01$, ** $p < 0.05$, * $p < 0.10$)

7. RESEARCH DISCUSSION

Although Thailand is classified as an emerging market, it is different from other countries in terms of culture and politics. However, almost every country faces similar economic problems. In particular, debt accumulation over the past few years has limited the capacity of the country to develop infrastructure and other development projects due to an insufficient national budget. Thus, the most necessary thing for the government is to ensure sufficient funds for the country’s development, which may come from a fraction of the profits of private business, so-called “corporate taxation”; however, on the part of the private sector, which is the taxpayer, individuals will attempt to pursue tax planning strategies to reduce these expenses in order to generate profits for companies and shareholders.

In terms of private-sector tax planning, in particular, tax avoidance is something that researchers in the past have given a lot of attention to because tax avoidance involves taking advantage of tax conditions, which are considered unlawful but are a concern for all governments because they are not completely taxed in the country’s administration and may have an impact on the global economy. The Organization for Economic Co-Operation and Development (OECD) currently attaches great importance to this aspect and has initiated the Base Erosion and Profit Shifting Project (BEPS) to jointly track and prevent tax avoidance. Currently, more than one of the 137 countries, including Thailand, is a member of this project. However, the effectiveness of the BEPS project, which is in the form of research, has yet to be concluded. This may be due to the fact that the social, cultural, economic, and urban environment of each country implies different business models therein. In particular, this research focuses on the role of decision-making of owners in preventing tax avoidance.

In the study, the relationship between different types of shareholder structures and direct tax avoidance is rather insignificant. In addition, the role of the ESG performance has not yet been tested in developing countries, particularly in Thailand. Therefore, this study studied the relationship between ownership structure (managerial ownership (MAO), foreign ownership (FOW), institutional ownership (INO), and family ownership (FMO) and tax planning in Thailand and the role of ESG operations in these relationships. In particular, in the group of companies selected as sustainable stocks that were rated by ESG, 193 companies were evaluated for sustainability in the period 2019–2022; the research had the following main findings:

In Thailand, INO and FMO have a significantly positive relationship with tax avoidance. The results of this study suggest that higher levels of INO and FMO may result in increased tax avoidance behaviour. The research is supported by the agency theory (Jensen & Meckling, 1976), INO, and FMO, which may want to benefit themselves by increasing returns through higher profits, while shareholders want to reduce tax expenses to generate increased share value in order to maximize tax payments (Neifar & Huesing, 2023); therefore, to prevent such conflicts, INO and FMO are defined as policies that seek to satisfy the shareholder by generating long-term funding and reducing profitability. However, MAO and FOW are positively associated with tax avoidance, but have an insignificant relationship. The results of the research indicate that higher levels of managerial ownership and foreign ownership result in higher but lower levels of tax avoidance. This research, supported by the legitimacy theory (Dowling & Pfeffer, 1975) as well as MAO and FOW, considers that companies can do everything legal, which is considered corporate fairness, without necessarily taking into account stakeholders, and considers tax planning to be part of the normal business of the company.

For the role of ESG performance moderators in relation to the relationship between ownership and tax planning, it was found that the ESG's role leads to a significantly negative relationship between FOW and tax avoidance. It was revealed that the level of FOW reduced tax-avoidance behaviour in a group of companies that practiced the ESG policy, which is consistent with the stakeholder theory. This suggested that FOW would look at tax planning by generating benefits for all stakeholders, such as shareholders, investors, managers, clients, employees, communities, and the government, which would affect the sustainability of the company. In contrast, the government considered that a shareholder was entitled to receive benefits from the company properly in the form of tax payments, which was regarded as a social responsibility under the ESG company policy.

However, ESG performance does not play an important role in the relationship among MAO, FMO, and INO, which is consistent with the legitimacy theory. The theory suggests that MAO, FMO, and INO consider tax planning as normal for companies that need to find ways to reduce their tax burden by using tax avoidance techniques that are not tax evasion techniques in order to maximize their profits and to pursue improved image strategies, such as disclosure, tax donations, or social responsibility, etc.

8. RESEARCH RECOMMENDATIONS

Academic Suggestions

The SET should clearly define its investment policies under ESG performance by formalizing its regulations, developing effective monitoring and regulation systems to prevent greenwashing for tax purposes, and identifying the risks that companies may face to correct the risk management of tax planning under ESG performance.

The Revenue Department of Thailand should focus on reviewing ESG performance-related projects that have been prepared for tax benefits to the government.

The Government of Thailand should raise awareness of tax payments among corporations, investors, and the consequences of tax avoidance on the country's economy, reviewing the penalties imposed by applicable tax laws, particularly corporate groups with ESG performance policies.

Future Research Suggestions

Researchers studied a sample of companies that were evaluated by ESG ratings on the SET; however, since each country has different culture, society, politics, and laws, they should be compared to the Asian or emerging markets. Furthermore, the data were stored between 2562 and 2565, a period of COVID-19 pandemic. The next research may be a study of companies that were rated with different ratings in the year 2566 and so on.

Researchers studied the model of measurement of tax planning as a whole and, thus, it was not possible to determine whether ESG performance accounting was greenwashing for tax benefits. Thus, the next study should be on the accounting item that affects tax planning to utilize the audit and regulation benefits.

Researchers did not study the non-ESG rating company at the SET. Thus, future research should compare companies with and without ESG ratings to find evidence of the efficiency of ESG performance.

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