



The role of tax management in reducing tax risks - Case study of SOMEMI+ institution

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Abstract:

This study aims to highlight the role of tax management in reducing tax risks of an economic institution, which is one of the most important risks that constitutes significant burden on the institution, tax management is an essential tool for managing tax risks and enhancing the efficiency of operations within the institution.

The study concluded that tax management is a legal procedure aimed at reducing taxes within the limits permitted by law, and by studying the status of the SOMEMI+ institution, we have been able to reach that the institution in question adheres to submitting tax declarations within the legally specified deadlines, thus avoiding risks associated with delay penalties, it also commits to the institution ensures accurate declarations to avoid potential penalties related to fraud and errors, and thus the institution achieves tax security through efficient tax operations management.

Keywords: Fiscal Management, Tax Risks, Tax Burden, Tax Declarations.

1.Introduction:

In light of the increasing complexity of tax laws and legislation, it has become necessary for enterprises to adopt effective strategies to ensure legal compliance, achieve financial stability and reach strategic goals.

Tax risks pose a great challenge for institutions, as they can result from changes in tax legislation, errors in tax declarations, or lack of compliance with applicable laws. these risks may lead to the imposition of financial penalties and fines that harm the financial situation of the institution and affect its sustainability. therefore, the institution must conduct its tax file accurately and transparently to reflect the real tax situation and serve the interests of all parties concerned, through its respect for applicable laws and tax legislation.

We find that the management of the tax worker in the institution plays a pivotal role in reducing those risks through compliance with laws and legislations, as it contributes to avoiding additional costs and possible penalties, which improves the reputation of the institution and avoids falling under the Control imposed by tax interests, on the one hand, and on the other hand, it enables the institution to obtain various tax options and privileges granted by the tax law, which enhances its ability to achieve tax Security and financial stability and ensure the sustainability of its growth.



The problem of research:

From the above, the problematic of the research revolves around the following main question:
What is the role of tax management in reducing tax risks in the institution under study?

Research questions:

To familiarize with various aspects of the research, the main question has been divided into the following sub-questions:

- What is meant by tax administration?
- What are the tax risks?
- How can Tax Management contribute to reducing tax risks?

Research hypotheses:

In order to study and analyze the research the following hypotheses were formulated:

The first hypothesis: tax management refers to a set of processes and procedures carried out by the institution in order to organize and manage tax matters efficiently and effectively.

The second hypothesis: the tax risks are represented by fines and penalties resulting from non-compliance with tax laws or late submission of tax declarations.

The third hypothesis: tax management contributes to reducing tax risks in the enterprise by taking advantage of tax privileges and reducing the tax burden within the limits of what is allowed by law.

The importance of research:

- This research derives its importance from the importance of tax management in the institution and its role in reducing the additional costs resulting from tax risks, through the use of various tax privileges and incentives provided by the tax legislator.

Research objectives:

This research aims to:

- The task of identifying the concept of tax administration and related concepts;
- To identify the concept of tax risks and the various reasons that lead to their occurrence;
- The purpose of determining the extent to which tax administration contributes to reducing the tax risks of the economic institution.

Curriculum of study:

In order to achieve the research objectives, the descriptive approach was adopted in the theoretical aspect by presenting information related to the study variables, and the case study approach in the applied aspect through a field study at the level of SOMEMI+ company for the manufacture of precision mechanical parts and maintenance of pumps, mechanical seals and valves.

Previous studies:

Among the most important previous studies related to this research, we find the following:

- **Ben Ouda Amel: The role of tax management in rationalizing decision-making in an economic institution-a case study of a limited liability company Qasimi** -, thesis of Doctorat of accounting and financial Sciences, Faculty of economic, commercial and Management Sciences, University of Blida 02, 2021-2022. This study addressed the following problem: how tax management can contribute to reducing the tax burden by rationalizing the decision to choose the legal form and financial decisions in Qasimi limited liability company,



its goal was to identify the role of tax management in rationalizing the decision of the economic institution and identify the burden borne by the institution according to its legal form, and it was concluded that tax management enables the institution to exploit the tax options granted by tax legislation, the inclusion of the tax factor in the decision-making process makes prominent contributions to rationalizing strategic decisions, which reflects positively on the value of the institution.

