International Journal of
Finance and Accounting
(IJFA)

Board Attributes and Income Tax Disclosure of Commercial Banks in Nigeria

CARI Journals

Journal of Accounting
ISSSN 2520-7465 (Online)
Vol. 7, Issue No.1, pp 58 - 85, 2025
www.carijournals.org

Board Attributes and Income Tax Disclosure of Commercial Banks in Nigeria

[1*] Itiveh, Eniworo Franklin, [2] Ebiaghan, Orits Frank, [3] Jeroh, Edirin

[1*, 2, 3] Department of Accounting, Faculty of Management Sciences,

Delta State University, Abraka, Delta State, Nigeria

Accepted: 25th Mar, 2025, Received in Revised Form: 11th Apr, 2025, Published: 25th Apr, 2025

Abstract

Purpose: This study focused on the attributes of boards of directors and IAS 12 income tax disclosure, particularly within listed Nigerian commercial banks. The study posed three research questions and formulated three hypotheses.

Methodology: The study employed a quantitative design with a panel dataset. It encompassed a population of 24 listed commercial banks, and a purposive sampling method was used to select a sample of six banks. Data spanning a decade, from 2012 to 2021, pertaining to these six banks, were gathered. Diagnostic tests conducted to assess the data's quality confirmed its lack of collinearity and presence of balanced data. The mean, standard deviation, and panel least square regression were employed in analyzing and testing the hypotheses, using EViews 9v.

Findings: Findings revealed that board size had no significant impact on IAS 12 income tax disclosure at p = 0.0795, whereas board independence exhibited a significant impact on IAS 12 income tax disclosure at p = 0.0036. The study also revealed that board diversity, encompassing factors such as gender, nationality, age, and qualification, had a noteworthy effect on IAS 12 income tax disclosure at p = 0.0445.

Unique Contribution to Theory, Practice and Policy: Recommendations stemming from these findings included increasing board diversity and independence to enhance its impact on accounting policy disclosure and tax laws application, recognizing the crucial role of board independence in board composition, and actively encouraging diverse boards to foster inclusive corporate governance.

Keywords: *Board Attributes, IAS 12 Disclosure, Commercial Banks.*

1.0 INTRODUCTION

Corporate entities are expected to present financial statements that reflect their overall financial health within given reporting frameworks. However, some firms deliberately engage in activities to resist full disclosure, seeking opportunities to share minimal information when faced with mandatory disclosure requirements. This behavior is explained by agency theory, which suggests that managers disclose information primarily to reduce monitoring costs imposed by shareholders. Additionally, heavily indebted companies disclose information to reassure creditors about their commitment to protecting mutual interests. As highlighted by Nimer et al (2024), decisions on disclosure or withholding information serve as signals to both customers and the public. Transparent disclosure is generally considered beneficial, as it enhances company value, reduces the cost of capital and debt, and signals financial stability. Conversely, failure to disclose relevant information can increase capital costs, putting businesses at a financial disadvantage. The International Accounting Standards Board (IASB), an independent agency headquartered in the United Kingdom, is responsible for issuing the International Financial Reporting Standards (IFRSs), which serve as a global accounting framework. The adoption of IFRSs in over 120 nations (Zango, 2017) aims to improve financial statement consistency, reliability, and comparability (Itiveh & Omoye, (2023). International Accounting Standards (IAS) play a crucial role in fostering accountability and transparency in financial reporting systems, leading to credibility and acceptability of financial statements (Ocansey & Enahoro, 2014). According to Madawaki (2012), the primary objective of international accounting standards is to meet the information needs of both internal and external users.

Companies control the type of information they disclose to build investor confidence while managing the cost-benefit tradeoff of disclosure (Nimer et al., 2024). The benefits of transparency extend beyond reducing capital costs to enhancing reputation, shareholder trust, and business relationships. However, firms also have an interest in retaining sensitive information to avoid giving competitors an undue advantage. Maaloul, et al (2023) argue that while organizations should provide useful information, they should avoid excessive disclosure that could harm competitive standing. Itiveh, Ebiaghan and Jeroh (2025). identify three factors influencing disclosure consequences: uncertainty, multi-agent conflicts of interest, and information asymmetry. Excessive disclosure can reduce the total market knowledge available, potentially disadvantaging firms. Dekker and Kriek (2024) differentiates between transparency stability, which promotes market discipline and efficient resource allocation, and transparency fragility, which suggests disclosure may lead to adverse outcomes. Regarding tax reporting, IAS 12 mandates disclosure of deferred tax assets and liabilities based on expected future tax benefits or obligations. IFRS-based tax accounting differs from the Statement of Accounting Standards (SAS), as the former adopts a balance sheet liability approach while the latter focuses on income statement adjustments (Yeşil, 2024). The complexity of accounting for deferred tax assets and liabilities has sparked debates (Nembe & Idemudia, 2024), as taxation policies directly impact investor returns, business reinvestment, and government revenues. IAS 12 addresses these concerns by guiding companies on recognizing current and deferred tax liabilities (Aboukhadeer et al., 2023), ensuring compliance with tax regulations across jurisdictions.

Statement of Problem

Many have questioned whether IAS 12 has led to unintended consequences in addressing board attributes such as board size, independence, and diversity. While several studies focus on IFRS, tax measures, and financial reporting—particularly IAS 12's treatment of temporary tax differences and firms' tax assets and liabilities (Napier & Stadler, 2020; Steuer & Tröger, 2022; Edeigba, 2022)—these researchers also highlight differences like deferred tax assets and liabilities. In Nigerian listed banks, board characteristics significantly influence income tax disclosure practices. Board size explores how the number of directors may enhance or hinder disclosure through either increased diversity or decision-making complexity. Board independence considers whether a more autonomous board, with a majority of independent directors, leads to stricter oversight and more transparent tax disclosures. Board diversity, especially gender diversity, examines whether varied perspectives contribute to more thorough and accurate income tax reporting. In essence, these issues collectively explore how board size, independence, and diversity interplay with income tax disclosure practices in Nigerian banking listed companies. Understanding their influence is integral in assessing governance effectiveness, decision-making processes, and the broader implications for financial transparency and compliance with IAS 12 disclosure guidelines.

Objectives of the Study

The study focused on the board of directors' attributes and IAS 12 income tax disclosure in the commercial banks in Nigeria while the specific objectives are to:

i) ascertain whether board size significantly influences IAS 12 income tax disclosure,

ii) identify the effect of board independence on IAS 12 income tax disclosure,

iii) know how Board Diversity affects IAS 12 income tax disclosure.

Research Questions

The following research questions were raised in the course of the study:

i) What is the influence of Board Size on IAS 12 income tax disclosure?

ii) What is the relationship between Board Independence and IAS 12 income tax disclosure?

iii) How does Board Diversity influence IAS 12 income tax disclosure?

Hypotheses of the Study

The following hypotheses were formulated to ascertain statistical relevance of the study:

$H_0 1$: Board Size does not exert significant influence on IAS 12 income tax disclosure?

H_02: There is no significant relationship between Board Independence and IAS 12 income tax disclosure?

H_03: Board Diversity does not have significant influence on IAS 12 income tax disclosure?

Limitations of the Study

The study on board attributes and IAS 12 income tax disclosure in listed Nigerian banks encountered limitations. These limitations included challenges in data availability and quality, difficulty in establishing direct causative linkages between board attributes and disclosures, limited generalizability beyond the specific context, subjectivity in evaluating board attributes, potential changes in regulations impacting findings over time, and constraints related to sample size and representation. Overcoming these limitations required careful consideration of data sources, methodologies, and contextual factors. Hence, the study's credibility and applicability of conclusions.

Scope of the Study

The content scope involved a thorough investigation into board of directors' attributes and IAS 12 income disclosure in Nigerian banking listed companies. Income tax disclosure elements such as deferred tax and current tax formed the dependent variable, while board of directors' attributes like board size, board independence and board diversity were the independent variables.

The study's theoretical scope is the ability to pay theory. Geographical scope of this study encompassed listed Nigerian commercial banks within a ten (10) years period spanning 2012 to 2021.

