

Multiple Large Shareholders and Corporate Tax Avoidance: Supervision or Collusion?

Beibei Liu

School of Management, Shanghai University, Shanghai, China

Abstract

The shareholding structure of multiple large shareholders (hereafter MLS) is widespread in China. This paper focuses on MLS and takes China's A-share listed firms from 2008 to 2020 as samples. It finds that compared with one large shareholder, MLS will reduce the level of corporate tax avoidance. The mediation effect model shows that MLS play a supervisory role on the tunneling, thus reducing tax avoidance activities of controlling shareholders to cover up the tunneling.

Keywords

Multiple Large Shareholders; Corporate Tax Avoidance; Agency Conflicts; Tunneling.

1. Introduction

Tax avoidance is widely used in firms as a way to reduce cash outflows. However, is tax avoidance really as intuitive as it seems, transferring national wealth to firms and increasing corporate value? Slemrod (2004) pointed out that tax avoidance can produce agency costs and adversely affect corporate value. In order to avoid being discovered by tax authorities, tax avoidance is complicated and opaque, which facilitates opportunistic behaviors of management, such as profit manipulation, capital occupation, benefit encroachment. So tax avoidance can covers up opportunistic behaviors and deterioration the principal-agent relationship between shareholder and management. A few literatures study agency conflicts between controlling shareholder and minority shareholder how to act on tax avoidance, and they believe that tax avoidance activities also cover up tunneling behavior of controlling shareholder.

Many literatures study the influence of corporate governance on tax avoidance from the perspective of agency conflicts between shareholder and management, while few study the influencing factors of tax avoidance from the perspective of agency conflicts between controlling shareholder and minority shareholder. In the special ownership structure of multiple major shareholders (MLS), agency conflicts between shareholders and management is alleviated, while the agency conflicts between controlling shareholder and minority shareholder becomes the main contradiction of firms. This paper studies the influence of MLS on corporate tax avoidance from the perspective of agency conflicts between controlling shareholder and minority shareholder.

MLS refer to firms with two and more shareholders holding a certain percentage of shares (usually 5% or 10%). Studies have shown that MLS are widespread. When firms have MLS, other large shareholders may supervise controlling shareholder and alleviate agency conflicts, or they may collude with controlling shareholder to encroach on the interests of minority shareholder. It is necessary to examine how MLS play a role in corporate tax avoidance. Ouyang et al. (2020) found that MLS can monitor non-tax costs caused by tax avoidance, thus reducing corporate tax avoidance. Both tax avoidance and tunneling require related transactions. Tax avoidance often involves related transactions, which facilitate tunneling and conceal the the motivation for tunneling. Therefore, this paper focuses on tunneling and explores how MLS act on tax avoidance.

The contributions of this paper may be as follows: First, this research focuses on related transactions, the main means of tax avoidance and tunneling, which is different from Ouyang et al. (2020)'s perspective on the non-tax cost of tax avoidance. Second, most literatures focus on tax avoidance and the first type of agency conflicts, while I discuss tax avoidance and the second type of agency conflicts under the ownership structure of MLS. This paper provides more evidence for the supervision effect of MLS. Thirdly, this paper studies the impact of ownership structure on tax avoidance, which is the starting point of corporate governance. It fundamentally restrains tax avoidance arrangements and makes up for the lack of supervision by tax authorities. It is of great practical significance to the regulation of taxation.

2. Literature Review and Hypotheses Development

Firms with one large shareholder may make more aggressive tax avoidance decisions. Since there is only one large shareholder, controlling shareholder has the opportunity to appoint representatives to the board of directors, and participate in or even dominate daily decision-making of firms, so as to keep the interests of the controlling shareholder and the management. Lacking effective supervision and constraints, one large shareholder can use its shareholding advantage to transfer firms' resources and encroach on the interests of minority shareholder more easily, and tax avoidance can provide a cover for it.