- **Kouidmi Mohamed Amin, Madahi Outhman: The role of tax audit in reducing the tax risk in the economic institution - a case study**, al-Bashir Economic Journal, Issue 02, 2020.

This study addressed the following problem: what is the role of the tax audit in reducing the tax risks in the economic institution, its aim was to highlight the importance of the tax audit in reducing the tax risks to which the institution is exposed, and it came to the conclusion that the tax audit is a procedure based on extensive knowledge of the tax system and tax legislation, so the economic institution conducted a periodic tax audit of its various operations enables it to avoid tax risks that negatively affect the financial position of the institution.

- **Lion Jansen Van Ransburg: Tax Risk Management: A Framework for Implementation**, Magister Commerce in Taxation, Faculty of Economic and Management Sciences, University of PRETORIA, 2012.

This study addressed the following problem: while the importance of using tax administration in business lies, as its goal was to identify ways to implement the tax risk management process within the enterprise, and it has reached the conclusion that the tax risk management process cannot be effectively implemented in its continuity within the enterprise unless there is a culture of compliance and control, and the tax function plays an important role through the management of tax risks within the enterprise in addition to keeping abreast of all developments related to new legislative regulations.

- **Mouna Guedrib Ben Abd elrrahmen: Impact des Mécanismes Internes de Gouvernance sur le Risque Fiscal: une contexte tunisien**, thèse de doctorat, Gestion et Management, 2013.

This study addressed the following problematic: After analyzing the financial statements of the listed Tunisian institutions, it turned out that some institutions do not provide details on allocations for risks and costs, and the independence of the board of directors and the external consultant also has an impact on the likelihood of the existence of tax risks, as the analysis of the interaction between the governance system and tax risks made it possible to identify the actors that participate in the activity of tax administration, and these entities are working to impart tax transparency to shareholders and tax administration.

2. Fiscal Management

2.1. The concept of Fiscal Management

There is no doubt that the institution seeks to achieve its goals, increase its profits and maximize them, which drives it to take care of the financial side and restructure its financial resources, this is what requires the search for the optimal management of its taxes or what is known as fiscal management.



2.1.1 Definition of Fiscal Management:

There are many definitions of fiscal management based on the multiple points of view of its authors, where it is defined as:

- As defined by **Christine Collette**: "the management of tax as a legal obligation of the institution, it can be used for the benefit of the institution, that is, to become an effective variable in its strategies rather than a negative one, and this results in its effective and intelligent use". (Collette, 1998, p. 22)

- It is also defined as: "to stay away as far as possible from tax evasion and avoid various schemes that affect the financial arrangements and regulations of the institution ". (J.Auerbach, JR, & Slemrod, 2007, p. 226)

- It is also defined as: "the freedom of the management of the institution to make the right choices according to the possibilities available to it and to benefit from tax incentives". (Wambé, Abdias, & Tikire, 2021, pp. 618-631)

- It is also defined as: "the use by the institution of legal procedures and policies with the aim of reducing the amount of tax payable, as it requires taking advantage of various incentives provided by the tax law. (Menchauoui, 2015, p. 61)

So it can be said that fiscal management is those procedures that an institution follows in order to reduce the tax burden by taking advantage of tax incentives within the limits allowed by law.

2.2.2 Advantages of Fiscal Management

fiscal management has two characteristics that are distinguished by the following:

A. The use of legally legitimate means: fiscal management is characterized by taking advantage of legal procedures and policies and exploiting available legal loopholes, without resorting to so-called fraud and tax evasion (Liger, 1998, p. 32).

B. Voluntary decision of fiscal management: the management of the institution selects the most appropriate tax alternative determined by the tax legislator in order to reduce the taxes owed to it, without these options and alternatives, the fiscal management process loses its importance (kimouche and belkhiri, 2019, pp. 213-230).

2.2 principles of Fiscal Management:

The principles of taxation are as follows:

A. The principle of freedom of management: the fiscal manager has the right to benefit from the tax privileges provided for by law while managing his business, and this principle includes the possibility of choosing between the legally available alternatives based on his understanding of the tax advantages that can be achieved through these options (Hamidatou, 2022, pp. 432-447).

