

## OUTSOURCING OF TAX SERVICES: THE CASE OF ROMANIA

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**Abstract:** *Taxation is an important component of the business strategy and every person and company would like to pay lower taxes and still be compliant with the fiscal legislation. This paper investigates the outsourcing of tax services for natural persons, SMEs and large companies. We employed a qualitative approach using Core competences theory as theoretical framework, business environment from Romania as context and semi-structured interviews as research method. The interviews involved accounting firms and clients. The results indicated that in case of tax services outsourcing, external accountants and tax advisors help their clients to make the tax planning, improve their compliance and reduce the tax risks. Natural persons often outsource the tasks regarding taxation due to a lack of time and expertise. Outsourcing of tax services like outsourcing of accounting services is very common in small companies and smaller medium-sized enterprises for cost reduction reasons and their main interest is to comply with the fiscal law and lessen their tax burden. In larger medium-sized enterprises and large corporations the volume, variety and complexity of transactions are high and because of that so are the tax risks. In order to mitigate the tax risks, avoid fines and penalties, some of these companies resort also to external tax services such as verification or preparation of tax returns, tax reviews, ongoing support on fiscal issues, assistance and representation during fiscal inspections. International companies regardless of their size are more open to collaborate with external accountants and tax advisors. Due to recent introduction of SAF-T as declarative obligation, companies expect an increase in their tax compliance costs since they have to employ external support in a greater extent. Showing, the importance and the role of external accountants and tax advisors for persons and companies running businesses in Romania represents the main contribution of our study.*

**Keywords:** *external tax advisor, outsourcing of tax services, tax compliance, tax planning, tax reporting*

**JEL classification:** *H25, M40, M55*

### 1. Introduction

In the context of increasing globalization of the businesses, companies have to consider also the requirements related to international taxation and financial reporting and those enterprises lacking internal skills need definitely the support from external experts on a regular basis to fulfill all of these obligations.

Digitalization has a major impact on how companies and people interact, exchange information, negotiate, trade and work. Companies have to adopt digital solutions in order to stay competitive on the market and expand their business. Nowadays it is a big challenge for companies to comply with all fiscal obligations they have without the support provided by an external accountant or tax advisor.

Outsourcing of accounting and tax services means to use external accountants or tax advisors instead of own employees to perform accounting and tax related activities (Maelah et al., 2012). In prior studies on accounting outsourcing, researchers have indicated reasons such as cost reduction, focus on core activity, access to external expertise, quality improvement and flexibility (Asatiani et al., 2019; Everaert et al., 2007; Kamyabi and Devi, 2011). These outsourcing reasons mentioned before are quite general and in case of accounting outsourcing besides these general reasons there are also some other reasons that are more specific.

Most papers have presented outsourcing of accounting services considering the size of the business and companies were divided into small, medium and large enterprises. For example, Kamyabi and Devi (2011) observed that smaller enterprises usually outsource accounting and tax services while larger companies rely more on the work of their employees. Other researchers indicated that related to

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outsourcing degree or extent, smaller companies outsource all range of accounting and tax services whereas larger organizations outsource mainly those tasks which require a high level of expertise (Asatiani et al., 2019; Everaert et al., 2007). There is a lack of studies on accounting and tax services outsourcing with reference to natural or self-employed persons and large companies.

Other studies investigating the impact of accounting outsourcing on earnings management and reporting quality revealed that outsourcing of accounting and tax services improve the tax compliance and reporting quality since external accountants are independent, possess expertise and can restrict their clients to use earnings management techniques (Cullinan and Zheng, 2017; Höglund and Sundvik, 2016).

Some researchers have evaluated the necessity and the role of accounting function within the companies indicating on one hand that in smaller companies accountants are a major source of information and advice and on the other hand that there are also small enterprises that keep accounting records mainly to comply with the statutory requirements since managers perceive accounting information to have a low relevance in conducting the business (Burke and Jarratt, 2004; Carey and Tanewski, 2016; Collis and Jarvis, 2002; Marriott and Marriott, 2000).

Furthermore there are few articles as well that focused on globalization of the business and accounting outsourcing indicating that international companies have more demands from their stakeholders, they have also to deal with international taxation, international financial reporting and sustainability and some multinational companies choose to create own shared service centers rather than to outsource accounting function (Herbert and Seal, 2012; Smith, 2015).

With regard to outsourcing of tax services there are only few papers and researchers focused primarily on tax compliance, tax planning, type of outsourced activities, business sector and size of outsourcing companies and compliance costs (Dunbar and Phillips 2001; Eichfelder and Schorn, 2012; Hansford et al., 2003; Venter and de Clercq, 2007). For example, Venter and de Clercq (2007) found that small companies regardless of their business sector usually outsource their tax services, medium-sized retail and service enterprises are more inclined to outsource their tax services compared to medium-sized manufacturing companies and medium-sized enterprises regardless of their business sector outsource more often the corporate income tax process than value added tax process.

Other research conducted Eichfelder and Schorn (2012) showed that relative tax compliance costs decrease as the companies grow in size and increase when companies are involved in international transactions and information and communication technology such as e-filing and e-submission can reduce the tax compliance costs of companies. In addition to that Hansford et al. (2003) in their study on VAT compliance costs identified higher compliance costs in case of medium taxpayers that rely to a very large extent on the support of external tax advisors.

Recent studies have explored the impact of digital technologies on accounting function emphasizing firstly that RPA technology can release accountants of repetitive, mundane and time-consuming tasks, secondly cloud computing can ensure immediate access to information and remote delivery of services and thirdly digitalization of economy can reduce tax evasion since tax authority will be able to closely monitor transactions performed by companies (Evstafyeva et al., 2019; Gulin et al., 2019; Kokina et al., 2021; Kruskopf et al., 2020).

Despite of increasing research on outsourcing of IT, payroll and accounting services there are only few studies on outsourcing of tax services without bringing into attention aspects regarding natural and self-employed persons, large companies, specific outsourcing reasons related to taxes, digital technologies and delivery options. Considering that we decided to conduct this research in order to bring recent evidence on outsourcing of tax services and by that to expand the body of knowledge from the literature.

The aim of this study is to investigate the outsourcing of tax services considering the type of clients demanding tax services, the reasons why some companies outsource their tax services and the main tax services provided by accounting firms and delivery options. In doing so, we used core

competences theory as theoretical framework, business environment from Romania as research context and semi-structured interviews involving accounting firms and clients as research method.