Significance of the Study

This research has the potential to offer valuable insights to various groups. Firstly, commercial banks and prospective investors in the banking sector, as well as their management teams, stand to benefit. The study's findings, which established the relationship between board attributes (e.g., size, independence, and diversity) and IAS 12 income tax disclosure, will aid in building trust in commercial banks. This knowledge will assist bank management in making informed decisions about disclosure practices and the management of income tax-related activities. Secondly, stakeholders, including government bodies and corporate entities, will find this study enlightening as it sheds light on the connection between the board of directors and the qualities of IAS 12 income tax disclosure. Finally, this research will serve as a valuable reference point for academic researchers and other individuals seeking information about the state of commercial banks and the actions of their boards regarding financial systems. Moreover, it is expected to attract the attention of aspiring tax researchers and facilitate prompt decision-making in the business sphere.

2.0 REVIEW OF LITERATURE

IAS 12 Income Tax Disclosure

Journal of Accounting
ISSSN 2520-7465 (Online)
Vol. 7, Issue No.1, pp 58 - 85, 2025
www.carijournals.org

IAS 12 evolved recommending simple accounting procedures like recognizing tax assets and liabilities and then reconciling or deleting any unrealisable future tax assets or liabilities (Fattah & Ebrahim, 2015). This supports the efforts accounting standard-setters are making to rectify the unreliability of income tax accounting that existed before the development of IAS 12. However, transient tax discrepancies brought on by accounting and tax regulations cannot be solely attributed to measurement errors. As a result, the amount of temporary tax disparities may vary depending on how responsive financial statement preparers are to accounting and tax regulations (Alkurdi & Mardini, 2020; Kou et al., 2020).

IAS 12 evolutionary trajectory from July 1979 when IAS 12 Accounting for Income Taxes was released by the IASB, through October 1996 when the International Accounting Standards Committee (IASC) issued IAS 12 Income Taxes. In April 2001 the International Accounting Standards Board (IASB) adopted IAS 12 Income Taxes. The IASB amended IAS 12 in December 2010, to address an issue that arose when entities applied the Measurement Principle in IAS 12 to temporary differences relating to investment properties that were measured at fair value. In January 2016, the IASB amended IAS 12 by issuing “Recognition of deferred tax assets for unrealised losses” to clarify the requirements on recognition of deferred tax assets related to debt instruments measured at fair value. IASB in May 2021 amended IAS 12 by issuing “Deferred tax related to assets and liabilities” arising from a single transaction. This narrowed the scope of Recognition Exemption in paragraph 15 and 24 of IAS 12. Which means that the provision no longer applied to transactions that on initial recognition, gave rise to equal taxable and deductible temporary differences. In May 2023 the IASB issued amendments to IAS 12 which introduced a mandatory exception in IAS 12, from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarified that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income tax arising therefrom, are referred to as “Pillar Two legislation” and “Pillar Two income taxes” respectively.

Other standards and their amendments that result in minor consequential amendments to IAS 12 include – IFRS 11 Joint Arrangements (May 2011), June 2011 amendment to IAS 1 Presentation of Items of Other Comprehensive Income. October 2022 amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities. Amendments to IFRS 9, IFRS 7, IAS 39 and IFRS 9 Financial Instruments (Hedge Accounting) in November 2013. Revenue from Contracts with Customers (May 2014), IFRS 9 Financial Instruments (July 2014). IFRS 16 Leases (January 2016), Annual Improvements to IFRS Standards 2015-2017 Cycle (December 2017). Amendment to References to the Conceptual Framework in IFRS Standards (March 2018). Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements, which provided guidance to help entities apply “materiality judgements” to accounting policy disclosure (February 2021). Amendments to IAS 8 which introduced a new definition of “accounting estimates”. Distinction between changes in accounting policies,

Journal of Accounting
ISSSN 2520-7465 (Online)
Vol. 7, Issue No.1, pp 58 - 85, 2025
www.carijournals.org

correction of errors and use of measuring techniques to develop accounting estimates were highlighted (February 2021). Amendment to IFRS 16 Leases, lease liability in a sale or leaseback in September 2022 specified requirements measuring lease liability arising on sale and leaseback transactions. Amendments to IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments: Disclosure, also by IASB, in May 2023 specified requirements that enables financial statement users have a better understanding of the effects of supplier finance arrangements on liabilities, liquidity risks and cashflows of organizations.

IAS 12 Income tax disclosure addresses income taxes, including current and deferred. Income tax accounting is complicated, and certain parts are difficult for those who prepare and also for stakeholder or consumers to grasp and apply. These challenges stem from deviations around the present standards principles, as well as instances where the accounting does not match the economics of the transactions. Thus, the transitory discrepancies between an asset's or liability's tax base and the asset or liability carrying amount in the financial statements served as the foundation for the IAS 12 standard (Agyenim-Boateng and Iliyas, 2022). IAS 12 now considers the future tax effects of recovering an asset to the extent of the asset's carrying amount at the time the financial statements are prepared. The future taxable amounts deriving from asset recovery will be limited to the carrying value of the asset. For instance, a property could undergo an increase in value without being sold, resulting in a short-term disparity since the asset's carrying amount in the financial statements is higher than its tax base. There is a resultant delayed tax liability therefrom.

Furthermore, a useful aspect of the IAS 12 is the differed tax disclosure, which is tax asset recognized to the degree that it is likely that taxable profit will be available to offset the deductible temporary difference (Graham, 2023). For carried forward unused tax losses, this also holds true for deferred tax assets. Current and deferred taxes are recognized in profit or loss for the period unless they result from a business combination, a transaction, or an event that is recognized outside of profit or loss, either in other comprehensive income or directly in equity in the same or different period. Examples of tax consequences that are recognized in profit or loss include changes in tax rates or laws, a re-evaluation of the recoverability of deferred tax assets, or a change in the anticipated method of asset recovery. This is true unless the changes are related to items that were previously charged or credited outside of profit or loss. Nevertheless, current accounting practices base the measurement of deferred tax assets and liabilities on two factors: (1) the projected method of recovery (asset) or settlement (liability); and (2) the tax rate anticipated to be in effect at the time the underlying asset (liability) is recovered (settled) (Graham, 2023).

Board Size

The term "board size" is used to describe the total number of individuals who sit on a company's board. Thus, it is believed that these concepts followed the lead of earlier business administration. The board's size structure is the first factor to consider. As the board grows larger, more members and a more diverse group of individuals join it, which has an impact on the final decisions that are made and the company's need for their advice. This has a positive impact on the quality of the decisions made and leads to increased debate and more realistic rather than purely subjective decisions (Coles et al., 2022; Farag, Mallin, & Ow-Yong 2018).

Board Independence

The concept of board independence mostly originates from the Anglo-American setting, where there is a distribution of ownership. Since the 1960s, boards with a preponderance of outside directors over internal directors have gained significant popularity in the United States (Kioko, 2022). So, the general idea of Board independence is intended for directors to exercise independent judgement and technical management skills. Directors must be independent for this purpose, and they cannot be employed as managers by the company, its parents or subsidiaries for a period of three years following their separation from such positions. The associated benefits are to boost your reputation in the workplace, increase the size of your professional network, improve your professional abilities, obtain knowledge and exposure, revitalize your professional life and increased awareness (Reck, Slemrod, & Vattø, 2022).

Board Diversity

Board diversity refers to the variety of backgrounds, ethnicities, skills, abilities, and expertise that your board directors collectively exhibit (Bashar et al., 2022). A number of practitioners have underlined the significance of diversity on boards (Ujunwa, Okoyeuzu, & Nwakoby, 2012) and the observant function of its directors (Akhor and Inegbedion, 2023) in response to organizational scandals. Due to the benefits that are supposedly gained from diversity in boardrooms, board diversity has attracted increased interest from academics and practitioners alike (Nguyen, Doan & Nguyen, 2020), (Dang, Fang, & He, 2019). Board diversity also includes genders. In many nations, where many laws have been passed mandating the involvement of women in the boards of publicly traded firms, the issue of gender diversity in boardrooms has received a lot of attention. By highlighting the presence of female directors, these laws are intended to enhance the effectiveness of the corporate governance system (Schwizer, Soana, & Cucinelli, 2012). Despite the efforts made possible by these laws, the majority of corporate boards still only include one or two female directors who are valued members (Torchia, Calabrò, & Huse, 2011).