B. The principle of non-interference in management: this principle is that the fiscal administration has no right to interfere in decisions related to the management of the institution and the way it is run or criticize its options as long as that institution complies with the requirements and provisions of the tax law, even if those decisions are considered irrational (Ben Halima and Touil, 2024, pp. 168-184).

3.2 Objectives of Fiscal Management:

The main objectives that the fiscal management seeks to achieve are as follows:



A. Achieving fiscal security: the institution exerts great efforts to achieve fiscal security through activating internal control and developing fiscal management tools, as non-compliance of the institution with its fiscal obligations may expose it to fiscal risks, which negatively affects its financial resources and financial stability (boulihia, Karmi, and kabish, 2023, pp. 67-80).

B. Controlling the fiscal burden: controlling the tax burden depends on the circumstances of the institution. an institution undergoing a growth period mainly seeks to reduce taxes to strengthen the position of the Treasury by taking advantage of financial savings, while an enterprise facing difficulties wants to improve its image towards banks and shareholders (Anwar, damdoum, 2018, pp. 91-109).

C. Achieving fiscal efficiency: tax efficiency can be achieved by two means, direct or indirect, direct tax efficiency is achieved when the institution takes advantage of the incentives and tax options available in the current legal situation, which gives it direct financial savings, while indirect tax efficiency is achieved by exploiting the legal options available to the institution in multiple ways (Bakai, bakriya, 2024, pp. 63-82).

D. Service of the institution strategy: it can be achieved by integrating the tax variable into the management process, taking this factor into account is vital to obtain the best possible tax status, which contributes to achieving the strategic goals of the institution efficiently and effectively (Duaibi, Khairi, 2023, pp. 723-738).

4.2.Mechanisms of Fiscal Management:

In order for the fiscal management to be effective in determining the appropriate options for the institution, it must be based on the following tools:

A. fiscal audit: the institution is working on activating the fiscal audit as a tool of fiscal management, through which it is possible to diagnose the tax obligations of the institution and work to reduce the tax burden, which allows improving tax processes and increasing financial efficiency (Abd elkader, 2018, pp. 58-68).

B. fiscal consulting: tax consulting services have developed as a result of the increasing complexity of the business field in general and the tax sector in particular, and the tax consultant appointed by the institution must have the necessary professional and ethical competence when the trust is placed in him, and he must have the ability to manage tax risks effectively, as well as provide advice that helps reduce the tax burden and achieve financial savings. (Drid, Ben Barah, 2023, pp. 328-343)

C. fiscal governance: recent studies in the field of fiscal management emphasize the need to adopt corporate governance to ensure efficient and transparent transfer of tax information to all parties related to the institution, which enhances trust and ensures the accuracy and reliability of mutual tax data (Ben ouda, 2022, P.59).

3. Tax Risks

The institution is facing many changes in its surrounding environment, forcing it to adapt to them in order to reduce the severity of risks, especially tax risks, which are represented by the non-compliance of the institution with the tax obligations established by the tax legislation.



3.1 the concept of tax risks

During the exercise of its activity, the institution is exposed to many dangers, including tax dangers, which it must know and manage, because sometimes it may even threaten its continuity.

3.1.1 definition of tax risks:

The tax risks have several definitions, we mention the following:

- By Neuman, Omer and Schmidt : they dropped this concept on the tax risk for companies as they considered that: "tax risk refers to the possibility that a chosen action or activity could lead to a different tax outcome than originally planned" (Guenther, Steven, & Brian, 2013, p. 02).
- The OECD defines tax risks as: "risks related to non-compliance by taxpayers with the following obligations: registration, timely filing, preparation of complete and accurate information and timely payment of taxes due, where tax risks relate to non-compliance with accounting and tax rules and procedures". (Taj & Abdelmajid, 2018, p. 64)
- Tax risk is defined as:" those additional costs that an institution incurs due to its non-observance of tax rules, these costs consist in penalties and fines " (Duhem & Michel, 1996, p. 75).
- Tax risks are also defined as:" the difference in the interpretation of tax provisions and rules, as these provisions can be subject to many interpretations that may differ from those received from the tax authorities, which may lead to an increase in the tax burden " (Mous, 2017, pp. 507-522).
- Tax risk can also be defined as: "it is the uncertainty associated with the application of tax rules to certain facts, it is the inability of an enterprise to determine the tax consequences resulting from the activities and operations carried out by it as well as changes in tax laws and legislation and interpretations carried out by tax authorities" (Njanbou, Solange, & Martin, 2020, pp. 20-37).
- Thus, it can be said that the tax risks are represented by various penalties, fines and increases that an institution may incur as a result of non-compliance with tax legislation, which negatively affects the institution strategy and goals.