Our main findings brought into attention specific reasons for outsourcing of tax services like reduction of fiscal burden, identification and mitigation of tax risks and sharing the liability for tax records with accounting firms. Natural or self-employed persons and smaller companies usually outsource accounting and tax services to the same accounting firm for cost reduction reasons and mainly to comply with statutory requirements. In most cases large enterprises even though have internal departments they collaborate as well with external accounting and tax experts since their business transactions incorporate high risks and they want to mitigate those risks as much as possible. International companies are more willing to collaborate regularly with external experts for tax compliance and tax advisory services. Most of multinational companies collaborate with Big 4 accounting firms for local accounting and taxation issues. Depending on the need for contact manifested by clients, tax services can be provided from the office of accounting firms or at the clients' premises. Digitalization brought new opportunities for them and their clients to stay more connected and embrace the remote service delivery option. The introduction of SAF-T reporting is expected to increase the compliance costs for companies.

We organized our paper in four sections. The first section introduces the review of scientific literature and the theoretical framework. The second part presents the research context and methodology used to achieve the purpose of this research and answer the research questions. In the third section we focused on findings and discussions. The final part is dedicated to the main conclusions, implications and limitations of this study, recommendations and directions for future research.

## **2. Literature review and theoretical framework**

### **2.1. Literature review**

In the literature there are many definitions regarding the outsourcing of services but in our search we found that Maelah et al. (2012) provide a more comprehensive definition. In their opinion outsourcing of services is the agreement that involves the use of external providers instead of own employees to carry out a portion or all range of activities belonging to a particular function within the company in order to keep the business operational. If we apply that definition to outsourcing of accounting and tax services it means that outsourcing companies use external accountants or external tax advisors to perform accounting and tax activities.

In prior research related to outsourcing of services topic many papers have focussed on IT (Blumenberg et al., 2009; Domberger et al., 2000; Feeny et al., 2005; Lacity and Hirschheim, 1993; Lee et al., 2003; Willcocks et al., 1996), HR (Belcourt, 2006; Gilley et al., 2004; Greer et al., 1999; Klaas et al., 2001; Kim and Jung Won, 2007) and accounting (Asatiani et al., 2019; Carey and Tanewski, 2016; Everaert et al., 2007; Höglund and Sundvik 2016; Kamyabi and Devi, 2011; Marriott and Marriott, 2000; Maelah et al., 2012) but only few studies have dealt with outsourcing of tax services (Dunbar and Phillips 2001; Eichfelder and Schorn, 2012; Hansford et al., 2003; Venter and de Clercq, 2007).

Some researchers like Quélin and Duhamel (2003) had in view the outsourcing reasons of the companies from a broader perspective and they argued that most enterprises make outsourcing decisions in order to reduce the costs, focus on their core activity, have access to external expertise, improve the quality of the process and obtain flexibility.

Similar reasons for outsourcing of accounting services like those mentioned by Quélin and Duhamel (2003) were indicated also by other researchers, but they did not bring into attention other reasons that are more specific for outsourcing of accounting services (Asatiani et al., 2019; Everaert et al., 2007; Kamyabi and Devi, 2011).

Most studies have presented the relevant aspects on outsourcing of accounting services considering mainly the size of the business and researchers divided the companies into small, medium

and large enterprises and they analyzed the results following that division (Asatiani et al., 2019; Burke and Jarratt, 2004; Carey and Tanewski, 2016; Collis and Jarvis, 2002; Everaert et al., 2007; Kamyabi and Devi, 2011; Marriott and Marriott, 2000)

According to Kamyabi and Devi (2011) small and smaller medium-sized enterprises outsource tax services along with accounting services while larger medium-sized enterprises and large companies rely mainly on the work of their employees.

As regards the outsourcing behavior of companies, Everaert et al. (2007) observed that a great number of small businesses choose to outsource all range of accounting and tax services mainly for cost reduction reasons whereas large companies usually outsource only those tasks requiring a high level of expertise in order to complement their internal lack of knowledge and skills.

In addition to that other researchers emphasized that outsourcing motivations such as cost reduction and focus on core business are associated with a higher degree of outsourcing but the outsourcing reason like access to external expertise is associated with a lower degree of outsourcing (Asatiani et al., 2019). They also indicated that large companies use a mixed approach consisting in insourcing and outsourcing for carrying out their accounting and tax services.

Other research papers have aimed to investigate the impact of accounting outsourcing on earnings management and reporting quality (Cullinan and Zheng, 2017; Höglund and Sundvik, 2016; Laguir et al., 2015). According to Laguir et al. (2015) in small and medium-sized enterprises taxation is a quite important component of the business strategy and there were cases when some of these companies used tax earnings management to reduce the corporate income tax.

Some researchers believed that insourcing of accounting and tax services is associated with a higher misstatement and manipulation risk of information if those companies do not receive also any support from external professionals on a regular basis (Cullinan and Zheng, 2017). Moreover they emphasized that external professionals are independent and they possess a lot of knowledge and skills and can restricts their clients to use earnings management practices.

Furthermore in a study conducted by Höglund and Sundvik (2016) on outsourcing of accounting activities and tax earning management, their findings revealed that use of tax earnings management practices reached lower rates when accounting function was outsourced compared to the case when accounting and tax services were carried out in house. They reinforced the idea that outsourcing of accounting and tax services improved the financial reporting quality and tax compliance.

On the same topic of accounting outsourcing some researchers have evaluated the necessity and the role of accounting function within the companies (Burke and Jarratt, 2004; Carey and Tanewski, 2016; Collis and Jarvis, 2002; Marriott and Marriott, 2000). For example, Collis and Jarvis (2002) found that accountants are perceived by managers as trusted advisors alongside bankers and lawyers and in case of small and medium-sized enterprises that outsourced their accounting services, external accountants represent the major source of information and advice.

Another point of view was shared by Carey and Tanewski (2016) who stated that most of small and medium-sized enterprises due to limited internal competences need the support of external accountants not only to fulfill their statutory obligations but also to receive business advisory services.

Having in mind the same topic related to the necessity and the role of accounting function within the companies outsourcing their accounting services, some studies revealed that most managers of small enterprises perceive accounting function as cost, they keep accounting records mainly to comply with the legal obligations and consider that accounting information has low relevance in conducting the business (Burke and Jarratt, 2004; Marriott and Marriott, 2000).

Additionally as noted by Burke and Jarratt (2004), in small companies managers usually ask external accountants for advice in connection with taxes and sometimes to provide a feedback for purchasing decisions but many times they tend to consult external accountants on business strategy only after the events occurred.

When it comes to globalization of the businesses there were some papers investigating

outsourcing of accounting services in the light of international dimension considering financial, goods, services and labor markets (Herbert and Seal, 2012; Smith, 2015). As observed by Smith (2015) increasing globalization of businesses have brought new opportunities and challenges for companies as regards the demands of stakeholder groups and the availability of human, material and financial resources. He also emphasized that in this context companies have also to deal with aspects related to international taxation, international financial reporting and sustainability.