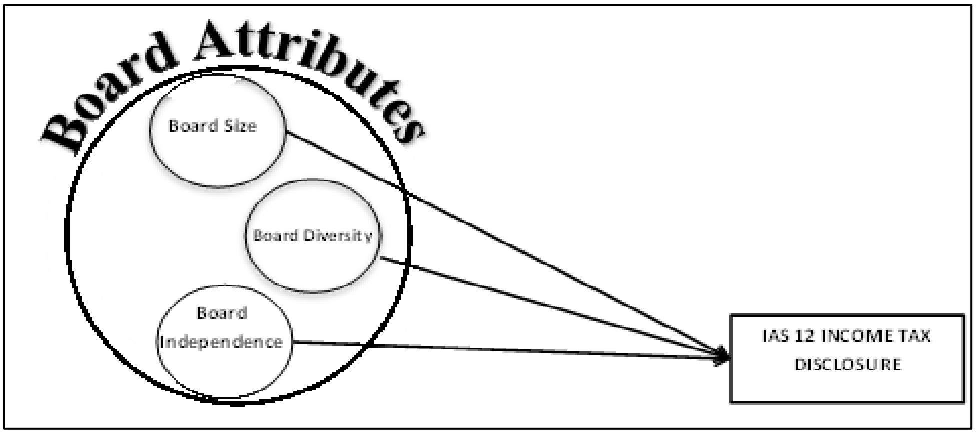

Fig. 1: *Conceptual Model of board attributes and IAS 12 income tax disclosure by the researcher, 2023*

The above conceptual model shows the Board attributes which is the independent variable where Board Size, Board Diversity and Board Independence are subset or measurements exerting effect or showing the relationship with the IAS 12 income tax disclosure (dependent variable) measured by Current tax and Differed tax Liabilities.

Theoretical Review

Theory of agency:

The agency theory's central tenet is that owners pay company managers to handle this obligation rather than themselves (Ujunwa et al., 2012). The board of directors, which also plays a significant role in the formation of managerial policies in businesses, is one method by which managers are managed and supervised (Fama & Jensen, 1983).In light of this, the board of directors serves as a resolution to issues relating to agency between managers and owners (Dang et al., 2019).

Ability to Pay Theory:

An English economist, Arthur Cecil Pigou (1877-1959), presented the ability to pay theory of taxation which posits that taxes should be levied according to a taxpayer's ability to pay. The taxpayer – companies, individuals with greater ability to pay taxes are expected to pay more. The ability to pay being measured by the taxpayer's income, wealth or resources. The ability to pay theory sees the tax burden as being distributed on egalitarian and utilitarian ideals. A form of tax equity and equal sacrifice based on justice is engendered. This study is anchored on the ability to pay theory.

Political Cost Theory

According to Blesia et al. (2023), political costs theory was coined from the concept "costs that organizations outside the company may be able to impose as a result of political actions." For instance, trade unions or lobby organizations may use a company's high returns as grounds to push for a larger portion of those gains in the form of greater pay. As a result, businesses may employ returns-reducing accounting techniques. A company strategy to reduce political costs could also involve disclosing its impact, whether favourable or negative, on the physical environment. Therefore, political cost theory can also clarify why many businesses include voluntary environmental and social disclosures in their annual reports. Additionally, the political cost theory explains why other parties who request increasing degrees of transparency and seek for more information about the firm's tax policies cause corporations to adopt income tax disclosure (Blesia et al., 2023).

Empirical Review

Le, et al. (2023) investigated the effects of CEO duality and board size on company performance from the standpoint of the agency and stewardship theories for explaining the relationship between corporate governance and firm performance. In the top 200 businesses listed on the Vietnam Stock

Exchange (VSE) between 2014 and 2015, they analysed the relationship between CEO duality, board size, and firm performance. Our findings demonstrate that: 1) CEO duality limits the board's oversight role; 2) the number of executive directors in the top management has a beneficial impact on business performance; and 3) a big board size encourages dominance and power among leaders, which increases disputes. Their findings undoubtedly aid in the understanding of the relationship between CEO duality, board size, and company success by policy-makers and other stakeholders. The study overall findings underscore the CEO's dual role and the link between board size and company performance in a country with lax minority shareholder protections.

Khan, et al. (2023) investigates the effects of broad board diversity on business performance.188 non-financial enterprises listed on the Pakistan Stock Exchange (PSX) between 2009 and 2020 were the subject of analysis utilizing a panel random-effects model and the generalized method of moment (GMM). other measurements of the variables and other estimating approaches are used to test the reliability of the results. The findings demonstrate that board member diversity in terms of nationality, ethnicity, and educational attainment is strongly positively correlated with company success. The performance of a corporation is adversely impacted by differences in age and educational background of board members. However, the diversity of tenure and gender has little bearing on how well a firm performs.

Jaidi, Wenhao,& Mohidin (2022) examined the connection between board independence and the company performance of Chinese companies listed on the Shanghai Stock Exchange, with Corporate Social Responsibility (CSR) acting as a moderator. Over the course of ten years, from 2010 to 2019, or 860 firm-year observations in all, data was gathered. To examine the data and establish a connection between board independence and the performance of the Chinese companies under consideration, the panel data regression technique was used. After a robustness test, the empirical findings revealed that the CSR level lowered (moderated) the association between board independence and business performance. The findings therefore seemed to suggest that even while CSR has been recognized as a valuable business strategy, China still needs to do more to advance the field. The Chinese government and businesses should be encouraged to consistently raise the degree of CSR in order to increase firm performance through the practice of CSR.

Lassoued and Khanchel (2023) focused on the relationship between CEO narcissism and voluntary CSR disclosure, specifically if CEO duality and board gender diversity temper this relationship. The study looks at a sample of 322 S&P 500 companies during the years 2012 to 2019 (1809 observations). The study employed generalized method of moments (GMM) in terms of econometrics. According to the findings, highly narcissistic CEOs are more likely to reveal both governance- and socially-relevant CSR actions. The link between CEO narcissism and (a) aggregated CSR disclosure, (b) social disclosure, and (c) corporate governance disclosure is also positively moderated by CEO dualism. Additionally, the association between CEO narcissism and (a) aggregated CSR disclosure and (b) social disclosure is positively moderated by board gender diversity.

Knowledge Gap

The previous literature reviewed primarily focused on research concerning the impact of board of directors' attributes on organizations and their performance. However, recent studies, such as those conducted by Jaidi, Wenhao, & Mohidin (2022), Hider, K.N.A. & Abdul, R. H. A. (2022), Graham (2023), Khan et al. (2023), and Le et al. (2023), have been limited in their examination of IAS 12 income disclosure. Consequently, there is an inherent gap in research regarding the effect of board of directors' attributes on IAS 12 income tax disclosure by commercial banks in Nigeria. This study is particularly relevant as it aims to bridge this knowledge gap by exploring this uncharted territory in the Nigerian context.

3.0 METHODOLOGY

Design of the Study

The study employed exposte-facto design. An exposte-facto study, according to Egbuneke and Okoye (2017), aims to identify possible linkages by examining an existing condition or state of affairs and digging back in time for plausible contributory reasons.

Research Population

All commercial banks listed on the floor of the Nigerian Exchange Group (NGEX), including Access Bank Plc, First Bank of Nigeria (FBN) Plc, First City Monument Bank (FCMB) Plc, Guaranty Trust Bank (GTB) Plc, United Bank for Africa (UBA) Plc, Zenith Bank Plc, Citibank Nigeria Limited, Ecobank Nigeria Plc, Fidelity Bank Plc, Globus Bank Limited, Heritage Banking Company Limited, Keystone Bank Limited, Polaris Bank Plc, Premium Trust Bank, Providus Bank, Stanbic IBTC Bank Plc, Standard Chartered Bank Nigeria Limited, Sterling Bank Plc, Titan Trust Bank Limited, Union Bank of Nigeria Plc, Unity Bank Plc, Wema Bank Plc, Signature Bank Limited and Optimus Bank made up the study population. As at 31st December 2022, the total number of Nigerian listed commercial banks stood at 24 (NDIC, 2023).