On the one hand, tax avoidance increases firms' information opacity and makes encroachment on the interests of minority shareholder more concealed; on the other hand, related transactions accompanied by tax avoidance also provide channels for controlling shareholder to transfer resources and encroach on interests. Xing Li et al. (2020) found the controlling shareholder can actively conduct tax avoidance activities to cover up their intention of tunneling, making tax avoidance the reason for complex related transactions. Therefore, in order to cover up the encroachment on the interests of minority shareholder, firms with one large shareholder may choose more aggressive tax avoidance decisions.

MLS may exert supervision effect, and reduce tax avoidance activities that provide a cover for controlling shareholder's appropriation of interests, thus reducing overall level of tax avoidance.

First of all, MLS have stronger supervision incentives than one large shareholder. On the one hand, mutual restriction and supervision exist among MLS. It is more conducive to restrain the interests encroachment of controlling shareholder and reduce agency costs. Corporate tax avoidance usually requires complex related transactions, and is accompanied by the interests encroachment of controlling shareholder. These activities increase the opacity of corporate information, lead to increased agency costs and adversely affect corporate value. The decision of tax avoidance is not only a trade-off between the value of cash flows saved and the penalty of tax authorities, but also needs to consider the second type of agency costs generated by tax avoidance. So MLS have an incentive to monitor controlling shareholder to reduce tax avoidance. On the other hand, MLS may lead to conflicts of control rights. In the process of fighting for control rights, controlling shareholder may promise to reduce interests encroachment to gain the voting rights of minority shareholder. The more fierce conflicts for control rights, the less encroachment of minority shareholder's interests. Aggressive tax avoidance causes many additional non-tax costs to minority shareholder, such as aggressive financial reporting, covering up negative news, excessive in-service consumption, related transactions and inefficient investment. Consequently, MLS reduce their encroachment of minority shareholder's interests, one of the manifestations is to reduce tax avoidance activities that damage the interests of minority shareholder.

Secondly, MLS have stronger supervision ability than one large shareholder. Large shareholders with different knowledge and experience backgrounds can bring new

perspectives to corporate decision-making and improve supervision efficiency. The more number of other large shareholders, the stronger supervision effect of MLS. Boubaker and Sami (2011) found that MLS can improve the information content of accounting earnings, which verified the effective supervision of MLS. Other large shareholders have two ways for supervision. One is to appoint representatives on the board of directors and management. The other is the potential withdrawal threaten of other large shareholders. Due to a higher proportion of shares, other large shareholders have information advantages. Their stock selling may send a bad signal and cause the decline of stock prices. In contrast, the first supervision method is more direct and reduces information asymmetry of other large shareholders.

To sum up, compared with one large shareholder, MLS exert supervision effect and have more supervision over agency costs caused by tax avoidance, thus reducing the overall level of corporate tax avoidance.

Therefore, I propose the following hypothesis:

H1a: Compared with one large shareholder, MLS can reduce the level of corporate tax avoidance. MLS may exert collusion effect and jointly encroach on the interests of minority shareholder. Driven by self-interest motives, MLS may conspire to jointly capture more private gains of control rights and encroach on the interests of minority shareholder. Controlling shareholder may avoid tax actively to increase information asymmetry and thus conceal the encroachment of interests on minority shareholders.

Based on this, this paper proposes the opposing hypothesis:

H1b: Compared with one large shareholder, MLS can increase the level of corporate tax avoidance.

Tax avoidance activities may help controlling shareholder to transfer resources and encroach on the interests of minority shareholder. Empirical studies show that tunneling is positively related to the level of corporate tax avoidance. Chan et al. (2016) tested the positive relationship between tax avoidance and tunneling by controlling shareholder. It's more significant in firms with cash shortages or weak investor protection. Tang (2016) analyzed the incentives of SOEs' tax avoidance from the view of tunneling. The size of tunneling increases with the level of tax avoidance, suggesting that tunneling may be an incentive for tax avoidance.