As regards multinational corporations, Herbert and Seal (2012) observed that such companies are more likely to create own shared service centers rather than to outsource the accounting services because they want the know-how and control to remain inside the group.

With reference to outsourcing of tax services we observed that are only few articles that approached this subject and these studies focused primarily on tax compliance, tax planning, type of outsourced activities, business sector and size of outsourcing companies and compliance costs (Dunbar and Phillips 2001; Eichfelder and Schorn, 2012; Hansford et al., 2003; Venter and de Clercq, 2007). For example, Dunbar and Phillips (2001) in their study investigating the outsourcing of corporate tax related activities found that companies with a higher focus on tax planning outsource a greater part of their tax planning tasks whereas companies with a lower focus on tax planning outsource a greater part of their tax compliance tasks.

In their research on VAT compliance costs, Hansford et al. (2003) identified higher compliance costs in case of medium taxpayers relying more on the support of external tax advisors compared to companies that use only a selective outsourcing option for tax services.

Another perspective on tax compliance costs was conveyed by Eichfelder and Schorn (2012) who found that relative tax compliance costs decrease as the size of the business is growing and they increase when company is involved in international transactions. Moreover they argued that the use of information and communication technology such as e-filing and e-submission is meant to reduce the tax compliance costs of companies.

Furthermore Venter and de Clercq (2007) considering criteria such as business sector, size of outsourcing companies and type of outsourced activities conducted a comparative study regarding the impact of taxation on small and medium-sized enterprises operating in manufacturing, retail and service sectors and their results indicated that size of the company and the business sector in which the enterprise is operating influence which tax processes are outsourced. They also found that small companies regardless of their business sector usually outsource their tax services, medium-sized retail and service enterprises are more inclined to outsource their tax services compared to medium-sized manufacturing companies and medium-sized enterprises regardless of their business sector outsource more often the corporate income tax process than value added tax process.

Most recent studies have investigated the impact of digitalization on accounting function and emphasized that digital technologies have significantly changed the work of accountants preparing them to evolve from bookkeepers to advisors (Evstafyeva et al., 2019; Gulin et al., 2019; Kokina et al., 2021; Kruskopf et al., 2020).

With regard to digitalization of accounting profession Gulin et al. (2019) stated that robotic process automation (RPA), cloud computing, big data and artificial intelligence have a major impact on the provision of accounting and tax services since the implementation of these technologies can ensure fast data processing, quick reviews, assistance in making decisions, instant access to information and remote delivery of services.

Similarly, other researchers claimed that RPA technology is expected to release the accountants of time consuming and repetitive work and allow them to engage more in activities that generate added value and satisfaction (Kokina et al., 2021; Kruskopf et al., 2020). Moreover they all agreed that in the near future the work model based on human and machine cooperation will become more and more obvious since the business environment and society is highly affected by digitalization and innovation.

A complementary perspective on digitalization was provided by Evstafyeva et al. (2019) who mentioned that digitalization of economy is meant among others things to ensure electronic data

transfer related to business transactions in standardized format between companies allowing also the fiscal authority to cross-check easier the business transactions performed by taxpayers. In addition to that they highlighted that digitalization of economy is supposed to reduce the tax evasion since taxes are better reported and collected and business transactions are closely monitored by the state.

Having in view the existing literature and the presentation made before, we found that there is a lack of information in prior research on outsourcing of tax services in respect to natural and self-employed persons, large companies, specific outsourcing reasons related to taxes, digital technologies and delivery options and because of that we decided to conduct this study in order to bring recent evidence on outsourcing of tax services from Romania and by that to expand the body of knowledge.

## **2.2. Theoretical framework**

Having in view that experts working within accounting firms and the clients emphasized repeatedly the importance of knowledge and skills in the provision of tax services, we chose the core competences theory as our theoretical framework. This theory was also used in prior studies to explain the outsourcing decisions made by companies and researchers indicated that concept of core competences involves knowledge sharing between individuals through learning and communication (Baden-Fuller et al., 2000; Feeny et al., 2005; Gottschalk and Solli-Sæther, 2005; Kim and Jung Won, 2007; Prahalad and Hamel, 1990).

Core competences theory evolved from theory of resources and it was developed by Prahalad and Hamel (1990) who stated that within the business the competitive advantage can be created and maintained only if the company regularly monitors the market and keep on developing its core competences. They defined core competences as knowledge and skills that companies use to produce and deliver goods and services that satisfy the market demand and that the success achieved by a corporation is the result of combining technological skills with organizational abilities.

As regards the companies lacking the knowledge and skills necessary to ensure the proper functioning of the business they can choose to outsource those activities that are not related to their core competences (Prahalad and Hamel, 1990). Years later Kim and Jung Won (2007) shared a similar opinion emphasizing that because of the very competitive nature of the business environment companies can achieve the success if they stay focused on their core competences and outsource non-core functions to external providers for which the outsourced activities represent their core competences.

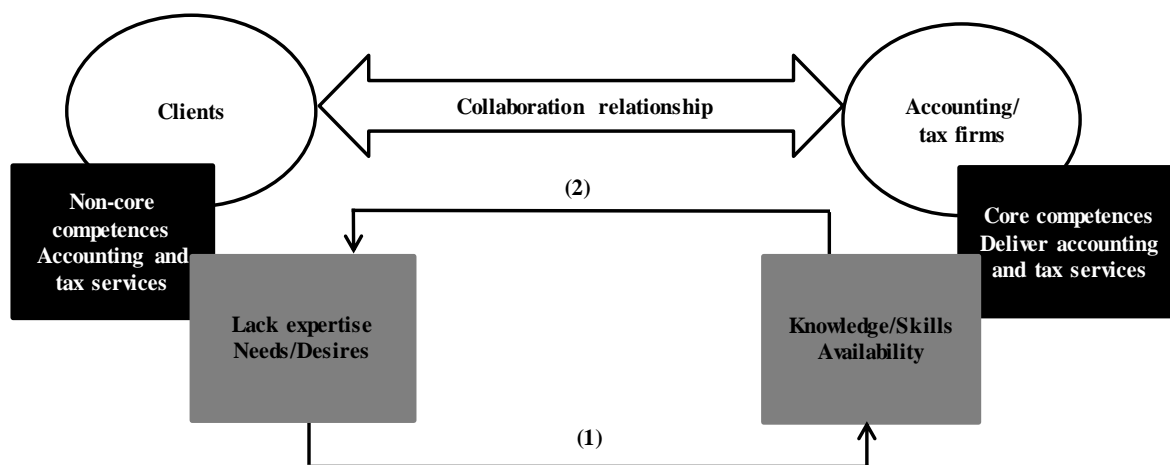
With regard to explanatory power (weak, mild, strong) of the theories used for understanding the outsourcing decision, Gottschalk and Solli-Sæther (2005) mentioned that core competences theory represent an approach with a strong explanatory power on outsourcing options. According to them the outsourcing process consists in five phases namely preparation, provider selection, transition, relationship management and reconsideration. In their opinion the core competences theory can be used to understand better the preparation, relationship management and reconsideration phases of the outsourcing process.