Research Sample

Through the use of purposive sampling technique, a critical case sampling procedure resulted in the selection of six (6) commercial banks who met specific criteria relevant to the research objectives. The six (6) commercial banks, met the researcher’s established predefined criteria of being conventional banks having complete/up-to-date financial records/information, listed before 2012 and remained listed continuously till after 2021, with financial statements audited and certified by the relevant auditing and regulatory authorities. Thus, Access Bank Plc, First Bank of Nigeria Plc, First City Monument Bank Plc, Guaranty Trust Bank Plc, United Bank for Africa Plc, and Zenith Bank Plc were selected for the analysis.

Model Specification

$$Y_{it}=\beta_0+\beta_1X_{it1}+\beta_2X_{it2}+\ldots+\beta_kX_{itk}+\alpha_i+\gamma_t+\varepsilon_{it}$$

Where :

Y_{it} represents the dependent variable for the *i*-th individual (cross-sectional unit) at time *t*.

$X_{it1}, X_{it2}, \ldots, X_{itk} X_{it1}, X_{it2}, \ldots, X_{itk}$ are the independent variables for the *i*-th individual at time *t*.

β_0 is the intercept, representing the constant term.

$\beta_1, \beta_2, \ldots, \beta_k \beta_1, \beta_2, \ldots, \beta_k$ are the coefficients associated with the independent variables.

α_{it} represents individual-specific (fixed) effects or unobservable individual-specific characteristics that do not change over time. A constant.

Y_{it} represents time-specific (fixed) effects or unobservable time-specific factors affecting all individuals at a particular time.

ε_{it} is the error term, capturing the unexplained variation in Y for the *i*-th individual at time *t*

$IAS12_{CTL,DTL} = f\{BA_{BS,BD,BI} + \alpha + \varepsilon\}$

$IAS12_{it} = \alpha_{it} + \beta_1 BS_{it} + \beta_2 BD_{it} + \beta_3 BI_{it} + \varepsilon_{it}$

Where :

IAS12 = International Accounting Standard 12

BS = Board Size

BD = Board Diversity

BI = Board Independence

i = Individual Firms

t = particular point in Time

α = Constant Term

ε = Error Term

Variable Measurement and Definition

Variables, dependent and independent, were measured and defined in this study as depicted below.

Table 1: Measurement and Definition of Variables

Variables	Labels	Measurement	Source	Apriori Expectation
Board Diversity	BD	Number of women in corporate board of firm i, divided by the total number of board membership	Onen (2016)	+
Board Independence	BI	Number of independent directors in corporate board of firm i, divided by the total number of board membership	Bhandari (2022)	+
Board Size	BS	Total number of directors in corporate board of firm i.	Götzsche (2022)	_
Current Tax Liability	CTL	The amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) per annum of firm i.	Grant Thornton (2013)	_
Deferred Tax Liability	DTL	30% of the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) per annum of firm i.	IAS 12 (1998), CITA (2004)	_

Source: Field Work 2023

4.0 RESULTS AND DISCUSSION

This section of the study reported the findings of the analysis done on the data that was gathered to test the hypotheses formulated in the study. EViews 9v statistical application package was used to analyse the data. The mean, standard deviation and confidential interval of the variables are shown in tables.

Journal of Accounting
ISSSN 2520-7465 (Online)
Vol. 7, Issue No.1, pp 58 - 85, 2025
www.carijournals.org

Data Presentation and Analysis

Table 2: Panel Data Set

Id	CB	Year	BS	BI(%)	BD(%)	Log CTL	Log DTL
1	Access Holdings Plc	2012	15	46.67	13.33	1.82661	8.38202
1	Access Holdings Plc	2013	17	52.94	29.41	0.87219	8.38917
1	Access Holdings Plc	2014	16	50	31.25	2.8679	8.44248
1	Access Holdings Plc	2015	16	56.25	25	1.44681	8.56585
1	Access Holdings Plc	2016	15	53.33	33.33	3.658	8.65801
1	Access Holdings Plc	2017	17	52.94	11.76	3.60661	8.7118
1	Access Holdings Plc	2018	15	53.33	20	3.48219	8.69108
1	Access Holdings Plc	2019	18	55.56	33.33	3.04171	8.7796
1	Access Holdings Plc	2020	18	50	33.33	3.38536	8.87564
1	Access Holdings Plc	2021	17	52.94	35.29	4.11953	9.02118
2	FBN Holding	2012	6	66.67	0	3.99329	8.64246
2	FBN Holding	2013	8	62.5	0	3.91515	8.67393
2	FBN Holding	2014	11	72.73	9.09	3.95294	8.71849
2	FBN Holding	2015	12	75	8.33	4.20129	8.76267
2	FBN Holding	2016	11	81.82	18.18	4.05671	8.76566
2	FBN Holding	2017	10	90	20	4.17193	8.83122
2	FBN Holding	2018	10	90	20	4.34609	8.72508
2	FBN Holding	2019	10	90	20	4.0301	8.82019
2	FBN Holding	2020	13	92.31	23.08	3.93976	8.88366
2	FBN Holding	2021	10	90	10	3.94591	8.94448
3	First City Monumental Bank	2012	15	60	0	4.17589	8.12053
3	First City Monumental Bank	2013	12	75	0	4.06715	8.15833
3	First City Monumental Bank	2014	11	81.82	0	4.04535	8.20409
3	First City Monumental Bank	2015	10	80	0	4.31024	8.20946
3	First City Monumental Bank	2016	10	80	0	4.06665	8.25283
3	First City Monumental Bank	2017	12	83.33	8.33	3.97777	8.27644
3	First City Monumental Bank	2018	12	83.33	8.33	4.0085	8.26243
3	First City Monumental Bank	2019	11	72.73	9.09	4.13996	8.30317
3	First City Monumental Bank	2020	11	72.73	18.18	4.13623	8.356
3	First City Monumental Bank	2021	9	66.67	33.33	4.11953	8.38737
4	Guaranty Trust Holding	2012	14	50	21.43	4.30178	8.44868
4	Guaranty Trust Holding	2013	14	50	28.57	4.01471	8.51453
4	Guaranty Trust Holding	2014	15	53.33	26.67	3.98318	8.57286
4	Guaranty Trust Holding	2015	15	53.33	26.67	4.10399	8.61699
4	Guaranty Trust Holding	2016	16	43.75	18.75	4.12742	8.70328
4	Guaranty Trust Holding	2017	15	53.33	33.33	4.11908	8.78816
4	Guaranty Trust Holding	2018	14	57.14	28.57	4.10997	8.76041
4	Guaranty Trust Holding	2019	14	57.14	28.57	4.30284	8.83694
4	Guaranty Trust Holding	2020	14	57.14	28.57	4.03056	8.91062
4	Guaranty Trust Holding	2021	6	66.67	50	3.98826	8.94596
5	United Bank For Africa	2012	16	50	25	4.08696	8.28553
5	United Bank For Africa	2013	19	36.84	26.32	4.07781	8.37105
5	United Bank For Africa	2014	17	47.06	23.53	4.12874	8.42322
5	United Bank For Africa	2015	19	52.63	15.79	4.14689	8.52243
5	United Bank For Africa	2016	19	52.63	15.79	4.3213	8.65126
5	United Bank For Africa	2017	19	52.63	15.79	3.97752	8.72345
5	United Bank For Africa	2018	21	47.62	14.29	3.94056	8.70156
5	United Bank For Africa	2019	20	55	15	4.12105	8.77669
5	United Bank For Africa	2020	16	93.75	25	4.05198	8.85973
5	United Bank For Africa	2021	16	56.25	37.5	4.11503	8.90579
6	Zenith Bank	2012	14	42.86	14.29	4.26268	8.66274
6	Zenith Bank	2013	12	50	16.67	4.35347	8.70327
6	Zenith Bank	2014	12	58.33	16.67	4.60822	8.74269
6	Zenith Bank	2015	12	58.33	16.67	4.47074	8.77377
6	Zenith Bank	2016	13	53.85	7.69	4.37869	8.84817
6	Zenith Bank	2017	14	50	7.14	4.41558	8.91486
6	Zenith Bank	2018	13	53.85	7.69	4.64683	8.91167
6	Zenith Bank	2019	14	50	7.14	4.48511	8.97404
6	Zenith Bank	2020	13	53.85	7.69	4.42882	9.04921
6	Zenith Bank	2021	12	50	16.67	4.6275	9.1072