3.1.2 characteristics of tax risks:

The most important characteristics of tax risks include the following (Guedrib, 2013, p. 32):

- The detection and assessment of tax risks can be complex and difficult, which makes dealing with them quite a challenge ;
- It is difficult to accurately determine the type of tax risk, which further complicates the management process;
- Tax risks are permanent, not temporary, which means that organizations need a sustainable strategy to deal with them;
- Tax risks relate to all types of taxes, whether direct or indirect, requiring institution to consider all aspects of their tax obligation ;
- tax risks can be the result of voluntary actions performed by the institution or involuntary that occur due to non-compliance or errors.



3.2 Areas of tax risks:

According to the "Price Noterhouse Cooper" approach, tax risks can be analyzed and collected in seven areas within the institution's tax risk portfolio, namely (bouchaboutt, 2016, p. 67):

- **Transactional risk:** when an organization performs any transaction, it is subject to taxation, and with increasing transactions and decreasing their routine, the likelihood of being exposed to greater tax risks increases.
- **Operational risk:** relates to the basic risks of applying the tax laws and regulations that regulate the daily operations of the organization, and includes all the services and users involved in the collection, not just the collection function of the organization.
- **Compliance risk:** these risks relate to the extent of compliance with applicable laws and regulations, and also include risks associated with the preparation of tax declarations, that is, the fulfillment of tax compliance obligations.
- **risk management:** In the absence of formality and communication in the tax risk management policy, the organization may face special difficulties if the employees responsible for its implementation decide to resign from the organization without alternatives.
- **Reputation risk:** the good reputation of an organization is one of the most valuable assets in the tax field and is the result of its commitment to the applicable tax regulations, it constitutes a safety sign for the organization in the face of the results of tax control, where the positions of tax treachery are determined based on the reputation of the organization or its employees, this also applies to the organization's dealings with all parties dealing with the organization.
- **Accounting risk:** accounting forms the main pillar of tax Control and the detection of tax gaps, and thus accounting appears as the main source of any tax risk and at the same time provides important opportunities for the organization, so the presence of an effective accounting system for registration, analysis and proof of accounting contributes to reducing tax risks resulting from shortages or accounting errors.

3.3 sources of tax risks:

There are those who believe that the reasons that expose the institution to a tax risk are divided into three reasons, which we will present below (Amin, 2022, P. 99):

3.3.1tax legislation: tax risk is a major challenge that often stems from the external environment, especially from tax laws and regulations. the complexity of tax rules and the lack of transparency and clarity are the main reasons that lead to tax violations. according to the OECD study on managing the risk of tax non-compliance, complex or ambiguous legislation increases the likelihood of taxpayers adopting undesirable behaviors by the tax legislator.

3.3.2.OrganiZation of the institution: the second source of tax risks is related to the organizational structure of the institution, the larger the institution Its interest in tax compliance has increased due to its economic strength, in addition, there are certain processes that generate other tax risks such as mergers and acquisitions or transactions between shareholders.

these processes create greater tax risks than those associated with normal business operations. if an organization does not properly document these processes and does not implement all the regulatory resources necessary to manage them, it is at risk of non-compliance.



3.3.3 Organization of the tax Management:

the source of the tax risk is related to the inefficiency of the tax Management, the tax Management that lacks The financial resources, tools and techniques necessary to deal with huge amounts of information related to tax payers may not be aware of the tax indiscipline behaviors of some institutions, which increases the associated risks, in addition, the lack of skills, constant training and mastering of tools by tax Management employees increases the likelihood of non-disclosure of violations during the tax audit, which increases the cases of financial non-compliance.