The same idea regarding the assessment of core competences possessed by external providers in the preparation phase of the outsourcing process was reinforced by Feeny et al. (2005) who claimed that the serious analysis and the market confirmation of the competences possessed by external providers are very important and these measures determine the success of the agreement. From their point of view the companies that resort to outsourcing have to take into account that delivery and relationship competence of the external providers represent critical factors that definitely influence the performance of the outsourced processes.

In addition to that companies outsourcing activities should make a regular assessment of the competences possessed by external providers and even change suppliers in case of persistent poor performance since the outsourcing process is meant to maintain or improve the competitiveness of the business (Baden-Fuller et al., 2000).

We presented in Fig. 1 the conceptual model of core competences for tax services outsourcing involving knowledge and skills combined with communication abilities. We present shortly here the meaning of our conceptual model namely the demand for tax services perceived as non-core competence by companies and the lack of internal expertise determine them to seek external support from available accounting firms. Then accounting firms develop their skills which represent for them core competence according to the needs and interests of clients in order to ensure them a high quality service provision based on collaboration relationship established between parties.

**Figure 1: The conceptual model of core competences for tax services outsourcing**



Source: Own creation

### 3. Research context and methodology

#### 3.1. Research context

The aim of this study is to investigate the outsourcing of tax services considering the viewpoints provided by accounting firms and clients. As theoretical framework we mobilized core competences theory and we used business environment from Romania as research context and semi-structured interviews involving accounting firms and clients as research method.

Our research context is represented by the business environment from Romania. Romania is a developing country located in Central and Eastern Europe, it has been a member of European Union since 2007 and Bucharest is the capital and the largest business center in the country. In Romania, the capital market is emerging and banks dominate the financial system meaning that economy is financed mainly by credit institutions (Romanian Association of Banks, 2021).

In the report titled “Doing business” prepared by World Bank (2020) considering the business regulations in 190 economies, Romania ranked 55<sup>th</sup> and had the score 73.3 out of 100 meaning a good legal framework in terms of opening a business and carrying out economic activities.

According to the Prosperity index having in view aspects such as wealth, health, education, governance, business community, natural environment, personal freedom, safety and security, Romania ranked 47<sup>th</sup> out of 167 evaluated countries and had the score 66.1 out of 100 which stands for a medium prosperity (Legatum Institute, 2021)

In Romania at the end of the year 2020, considering the information provided by National Trade Register Office there were active 1.4 million businesses represented by 0.36 million natural persons and 1.04 million companies and in Bucharest were located 22.4% of all companies. The enterprises with foreign participations reached 22.1% of all companies running businesses in Romania and having in view the origin of capital the top five investing countries were Netherlands, Germany, Austria, Cyprus, Italy and France. In a study on tax systems complexity conducted by Hoppe et al. (2021) having in view the corporate income tax for the year 2020 Romania ranked 59<sup>th</sup> out of 69

evaluated countries and had the score 86.4 out of 100 which is very high because of the tax framework complexity and the frequent changes in the fiscal rules.

In Romania, at the time of writing this article, considering the turnover as an indicator for the volume of activity, there were more taxation systems for natural persons and companies as regards income tax and VAT. For example, a natural person that achieved a turnover lower than 100 thousand euro can apply the income norms taxation system while a natural person that achieved a turnover higher than 100 thousand euro will apply the real income taxation system. Moreover a natural person that achieved a turnover lower than 100 thousand euro can apply by option the real income taxation system but this option for the application of the real income taxation system is mandatory for 2 consecutive years. A company that achieved a turnover higher than 1 million euro will apply the profit taxation system whereas a company that achieved a turnover lower than 1 million euro will apply the revenue taxation system. However a company that achieved a turnover lower than 1 million euro can apply the profit taxation system by option only if the subscribed and paid capital of the company is at least 9 thousand euro and it has at least 2 employees. With respect to VAT system, the natural persons and companies that achieved a turnover lower than 450 thousand euro can apply by option the VAT cash accounting scheme. The application of VAT cash accounting scheme means that VAT is deducted and collected only when the supplier and customer invoices are paid.

The results of an analysis made by European Commission (2021) indicated that almost 99% of all European non-financial companies belong to small and medium-sized entities category. Usually these enterprises face limited resources. Natural persons and companies running businesses in Romania have reporting and payment obligations towards the tax authorities. Because of the tax framework complexity and the frequent changes in the fiscal rules there are taxpayers that need support from external accountants and tax advisors.

In Romania the accounting profession is regulated by the Body of Expert and Licensed Accountants and the tax advisory profession is regulated by the Chamber of Tax Advisors. At the end of the year 2020 based on the information provided by website Top firme, in Romania were active 11.159 firms having the main business activity accounting, audit and tax consulting services and 29.4% of them were located in Bucharest. These firms are formed by professionals who possess expertise and are willing to deliver high quality services according to the needs and interests of the clients. For a better understanding, in Table 2, we presented a general view of accounting, audit and tax consulting services market from Romania.

**Table 2: A general view of accounting, audit and tax consulting services market from Romania**

No of firms	Turnover range	Turnover (mil. EUR)	Average turnover (mil. EUR)	Market share
38	> 1 mil. EUR	251	6.6	29%
38	> 0.5 mil. EUR and ≤ 1 mil. EUR	28	0.7	3%
11,083	< 0.5 mil. EUR	593	0.1	68%
<b>11,159</b>		<b>872</b>	<b>X</b>	<b>100%</b>

Source: Own processed information using data of the year 2020 from Top firme website

According to our research context we intended in our study to answer to the following research questions:

- RQ1. Who are the clients demanding external tax services and how are they differentiated?
- RQ2. What are the reasons why some taxpayers resort to outsourcing of tax services?
- RQ3. What are the main tax services requested by clients and how are they delivered?