Journal of Accounting
ISSSN 2520-7465 (Online)
Vol. 7, Issue No.1, pp 58 - 85, 2025
www.carijournals.org

Statistical Data

Table 3: Descriptive Statistics

Date: 11/05/23
Time: 20:22

Sample: 2012 – 2021

	BD	BI	BS	CTL	DTL
Mean	18.25717	61.63183	13.76667	35905166	53857748
Median	17.42500	55.28000	14.00000	31439400	47159100
Maximum	50.00000	93.75000	21.00000	97823200	1470000
Minimum	0.000000	36.84000	6.000000	1904266	2856400
Std. Dev.	11.29222	14.71991	3.310828	24588095	36882143
Skewness	0.208299	0.810974	-0.069950	0.712430	0.712430
Kurtosis	2.652759	2.436180	2.721525	2.723795	2.723795
Jarque-Bera	0.735327	7.371514	0.242800	5.266290	5.266290
Probability	0.692350	0.025078	0.885680	0.071852	0.071852
Sum	1095.430	3697.910	826.0000	2.150009	3.230000
Sum Sq. Dev.	7523.333	12783.88	646.7333	3.570016	8.030000
Observations	**60**	**60**	**60**	**60**	**60**

Field Work 2023 With Eviews 9V

The table above showed the descriptive statistics which provided for five variables, BD (Board Diversity), BI (Board Independence), BS (Board Size), CTL (Current Tax Liability), and DTL (Deferred Tax Liability). It offered valuable insights into the characteristics and distribution of these variables within the dataset. Starting with "BD," the average board diversity across firms is approximately 18.26%, with a median value of 17.43%. This suggested that, on the average, firms had moderate board diversity, and half of them had diversity below 17.43%. However, there is significant degree of variability, with values ranging from 0% to 50%. The standard deviation of 11.29 indicated that diversity levels varied moderately across firms. The slightly positive skewness of 0.21 suggests that more firms tended to have lower diversity than higher diversity. However, the distribution is not highly skewed.

Moving to "BI," the average board independence stood at about 61.63%, with a median of 55.28%. This indicated that, on the average, firms have a majority of independent board members. The range extended from 36.84% to 93.75%, showcasing the diversity of board independence levels. The standard deviation of 14.72 revealed moderate variability. The positively skewed distribution (skewness = 0.81) indicated that more firms tended to have lower board independence, with few others possessing higher independence levels. For "BS," the average board size is approximately 13.77 members, with a median of 14.00. The range spanned from 6 to 21 members, indicating diversity in board size. The standard deviation of 3.31 indicated a moderate degree of variability. The symmetric distribution (low skewness and kurtosis) suggested that board sizes are fairly evenly distributed across firms.

Regarding "CTL," the average current tax liability was around N35,905,166, with a median value of N31,439,400. This highlights that, on average, firms in the dataset carry this level of tax liability. The range of current tax liabilities varied widely, from around N1,904,266 to approximately N97,823,200. The standard deviation of N24,588,095 underscored significant variability. The slightly positively skewed distribution (skewness = 0.71) indicated that more firms had lower tax liabilities, with few others possessing higher tax burdens. Lastly, "DTL" indicated an average deferred tax liability of approximately N53,857,748, with a median value of N47,159,100. The range varied from around N2,856,400 to approximately N1,470,000. The standard deviation of N36,882,143 demonstrated substantial variability. The positively skewed distribution (skewness = 0.71) and kurtosis value of 2.72 suggested that the deferred tax liabilities exhibit a positively skewed distribution with a heavy tail.

These descriptive statistics offered a comprehensive overview of the dataset, shedding light on the characteristics and distribution of key variables. The insights can further guide analysis and decision-making, such as evaluating the impact of board diversity, independence, and size on tax liabilities within the context of the available data. The variability and distribution characteristics of these variables were essential considerations for regression purposes.

Variables Correlation

Table 4: Correlation of the Independent and Dependent Variables

Covariance Analysis: Ordinary

Date: 11/05/23 Time: 20:35

Sample: 2012 – 2021

Included observations: 60

Correlation	**BD**	**BI**	**BS**	**CTL**	**DTL**
BD	1.000000				
BI	-0.263296	1.000000			
BS	0.280741	-0.594019	1.000000		
CTL	0.264600	-0.353389	0.063555	1.000000	
DTL	0.264600	-0.353389	0.063555	1.000000	1.000000

Field Work 2023 With EViews 9V

The table showed the correlation analysis; it revealed the strength and direction of linear relationships among the variables. While some correlations were present, they were generally weak to moderate, suggesting that these relationships may have been influenced by other factors not captured in this analysis. The strong negative correlation between BI and BS stood out as a more pronounced relationship. An understanding of these correlations can provide further insights for investigation and modeling, leading to a better understanding of the interplay between corporate governance factors and tax liabilities.

Table 5: Result of Panel Unit Root Test

Variable Labels	Test Conducted	Statistics	Probability	Remarks/ Outcome
BD	Levin, Lin & Chu t*	0.73268	0.7681	1(0)
	Im, Pesaran and Shin W-stat	0.92074	0.8214	1(0)
	ADF-Fisher Chi-square	8.85308	0.7154	1(0)
	PP-Fisher Chi-square	9.49223	0.6604	1(0)
BI	Levin, Lin & Chu t*	4.06368	0.0000	1(0)
	Im, Pesaran and Shin W-stat	0.46060	0.3225	1(0)
	ADF-Fisher Chi-square	16.2476	0.1802	1(0)
	PP-Fisher Chi-square	44.8132	0.0000	1(0)
BS	Levin, Lin & Chu t*	-2.01654	0.0219	1(0)
	Im, Pesaran and Shin W-stat	0.19906	0.5789	1(0)
	ADF-Fisher Chi-square	12.0925	0.4383	1(0)
	PP-Fisher Chi-square	14.2558	0.2847	1(0)
CTL	Levin, Lin & Chu t*	-5.10537	0.0000	1(0)
	Im, Pesaran and Shin W-stat	-0.80376	0.2108	1(0)
	ADF-Fisher Chi-square	20.3312	0.0611	1(0)
	PP-Fisher Chi-square	29.8721	0.0029	1(0)
DTL	Levin, Lin & Chu t*	-1.96520	0.0247	1(0)
	Im, Pesaran and Shin W-stat	0.47667	0.6832	1(0)
	ADF-Fisher Chi-square	11.4468	0.4911	1(0)
	PP-Fisher Chi-square	4.26638	0.9781	1(0)

Field Work 2023 With EViews 9V

The table above, shows panel unit root test results for several variables, BD, BI, BS, CTL and DTL, using different methods to ascertain if these variables are stationary or non-stationary. Stationarity implies that a variable's statistical characteristics remain consistent over time. The methods employed include Levin, Lin & Chu t*, Im, Pesaran and Shin W-stat, ADF-Fisher Chi-square, and PP-Fisher Chi-square. Each row denotes a specific variable, while the columns contain information regarding the test conducted, test statistics, associated probabilities, and outcome. For variable BD, all methods consistently suggest stationarity, aligning with the expected anticipation. Similarly, variable BI shows consistent outcomes across different methods, indicating stationarity, which also aligns with the expected outcome. Variables BS, CTL, and DTL exhibit mixed outcomes across the methods. BS and DTL show some discrepancy between methods but lean towards non-stationarity based on Levin, Lin & Chu t* methods, contrasting the expected anticipation.

The probabilities associated with the test statistics implied the likelihood of observing these results due to random chance. Lower probabilities typically suggested stronger evidence against the null hypothesis of non-stationarity. Overall, while variables BD and BI demonstrated consistent stationarity across the methods, variables BS, CTL, and DTL exhibit more variation, indicating potential differences in trends or patterns depending on the method used for analysis.