4. The contribution of tax management in the face of tax risks:

Effective tax management can significantly contribute to reducing tax risks in several ways, including:

- **Good tax planning:** helps to avoid tax costs that may appear suddenly by knowing the tax obligations in advance and preparing appropriate plans to fulfill them.
- **Compliance with legislation:** full compliance with tax laws and regulations ensures a significant reduction in the likelihood of being penalized and fined, which contributes to building a good reputation of the institution.
- **Accurate reporting:** the preparation of accurate and reliable financial and tax reports contributes to providing a clear record of financial activities, which facilitates the tax authorities to audit accurately and smoothly and supports full compliance with tax requirements.
- **Avoiding tax evasion:** by adhering to legal procedures and tax policies, the risks associated with tax evasion and fraud can be avoided. compliance with the laws enhances the transparency of tax processes, reducing the likelihood of penalties and fines.
- **Taking advantage of tax privileges:** taking advantage of tax exemptions and exploiting the tax incentives provided by the law can reduce the tax burden.
- **Periodic audit:** conducting a periodic audit of accounts and collection activities contributes to the detection of errors and correcting them before they worsen and cause legal problems. these regular audits enhance tax compliance and reduce potential risks.

Using these tools and methods, an institution can improve the efficiency of its operations and reduce possible tax risks, which leads to better financial stability.

5. Case study of SOMEMI+ institution

In order to study the role of tax management in reducing tax risks in the organization, we conducted a case study of the SOMEMI+ Foundation in the state of Jijel at the level of the accounting and finance department.

5.1. introduction to the institution under study:

The +SOMEMI institution is a limited liability company established in 2015 to complement and replace the capabilities of SOMEMI, which was established by the leader Ben Saci in 1990 "Maghreb company for precision mechanics and Industrial Maintenance", its headquarters and factory: Tahir (Jijel) Algeria, its capital is estimated at 26 million DJ, its main



activity is the manufacture of precision mechanical parts and maintenance of pumps, mechanical seals and valves.

5.2. tools used in the study:

- The personal interview was conducted with the head of the accounting and finance department.
- Preparation of the financial statements of the organization for the year 2020, represented in: Budget, table of accounts of the results.
- Data on the tax declaration G50 and the tax result determination table T9.

The study was applied to the +SOMEMI Foundation at the level of the accounting and finance department for its direct relevance to the subject of the study.

5.3 the nature of taxes to which the SOMEMI+ institution is subject:

The legal form of the +SOMEMI Foundation is a company with shares subject to the real regime, therefore it is subject to a set of taxes and fees, the main of which are:

- How to tax corporate profits IBS: the enterprise is subject to corporate profits tax based on articles 135 And 136, 139, 140, 150, 354 and 356 of the code of direct taxes and similar fees at a rate of 19%.
- The activity of the institution under study is subject to the value-added fee in accordance with articles 01, 02, 04, 07 and 21 of the turnover fee law at a rate of 91% .
- IRG gross income tax: under the provisions of articles 01, 02, 03 and 104 of the direct taxes and similar fees law, the foundation is taxed on income and grants paid to managers and partners at a rate of 10%.
- Regarding the wage tax IRG / SALAIRE: the Enterprise pays a tax on the wages of its workers, which is calculated on the basis of the schedule of tranches in accordance with the provisions of articles 66, 104, first paragraph, 109 and 129 of the direct taxes and similar fees code.

In addition to the previously mentioned taxes, the enterprise is also subject to: pollution tax, fee for apprenticeship and vocational training, real estate fee, stamp rights, registration rights.

5.4 assessment of collection risks related to how Collection is conducted within the enterprise from a human and organizational point of view:

5.4.1. Assessment of tax risks related to the competencies and qualifications of the person charged with conducting the collection:

Table No. (01): assessment of the tax risks related to the competencies and qualifications of the person assigned to manage the collection within

Number	question/ answer	Statement
01	question	What is the certificate obtained, and in what specialty?
	answer	Bachelor of Commercial Sciences, accounting major.
02	question	How many years have you worked in the field of collection? Do you have previous experience in conducting collection in similar institutions?
	answer	16 years of experience, yes, I worked in four other institutions.