### 3.2. Research methodology

Since the aim of our study is to investigate the outsourcing of tax services we involved both accounting firms and clients in order to find their opinions regarding this subject. During our initial



phase of the research we realized that compared to outsourcing of IT, payroll and accounting services there are only few studies that mentioned some aspects related to outsourcing of tax services without going too much into detail. After reviewing the available articles mentioning those aspects related to outsourcing of tax services we had our preliminary discussions with three experts having an experience of over 20 years in accounting and tax services. The information provided by these experts was interesting and new and because of that we decided to conduct this research in order to bring recent evidence on outsourcing of tax services and by that to expand the body of knowledge from the literature.

We adopted a qualitative approach since in this study our intention was to identify and describe the feelings, motivations, perceptions, behaviors and experiences of participants and by that to answer the questions such as “how”, “what” and “why” related to outsourcing of tax services (Bell et al., 2019). In qualitative research the focus is on the meaning of the studied theme and not on the frequency and that involves primarily words rather than numbers. Interviews represent the most common method used for data collection in qualitative research and allow the researchers to find out the story in depth since the numbers and trends mainly reveal the surface story (Rowley, 2012).

We organized two rounds of interviews; the first one consisted in interviews with experts working within accounting firms and the second one involved clients of accounting firms. The interviews were conducted in Romanian, the native language of the participants and they were semi-structured and consisted in open questions. We applied a similar set of questions for each category of the interviewees since we intended to have both the suppliers and clients’ opinions on the same aspects. The interviews covered themes such as: the reasons for outsourcing of tax services, the needs and desires of clients in terms of fiscal services, communication between accounting firms and clients, delivery options in case of tax services outsourcing, service quality and clients’ satisfaction.

We selected a sample of accounting firms that achieved in 2020 an annual turnover higher than 1 million euro using the data available on the website Top firme and our sample consisted in 38 accounting firms. The interviews were scheduled and occurred between January 2022 and March 2022 and 12 experts out of 38 targeted subjects participated. The average interview duration was around 59 minutes, the shortest lasted 55 minutes and the longest 65 minutes.

As regards the experience of subjects, the average value is around 18 years, the minimum is 14 years and the maximum is 27 years. From 12 experts participating in the interviews, 7 of them work in international accounting firms and 5 of them work in local accounting firms out of which 3 of these local accounting firms are affiliated to international networks. We provided more details about the experts working within accounting firms in Appendix 1.

In order to find the clients of accounting firms we used the snowballing technique and because of that the sample is not intended to be representative of the whole population. This sampling method means that initial respondents are kindly asked to recommend other persons who have the same or similar characteristics, fit the research criteria and are willing to take part in the study and then the recommended subjects nominate other potential participants and so on (Parker et al., 2019). We found our initial respondents on LinkedIn platform based on their posts and comments. The interviews were scheduled and took place between April 2022 and June 2022 and involved 17 persons out of which 4 natural or self-employed persons, 4 CFOs of medium and large international companies and 9 CEOs of small and medium local companies. The average interview duration was around 41 minutes, the shortest lasted 30 minutes and the longest 55 minutes. We provided more details about the clients of accounting firms in Appendix 2.

Since the interviewees were reluctant with recording them in both rounds of interviews, in order to be able to incorporate in our research the shared information we asked their permission for taking notes and they accepted our approach. The interview notes were checked and complemented immediately after each interview.

When interviews are used as research method it is necessary to collect enough data. Data saturation means to have a sufficient amount of data to be used in the analysis process and by that to

ensure the reliability of the study. An indication for data saturation is when researcher hears the same answers and comments again and again from different subjects (Guest et al, 2006). According to Saunders et al. (2018) the empirical evidence has shown that in case of homogenous population data saturation is mostly achieved within the first ten interviews while in case of heterogeneous population data saturation is often reached after conducting twelve or fifteen interviews. Furthermore Rowley (2012) observed that most qualitative studies using interviews as research method involved a limited number of participants usually between 10 and 30 persons.

In our first round of interviews involving experts working within accounting firms, data saturation was achieved in the 9<sup>th</sup> interview and our last 3 interviews confirmed that since we did not receive new insights. In case of the second round of interviews with the clients of accounting firms, data saturation was reached in the 13<sup>th</sup> interview and in our last 4 interviews we received quite the same answers as before. Moreover after having conducted a large portion of interviews, the subjects started to recommend repeatedly the same persons that we had already interviewed. That aspect combined with data saturation confirmed by our last interviews allowed us to conclude that we have enough data.

We read the interview notes multiple times, coded them manually and by that we obtained a dictionary of themes which were used for interpretation of data collected from interviews. We followed a bottom-up or an inductive approach in analyzing and coding the data collected from each interview. Our bottom-up or inductive approach meant going from specific observation to general theory and involved a sequence of steps such as formulating the research questions, collection of empirical data, looking for patterns in data, finding relations between data, drawing conclusions based on premises and reaching the theory through data analysis (Bell et al., 2019).

After having conducted a large portion of the interviews it was obvious that participants both experts working within accounting firms and the clients emphasized repeatedly the importance of knowledge and skills in the provision of tax services and considering that we chose the core competences theory as our theoretical framework within our study since we found that theory to be the most appropriate for understanding the outsourcing decision.

#### **4. Findings and discussions**

The narratives related to our findings on outsourcing of tax services were constructed having in view the core competences theory and the themes of the research questions. The themes of the research questions were: the types of clients demanding tax services, the reasons to outsource the tax services, the main tax services requested by clients and delivery options. Having in view our theoretical framework and the themes of the research questions, empirical evidence confirmed that each enterprise has core competences related to the main business activity and according to our interviewees, companies should focus more on what they do the best and leave the other tasks to be taken care of by external experts.

Making use of our conceptual model to explain the outsourcing of tax services we emphasize that clients firstly focus on the core competences namely to deliver goods and services according to the market demand and secondly they outsource the non-core competences related to accounting and tax services to accounting firms since these firms have more expertise and for them accounting and tax services delivery represent core competences. Furthermore accounting firms developed their core competences because of the needs of their clients and allowed them to serve better their clients. In the lines below we presented and discussed our findings on outsourcing of tax services referring also to prior research.

##### **4.1. Types of clients demanding tax services**

After having the discussions with the experts working within the accounting firms and their clients we recognized several differentiation criteria between their clients. It is important for accounting firms to know very well their clients since they can have similar or different needs, desires,

interests and own expectations related to the tax services delivery.

Most clients emphasized that from their point of view the promptness, readiness to listen, precise and well-documented answers are crucial factors making them to continue or stop the collaboration with the accounting firms. We presented the following interview quote belonging to a client of an accounting firm *“We expect our external accountant to present concrete solutions for our business cases, respond our questions quickly and well-documented, treat our priorities as their priorities, provide us high quality services and ongoing support”* [C13, CFO of an international medium-sized company].