Tax avoidance activities are complex, and one of the main means is related transactions. For example, firms can transfer their profits to some countries to enjoy a low tax rate by related transactions. Empirical studies confirmed the positive relationship between tax avoidance and related transactions. Zuohua Chen (2017) used samples of Chinese listed companies and find that the larger size of related transactions, the more aggressive tax avoidance. Kai and Hong (2014) find that related transactions are the main means of tunneling. For case, large shareholders transfer the company's resources and properties at a lower price to other entities that they have a higher right of cash benefits by related transactions, thus appropriating the interests of minority shareholder. Whether for the purpose of tunneling or tax avoidance, firms need to engage in complex related transactions. As a result, controlling shareholders will engage in aggressive tax avoidance in order to conceal the intention of tunneling, which provides a rational reason for complex related transactions.

As discussed earlier, when the "supervision effect" is at work, MLS monitor agency costs and control conflicts, so controlling shareholder will reduce tunneling and reduce corporate tax avoidance activities related to tunneling. On the contrary, when the "collusion effect" is at work, MLS can increase tax avoidance to hide the ultimate purpose of encroaching on the interests of minority shareholder by complex and opaque related transactions.

Accordingly, this paper proposes hypothesis two.

H2: Tunneling has a mediation effect in the relationship between MLS and corporate tax avoidance.

3. Sample and Research Design

3.1. Data Source and Sample Selection

My samples consists of all non-financial firms listed on the Shanghai and Shenzhen A-listed stock exchanges from the China Securities Market and Accounting Research (CSMAR) database for the period 2008–2020, except the nominal income tax rate is from Wind database. The data were screened as follows : (1) firms of special treatment (ST) were excluded; (2) drop samples from the financial industry; (3) drop samples whose shareholding ratio of the largest shareholder is less than 10% (these firms haven't large shareholders); (4) drop firms with asset-liability ratio greater than 1; (5) drop samples with total profit < 0 (to calculate tax avoidance); (6) drop samples with missing data; (7) In order to avoid the influence of extreme values, Winsorize the continuous variables involved at 1% and 99% levels.

3.2. Research Design

To test the H1, I use the following model:

$$TA_{i,t} = \beta_0 + \beta_1 \times Multi_{i,t} + \gamma \times control_{i,t} + \varepsilon_{i,t} \quad (1)$$

To test the H2, I use the following model:

$$TA_{i,t} = \beta_0 + \beta_1 \times Multi_{i,t} + \gamma \times control_{i,t} + \varepsilon_{i,t} \quad (2)$$

$$Tunnel_{i,t} = \beta_0 + \beta_1 \times Multi_{i,t} + \gamma \times control_{i,t} + \varepsilon_{i,t} \quad (3)$$

$$TA_{i,t} = \beta_0 + \beta_1 \times Multi_{i,t} + \beta_2 \times Tunnel_{i,t} + \gamma \times control_{i,t} + \varepsilon_{i,t} \quad (4)$$

Step 1: Test the coefficient β_1 of equation (2), and it is the total effect of the independent variable Multi on the dependent variable TA.

Step 2: Test the coefficient β_1 of equation (3), that is, the relationship between the independent variable Multi and the mediating variable Tunnel.

Step 3: Test the coefficients β_1 and β_2 of equation (4).

Multiple large shareholders (Multi). Referring to Fuxiu Jiang et al. (2017), I define a shareholder with more than 10% of shares as a large shareholder. According to the Chinese law, shareholders with more than 10% shareholding can request an extraordinary shareholders' meeting, so 10% is a reasonable criterion to determine whether a shareholder is a "large shareholder". I follow the approach of literatures and treat concert parties as one shareholder and calculate shareholding ratio together. If a company has two or more large shareholders, define Multi as 1; otherwise, Multi is defined 0.

Tax avoidance (TA). Referring to Kangtao Ye and Xing Liu (2014), I use book-tax differences (BTD) and its deformation (DDBTD) to measure corporate tax avoidance. BTD is the difference between a firm's pre-tax accounting profit and its taxable income, divided by its total assets at the end of the period, where taxable income is the ratio of current income tax expense to nominal income tax rate. A larger BTD indicates a higher level of tax avoidance. DDBTD is an indicator of book-tax differences after deducting the effect of accrued profit.