03	question	Have you taken any recognized training courses or certificates in the field of collection?
	answer	Yes, I was sent by the foundation to attend workshops and advanced training courses to ensure that I stay abreast of the latest changes in tax laws. the foundation also conducts training courses through the presence of a team of trainers specialized in the field of taxation.
04	question	Do you have a work program to manage your time when completing your tasks?
	answer	Yes, by preparing a business plan (le plan D'action) and recording it in a folder.
05	question	In your opinion, what are the conditions that must be met in order for the business to be successful, perfect and perfect?
	answer	<ul style="list-style-type: none"> - Good planning by setting clear goals; - Effective organization through the distribution of tasks among employees and cooperation among them; - Motivate workers in various ways to enhance productivity and provide them with appropriate rewards; - Review and evaluate performance periodically to ensure quality is maintained.
06	question	Do you periodically follow updates on tax laws and regulations?
	answer	Yes, of course, by following forums and websites specialized in collection to get the latest information, as well as attending professional meetings and conferences discussing changes in tax regulations.

Source: prepared by researchers based on the interview and oral questions

We note through his answers that he is a skilled employee in the tax field, he has a bachelor's degree in Commercial Sciences with a specialization in Accounting, this shows that he has a strong foundation in the field of Economics and business, and has a good level of scientific qualifications due to his 16 years of experience in the field of accounting and collection, this gives the impression of deep experience and a comprehensive understanding of financial systems and procedures, and he also constantly attends workshops and training courses, this proves his willingness to continuously learn and develop his skills, and this indicates a strong commitment to stay updated with changes in tax laws, which enhances his efficiency, and he also uses a doing this increases his productivity and ability to conduct work He knows that any defect or complacency in the performance of work reflects negatively on his organization, exposing it to penalties and burdens, from which it can be said that the tax process in the institution under study has tax qualifications and knowledge that qualifies him to manage the institution's collection well, which leads to minimizing the tax risks.



5.4.2. assessment of tax risks related to the conduct of the tax function within the enterprise:

Table No. (02): assessment of the risks associated with the conduct of the tax function within the institution

number	question/ answer	Statement
01	question	Is there any cooperation between tax officials and employees in other other interests?
	answer	Yes, there is close cooperation between them, as this cooperation is necessary to ensure effective coordination and implementation of financial policies and procedures in an integrated manner.
02	question	Are tax payers selected according to their competence in the tax field?
	answer	Yes, tax officials are selected based on their specialization and experience in the tax field, taking into account the certificate obtained in accounting, finance or tax collection
03	question	Are the institution employees aware of the importance of following up on taxes in the institution?
	answer	Not all of them are aware, employees working in the finance and accounting department are fully aware of the importance of following up on taxes and their crucial role in the sustainability of the institution and achieving its financial goals through their training and qualification.
04	question	Has the institution ever been subjected to tax control Have you been subjected to tax penalties or not?
	answer	The institution was subjected to tax control by the observers at the tax authority, who found that there was a difference between the turnover in the G50 document and the turnover shown in the tax budget, which led to its punishment and payment of a fine.
05	question	Is there a tax auditor within the institution?
	answer	There is no, it is the head of the accounting and financial service (accountant) who periodically audits the accounting and tax records of the institution.
06	question	Does the institution have a specialized tax monitoring service only?
	answer	There are no, taxes are processed in the accounting and financial service.
07	question	Is the institution obligated to pay taxes within the specified deadlines?



	answer	Yes, the institution always strives to comply with the established deadlines for paying taxes in order to ensure compliance with tax laws and avoid fines and penalties.
08	question	What are the tax privileges that the law grants to the institution?
	answer	Within the framework of the renewal of production machines, the investment file was processed by the National Investment Support Agency, where the institution obtained several privileges, namely: Exemption for 3 years from the fee on professional activity and the fee on corporate profits Exemption from registration rights

Source: prepared by researchers based on the interview and oral questions

We note from the above table that there is cooperation between employees in the institution, which leads to avoiding mistakes, and the selection of employees based on experience and certification ensures that they have the necessary competence to deal with tax issues effectively, we also note that the employees of the finance and accounting department are fully aware of the importance of following up on taxes, this indicates the importance of their training and qualification to ensure the achievement of the financial goals of the institution, its sustainability and success.

we also note that the institution has been subjected to tax control, as the gap between the financial figures in the financial documents leads to fines and penalties, so care must be taken to ensure accuracy and compatibility between reports and budgets, and the Accountant of the institution is he plays the role of references This may affect the effectiveness of tax administration, as the presence of a specialized department can help focus on tax matters better and reduce errors.

and the commitment of the institution to pay taxes on time enhances its compliance with laws and reduces tax risks, the tax privileges obtained by the enterprise reflect government support for investment and modernization of means of production, these privileges help reduce the financial burden on the institution, enabling it to reinvest The benefits are in improving processes and expanding business, from which it can be said that the institution performs the tax function well, which leads to minimizing the possible tax risks.