Furthermore communication, feedback and readiness to change represent major factors that help the accounting firms to develop and maintain long term relationship with their clients on one hand and on the other hand their clients are satisfied. We chose an interview quote that reinforce the idea conveyed before *“Over the years we realized more that caring for our clients, communicating with them in order to understand their needs, providing them customized support, receiving feedback from them and trying to do the things better helped us to grow, have satisfied clients and a strong position on the market”* [P5, partner of an international accounting firm].

We presented below the most important criteria based on which clients differentiated themselves from one another and there are:

- the legal form of business organization
- the purpose of the activity
- the origin of the capital
- the size of the business
- the stage of the business
- the duration of the agreement
- the extent of the outsourcing

The experts working within accounting firms reinforced the importance to make the segmentation of the clients since each category has own needs, interests and desires and their business transactions incorporate a different level of tax risk and they have specific tax reporting legal obligations.

In the lines below we presented brief explanations regarding the differentiation criteria of the clients. Considering the legal form of business organization we found clients of accounting firms operating on the market as natural or self-employed persons and companies. Depending on the purpose of the activity we identified profit entities and non-profit entities. Taking into account the origin of the capital we found international companies and local enterprises. International companies belonging to a group operating in many countries fall into category of multinational companies. Having in view size of the business we observed small, medium and large organizations. Micro enterprises are included in the category of small companies. The stage of the business divides the clients into startup, growing, mature and declining businesses. According to the duration of the agreement we identified one time clients, short-term clients and long-term clients. The tax services provided to one time clients are not considered by accounting firms to fall into category of tax services outsourcing. Taking into account the extent of the outsourcing we observed clients that chose a partial outsourcing and clients that resort to a total outsourcing as regards the sourcing strategy of the tax services. In prior studies we identified in most cases on outsourcing of accounting and tax services there were mentions regarding the size of the business (Hansford et al., 2003; Höglund and Sundvik, 2016; Kamyabi and Devi, 2011; Venter and de Clercq, 2007) and the extent of the outsourcing (Everaert et al., 2007; Asatiani et al., 2019). In addition to prior research our study brings into attention other important differentiation criteria of the clients such as the purpose of the activity, the origin of the capital, the stage of the business and the duration of the agreement.

We found that local accounting firms that are affiliated to international networks have more international clients compared to local accounting firms that are not affiliated to international

networks. International networks support the local accounting firms to expand their expertise, implement standard working procedures, increase the service quality and train the staff on the new technologies. Moreover the international networks benefit from international visibility, they are recognized worldwide because of their expertise, service quality and they recommend their international clients running their business abroad to collaborate with their local affiliated accounting firms. To our best knowledge up to this moment in the existing literature aspects regarding the affiliation of local accounting firms to international networks have not been yet reported since the most studies used as research method questionnaires and survey and their interest was on other predetermined themes.

#### **4.2. The reasons to outsource the tax services**

There are many reasons for outsourcing of the tax services and some of them are related to costs while others regard external support. Experts working within the accounting firms recommend their potential clients to outsource their tax services if they want to focus on their core business, gain flexibility, reduce the costs, collaborate with high skilled professionals, have permanent availability of tax services, lessen their tax burden, mitigate the tax risks, identify the fraud, share the liability for the tax records with accounting firms. Interviewee P9 who is partner working within a local accounting firm affiliated to an international network mentioned that *“Accounting firms which are affiliated to international networks have to fulfill high quality standards in the provision of accounting and tax services to their clients. The compliance with the quality standards is supervised by the international network. Moreover accounting firms possess a professional liability insurance which covers damages they could cause to clients. All the aspects exposed before show that outsourcing of accounting and tax services involves fewer risks compared with the case of using own employees”*

Clients told us that they resort to outsourcing of the tax services because they want to focus more on the revenue generating activities, complement their internal lack of expertise, reduce the costs, eliminate the repetitive errors, replace temporary the missing employees. Most of the clients told us that they also had the expectation to pay lower taxes and still be compliant with the law when they outsourced their tax services and indeed accounting firms help these clients to benefit more from the tax facilities existing in the fiscal legislation.

The results of our study regarding the outsourcing reasons are consistent with prior research that indicated that cost reduction, focus on the core activity, access to external expertise and flexibility are the reasons behind the outsourcing decisions (Asatiani et al., 2019; Everaert et al., 2007; Kamyabi and Devi, 2011).

Moreover in prior studies outsourcing reasons such as mitigate the tax risks, replace temporary the missing employees, share the liability for the tax records with accounting firms and permanent availability of tax services identified by us have not been yet reported. As regards the reason related to the elimination of the repetitive errors, Höglund and Sundvik (2016) indicated also in their study that outsourcing of accounting and tax services improve the financial reporting quality and tax compliance since external accountants are more competent than internal staff.

Considering the information resulting from the processing of data collected from the interviews, we found some patterns namely natural or self-employed persons often outsource the tax services since they want to focus on the revenue generating activities and they do not have time and expertise to fulfill their tax obligations. Interviewee C8 who is a self-employed or a freelancer made the following statement *“I do not have time and inclination to take care of administrative chores, my focus is on clients and my external accountant is the one who is in charge with accounting, fiscal returns and payments. I am informed monthly about my business performance, uncollected receivables, taxes and legal changes.”*

Non-profit entities resort to outsourcing of accounting and tax services to comply with the statutory obligations. Small and smaller medium-sized enterprises have limited resources and they usually outsource the tax services along with accounting services for cost reduction reasons and their

main interest is to comply with the fiscal law and lessen their tax burden. We presented the following interview quote belonging to a client of accounting firm *“We are a smaller medium-sized company and in the beginning we resort to outsourcing of tax services for costs reduction reasons because hiring an internal accountant would have been more expensive. Later we also found out the other benefits such as permanent availability of tax services and support from a large team of qualified professionals.”* [C11, CEO of local medium-sized company]. In prior research Marriott and Marriott (2000) mentioned also that most of small companies decide to outsource their accounting and tax services in order to comply with the legal requirements and for cost reduction reasons but we found as well that smaller medium-sized companies have the same orientation.