Tunneling of controlling shareholders (Tunnel). Following Fuxiu Jiang et al. (2017), I use related transactions to measure tunneling and constructs two indicators. Tunnel_A is the ratio of all related transactions to the total assets, and Tunnel_B is the ratio of some related transactions to the total assets, which excludes transactions categories that may have certain

noise. The related transaction category is from CSMAR database. Noise transactions are involved of normal management business which not for personal gain, mainly including 17= cooperative projects, 18= license agreement, 19= research and development results, 20= compensation of key managements, and 21= other matters.

Referring to Ouyang et al. (2020), Dyreng et al. (2010), Jiang Fuxiu et al. (2017), I set control variables as follows: total assets (SIZE), return on assets (ROA), ratio of fixed assets (PPE), ratio of intangible assets (INTANG), growth rate of operating income (GROWTH), shareholding ratio of institutional investors (INST) and shareholding ratio of the controlling shareholder (TOP1). All variables and their meanings are shown in Table 1.

Table 1. Variable definition

Variables	Variable Definition
TA	Tax avoidance Indicators: BTD, DDBTD
Multi	If firms have MLS, define Multi as 1; or as 0.
Tunnel_A	The ratio of all related transactions to the total assets
Tunnel_B	The ratio of non-noisy related transactions to the total assets
Size	Take the logarithm of total assets
Roa	Return on assets
Ppe	Ratio of fixed assets
Intang	Ratio of intangible assets
Growth	Growth rate of operating income
Inst	Shareholding ratio of institutional investors
Top1	Shareholding ratio of the controlling shareholder

4. Empirical Results

4.1. Descriptive Statistics

Table 2. Descriptive statistics

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
VARIABLES	N	mean	sd	min	max	p25	p50	p75
multi	26,097	0.321	0.467	0	1	0	0	1
BTB	26,097	0.580	7.018	-52.129	855.948	-0.636	0.257	1.409
DDBTD	26,097	0.046	5.579	-165.414	155.060	-2.506	0.275	2.946
size	26,097	22.153	1.301	19.885	26.179	21.198	21.961	22.886
roa	26,097	0.052	0.085	-0.039	10.401	0.021	0.042	0.071
ppe	26,097	0.217	0.162	0.002	0.699	0.091	0.184	0.308
intang	26,097	0.046	0.050	0.000	0.318	0.017	0.033	0.057
growth	26,097	0.409	1.095	-0.587	7.970	-0.021	0.138	0.421
inst	26,097	45.497	24.624	0.336	90.872	26.110	48.030	65.279
top1	26,097	35.563	14.851	4.079	89.093	23.864	33.669	45.486

Table 2 presents the descriptive statistics for all variables in the regressions. From line 1, the mean value of MLS is 0.321, indicating that 32.1% of the samples have MLS. The mean value of BTB is 0.580 and the median is 0.257. DDBTD, another tax avoidance indicator, have an average of 0.046 and a median of 0.275. On the whole, most of the firms' pre-tax accounting profit is greater than taxable income, and corporate tax avoidance activities are common. The standard deviation of BTB is 7.018, and DDBTD is 5.579, indicateing the level of tax avoidance varies greatly among different firms. The mean value of controlling shareholder's shareholding

percentage (TOP1) is 35.563%, reflecting the characteristics of highly concentrated ownership structure in China. In All firms, the largest shareholding percentage(TOP1) is 89.093%, and the least is 4.079%.In addition, the standard deviation is 14.851. There is a big difference between samples.

The concern is that, the shareholding percentage of large shareholder is at least 10%, while the data results show that the shareholding percentage of controlling shareholder is 4.079%. The reason is I combine the concert parties into one shareholder in the process of calculating MLS, and the shareholding percentage here is before the merger.

Table 3 presents the distribution of the number of large shareholders. In general, samples with one large shareholder accounts for 67.90%, samples with two large shareholders is the next largest with 26.55% and 4.85% of firms have three large shareholders. Only a few samples have four and five shareholders and the reason is these firms have many natural persons holding shares.