Testing of Hypotheses

Three hypotheses were stated in this study. These hypotheses were tested and the results are presented hereunder in the summary of regression analyses.

Table 6: Summary of Regression Analyses of the Hypotheses

Dependent Variables: Taxl

Method: Panel Least Squares

Date: 11/05/23 Time: 20:44

Sample: 2012 – 2021

Periods included: 10

Cross-sections included: 6

Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.010008	27698089	3.662030	0.0006
BD	479475.2	272968.7	1.756521	0.0445
BI	-759849.7	249839.1	-3.041356	0.0036
BS	-1993874.	1116490.	-1.785842	0.0795
R-squared	0.201956	Mean dependent var		35905166
Adjusted R-squared	0.159203	S.D. dependent var		24588095
S.E. of regression	22546045	Akaike info criterion		36.76436
Sum squared resid	2.850000	Schwarz criterion		36.90398
Log likelihood	-1098.931	Hannan-Quinn criter.		36.81897
F-statistic	4.723848	Durbin-Watson stat		0.295089
Prob(F-statistic)	0.005227			

Field Work 2023 With EViews 9V

The table above showed the summary results of the panel least squares regression analysis conducted in EViews, the objective was to examine the impact of the three key independent variables: "BD" (Board Diversity), "BI" (Board Independence), and "BS" (Board Size) on the dependent variable "TaxL" (Tax Liability) (i.e., current tax liabilities and Differed Tax Liabilities). The results provided insightful findings regarding the impact of board attributes on a firm's tax liability disclosure.

Firstly, the regression analysis conducted showed the constant term "C" exhibited a statistically significant positive effect on "TaxL," with a coefficient of approximately 1.010008. This suggested that, when all the independent variables are zero, there is a substantial positive impact on the tax liability. This could be related to some unobserved factors or a constant tax component that affected the tax liability.

Secondly, "BS" exhibited a negative effect on "TaxL," although it is not statistically significant at the 5% level (p-value = 0.0795). This implied that board size does not have a significant impact on tax liability disclosure in this context.

Thirdly, "BI" demonstrated a statistically significant negative effect on "TaxL" with a coefficient of -759849.7 and a low p-value of 0.0036. This finding suggested that higher board independence is linked to a decrease in tax liability disclosure, which can be a valuable insight for organizations seeking tax efficiency.

Lastly, "BD" showed a positive statistically significant but weak association with "TaxL" disclosure as indicated by the coefficient of 479475.2 and a p-value of 0.0445. Thus, increased board diversity may greatly influence tax liability disclosure, but the impact was not very strong. This is an important finding as it suggests that board diversity practices aimed at enhancing board independence may lead to more tax-efficient corporate structures.

The model, as a whole, is statistically significant, as indicated by the F-statistic of 4.723848 and a low p-value of 0.005227. The model explained approximately 20.2% of the variance in "TaxL," as suggested by the R-squared value, indicating that the independent variables collectively contribute to the prediction of tax liability disclosure.

Discussion of Findings

The study focused on board of directors' attributes and IAS 12 income tax disclosure of listed Nigerian commercial banks. From the foregoing analysis, the following findings were made and discussed.

Board Size and IAS 12 Income Tax Disclosure

In ascertaining the impact of board size and IAS 12 income tax disclosure in Hypothesis, the findings showed that there was no significant relationship between board size and IAS 12 income tax disclosure. The findings negated that of Le, et al. (2023) who investigated the effects of CEO duality and board size on organisational performance. They believed that the higher and larger the board size the better decision making are enhanced. On the other hand, they also found that that the larger the board size the more dominance they gain and it increased dispute. Thus, much research has not been done on board size and IAS 12 income tax disclosure. However, the non-significance in the findings may be due to the non-inclusion of other banking firms in the data regressed. The size of a company's board of directors may not have had direct effect on the compliance and effectiveness of IAS 12 income tax disclosure as shown in this result findings but recent research highlights that a larger board, armed with diverse expertise and specialized committees, as revealed by Ananzeh, (2022) is better equipped to ensure transparency and accuracy in income tax disclosures in financial statements. It also facilitates robust oversight of tax governance and strategic decision-making, aligning with the guidelines of IAS 12. The board's composition and governance practices significantly influence stakeholders' confidence in the company, ultimately affecting its reputation and investment attractiveness.

In an era of increasing regulatory scrutiny and stakeholder demands for transparent financial reporting, companies with well-structured boards are better positioned to meet the evolving requirements of international accounting standards. Ensuring strong board oversight and engagement with tax matters is a strategic imperative for organizations seeking to enhance compliance with IAS 12 and build trust among investors and regulators (Raji et al, 2020).

Board Independence and IAS 12 Income Tax Disclosure

In identifying the significant impact, board independence had on IAS 12 income tax disclosure, it was discovered that there is significant relationship between board independence and IAS 12 income tax disclosure. This was in agreement with Jaidi, Wenhao & Mohidin (2022) who examined the connection between board independence and the company performance of over 859 Chinese firms listed on the Shanghai Stock Exchange, from 2010 to 2019. The identification of board independence, significance could be seen both at random effect and the effect with other independent variable being significantly related to IAS 12 income tax disclosure. It goes a long way to assert that board independence should not be overlooked since it holds to a great extent the importance of IAS 12 income tax disclosure. The level of board independence within a company significantly influences the quality and adherence to IAS 12 income tax disclosure standards. Recent research has highlighted the pivotal role played by independent board members in enhancing transparency and compliance with these international accounting guidelines. Independent directors are known to provide rigorous oversight, reduce the risk of non-compliance, and make objective decisions regarding a company's tax positions, ensuring that income tax disclosures align with IAS 12. Their impartiality is a key factor in promoting investor confidence and upholding the integrity of financial reports, aligning with the ongoing regulatory emphasis on transparent financial reporting (Gu & Kwok, 2020).

With increased regulatory scrutiny and stakeholder expectations for reliable financial disclosure, the presence of independent directors on the board is not only a best practice but often a regulatory requirement. Their influence can be instrumental in guiding companies to meet IAS 12 standards, ensuring that income tax disclosures are both accurate and compliant with accounting principles (Kim et al., 2012).

Board Diversity and IAS 12 Income Tax Disclosure

The analysis showed that there is significant impact of Board diversity on IAS 12 income tax disclosure. The findings corroborate Khan, et al. (2023) where they advocated and demonstrated that board diversity in terms of nationality, ethnicity, and educational attainment is strongly positively correlated with company success, where in this case it is IAS 12 income tax disclosure. The influence of board diversity on IAS 12 income tax disclosure is a pivotal aspect of contemporary corporate governance and financial transparency. Recent research underscores that gender-diverse boards enhance the depth and diligence of assessments related to income tax positions, aligning more closely with the requirements of IAS 12. They prioritize compliance and transparency, reducing the risk of non-compliance and aggressive tax strategies. Board diversity also resonates with evolving stakeholder expectations and corporate commitments to inclusive governance. This inclusive approach fosters innovation and accountability, further strengthening a company's commitment to adhering to IAS 12 (Raji et al, 2020).

As characterized by a heightened focus on diversity and ethical corporate requirements, diverse boards play a pivotal role in enhancing income tax disclosures and aligning them with international accounting standards. Their broader range of perspectives ensures a more comprehensive approach to tax-related matters, fostering compliance, transparency, and a culture of accountability that serves the interests of investors and stakeholders (Gu & Kwok, 2020).

5.0 SUMMARY OF FINDINGS

The impact of board size on IAS 12 income tax disclosure is a complex landscape, with findings. When examining the relationship between board size and IAS 12 income tax disclosure, the research revealed non-significant impact. This result contrasts with the prior belief that a larger board might lead to enhanced decision-making. However, it suggests that larger boards may experience more disputes, leading to a lack of significance in their role concerning income tax disclosure. While research in this specific area remains limited, the findings emphasize the need for further investigation and the consideration of additional variables. Recent researches indicates that board size alone may not significantly affect the compliance and effectiveness of IAS 12 income tax disclosure, but larger boards, equipped with diverse expertise and specialized committees, can enhance transparency and accuracy in such disclosures.