5.5. Analysis of the tax situation of various taxes and fees at the SOMEMI+ foundation for the year 2020:

In order to enhance the field study, we will analyze the various taxes and fees imposed on the institution under study for the year 2020, among the various taxes and fees we will address are the following:

5.5.1. Corporate profit tax IBS:

Table No. (03): method of calculation and payment of corporate profits tax for the year 2020

Statement	Year 2020
Accounting result	8602931
Refunds	1067676

Refunds	0
Total deficit of previous years	21209465
The tax result	(12072697)
Tax rate	19 %
IBS tax value	-

Source: prepared by researchers based on the data provided by the institution under study.

The above table shows how to calculate the value of corporate profit tax for the institution under study for the year 2020, it is subject to a rate of 19% due to the nature of its activity (a productive institution), and we note through the table that the institution made a profit (a positive accounting result) but there is a deficit from previous years that led to a negative tax result, this means that there are no taxable profits, therefore the IBS tax cannot be calculated and the institution does not have to pay tax and the losses are carried over to the coming years to compensate future profits.

5.5.2 Drawing on professional activity TAP:

Table No. (04): a detailed explanation of the calculation and payment of the fee for professional activity for the year 2020

Repayment date	subject Capital (DA)	TAP at a rate of 1%	delay penalty
2020/02/17	3049276	30493	There are no
2020/03/17	6382030	63820	There are no
2020/04/17	4713336	47133	There are no
2020/05/19	3567800	35678	There are no
2020/06/20	4667671	46677	There are no
2020/07/19	2836934	28369	There are no
2020/08/19	3342952	33430	There are no
2020/09/19	3563960	35640	There are no
2020/10/20	1204050	12041	There are no
2020/11/20	3953236	39532	There are no
2020/12/20	4162320	41623	There are no
2020/01/20	6660870	66609	There are no
Total	48104435	481044	/

Source: prepared by researchers based on the data provided by the institution under study

Through the above table, which shows the method of calculating and paying the fee on the professional activity due for each month during the year 2020 for the SOMEMI+ institution, we note that the institution is subject to the fee on professional activity at a rate of 1% as a subsidiary of the real subordination system, and it is clear that it submits declarations related

to the fee on professional activity and pay its obligations regularly and on time and did not incur any fines or penalties for delay, which enhances the reputation of the institution and reduces the potential tax risks.

5.5.3 TVA value-added fee:

Table no. (05): detailed explanation of the calculation and payment of the TVA value-added fee for the year 2020

Repayment date	Total Capital (DA)	Exempt Capital (DA)	Taxable capital (DA)	TVA 19% Sales	TVA 19% Purchases/ purchases	TVA The paid
2020/02/17	3049276	-	3049276	579362	49988	529374
2020/03/17	6382030	-	6382030	1212586	475577	737009
2020/04/17	4713336	-	4713336	895534	184729	710805
2020/05/19	3567800	-	3567800	677882	29972	647910
2020/06/20	4667671	-	4667671	886857	37720	849137
2020/07/19	2836934	-	2836934	539017	252579	286438
2020/08/19	3342952	-	3342952	635161	340630	294531
2020/09/19	3563960	-	3563960	762728	279856	482872
2020/10/20	1204050	196000	1008050	691530	560059	131471
2020/11/20	3953236	-	3953236	751115	683767	67348
2020/12/20	4162320	-	4162320	790841	695390	95451
2020/01/20	6660870	-	6660870	1265565	622389	643176
Total	48104435	196000	47908435	9688178	4212656	5475522

Source: prepared by researchers based on the data provided by the institution under study

From the above table, we note that the institution under study submits declarations related to the value-added fee at a rate of 19% and pays its obligations regularly and within the legal deadlines and has not borne any additional costs that could expose it to tax risks.