Table 3. Distribution of the number of large shareholders

The number of large shareholders	1	2	3	4	5
N	17,719	6,930	1,267	162	19
Distribution (%)	67.90%	26.55%	4.85%	0.62%	0.07%

Table 4. The shareholdings of large shareholders

	shareholding percentage (%)	[10,20)	[20,50)	[50,80)	Above 80	total
One large shareholder	one large shareholder (N)	1,328	9,942	6,260	189	17,719
	Percentage (%)	7.49%	56.11%	35.33%	1.07%	100%
Multiple large Shareholders (MLS)	controlling shareholder (N)	932	6,251	1,180	15	8,378
	Percentage (%)	11.12%	74.61%	14.08%	0.18%	100%
	second large shareholder (N)	6,178	2,200	0	0	8,378
	Percentage (%)	73.74%	26.26%	0.00%	0.00%	100%
	sum of other large shareholders (N)	5,047	3,273	58	0	8,378
	Percentage (%)	60.24%	39.07%	0.69%	0.00%	100%

Table 4 shows the shareholdings of large shareholders after the consolidation of concert parties. The results show that a few firms have too many or too few shares held by one large shareholder. In most cases the shareholding of one large shareholder is concentrated between 20% and 80%, again confirming the more concentrated shareholding structure in China.

There are some differences in the distribution of the shareholdings of MLS, compared to one large shareholder. In samples of MLS, the shareholding percentage of controlling shareholder is more concentrated between 20% and 50%, reaching 74.61%. Turn to the second large shareholder's shareholding percentage, 73.74% of samples is concentrated between 10% and 20%. In addition, I summarize the sum of other large shareholders' shareholding percentage, and it's almost less than 50%.

4.2. Regression Results

Table 5 shows the regression results of hypothesis 1. After controlling for industry and year and other control variables, MLS is significantly negatively correlated with BTD at the 1% level with an MLS coefficient of -0.295, and MLS is significantly negatively correlated with DDBTD at the 5% level with an MLS coefficient of -0.204. Thus, hypothesis 1a is initially tested, which suggests that MLS reduce the level of corporate tax avoidance relative to one large shareholder. The regression results support the supervisory effect of MLS. In addition, the explanatory variables are tested in this paper and there is no multicollinearity problem.

Table 5. Regression results of H1

	(1)	(2)
	BTD	DDBTD
multi	-0.295***	-0.204**
	(-4.71)	(-2.52)
size	0.195***	0.199***
	(6.30)	(5.91)
roa	71.307***	3.781
	(9.39)	(0.63)
ppe	2.536***	9.115***
	(7.40)	(29.78)
intang	0.394	6.468***
	(0.77)	(9.59)
growth	0.141***	-0.172**
	(2.96)	(-2.56)
top1	-0.022***	-0.008***
	(-8.08)	(-2.60)
inst	-0.005***	0.011***
	(-3.06)	(5.93)
_cons	-3.721***	-2.905***
	(-3.82)	(-2.86)
N	26097	26097
r2_a	0.744	0.132
YEAR	YES	YES
INDUSTRY	YES	YES

t statistics in parentheses.

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

To test hypothesis two, the model adds two variables, Tunnel_A and Tunnel_B. Table 6 shows the regression results. Reviewing the model of hypothesis two, columns 1-3 correspond to the three steps of mediation effect test, respectively, -0.261, -0.255, -0.182 and 0.312 are all significant at the 1% level, proving that MLS do act on corporate tax avoidance through tunneling. The coefficient of Multi in column 3 is -0.182, which is significantly negative at the 1% level, confirming a partial intermediation effect. The Sobel test command "sgmendiatio" calculates the share of the mediating effect in the total effect as 38.82%. Meanwhile, to ensure

the reliability of the results, I conduct bootstrap test for intermediation effect, and the results are still significant. Columns 4-6 are the results of the mediation effect test of BTD and Tunnel_B, which also prove mediation effect.