Conversely, board independence exhibited a significant positive relationship with IAS 12 income tax disclosure. This aligns with existing research, which emphasizes the importance of board independence in corporate performance and financial reporting. The study confirms that board independence's significance holds even when considering other independent variables related to IAS 12 income tax disclosure. This underscores the crucial role that independent boards play in ensuring compliance and transparency in income tax disclosure.

Moreover, diversity on corporate boards is shown to have a significant impact on IAS 12 income tax disclosure, aligning with previous research demonstrating the positive correlation between board diversity and overall success of the commercial banks in Nigeria. This finding emphasized the value of inclusivity in the decision-making process and its positive influence on tax disclosure. Gender-diverse boards are seen as enhancing transparency, compliance, and diligence in assessing income tax positions, thus aligning more closely with IAS 12's requirements (Khan et al., 2023). The findings underscored the critical role of board diversity in modern corporate governance and its impact on financial transparency and compliance with international accounting standards.

Conclusion

This study focused on board of directors' attributes and IAS 12 income tax disclosure as evidenced in the listed commercial banks in Nigeria. Three hypotheses were formulated having asked three research questions which guided the study, literature related to the study were reviewed. On the whole, the study originally sampled 6 banks with an annual financial report spanning from 2012 to 2021 from reports of stock exchange and security market. These data were checked for diagnostic correspondence which then satisfied it as relevant and were analysed using the random and fixed effect general least square regression and the findings shows that board size does not significantly relate to IAS 12 income tax disclosure, board independence significantly relate to IAS 12 income tax disclosure and that board diversity significantly relates to IAS 12 income tax disclosure. In conclusion board attributes related with IAS 12 income tax disclosure and where board size was small there would not be significance. Due to the policies governing the recognition, measurement, and disclosure of income and expenses, accounting standards have varying implications on accounting values. However, due to tax legislation that prioritizes fairness in the tax system, tax rules have an impact on the identification and measurement of revenue and expenses. The justification for establishing these standards results in variations on how income tax is calculated. For instance, the implementation of IAS 12 may cause companies to declare changes in deferred taxes. Therefore, these adjustments to the deferred taxes may have unanticipated effects on the financial performance of commercial banks.

Recommendations

From the research findings, recommendations were made as follows:

i) There is need to maintain an ideal board size so as to improve its significant impact on disclosure of accounting policies. Organizations should evaluate the unique needs of their governance structure with regards to board size and industry to determine the ideal board size that promotes effective decision-making and income tax compliance.

ii) Board independence is a crucial matter and should not be downplayed in the setting up of board members in the organization as their effect could be impactful. Organizations should actively seek and maintain a high degree of board independence to strengthen their financial reporting and confidence on reporting practices.

iii) Diverse boards enhance the depth and diligence of assessments related to income tax positions, aligning with the requirements of IAS 12. Companies should create policies and practices that encourage a diverse and inclusive boardroom to support better tax disclosure and overall corporate success.

Acknowledgements

The authors extend their sincere appreciation to all individuals and institutions that contributed to the successful completion of this study. Special thanks go to the management and staff of the selected commercial banks in Nigeria for their cooperation and provision of relevant data. We also acknowledge the invaluable support and guidance of colleagues and mentors whose insights and feedback enriched this research.

Competing Interests

The authors declare that they have no competing interests that could have influenced the findings or interpretations of this study.

Authors' Contributions

ITIVEH, Eniworo Franklin conceptualized the study, designed the methodology, and conducted data collection and analysis. EBIAGHAN, Orits Frank contributed to the literature review, interpretation of findings, and manuscript writing. JEROH, Edirin provided critical revisions, supervised the research process, and ensured the integrity of the final manuscript. All authors reviewed and approved the final version of the manuscript.

Consent (Wherever Applicable)
Not applicable.

Ethical Approval (Wherever Applicable)
This study was conducted in accordance with ethical research guidelines. Necessary approvals were obtained from relevant institutional review boards, and all data were collected and analyzed in compliance with ethical standards.

References

Aboukhadeer, E. A., Azam, S. F., & Albattat, A. R. S. (2023). Corporate governance and international public sector accounting standards (IPSAS) on the quality of accounting information in Libyan government sector. *International Journal of Professional Business Review*, *8*(1), 4

Agyenim-Boateng, C., & Iliyas, S. (2022), Understanding the demand for tax disclosures: A sociological perspective. *Journal of Tax Administration*, *7*(1), 6-21.

Akhor, S. O., & Inegbedion, M. I. (2023). Board features and effective tax rate of listed manufacturing companies in Nigeria. *GOUNI Journal of Management and Social Sciences*, *11*(1), 15-28.

Alkurdi, A., & Mardini, G. H. (2020). The impact of ownership structure and the board of directors' composition on tax avoidance strategies: empirical evidence from Jordan. *Journal of Financial Reporting and Accounting*, *18*(4), 795-812.

Aluchna, M. (2010). Corporate social responsibility of the top ten: examples taken from the Warsaw stock exchange. *Social Responsibility Journal*, *6*(4), 611-626.

Ananzeh, H. (2022). Corporate governance and the quality of CSR disclosure: Lessons from an emerging economy. *Society and Business Review*, *17*(2), 280-306.

Armitage, S., & Marston, C. (2008). Corporate disclosure, cost of capital and reputation: Evidence from finance directors. *The British Accounting Review*, *40*(4), 314-336.

Aziz, S. A., Bidin, Z., & Marimuthu, M. (2017). The effect of attitude and understanding towards goods and service tax satisfaction among business community in Malaysia. *Advanced Science Letters*, *23*(4), 3120-3123.

Baazaoui, H., & Zaraï, M. A. (2019). The effect of firm characteristics on the disclosure of IAS/IFRS information: The cases of Tunisia, France and Canada. *International Business and Accounting Research Journal*, *3*(2), 124-153.

Bashar, A.K. (2022). The impact of board diversity on the performance of banks. *Corporate Governance and Organizational Behaviour Review, 6*(4).

Basher, A., Jreisat, A., Kaur, J., Al-Mohamad, S., & Rabbani, M. R. (2022). Looking into corporate boardrooms through the lens of gender diversity: A bibliometric review and meta-analysis. *Planning*, *17*(5), 1593-1603.

Bhandari, P. (2022). A Note on Survey Research Methods Levels of Measurement: Fundamental basis for quantitative analysis of survey data. *Dhaulagiri Journal of Sociology and Anthropology*, *16*, 122-126.

Blesia, J. U., Setya, G., & Muslimin, U. R. (2023). Accounting conservatism: Testing the effects of investment opportunity set and political cost. *The Indonesian Accounting Review*, *13*(2).

Borlea, S. N., Achim, M. V., & Mare, C. (2017). Board characteristics and firm performances in emerging economies: Lessons from Romania. *Economic Research-Ekonomska Istraživanja*, *30*(1), 55-75.

Cavaco Silva, A. (2021). A Macro-stabilization function for the Euro area. *Economic Globalization and Governance: Essays in Honor of Jorge Braga de Macedo*, 111-119.

CITA, (2004). Companies Income Tax Act (CITA), Cap C21, LFN 2004 (as amended). Available at https://www.firs.gov.ng.

Coles, J. L., Patel, E., Seegert, N., & Smith, M. (2022). How do firms respond to corporate taxes ? *Journal of Accounting Research*, *60*(3), 965-1006.

Dang, D., Fang, H., & He, M. (2019). Economic policy uncertainty, tax quotas and corporate tax burden: Evidence from China. *China Economic Review*. *56*, 101303.

Dekker, P., & Kriek, M. (2024). Pillar Two disclosures in annual reports of European listed companies. *Maandblad voor Accountancy en Bedrijfseconomie*, *98*(6), 353-364.

Edeigba, J. (2022). Analyses of unintended consequences of IAS 12 adoption on deferred taxes. *Available at SSRN*.

Egbunike, P., & Okoye, O. (2017). Tax implication of international accounting standards (IAS 12) adoption: Evidence from deposit money banks (DMBS) in Nigeria. *International Journal of Social and Administrative Sciences*, *2*(2), 52-62.

Fama, E. F., & Jensen, M. C. (1983). Agency problems and residual claims. *The Journal of Law and Economics*, *26*(2), 327-349.