In larger medium-sized and large companies the volume, variety and complexity of transactions are very high and because of that so are the tax risks. In order to mitigate the tax risks, avoid the fines and penalties related to late or non-declaration or statements with errors and some of these companies resort also to external tax services on a regular basis. In many cases larger medium-sized and large companies use a combination of insourcing and outsourcing for the provision of tax services. With regard to co-sourcing option for the provision of tax services we present the interview quote made by a client of accounting firm *“We have an outsourcing agreement with an accounting firm in order to receive an external assurance on a monthly basis for our accounting and tax work and by that to reduce our tax risks. A total outsourcing of accounting and tax services is out of question since our calculations indicated that the costs in that case would be much higher”* [C9, CEO of local medium-sized company]. This finding is consistent with the results of a recent study conducted by Asatiani et al. (2019) who observed that as companies grow in size they tend to outsource less and they are more likely to apply a combination between insourcing and outsourcing for the provision of accounting and tax services. Moreover we found that one large company from retail sector existing in our sample apply a full outsourcing of accounting and tax services due to digital technologies and because accounting firm relocated permanently a team of professionals to the client’ office. In our opinion further investigations should be done regarding the outsourcing behavior of large companies considering the advance made in information and communication technology.

International companies regardless of their size are more open to collaborate with external accountants and tax advisors. Most of multinational companies, especially those carrying out the accounting function within a shared service center, according to their group policy collaborate with Big 4 accounting firms for local accounting and taxation. We chose an interview quote made by interviewee C4 who is the CFO within a large organization belonging to a group of multinational companies *“Our accounting services are provided by a shared service center located in Poland. Here in Romania we have two internal accountants who are responsible for preparing the tax returns and making the adjustment entries according to statutory accounting. In order to ensure the accounting and tax compliance we decided few years ago to outsource the reviews on local accounting and taxation to a Big 4 accounting firm and we are pleased with the services they provide us”*

In their study Herbert and Seal (2012) observed that a great number of multinational companies create their own shared service centers to provide accounting services because they want the know-how and control to remain inside the group. In addition to their finding we identified that multinational companies can apply a co-sourcing strategy when it comes about local accounting and taxation.

Accounting firms mentioned also that some companies outsource their tax services only because it is more convenient for them to transfer the responsibility for tax services to external accountants and not because outsourcing of tax services is cheaper than having own employees. We did not find that remark made in any other prior research.

#### **4.3. The main tax services requested by clients and delivery options**

The services provided by accounting firms regard indirect tax services and direct tax services. Indirect tax services are related to VAT, customs and excise duties and environmental taxes. Direct tax services include corporate income tax, personal income tax, payroll taxes and property taxes.

Accounting firms provide both compliance and advisory services related to direct and indirect taxes. In a prior research Carey and Tanewski (2016) mentioned as well that companies need the support of external accountants not only to fulfill their statutory obligations but also to receive business advisory.

Compliance services regard the preparation or verification of tax returns and performing tax reviews. Advisory services relate more to ongoing support on fiscal issues, solutions to optimize the tax costs, assistance and representation during fiscal inspections. We presented the following interview quote belonging to a client of an accounting firm *“After a period of constant growing of my business my external accountant and I had many consultations and I was advised to create the second company and move a portion of the business transactions and employees on the new company in order to pay revenue tax and not profit tax. That measure was legal and I am thankful to my external accountant since following the advice I received I paid lower taxes”* [C15, CEO of a local small company]. Collis and Jarvis (2002) observed also in their study that accountants are perceived as trusted advisors and they represent the major source of information and advice for small companies alongside bankers and lawyers.

For companies running transactions with their related parties, accounting firms can provide on request services regarding the preparation of the transfer prices file but only for those clients they do not provide also accounting services. Companies that perform transactions with their related parties but do not use the market prices run the risk in case of fiscal inspection to adjust the transfer prices. In case of clients having foreign employees and performing business operations with international suppliers and customers, accounting firms can provide services related to global mobility of employees and withholding tax for non-residents. Moreover the external accountants and tax advisors can help their clients to apply the provisions of double taxation avoidance agreements.

We identified one study that presented few details about corporate income tax and VAT belonging to Venter and de Clercq (2007) who conducted a comparative study of the impact of taxation on small and medium-sized enterprises operating in manufacturing, retail and service sectors. We did not find studies regarding the transfer prices in the context of tax services outsourcing.

Due to recent introduction of SAF-T as declarative obligation, companies expect an increase in their tax compliance costs since they have to employ in a greater extent the external support in order to prepare this complex informative statement. Furthermore the companies have to made changes to their information systems in order to collect, process and organize the data according to the structure of SAF-T. For a successful implementation of SAF-T there is a need of a close collaboration between accounting, tax professionals and information systems consultants.

In SAF-T statement the companies have to report: journal of accounting entries, trial balance, balances of suppliers and customers, incoming and outgoing invoices, payments and collections, movements in fixed assets and inventories. All the experts working within accounting firms agreed that SAF-T reporting increase the compliance costs of the companies but they expect the tax fraud to be prevented and detected earlier and easier. Interviewee P7 who is partner working within an international accounting mentioned that *“In my opinion SAF-T reporting will increase the compliance costs of the companies but in the same time it will elevate the collection level of the taxes. In addition to that tax authority will be able to track all the transactions and identify the taxpayers with high risk of tax evasion relying on smart technology”*. A similar opinion was shared by Evstafyeva et al. (2019) who believe that digitalization allows the fiscal authority to monitor and cross-check easier the business transactions performed by taxpayers and because of that tax fraud will be prevented and detected easier and earlier.

The delivery options of the tax services are influenced primarily by the need of contact with the external accountant or tax advisor manifested by the client. The tax services can be delivered from the accounting firm’s office or at the client’s premises. Digitalization brought new opportunities for accounting firms and their clients to stay more connected and embrace the remote service delivery option. There are cases when experts working within accounting firms can access the information systems of the clients via a secure remote connection. Both external accountants and clients agreed that

online meetings are more time efficient and save costs. According to our knowledge in the existing literature up to this moment we did not find mentions regarding the location where the tax services are provided and aspects related to the remote delivery of services.

## 5. Conclusions

The aim of this study was to investigate the outsourcing of tax services by having in view the opinions shared by accounting firms and clients. In doing so, we used core competences theory as theoretical framework, business environment from Romania as research context and semi-structured interviews involving accounting firms and clients as research method. The themes of the research questions were strongly connected with our theoretical framework and conceptual model and they regarded the types of clients demanding tax services, the reasons to outsource the tax services, the main tax services requested by clients and delivery options.

Considering our theoretical framework and conceptual model, tax services are perceived by the most companies as non-core competences since tax function does not generate revenues to support their activity. Since tax services are not perceived as core competences from the viewpoint of clients, these tasks are often outsourced to accounting firms. From the perspective of accounting firms tax services delivery represent their core competences since they possess significant expertise to satisfy the requests of clients and because of that accounting firms receive money.