Table 6. Regression results of mediation effect (BTD)

BTD	Tunnel_A			Tunnel_B		
	(1)	(2)	(3)	(4)	(5)	(6)
	BTD	Tunnel_A	BTD	BTD	Tunnel_B	BTD
multi	-0.261***	-0.255***	-0.182***	-0.261***	-0.296***	-0.180***
	(-4.18)	(-10.12)	(-3.22)	(-4.18)	(-10.14)	(-3.21)
Tunnel_A			0.312***			
			(8.09)			
Tunnel_B						0.275***
						(7.94)
size	0.175***	1.186***	-0.194***	0.175***	1.242***	-0.166***
	(6.03)	(116.68)	(-5.13)	(6.03)	(107.30)	(-4.70)
roa	71.323***	-1.712*	71.857***	71.323***	-2.013*	71.876***
	(8.99)	(-1.71)	(9.34)	(8.99)	(-1.68)	(9.36)
ppe	2.436***	1.058***	2.106***	2.436***	1.144***	2.121***
	(7.01)	(11.93)	(6.89)	(7.01)	(11.52)	(6.95)
intang	0.321	-0.324	0.422	0.321	-0.085	0.344
	(0.63)	(-1.43)	(0.83)	(0.63)	(-0.35)	(0.68)
growth	0.137***	0.058***	0.119***	0.137***	0.065***	0.120***
	(2.87)	(4.88)	(2.59)	(2.87)	(5.10)	(2.60)
top1	-0.020***	-0.002**	-0.019***	-0.020***	-0.004***	-0.019***
	(-7.50)	(-2.45)	(-7.59)	(-7.50)	(-3.76)	(-7.54)
inst	-0.006***	0.005***	-0.007***	-0.006***	0.005***	-0.007***
	(-3.36)	(6.79)	(-4.00)	(-3.36)	(6.89)	(-4.03)
_cons	-3.298***	-5.891***	-1.462*	-3.298***	-7.030***	-1.367*
	(-3.52)	(-23.10)	(-1.93)	(-3.52)	(-24.64)	(-1.84)
N	24576	24576	24576	24576	24576	24576
r2_a	0.749	0.499	0.754	0.749	0.458	0.754
Year	YES	YES	YES	YES	YES	YES
Industry	YES	YES	YES	YES	YES	YES

t statistics in parentheses

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

In the same analysis as above, Tunnel_A and Tunnel_B have the same mediating effect when using the DDBTD indicator to measure tax avoidance. Due to space limitation, they are not shown here.

Hypothesis two is tested and fully demonstrates that MLS reduce the level of corporate tax avoidance through supervising controlling shareholder's tunneling behavior.

4.3. Robust Tests

First, following Fuxiu Jiang et al. (2018) and Hong Luo and Wan Huang (2020), I adopt difference-in-difference models (DID) to compare the difference in the level of tax avoidance due to the change in firm's shareholding structure. I set up two groups of DID, the first treatment group has samples of one large shareholder changing into MLS and the control group

has samples of one large shareholder. I empirically find that the level of corporate tax avoidance decreases after one large shareholder change into MLS. The second DID model is set up in the opposite way, and the empirical results show that the level of corporate tax avoidance increases after the corporate shareholding structure is changed from MLS to single one large shareholder. Second, some factors at the firm level do not change over time, and to control the impact of such omitted variables on the findings of this paper, I use firm fixed effects for regression based on the model of hypothesis one.

Thirdly, to mitigate the impact of omitted variables of firms' characteristics, I use propensity score matching (PSM) to address the possible endogeneity of variable selection. The main hypothesis is regressed again after pairing all control variables as independent variables and Multi as dependent variable according to the nearest neighbor matching method with a ratio of 1:1.

Finally, I recalculate Multi using the judgment criteria of 5% and 20% as large shareholder, and regress hypothesis one again. The results of all the robustness tests are consistent with hypothesis one, and the findings of this paper remain unchanged.