Farag, H., Mallin, C., & Ow-Yong, K. (2018). Corporate governance in Islamic banks: New insights for dual board structure and agency relationships. *Journal of International Financial Markets, Institutions and Money*, *54*, 59-77.

Fattah, T. A., & Ebrahim, A. (2015). Corporate governance and initial compliance with IFRS in emerging markets: The case of income tax accounting in Egypt. *Journal of International Auditing Accounting and Taxation*, *2*(3).

Götzsche, H. (2022). An approach to conceptualization and semantic knowledge: Some preliminary observations. *AI*, *3*(3), 582–600.

Graham, H. (2023). IAS 12 income taxes: The unravelling of the deferred tax complexities and latest developments in tax accounting. *ACCA Manchester Metropolitan University Business School Journal.*

Grant Thornton, (2013). Deferred tax – a chief finance officer's guide to avoiding the pitfalls: Understanding deferred tax under IAS 12 income taxes. Available at https://www.grantthornton.global.

Gu, Y., & Kwok, C. C. Y. (2020). Board independence and financial reporting quality: Evidence from audit committee financial expertise. *Contemporary Accounting Research, 37*(1), 87-120.

Hider, K.N.A. & Abdul, R. H. A. (2022). Implementation of IAS12 (income taxes) and its impact on the presentation and disclosure of the income statement and financial position: A case study of Al Khaleej commercial bank listed on the Iraq stock exchange. *Social Science Journal, 12*(2), 5301 - 5314.

IAS 12, (1998). International Accounting Standards (IAS) 12, Income Taxes. Issued by the International Accounting Standards Committee, adopted by the International Accounting Standards Board.

IMF, (2018). International Monetary Fund (IMF), Middle East, Central Asia department, & IMF e-library-York University. *Republic of Kazakhstan 18,* 278.

Itiveh, E. F., Ebiaghan, O. F. & Jeroh, E. (2025). Management perception and IAS12 income tax disclosure applicability of private firms In Delta State, Nigeria. *Iosr Journal Of Economics And Finance (Iosr-Jef), 16*(2), 54-67.

Itiveh, E.F. & Omoye, E. I. (2023). Cloud accounting and the economy system of small and medium enterprise in South-south Nigeria. *Researchjournali's Journal of Accounting, 10(2), 1-24*

Jaidi, J., Wenhao, M., & Mohidin, R. (2022). Board independence, corporate social responsibility and firm performance: Evidence from China. *International Journal of Banking and Finance (IJBF)*, *17*(1), 109-130.

Khan, I., Khan, I., Khan, I. U., Suleman, S., & Ali, S. (2023). Board diversity on firm performance from resource-based view perspective: New evidence from Pakistan. *International Journal of Productivity and Performance Management*.

Kim, Y., Park, M. S., & Wier, B. (2012). Is earnings quality associated with corporate social responsibility? *The Accounting Review, 87*(3), 761-796.

Kioko, E. K. (2022). *Effect of corporate governance on revenue collection: A study of Kenya revenue authority* (Doctoral dissertation, University of Nairobi).

Kou, G., Yang, P., Peng, Y., Xiao, F., Chen, Y., & Alsaadi, F. E. (2020). Evaluation of feature selection methods for text classification with small datasets using multiple criteria decision-making methods. *Applied Soft Computing*, *86*, 105836.

Lassoued, N., & Khanchel, I. (2023). Voluntary CSR disclosure and CEO narcissism: The moderating role of CEO duality and board gender diversity. *Review of Managerial Science*, *17*(3), 1075-1123.

Le, H. T. M., Ting, I. W. K., Kweh, Q. L., & Ngo, H. L. T. (2023). CEO duality, board size and firm performance: Evidence in Vietnam. *International Journal of Business Excellence*, *29*(1), 98-120.

Maaloul, A., Zéghal, D., Ben Amar, W., & Mansour, S. (2023). The effect of environmental, social, and governance (ESG) performance and disclosure on cost of debt: The mediating effect of corporate reputation. *Corporate reputation review*, *26*(1), 1-18.

Madawaki, A. (2012). Adoption of international financial reporting standards in developing countries: The case of Nigeria. *International Journal of Business and management*, *7*(3), 152.

Miranda, M. S., Ferreira, M. A. M., Abrantes, L. A., & Macedo, S. V. (2022). Effects of tax exemption on economic growth. *BBR. Brazilian Business Review*, *19*, 171-188.

Napier, C. J., & Stadler, C. (2020). The real effects of a new accounting standard: The case of IFRS 15 revenue from contracts with customers. *Accounting and Business Research*, *50*(5), 474-503.

NDIC. (2023). List of Commercial Banks. Available at https://ndic.gov.ng.

Nembe, J. K., & Idemudia, C. (2024). Designing effective policies to address the challenges of global digital tax reforms. *World Journal of Advanced Research and Reviews*, *22*(3), 1171-1183.

Nguyen, A. H., Doan, T. D., & Nguyen, L. H. (2020). Corporate governance and agency costs: Empirical evidence from Vietnam. *Journal of Risk Financial Management*, *13*(5), 103.

Nimer, Khalil, Muath Abdel Qader, and Tamer K. Darwish. (2024). Firm characteristics and the level of IFRS compliance and disclosure in GCC countries." *International Journal of Business Governance and Ethics* 18(2), 215-240.

Ocansey, E. O., & Enahoro, J. A. (2014). Comparative study of the international financial reporting standard implementation in Ghana and Nigeria. *European Scientific Journal*, *10*(13).

Onen, D. (2016). Appropriate conceptualization: the foundation of any solid quantitative research. *Electronic Journal of Business Research Methods*, *14*(1), 28-38.

Otusanya, O. J. (2011). The role of multinational companies in tax evasion and tax avoidance: The case of Nigeria. *Critical Perspectives on Accounting*, *22*(3), 316-332.

Pomeranz, D. (2015). No taxation without information: Deterrence and self-enforcement in the value added tax. *American Economic Review*, *105*(8), 2539-2569.

Raji, I. D., Smart, A., White, R. N., Mitchell, M., Gebru, T., Hutchinson, B., & Barnes, P. (2020, January). Closing the AI accountability gap: Defining an end-to-end framework for internal algorithmic auditing. In *Proceedings of the 2020 conference on fairness, accountability, and transparency* (pp. 33-44).

Reck, D., Slemrod, J., & Vattø, T. E. (2022). Public disclosure of tax information: Compliance tool or social network? *Journal of Public Economics*, *212*, 104708.

Schwizer, P., Soana, M. G., & Cucinelli, D. (2012). The relationship between board diversity and firm performance: The Italian evidence. *Retrieved September, 10*, 2013.

Sikka, P., & Hampton, M. P. (2005, September). The role of accountancy firms in tax avoidance: Some evidence and issues. In *Accounting forum 29*(3), pp. 325-343.

Star, M. (2022). Board of director characteristics and firm performance for firms listed on Iraq stock exchange. Tishk International University. MPRA Paper No. 114396. Available at https://mpra.ub.uni-muenchen.de/114396.

Steuer, S., & Tröger, T. H. (2022). The role of disclosure in green finance. *Journal of Financial Regulation*, *8*(1), 1-50.

Torchia, M., Calabrò, A., & Huse, M. (2011). Women directors on corporate boards: From tokenism to critical mass. *Journal of Business Ethics*, *102*, 299-317.

Ujunwa, A., Okoyeuzu, C., & Nwakoby, I. (2012). Corporate board diversity and firm performance: Evidence from Nigeria. *Revista de Management Comparat International*, *13*(4), 605.

Ujunwa, A., Salami, O. P., Nwakoby, I., & Umar, A. H. (2012). Financial structure and economic growth in Nigeria: Theory and evidence. *International Journal of Economics and Finance*, *4*(4), 227-238.

Yeşil, T. (2024). Analysis of sustainability accounting standards: *A review*. *Journal of Entrepreneurship & Sustainability Issues*, *12*(1).

Zango, A. G. (2017). International reporting standards adoption in Nigeria: Matters arising. *KASU Journal of Accounting Research and Practice*. *6*(2).