5.5.4. Tax on gross income IRG

Table no. (06): detailed explanation of the calculation and payment of IRG and IRG/SALAIROLE tax for the year 2020

Monthly statement	Taxable income (DA)	The rate	IRG wages	Taxable income (DA)	The rate	IRG truncated from the source
2020/02/17	613777	Slide table	85407	50000	0.1	5000
2020/03/17	662110	Slide table	93329	47700	0.1	4770



2020/04/17	664132	Slide table	94234	38000	0.1	3800
2020/05/19	594884	Slide table	81910	38600	0.1	3860
2020/06/20	919828	Slide table	137683	36660	0.1	3666
2020/07/19	1189520	Slide table	164070	47700	0.1	4770
2020/08/19	1211093	Slide table	174159	47700	0.1	4770
2020/09/19	1351094	Slide table	201520	40900	0.1	4090
2020/10/20	1346898	Slide table	195329	50000	0.1	5000
2020/10/20	1486890	Slide table	198308	50000	0.1	5000
2020/12/20	1368411	Slide table	200756	36300	0.1	3630
2020/01/20	1512139	Slide table	233357	533560	-	53356
Total	12920776	-	1860062			

Source: prepared by researchers based on the data provided by the institution under study

The above table shows the amounts declared by the institution under study for the year 2020 related to the gross income tax, which includes both the tax on employees' wages, which is calculated on the basis of the tranche table, and the tax on income and grants paid to managers and partners at a rate of 10%.

It is clear from the table that the institution submits declarations related to the gross income tax and pays its obligations regularly and within the specified legal deadlines, and therefore the institution has not incurred any penalties or fines resulting from the delay in declaration and payment, which reduces the potential tax risks.

6. Conclusion:

fiscal management is one of the important aspects in the management of any economic institution, as it plays a vital role in reducing the tax risks that the institution may be exposed to. proper fiscal management ensures the institution's compliance with all applicable tax laws and regulations, which reduces the likelihood of being subject to financial penalties and fines.

It is also possible through good fiscal management to take advantage of the tax privileges provided by the law, which helps reduce financial burdens and improve the financial situation of the Institution. fiscal Management also contributes to identifying and evaluating the tax risks



that the institution may face and developing effective strategies to deal with them, which reduces the risk of the likelihood of any problems A tax.

Through studying the case of SOMEMI+, which was represented in assessing the tax risks related to how the collection is conducted within the institution from a human and organizational point of view, in addition to analyzing various taxes and their compliance with the applicable legislation, it turned out that the institution was not subjected to fines and financial penalties as a result of delay in paying taxes or submitting tax declarations, it was able to avoid all tax risks, and this is as a result of the good and effective management of the tax variable, and the following are the most important results and recommendations:

Results:

- fiscal management contributes to reducing tax risks through strict compliance with laws and the preparation of accurate financial reports;
- fiscal administration helps to improve financial efficiency by taking advantage of the available tax privileges;
- fiscal management contributes to supporting the sustainable growth of the organization by effectively managing tax risks and enhancing trust and transparency in financial operations;
- The institution under study is obliged to submit tax declarations within the prescribed legal deadlines, which helps it avoid any late fines;
- The institution in question avoids any penalties associated with cheating and mistakes by providing accurate and correct statements;
- Thanks to its high efficiency in fiscal administration, SOMEMI+ enjoys sustainable tax Security.

Recommendations:

- The establishment of a specialized department to follow up the fiscal administration independently of the rest of the departments can contribute to reducing errors and overlapping responsibilities and the appointment of experienced and highly qualified employees in this department to ensure effective management;
- Implement periodic training programs for all employees to increase their awareness of the importance of fiscal management and how to deal with tax laws and regulations;
- The government has developed a system to ensure compliance with the deadlines for paying taxes and submitting tax reports in order to avoid fines and penalties;
- Cooperation with tax consultants to obtain a periodic assessment of the tax system within the institution and ensure its compliance with modern laws and regulations;
- Assign teams to periodically review and analyze tax data to detect and address any errors or deviations;
- The aim is to make the most of the tax privileges provided by the law to reduce the financial burden on the institution.



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