5. Conclusion

In Chinese market with a highly concentrated shareholding structure, agency conflicts between controlling shareholder and minority shareholder are main conflicts. Corporate tax avoidance, which provides a reason for controlling shareholder's tunneling, have been the focus of management, academics, government regulators and the media. Corporate tax avoidance is popular because of its cash flow savings, but complex related transactions designed for tax avoidance increase information opacity and worsen agency conflicts. Other large shareholders and investors are more concerned about potential controlling shareholder's tunneling behind tax avoidance. The regression results of this paper show that MLS reduce the level of tax avoidance relative to one large shareholder, and tunneling behavior plays a role of mediation effect. This study enriches literatures related to MLS and corporate tax avoidance, and provides new empirical evidence on supervision effect of MLS from the perspective of corporate tax avoidance.

References

- [1] Slemrod. J: The economics of corporate tax Selfishness, *National Tax Journal*, vol.57 (2004), p.877-899.
- [2] Desai.M.A, Dharmapala.D: Corporate tax avoidance and high-powered incentives, *Journal of Financial Economics*, vol.79 (2006), No.1, p.145-179.
- [3] Dyreng.S.D, Hanlon.M, Maydew. E.L: Long-run corporate tax avoidance, *Accounting Review*, vol.83 (2008), No.1, p.61-82.
- [4] McGuire.S.T, Wang.D, Wilson.R: Dual class ownership and tax avoidance, *The Accounting Review*, vol.89 (2014), No.4, p.1487-1516.
- [5] Chan.K.H, Mo.P.L.L, Tang.T: Tax avoidance and tunneling: empirical analysis from an agency perspective, *Journal of international accounting research*, vol.15 (2016), No.3, p.49-66.
- [6] X.Li, G.L.Tian, R.Zhang: "Crossing the sea under camouflage": Corporate tax avoidance and tunneling, *Journal of management engineering*, vol.34 (2020), No.4, p.21-33.
- [7] X.M.Zhang, C.Ge, D.G.Yang: Can internal control restrain the risk of major shareholder eviction caused by tax avoidance? *Journal of Nanjing Audit University*, vol.18 (2021), No.6, p.61-69.
- [8] F.X.Jiang, Y.T.Wang, Y.Yuan, K.Wu: Multiple large shareholders and corporate financing constraints: Empirical evidence based on textual Analysis, *Management World*, vol.12 (2017). p.61-74.

- [9] F.X.Jiang, X.N.Cai, B. Zhu: Multiple large shareholders and stock price crash risk, *Accounting Research*, vol.1 (2018), p.68-74.
- [10] Boubaker.S, Sami.H: Multiple large shareholders and earnings informativeness, *Review of Accounting and Finance*, vol.10 (2011), No.3, p.246-266.
- [11] H.Luo, W.Huang: A study on the influence of multiple large shareholders on executive opportunistic divestment, *Management World*, vol.36 (2020), No.8, p.163-178.
- [12] H.L.Lv, W.L.Li: Do multiple large shareholders have conspiratorial motives? From the perspective of inefficient investment in family firms, *Management Review*, vol.27 (2015), No.11, p.107-117+191.
- [13] Ouyang.C.Y, Xiong.J.C, Huang.K, Do multiple large shareholders affect tax avoidance? Evidence from China, *International Review of Economics&Finance*, vol.67 (2020), p.207-224.
- [14] K.T.Ye, Z.F.Zhu, Z.H, Zhang: Can independent directors restrain the "tunneling" of large shareholders? *Economic Research*, vol.4 (2007), p.101-111.
- [15] K.T.Ye, X.Liu: Corporate Tax Avoidance activities and Internal Agency costs, *Financial Research*, vol.9 (2014), p.158-176.
- [16] Tang. T: Privatization, tunneling, and tax avoidance in Chinese SOEs, *Asian Review of Accounting*, vol.24 (2016), No.3, p.274-294.
- [17] Perryman.A.A, Fernando.G.D, Tripathy.A: Do gender differences persist? An examination of gender diversity on firm performance, risk, and executive compensation, *Journal of Business Research*, vol.69 (2016), p.579-586.
- [18] Z.H.Chen: Related transactions and Corporate tax avoidance: Empirical data from Chinese listed Companies, *Securities Market Herald*, vol.5 (2017). 21-31.
- [19] K.Zhu, H.Sun: Tax regulation, operational related transactions and corporate value, *Financial Research*, vol.40 (2014), p.77-85.