Our findings showed that in case of tax services outsourcing besides general outsourcing reasons such as cost reduction, access to expertise, flexibility there are also some specific reasons like reduction of fiscal burden, identification and mitigation of tax risks and sharing the liability for tax records with accounting firms. Natural or self-employed persons, smaller companies usually outsource accounting and tax services to the same accounting firm for cost reduction reasons and mainly to comply with statutory requirements. There are many cases when large enterprises even though have internal accounting and tax departments they collaborate as well with external accounting and tax experts on a regular basis since their business transactions incorporate higher risks and the management want to mitigate those risks as much as possible. International corporations compared to local enterprises are more willing to collaborate regularly with external experts for tax compliance and tax advisory services. Most of multinational companies collaborate with Big 4 accounting firms for local accounting and taxation issues since their expertise is recognized worldwide. Tax services can be delivered from office of accounting firms or at the clients' premises having in view the need for contact manifested by clients. Digitalization brought new opportunities for them and their clients to stay more connected and embrace the remote service delivery option. The introduction of SAF-T reporting is expected to increase the compliance costs for companies since they definitely need more external support to prepare the tax returns.

The main contribution of our study was to show the importance and the role of external accountants and tax advisors for persons and companies running businesses in Romania. The novelty elements brought by this research are related to the presentation of aspects regarding specific new reasons for outsourcing of accounting and tax services, natural or self-employed persons, large companies, international companies, delivery options and SAF-T in the context of tax services outsourcing. Our research has implications mainly for the current and potential clients of accounting firms and they should be aware of the benefits related to total or partial outsourcing of tax services. Clients that outsource accounting and tax services can collaborate with professionals with a broad expertise, lessen their tax burden with the help of external accountants, be informed about their tax risks and receive advice on how to mitigate them, share the liability for accounting and tax records with accounting firms. Moreover outsourcing of accounting and tax services could be a temporary or permanent solution for clients facing high turnover among employees working within internal departments. Digital technologies can make external accounting and tax services more accessible to clients and ensure a faster delivery of information.

We recommend larger medium-sized and large companies to consider the co-sourcing option

for tax services if they want to benefit more from the facilities existing in the fiscal legislation, make a better tax planning and mitigate their tax risks. We encourage small and smaller medium-sized enterprises to value more the accounting and tax services and discuss everything about their business with their external accountants since they possess expertise and many of them are part of a wide network of professionals. We recommend accounting firms to communicate more personally with their clients and help them to identify better their business needs and tax risks.

We identified two potential limitations of the current study. Our first limitation could relate to the small number of interviewed subjects namely 29 persons out of which 12 experts working in accounting firms and 17 clients. According to Rowley (2012) most qualitative studies involve a limited number of participants usually between 10 and 30. Furthermore data saturation was ensured and tested by the similarity of received answers. According to Saunders et al. (2018) in case of homogenous population data saturation is mostly achieved within the first ten interviews while in case of heterogeneous population data saturation is often reached after conducting twelve or fifteen interviews. Accounting firms represent a homogenous population because of the similarity of service offer, internal structure or organization and practices.

Our second limitation could relate to representativeness of the business environment from Romania since we used the snowballing technique to find the clients of accounting firms. Our sample of clients was heterogeneous considering criteria such as size, the origin of capital, main business activity and consisted in 17 participants out of which 4 natural or self-employed persons and 13 companies out of which 4 international companies and 9 local companies. As we mentioned before we used the snowballing technique to find the clients of accounting firms and because of that the sample was not intended to be representative of the entire population even though we identified patterns within the answers provided by our sample of clients and some of the findings were consistent with the results of prior research. Nevertheless our research brought new meaningful insights on outsourcing of tax services and by that we increased the understanding on that research subject which is still underexplored.

In this study our focus was mainly on the outsourcing of tax services yet we realized there were more aspects that we could have approached in our paper such as the importance of technology in the provision of tax services and the role of international networks in expanding the expertise and increasing the service quality of their local affiliated accounting and tax firms, but being outside the purpose of the current work we propose them as directions for future research. Another interesting study that we have in mind at this moment is a comparison between European Union countries to investigate the behavior of companies related to outsourcing of tax services.

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## Appendices

### Appendix 1. Detailed profile of the interviewed experts working within accounting firms

Interviewee's code	Interviewee's gender	Interviewee's position	Interviewee's experience	Category of accounting firm where the interviewee works	Interview date	Duration
P1	female	partner	24	international	January 18, 2022	65
P2	male	partner	18	local	January 20, 2022	65
P3	male	partner	17	local affiliated to international network	February 2, 2022	60
P4	female	partner	15	local affiliated to international network	February 7, 2022	65
P5	male	partner	19	international	February 11, 2022	55
P6	female	partner	15	international	March 3, 2022	55
P7	male	partner	15	international	March 7, 2022	55
P8	female	partner	19	international	March 11, 2022	55
P9	female	partner	16	local affiliated to international network	March 15, 2022	60
P10	female	manager	14	local	March 18, 2022	60
P11	female	partner	21	international	March 22, 2022	55
P12	female	manager	27	international	March 29, 2022	60

Source: Own processing based on data collected from interviews with accounting and tax experts

**Appendix 2. Detailed profile of the interviewed clients of accounting firms**

Interviewee's code	Interviewee's gender	Interviewee's position	Main business activity	Business size	The way of organizing the business activity (company/natural person)	International company (yes/no)	Interview date	Duration
C1	male	Owner	Repair services	small	natural or self-employed person	no	April 4, 2022	30
C2	female	CFO	Retail of food products	large	company	yes	April 7, 2022	45
C3	male	CEO	Transport services	medium	company	no	April 12, 2022	50
C4	female	CFO	Retail of cosmetic products	large	company	yes	May 5, 2022	30
C5	female	Owner	Renting apartments	small	natural or self-employed person	no	May 11, 2022	50
C6	male	CEO	Security services	medium	company	no	May 16, 2022	45
C7	male	CFO	Construction works	large	company	yes	May 23, 2022	35
C8	female	Owner	Medical services	small	natural or self-employed person	no	May 26, 2022	30
C9	female	CEO	HoReCa	medium	company	no	May 31, 2022	45
C10	female	CEO	Cleaning services	small	company	no	June 3, 2022	50
C11	male	CEO	IT services	medium	company	no	June 7, 2022	45
C12	female	CEO	Advertising services	small	company	no	June 10, 2022	45
C13	female	CFO	Office rental services	medium	company	yes	June 14, 2022	55
C14	male	Owner	Legal services	small	natural or self-employed person	no	June 17, 2022	30
C15	female	CEO	Entertainment services	small	company	no	June 21, 2022	30
C16	male	CEO	Insurance broker	small	company	no	June 24, 2022	45
C17	male	CEO	Non-profit / Social services	small	company	no	June 29, 2022	35

Source: Own processing based on data collected from interviews with clients